ISBN : 978 - 623 - 7111 - 21- 4

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LLDikti Wilayah IV

IFSAC

CONFERENCE PROCEEDING

The 1st Inter-University Forum for Strengthening Academic Competency (IFSAC)

"Emerging Creativity and Innovation In the Digital Economy Era (ECIDEE)"

Publisher : Lemlit Unpas Press
Universitas Pasundan

IFSAC

Co-Host:

Supported by :
CMYK mandiri bank bjb BNI BANK BRI

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October 2nd - 3rd, 2018
The Mandalasaba R. Otto Iskandar Di Nata
UNIVERSITAS PASUNDAN



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Emerging Creativity and Innovation in the Digital Economy Era (ECIDEE)

This proceeding presented by Universitas Pasundan and LLDIKTI Region IV

Editor: Yuce Sariningsih, Nia Nurdiani

Mandala Saba Otto Iskandar Di Nata
Jalan Setiabudi No. 193 Bandung
Bandung-Indonesia, October 2nd – 3rd, 2018

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Research Institute of Universitas Pasundan Press
Jalan Setiabudhi 193 Bandung

Publisher :
Lemlit Unpas Press
Gedung Rektorat lantai 3 Universitas Pasundan
Jl. Dr. Setiabudi No.193 Tlp. (022) 2021440, 2021436 Pes.110
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FOREWORD

Assalamu'alaikum Wr. Wb.

Praise be to Allah SWT, the Most Gracious and Merciful for His glorious and blessing throughout the process of publishing this proceeding of "The 1st Inter-University Forum for Strengthening Academic Competency (IFSAC)" with sub-theme of "Emerging Creativity and Innovation in the Digital Economy Era (ECIDEE)". It is an honor that Universitas Pasundan has the trust from Service Board of Higher Education (*Lembaga Layanan Pendidikan Tinggi*/*LLDikti Region IV*), and supported by the names of co-hosts:

1. Universitas Bina Sarana Informatika (BSI);
2. Universitas Bhayangkara;
3. Universitas Jenderal Ahmad Yani;
4. *Institut Keguruan dan Ilmu Pendidikan* Siliwangi;
5. Universitas Nurtanio;

The international conference as source of article in proceeding is a part of implementation of Universitas Pasundan Vision in 2021 and intended to achieve international recognition in the academic community with Sundanese and Islamic values. It would not have come into existence without assistance and efforts rendered by many, as followed:

1. Prof. Dr. Ir. H. Eddy Jusuf, Sp., M.Kom., M.Si as Rector of Universitas Pasundan
2. Prof. Dr. Uman Suherman, A.S., M.Pd as Head of LLDIKTI Region IV
3. Lecturers and academic staffs of Universitas Pasundan
4. The team work of this conference.

Hopefully this conference proceeding would give a significant and beneficial influences for Universitas Pasundan and other parties in promoting quality of research and education.

Wassalamu'alaikum Wr. Wb.

Head of IFSAC 2018

Dr. Yuce Sariningsih, M.Si

PREFACE

Assalamu'alaikum Warahmatullah Wabarokatuh,

Greetings from Universitas Pasundan,

Praise and worship be to God Almighty, we pray to Allah S.W.T. for publishing this conference proceeding of "The 1st Inter-university Forum for Strengthening Academic Competency (IFSAC)" with sub-theme of "Emerging Creativity and Innovation in the Digital Economy Era (ECIDEE)". This proceeding as a part of implementation of the Universitas Pasundan vision in 2021, it is intended to achieve an international academic community with Sundanese and Islamic values.

The proceeding based on conference was initiated with the idea of Head of Service Board of Higher Education (*Lembaga Layanan Pendidikan Tinggi*/*LL Dikti*) to improve the number of article publication in West Java Banten region, and Universitas Pasundan has a great honor to conduct this conference at first as main host. Our sincere gratitude to rector of co-hosts who have provided valuable support:

1. Rector of Universitas Bina Sarana Informatika (BSI);
2. Rector of Universitas Bhayangkara;
3. Rector of Universitas Jenderal Ahmad Yani;
4. Rector of *Institut Keguruan dan Ilmu Pendidikan* Siliwangi;
5. Rector of Universitas Nurtanio;

The research on digital economy and related to digital technologies can contribute businesses more efficient, innovative, nimble, and agile. Universitas Pasundan is investing in digital infrastructure to support academic policy agendas and facilitate the achievement of research publication opportunities for both lecturer and student. We hope that this conference proceeding can provide a valuable contribution to increasing the number of articles published.

Wassalamu'alaikum Warahmatullah Wabarokatuh,

Universitas Pasundan
Rector,

Prof. Dr. Ir. H. Eddy Jusuf Sp., M.Si, M.Kom

PREFACE

Assalamu'alaikum Warahmatullah Wabarokatuh,

Greetings from Service Board of Higher Education West Java Banten and Universitas Pasundan,

Praise be to Allah SWT, the Most Gracious dan Merciful for blessing throughout the proceeding publication of "The 1st Inter-university Forum for Strengthening Academic Competency (IFSAC)" with sub-theme of "Emerging Creativity and Innovation in the Digital Economy Era (ECIDEE)". General objective of conference is to establish an inter-university forum for research dissemination on digital economy. The proceeding based on research dissemination on the conference, was initiated with the idea to improve the number of article publication that has one of important program of Service Board of Higher Education (*Lembaga Layanan Pendidikan Tinggi/LL Dikti*),.

Universitas Pasundan organized this conference for the first time and it would not have come into existence without assistance and efforts rendered by co-hosts. Our sincere thanks are directed to Universitas Bina Sarana Informatika (BSI), Universitas Bhayangkara, Universitas Jenderal Ahmad Yani, Universitas Nurtanio and *Institut Keguruan dan Ilmu Pendidikan* Siliwangi. Hopefully this conference proceeding would give beneficial contribution for both Universitas Pasundan and other parties in promoting quality of research publication.

Wassalamu'alaikum Warahmatullah Wabarokatuh,

Bandung, October 2nd, 2018
Head of LL DIKTI Reg 4,

Prof. Dr. Uman Suherman A.S., M.Pd

LIST OF ARTICLE IFSAC 2018

The Impact of Profitability and Capital Sturcture on Firm Value in Indonesia Listed Companies on Stock Exchange Indonesia

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Abstract. This research aims to establish the relationship between profitability and capital structure on firm value in 30 Indonesian Companies on the Indonesia Stock Exchange in Miscelanous Industry over period of five-years (2012-2016). The analysis is based on regresion data panel. The profitability indicator refer to return on asset and return on equity.The capital structure indicators refer to debt on equity, debt on asset, and long-term debt. Data sources are form Indonesian Stock Exchange and company annual reports. Results show that profitability has positive significant effect in firm value. Capital structure does not have effect to firm value. Profitability and capital structure have significant effect to firm value.

Analysis of Interest Rate, Capital Structure and Information Risk on Yield to Maturity and Its Application on Company Value: A Case Study of Bond Companies Listed in The Indonesia Stock Exchange (IDX) from 2009 to 2013

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Abstract. This research aimed at identifying and analyzing the effect of interest rate, capital structure, and information risk on yield to maturity in increasing the value of bond companies in the IDX. Descriptive method with quantitative approach was used. The samples comprised bond companies listed on the IDX from 2009 to 2013. The samples were selected using purposive sampling with the following criteria: the bonds were traded in the IDX from 2009 to 2013, they had bond ratings from PT. Pefindo, and they did not have the option to sell and purchase. The data were analyzed using panel data analysis. The results showed that 1) interest rate affected yield to maturity, 2) capital structure affected yield to maturity, 3) information risk affected yield to maturity, and 4) yield to maturity affected company value.

1. Introduction

In a country's economy, capital market plays an important role due to its economic and financial functions. In terms of its economic function, capital market facilitates two converging parties, including one that has funds called investor and one that needs the funds. State that capital market allows the party with funds to invest and generate profit [1]. Moreover, company as the party in charge with the invested funds is expected to maintain the investment for the sake of keeping the investment and the availability of funds for company operation. In terms of its financial function, capital market allows for several possibilities, including providing compensation for investors based on the choices they make. Indonesia's capital market has various securities, such as stocks, bonds, and mutual funds, and investors are given the time to choose from these securities. The securities that are traded in the capital market are bonds, a massage that is recognized as debt issued by the government or private companies to investors, in which this debt will be deposited at a predetermined period.

2. Literature review

2.1. The effect of interest rate on company value

According to Surya and Nasher the interest rate most likely to be used by investors as a reference and comparative measure in determining bonds and the optimal rate of return is the interest rate of Bank Indonesia Certificates (SBI, *Sertifikat Bank Indonesia*) [2]. This is because SBI is supported and given a full guarantee by the government, in this case Bank Indonesia, as a monetary master, which makes securities market participants view SBI as high-priced and risk-free certificates.

In addition, according to a research by Setyarini and Nurfauziah on the analysis of interest rate on yield to maturity, interest rate does not have an impact on yield to maturity [3].

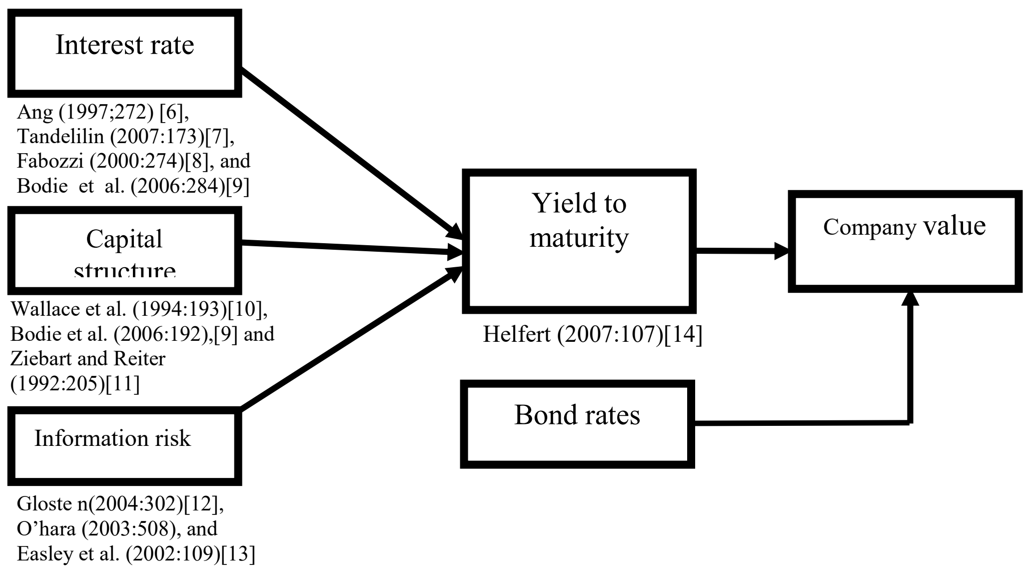
2.2. The effect of capital structure on yield to maturity
Capital structure can be defined as a permanent financing that comprises long-term debt, preferred stock, and shareholder capital [4] .

2.3. The effect of information risk on yield to maturity
Information structure revealed by a company will affect the balance of their yield securities. Therefore, when investors take possession of securities, they demand compensation for the information risk that comes with the transaction. This is because the private information about the asset value of market participants will be disclosed to the public upon the transaction [5] .

2.4. The effect of yield to maturity and bond rate on company value
Companies exist because it is inefficient and expensive for business persons to enter and make contract with workers and capital owners, land, and other resources needed for production and distribution processes. Business persons usually sign a big and long-term contract with workers to carry out different tasks for a certain compensation and allowance. This kind of contract is far more affordable compared to some specific contracts and also very profitable for business persons, workers, and other resources owners.

2.5. Hypothesis
1. Interest rate positively affects yield to maturity.
2. Capital structure positively affects yield to maturity.
3. Information risk negatively affects yield to maturity.
4. Yield to maturity and bond rate positively affects company value.

2.6. Research model



3. Research method

Descriptive method with quantitative approach was used in this research. The samples comprised bond companies listed in the Indonesian Stock Exchange (IDX) from 2009 to 2013, which were selected using purposive sampling with the following criteria: the bonds were traded in the IDX from 2009 to 2013, they had bond ratings from PT. Pefindo, and they did not have the option to sell and purchase.

3.1 Variable size

In this research, the independent variables were interest rate (X1), capital structure (X2), and information risk (X3). Moreover, the other variables include yield to maturity (Y) as the intervening variable, company value (Z) as the dependent variable, and bond rate as the control variable.

4. Findings and discussion

4.1 Descriptive analysis

4.1.1. Interest rate.

The results of the descriptive analysis of interest rate of the samples in the 2009-2013 period can be seen in the following criteria table :

Year	Interest rates	Criteria
2009	6.50%	Moderate
2010	6.50%	Moderate
2011	6.75%	Moderate
2012	5.75%	Low
2013	7.50%	Moderate
Mean	6.60%	**Moderate**

Source: www.bi.go.id

Table 1.
Results of descriptive analysis of interest rates.

	BI rate
Mean	6.60
Median	6.50
Maximum	7.50
Minimum	5.75
Std. Dev.	0.63
Skewness	0.13
Kurtosis	2.38
Jarque-bera	0.09
Probability	0.95
Sum	33.00
Sum Sq. Dev.	1.57
Observations	5

Source: EViews 7 calculations

Table 1. Shows that the interest rate set by BI tend to fluctuate. For instance, the interest rate reached 6.50% in 2009 and 2010 and were significantly volatile from 2011 to 2013. This caused negative effect on the bond companies listed in the IDX in a way it was difficult for them to deposit their money to the bank because higher interest rate tends to make it difficult for the companies to attract depositors and buyers of bonds. According to the criteria table, it was revealed that the interest rate throughout the five-year period was varied, with a low value of 5.75% as per 2012 and a high value of 7.50% as per 2013. This means that the average interest rate for the five-year period was 6.60% and categorized as moderate.

4.1.2. Capital structure (DER).

The results of the descriptive analysis of capital structure of the samples in the 2009-2013 period measured using debt to equity ratio (DER) can be seen
in the following criteria table :

Criteria	Interval		
Low	0.00%	-	35.86%
Moderate	35.86%	-	110.25%
High	110.25%	-	184.64%
Very high	184.64%	-	259.04%

Source: processed data, 2015

Table 2.
Results of descriptive analysis of capital structure (DER).

	DER
Mean	21.42
Median	2.820
Maximum	259.04
Minimum	-38.53
Std. Dev.	0.51
Skewness	2.981
Kurtosis	11.64
Jarque-Bera	734.21
Probability	0.00
Sum	35.18
Sum Sq. Dev.	41.19
Observations	160

Source: EViews 7 calculations

Table 2. Shows that the bond companies listed in the IDX during the five-year period had various capital structures with the lowest value of -38.53% in 2010 by PT Smartfren Telecom Tbk. and the highest value of 259.04% in 2013 by the State Electricity Company. According to the criteria table, the average capital structure for the five-year period was 21.42% and categorized low to moderate.

4.1.3. Information risk.

To measure information risk, a model was utilized [13]. This model was first implemented in a government bond market [15]. The measure of information risk–probability of informed trading (PIN)–can be used to measure the level of information risk of bond transactions just by using the frequency of buys and sales in a period of time.

Believe that, in bond market, private information usually comes from different interpretation of public information and the private access of "dealer" to the flow of consumer orders [15]. Therefore, the problem of unsymmetrical information is not only caused by its incompleteness, but also by the high heterogeneity of interpretation of market players about a certain public information.

Table 3. Results of descriptive analysis of Information risk.

Description	2009	2010	2011	2012	2013
Observation data					
Number of announcements	23	94	107	80	100
Number of bonds (sample)	9	23	24	24	25
Frequency of buys (b)	272	1349	1401	1615	1798
Frequency of sales (s)	121	1099	1254	1160	1344
Information risk (PIN)	2.51%	8.56%	10.03%	7.59%	10.01%
	(9.42%)	(19.77%)	(23.78%)	(22.36%)	(24.56%)

Source: Processed data from www.idx.go.id, 2013

Table 3. Shows that the information risk average based on the calculations using PIN ratio was 2.51% in 2009, 8.56% in 2010, 10.03% in 2011, 7.59% in 2012, and 10.01% in 2013. This shows that, in Indonesia's bond market, not all new information about fundamental announcements were responded directly by investors. In contrast, when the information comes during trading process in the bond market, not only the sellers involved in the transactions were informed, but also the sellers that were not involved in the transactions .

4.1.4. Company bond rating.

Due to the fact that the ranks of the bonds under study were presented in letters and the financial ratios were presented in numbers, a conversion system was used. This system converted the symbols with the highest scale for the company with the highest rank and lower scale for companies with lower ranks with the same distance assumption between ranks.

Table 4. Presents the lowest and highest bond positions from 160 observations. The bond ranks presented in letters were converted to numbers that can be correlated with other variables.

Table 4. Description of company bond rating variable.

	Bonk rank	Conversion value
Lowest	A-	10
Highest	AAA	17
Average		13.75

According to Table 4, the lowest bond rank given by PT. Pefindo to the sample companies was A. The company ranked A- was PT. Semen Baturaja (Persero). The A- bond rank was converted to 10. The A- bond rank showed a quite safe parameter compared to other bonds in Indonesia.

4.1.5. Yield to maturity.

The results of the descriptive analysis of yield to maturity of the samples in the 2009-2013 period can be seen in the following criteria table :

Criteria	Interval		
Low	0.24	-	1.11
Moderate	1.11	-	1.98
High	1.98	-	2.85
Very high	2.85	-	3.71

Table 5.
Results of descriptive analysis of yield to maturity.

	YTM
Mean	94.8619
Median	25.01
Maximum	198.79
Minimum	23.42
Std. Dev.	37.35168
Skewness	1.065323
Kurtosis	2.885367
Jarque-Bera	30.35195
Probability	0.000000
Sum	73.08670
Sum Sq. Dev.	53.15997
Observations	160

Source: EViews 7 calculations

Table 5 shows that the bond companies listed in the IDX during the five-year period had various yield to maturity with the lowest value of 23.42% in 2009 by PT Smartfren Telecom Tbk. and the highest value of 198.79% in 2013 by the State Electricity Company. According to the criteria table, the average yield to maturity for the five-year period was 94.86% and categorized moderate to high.

4.1.6 Company value.
The results of the descriptive analysis of company value of the samples in the 2009-2013 period measured using Tobin's Q can be seen in the following criteria table :

Criteria	Interval		
Low	0.24	-	1.11
Moderate	1.11	-	1.98
High	1.98	-	2.85
Very high	2.85	-	3.71

Source: processed data, 2015

Table 6.
Results of descriptive analysis of company value.

	Tobin's Q
Mean	1.75
Median	1.32
Maximum	3.71
Minimum	0.24
Std. Dev.	1.96
Skewness	3.21
Kurtosis	32.12
Jarque-Bera	21064.08
Probability	0.00
Sum	132.32
Sum Sq. Dev.	541.08
Observations	160

Source: EViews 7 calculations

Table 6. Shows that the bond companies lis ted in the IDX during the five-year period had various company values with the lowest value of 0.24 in 2012 and 2013 by PT Smartfren Telecom Tbk. and the highest value of 3.71 in 2013 by PT Telekomunikasi Indonesia Tbk. and Pakuwon Jati Tbk. in 2019. According to the criteria table, the average company value measured using Tobin's Q for the five-year period was 1.75 and categorized moderate to high.

4.2. Verification analysis
The panel data regression analysis equation using the PLS model is as follows:

$$PTB_{it} = \beta_0 + \beta_1 SB_{it} + \beta_2 SM_{it} + \beta_3 RI_{it} + u_{it}$$
$$NP_{it} = \beta_0 + \beta_1 PTB_{it} + u_{it}$$

After the regression calculation with pooled least square (PLS) approach was carried out, the following calculation results were obtained.

Table 7. Results of regression calculation with PLS approach of interest rate, capital structure, and information risk to yield to maturity.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.124512	0.012450	4.024123	0.0001
TSB	0.454123	0.014217	7.214512	0.0005
SM	0.250012	0.002110	5.215421	0.0003
RI	-0.214747	0.073636	5.095586	-0.0001

Table 7 Next…..

Next….

Table 7. Results of regression calculation with PLS approach of interest rate, capital structure, and information risk to yield to maturity.

Weighted Statistics			
R-squared	0.721213	Mean dependent var	0.912965
Adjusted R-squared	0.624123	S.D. dependent var	0.981180
S.E. of regression	0.708114	Sum squared resid	43.12264
F-statistic	15.10596	Durbin-Watson stat	2.155969
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.493134	Mean dependent var	0.582796
Adjusted R-squared	0.336841	S.D. dependent var	0.799560
S.E. of regression	0.742842	Sum squared resid	47.45604
Durbin-Watson stat	1.857555		

Source: EViews 7 calculations

Based on **Table 7**, the following panel data regression equation was developed:

$PTBO_{it} = 5.124512_{it} + 0.454123TSB_{it} + 0.250012SM_{it} + -0.214747RI_{it} + u_{it}$

According to the above regression equation, the intercept was 5.124512 and it means that, if the independent variables scored zero (0), then the yield to maturity was 5.124512%. If each independent variable increase by 1%, then the projections are as follow:
1) 1% increase of interest rate will increase yield to maturity by 0.454123%.
2) 1% increase of capital structure will increase yield to maturity by 0.250012%.
3) 1% increase of information risk will decrease yield to maturity by 0.214747%.

Table 8. Results of regression calculation with PLS approach of yield to maturity and bond rank on company value.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.074560	0.010210	5.241563	0.0000
PTBO	0.458390	0.094480	8.169223	0.0006
PO	0.215123	0.014012	5.241530	0.0001
Weighted Statistics				
R-squared	0.803012	Mean dependent var	0.874521	
Adjusted R-squared	0.771331	S.D. dependent var	0.789412	
S.E. of regression	1.291606	Sum squared resid	40.14520	
F-statistic	13.14210	Durbin-Watson stat	2.14520	
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	0.614510	Mean dependent var	0.421521	
Adjusted R-squared	0.541502	S.D. dependent var	0.251410	
S.E. of regression	0.621014	Sum squared resid	45.45112	
Durbin-Watson stat	1.351247			

Source: EViews 7 calculations

Based on **Table 8**, the following panel data regression equation was developed:

$NP_{it} = 4{,}074560_{it} + 0{,}458390\ PTBO_{it} + 0{,}215123\ PO_{it} + u_{it}$

According to the above regression equation, the intercept was 4.074560 and it means that, if the yield to maturity and bond rank variables scored zero (0), then the yield to maturity was 4.074560%. If each variable increase by 1%, then the projections are as follow:
1) 1% increase of yield to maturity will increase company value by 0.458390%.
2) 1% increase of bond rank will increase company value by 0.215123%.

4.3. Discussion

Based on the analysis, interest rate had the highest effect on yield to maturity. The positive direction of coefficient means that higher interest rate resulted in higher bond profit for investors. Therefore, it is ideal for investors to consider or monitor the movement of interest rate in the SBI. By doing this, investors will be able to know when the interest rate is increased, which means that it is the best time to buy bonds and is not the best time to realize capital gains. Investors will also be able to know when the interest rate is decreased, which means that it is the best time to sell bonds or realize capital gains. In addition, interest rate can also be used by investors as a benchmark to determine their expected profit.

These adjustments are reasonable from the vantage point of a risk-free concept where investors are willing to invest on riskier instruments under the condition that the investments have higher rate of return, because the investors tend to invest on risk-free instruments. In line with Horne and Wachowicz, when interest r ate increase, rate of return is also expected to increase [16]. Adds that higher interest rate results in higher return of investments [7].

The results of this research showed similar results with a previous research conducted by Kadir [17], which revealed that interest rate significantly affected bond interest rate. Moreover, the DER that measured the capital structure had a positive impact on the bond rate interest. Therefore, company management as a bond issuer should monitor the fundamental factors of the company, especially the DER or how much debt the company owe in their capital structure that can support the operation of the company to generate bigger profit. Higher DER means that there is an indication that the bond issuer or company could not generate sufficient profit to pay their debts and bonds, or that that they have a high risk of default. This means that investors will expect higher yield when they invest on the bonds owned by the said company. This is in line with Bodie who state that the leverage ratio that is too high shows excessive debt, and the company probably could not generate enough profit to pay their bond obligations [9]. Moreover, Indra also states that higher DER results in higher financial risk of a company [18]. In other words, higher debt results in higher risk of the debt not being paid off.

This research hypothesized that information risk negatively affects interest rate. The results of the research then proved that information risk affected interest rate negatively and significantly. If the selling price of bonds increase, the yield to maturity of the bonds possessed by market maker will decrease because the price and yield to maturity had a negative relationship. Therefore, it can be said that, when information risk reflected in the PIN is increased, then market maker will attempt to make profit by increasing the selling price of their bonds, hence decreasing the yield to maturity of the bonds. In other words, the relationship between yield to maturity and information risk is negative.

5. Conclusion

1. Interest rate positively and significantly affected yield of maturity. The results that showed positive direction of coefficient means that, if interest rate in SBI increases, the yield of maturity will also increase.
2. The DER that measured the capital structure positively affected yield of maturity. The results that showed positive direction of coefficient means that, if DER increases, the yield of maturity will also increase and vice versa.
3. Information risk negatively affected yield to maturity. An increase of information risk will increase the transaction information, and market makers will make profits by increasing the selling price of their bonds. Along with this increase on selling price, the yield to maturity of the bonds possessed by the market makers will decrease. Therefore, if the information risk measured by PIN increases, the yield to maturity will decrease.
4. Bond rank positively affected company value. The results that showed positive direction of coefficient means that, if bond rank increases, the company value will also increase.
5. Yield to maturity positively affected company value. The results that showed positive direction of coefficient means that, if yield to maturity increases, the company value will also increase and vice versa.

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Savings As a Major Factor in Appointment of Distribution of Credit in addition to Other Third Party Funds

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Abstract. This study aims to analyze lending in the form of third party funds or savings, current accounts and time deposits, the Bank BJB annual report population and samples of financial statements for the last twelve years from 2006 to 2017 taken from the Indonesia Stock Exchange or IDX. With the descriptive method of verification and using time series data. The results of the study show that the distribution of credit is highly determined in its ability to spread from the results of third party funds collection, which consists of savings, current accounts and time deposits. Of the total third party funds collected, only savings with a very significant value between Current accounts and deposit values, this shows that the most supportive fund in determining the loan distribution fund is savings, because the progress of the savings value is always changing rapidly, because there is no time benchmark for withdrawal and storage and many customers save their funds because the business process or payroll is different from the Current accounts or time deposit that is pegged at the time of storage and disbursement.

1. Introduction

The economic crisis that occurred in 1998 has caused global disruption in all banking sectors. Where some of the real sector experience growth that tends to be negative and even experience bankruptcy. People no longer believe in investing in the banking sector. It cannot be separated from the banking sector as credit, because customers also experience difficulties in repaying loans. This has spurred an increase in the number of non-performing loans and a decline in the level of public trust. So that it can disrupt the main activities of banks as fund collectors and credit providers for those who need it[1].

In the framework of financing economic activities to encourage high economic growth, the provision of bank credit has an important role. The provision of credit in the community affects the level of economic growth, where one indication of the economic progress of a region is through the level of credit in the community [2]. With the growth of working capital credit shows the role of bank credit in the business world is very important, because most of it is funded by bank credit, so that business actors rely more on credit assistance for investment and for working capital compared to their own capital [3].

The provision of bank credit in promoting economic growth can mean job creation, both through expansion of production and other business activities as well as through its influence in encouraging the emergence of new business units. In addition, banking credit can be directed to equal opportunity opportunities, among others through the allocation of credit and development priorities and economic groups so that in turn it can expand the distribution of development outcomes [2].

Credit consists of several elements including time period and interest. Each credit given must have a certain period of time, this period includes the credit repayment period agreed by the bank as a creditor and the recipient of credit as a debtor. While interest is an advantage over the granting of a credit or service [4]. This is a result of granting credit facilities, the bank certainly expects a certain amount of profit. Credit provision by banks contains risks, one of which is uncollectible credit [5]. This is due to a grace period of return (time period), where the longer the term of a loan, the greater the risk is uncollectible, and vice versa and this risk is borne by the bank [5].

One of the ways a bank collects third party funds is in the form of deposits with a savings account name [6]. Savings deposits are used for the public and are more widely used by individuals both employees, students or housewives. For those who save their money in a savings account in addition to the ease of taking their money, there is also a higher expectation of interest when compared to a checking account [7]. savings deposits have certain conditions for the holders and the requirements of each bank are different from each other. Thus, banks market their products also vary according to their target or based on market segmentation [6].

Sources of funds are the most important thing for banks to be able to increase the amount of credit that will be given to the community, so banks need the availability of funding sources [8]. The more funds owned by the bank, the greater the chances of the bank to carry out its functions [9].

Factors of bank funding sources are important factors for banks in order to develop business and bear the risk of losses suffered [8]. Capital items and third party fund deposits are the main strengths that reflect the potential of the bank concerned. This capital is the driving force of the bank as a company in achieving its goals so that the progress of the bank depends a lot on these posts [10].

Funds collected from the community are the largest source of funds that the bank is most relied on for all its activities from all funds managed by the bank. As a financial institution that has an intermediary function, banks manage funds collected from the community and then channel it back to the community [9]. Therefore, the greater the amount of third party funds that can be collected, the greater the role of banks in channeling these funds, especially in lending [6].

The stability of third party funds must be maintained by each bank, because bank capital to channel credit is obtained from activities in collecting funds from third parties (the public) this will affect the bank's income [11]. Because the largest income in a bank is obtained from the difference in interest on deposits and interest on loans (credit), the difference is based on spread based, namely the difference in interest on deposits that are borne by the bank that must be paid for the use of third party funds with interest on loans which are income for the bank charged on the debtor as an advantage to channel credit [12].

Third Party Funds are used to encourage economic growth through credit disbursement. Effective fund management in credit needs to be balanced with the quality of loans disbursed, so as not to have an impact on non-performing loans that affect the decline in the quality of earning assets and have an impact on a bank's profit [2].

From the descriptions and phenomena above, it can be seen that there is a very large meaning of lending to community businesses, it will happen smoothly if supported by financial stability from banks where third party funds become the most important thing in supporting goingconcern banks. Also in this case the province of answerarat has a bank, Bank Bjb, which continues to grow from year to year so that it becomes one of the regional government banks spread throughout Indonesia. So from these things this research will focus on the contribution of third party funds to the distribution of bank credit products to support the micro business sector. With the situation in Bandung which makes one of the industrial economic cities attractive to know its ability to support business development with the help of credit, starting from the background of the problem, the problem in this study is how much influence the Third Party Funds (Savings, Current accounts and Deposits) against credit disbursement at BJB Bank listed on the IDX.

2. Literature Review

2.1.1. Third Party Funds

Third party funds are funds obtained from the community, in the sense of the community as individuals, companies, governments, households, cooperatives, foundations and others, both in domestic currency and in foreign exchange applicable in the world [6].

To raise funds from the community, banks can use three types of deposits in the form of accounts, where each type of deposit has its own advantages so that banks must be smart in dealing with the selection of funding sources that will be used in daily operations [13]. The distribution of types of deposits into several types is intended so that customers have choices according to their individual needs and goals. Sources of funds from the community come from:

1. Savings are deposits that withdrawals can only be made according to certain conditions agreed upon according to the applicable rules, but cannot be withdrawn with other forms such as checks, current accounts or other tools equivalent to the savings [7]. Savings deposits are used in general and are more widely used by individual products [14].
2. Current accounts represent deposits that withdrawals can be made using checks, current accounts, or other means of payment orders [15]. Current accounts are usually used by entrepreneurs or traders in transactions in a business [16]. The advantage of checking accounts is the ease of making payments for these service products, especially for those who try in the business world even though the interest is relatively smaller [17].
3. Time Deposits are deposits that withdrawals can only be made at certain times based on the customer's initial agreement at the time of deposit in the bank [18]. Funds derived from deposits are the most expensive relative funds that must be borne by the bank, because the interest rates given are relatively higher than the other two types of deposits [12]. Funds from deposits are generally collected from entrepreneurs and communities from the upper middle class [10].

2.2. Credit

Funds collected or generated by the bank will be redistributed in the form of credit to people who need it. The bank will take advantage of the advantages provided to the people who do credit [4]. Even credit is the process of moving something important to other people, whether in the form of money, goods or services, with the belief that doing credit has the willingness and ability to account for it when returning [4]. With other meanings Credit can be interpreted as cash or bills that can be likened to it or use a bank loan with the party that does the loan and requires to repay the debt after a certain period of time by giving more interest [19].

2.3. Hipotesis

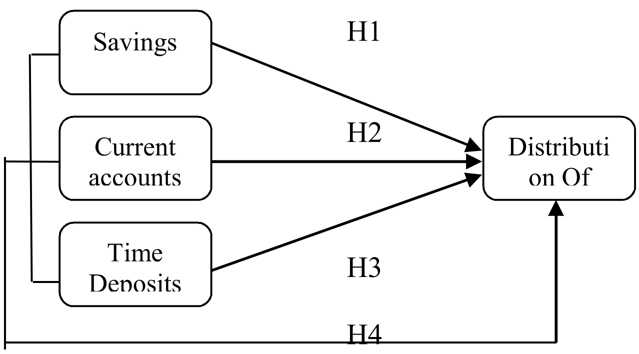

Figure1: Research paradigm

H1: Savings have a significant effect on Credit Distribution
H2: Current accounts have a significant effect on Credit Distribution

H3: Deposits have a significant effect on Credit Distribution
H4: Third Party Funds (Savings, Current accounts and Deposits have a significant effect on Credit Distribution.

3. Method

The method used is quantitative with a descriptive approach, the results of the research collected are then processed and analyzed to calculate the hypothesis. So the research conducted is research that emphasizes numerical data (numbers), using this research method will also show significant relationships between the variables studied, so as to produce conclusions that will clarify the objects under study, the sample is Bank BJB financial statements, with samples of financial statements from 2006 - 2017, and using the SPSS application calculation tool.

4. Result and Discussion

4.1. Result

Table 1. Indicator Variable Value

Years	Savings	Current accounts	Time Deposits	Distribution Of Credit
	(In Million Rupiah)	(In Million Rupiah)	(In Million Rupiah)	(In Million Rupiah)
2006	2,172,886	6,621,528	6,746,412	11,763,535
2007	2,709,291	6,563,062	7,213,029	13,047,515
2008	3,139,322	7,405,206	7,802,522	16,429,069
2009	3,802,574	8,272,288	11,644,050	19,631,968
2010	4,876,716	7,610,327	19,466,419	23,669,719
2011	6,270,783	11,168,241	21,603,753	28,764,701
2012	9,050,286	14,828,830	24,365,828	38,332,712
2013	11,934,912	16,606,009	18,679,779	48,902,340
2014	12,633,536	21,749,842	19,104,512	54,017,114
2015	14,729,110	19,355,489	33,521,025	60,487,542
2016	17,769,405	17,756,720	42,957,103	63,419,185
2017	17,926,882	19,932,952	43,751,195	71,035,168

Source: Bjb Bank

Based on table 1 third party funds consisting of savings, current accounts and time deposits as well as credit disbursement are always changing from 2006 to 2017 with a tendency to always increase from year to year.

Table 2. Result Model Third Party Fund (Savings, Current accounts and Time Deposits) Toward Distribution Of Credit

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.998[a]	.995	.994	1.71716E+06	2.704
a. Predictors: (Constant), Time Deposits, Current accounts, Savings					
b. Dependent Variable: Distribution of Credit					

Source: processing results

The effect generated from this study simultaneously between savings, demand and time deposits has a very large and strong influence on lending, which has an influence of 99.5% which is almost 100%, as well as other influences not examined worth 0.5%

Table 3. Result Coefficients Third Party Fund (Savings, Current accounts and Time Deposits) Toward Distribution Of Credit

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.996E+15	3	1.665E+15	564.765	.000[a]
	Residual	2.359E+13	8	2.949E+12		
	Total	5.019E+15	11			

a. Predictors: (Constant), Time Deposits, Current accounts, Savings

b. Dependent Variable: Distribution of Credit

Source: processing results

The hefty influence between savings, current accounts and time deposits on lending also has a significant effect with a level of 0.000 sig smaller than 0.05.

Table 4 Result coefficients Third Party Fund (Savings, Current accounts and Time Deposits) Toward Distribution Of Credit

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-321566.293	2136290.592		-.151	.884		
	Savings	2.342	.515	.647	4.547	.002	.029	34.474
	Current accounts	1.035	.319	.282	3.242	.012	.078	12.868
	Time Deposits	.153	.133	.092	1.152	.283	.092	10.926

a. Dependent Variable: Distribution of Credit

Source: processing results

The partial effect between savings on credit distribution has a significant influence of 64.7% because it has a sig value of 0.002 smaller than 0.05, the partial effect between current accounts on credit distribution has a significant effect of 28.2% because it has a sig value of 0.012 less than 0.05, partial effect between Deposits on lending have an effect of 9.2% with insignificance because they have a sig value of 0.283 greater than 0.05.

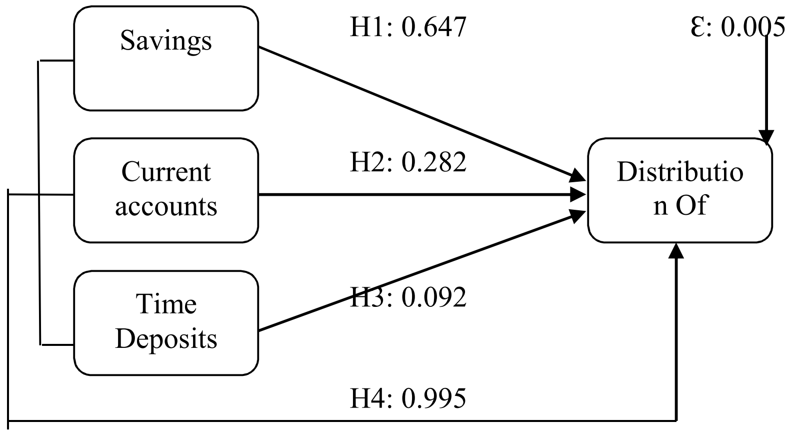

Figure2: Result research paradigm

4.2. Savings Toward Distribution Of Credit

Referring to the results of a careful value shows that savings have a high impact on the allocation of funds in the form of loans channeled to the public, it happens in the sense that credit is in dire need of income from the acquisition of customer savings, Because many customers keep their funds because of payroll payroll or save funds from the results of their business..

The greater the amount of money received from savings, the greater the ability of banks to provide funds to the public in the form of credit [14].

4.3. Current accounts Toward Distribution Of Credit

Current accounts provided by parties are very useful in business continuity, because the payment in the majority of businesses uses current accounts [15], this can also be indicated by the results of this study with the influence provided by the bank demand deposit services that are very supportive in lending, this shows that the bank has the ability to provide credit to the community, supported by funds raised from current account products.

The more current accounts funds received by the bank, the higher the bank's ability to provide credit to the public in the form of business loans or other [20].

4.4. Time Deposits Toward Distribution Of Credit

The public, this can be seen from the progress of time deposits on credit disbursement which does not give meaning to the increase or decrease in funds raised from deposits, it occurs because customers who deposit funds in the form of deposits only in certain segments, namely people who are middle income and above.

So the increase in time deposit products does not mean an increase in the increase in credit disbursement by banks to the public [18].

4.5. Third Party Fund (Savings, Current accounts and Time Deposits) Toward Distribution Of Credit

From the results of calculations in this study third party funds consisting of savings, current accounts and time deposits indicate that savings and current accounts have a significant impact on the distribution of credit but deposits do not have a significant effect. With these results, it is illustrated that third party funds consisting of savings, current accounts and deposits will give meaning to the changes in lending when it becomes a single unit to make funds useful for lending. With changes in savings, current accounts and deposits together, it will increase the bank's ability to channel funds in the form of credit [3].

4.6. Finding

Savings are the bank's products that have the most influence in increasing or the bank's ability to lend compared to the impact provided by current accounts and time deposits.

5. Conclusion

1. Savings have a very large and significant influence on credit distribution.
2. Current accounts affect a very large and significant credit distribution.
3. The effect of deposits on credit distribution is not significant.
4. Savings, current accounts and time deposits have a significant and significant effect on credit distribution.

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Business Owners' Responsibilities to Consumers Due to Defected Products

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Abstract. This research aims at examining the form of business owners' responsibilities to consumers in terms of defected products, following up on the efforts that can be taken if there are business owners who do not fulfill their responsibilities. The research method used is normative and empirical legal research, and the type of research is analytic studies by combining generally binding legal material in the form of legislation, supported by previous legal research, legal scholars' scientific work, and legal encyclopedias. In the study of the effectiveness of law enforcement in the community, this norm is deemed necessary to be reconstructed so that the purpose of the norm is able to bridge justice, certainty, and legal benefits. The focus of normative research is an inventory of written positive law, especially regarding the regulation of business owners' responsibilities in buying and selling in the legal perspective of consumer protection in The Law No. 8 of 1999 concerning Criminal Law and related regulations on defective products. Legal material analysis technique used is qualitative descriptive. The determination of subjects in this research used simple random sampling technique. Empirical legal research, the achievement of aspects of justice, legal certainty, and legal benefits is based on sociological course of jurisprudence. The research results showed that business owners are responsible if the product context is completely defective. The effort taken from the business owner that does not want to be responsible for the occurrence of product defects in the sale and purchase transaction is to resolve the dispute resolution and family approach. If it does not work, then it can be taken through the court.

The Influence of Net Income and Corporate Social Responsibility towards Stock Price (an Empirical Study of Manufacturing Companies Listed on Indonesia Stock Exchange (IDX) During the Period of 2014-2016)

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Abstract. The aim of this research is to evaluate the influence of net income and corporate social responsibility (CSR) towards stock price. The population involved in this research are manufacturing companies listed on Indonesian Stock Exchange (IDX) during the period of 2014-2016. Purposive sampling method was used to determine samples, where 76 samples were selected based on the research criteria. This research employed stock price to par value ratio for measuring stock price. ROA (Return On Asset) was used to represent net income, and CSRI (Corporate Social Responsibility Index) was used for assessing the degree of CSR disclosure. This research also used corporate size and corporate risk as control variables. This research used a secondary data. The data were analyzed by using multiple linear regression. The results of this research indicated that net income proved to have a significant positive influence towards stock price. Another finding is that CSR had a relatively negative relationship (marginally significant) towards stock price. The research also found that net income and CSR simultaneously had a significant influence with positive influence towards stock price.

1. Introduction

In the modern economy, one of the external sources of funding for the company is through the capital market [1]. The capital market is a means for companies to compete fairly in order to attract investors to invest in their companies. Investors need information about the company's performance so they can help them make investment decisions. The financial report aims at providing information about the financial position, performance, and cash flow of the company beneficial to most users of financial statements in order to make economic decisions [2]. According to Azilia and Yulius (2012), the parameter of company performance that has become the investors' main concern is profit. The company must be able to convince investors that the two main performance parameters are able to describe the actual condition of the company properly. The company's income statement describes the company's performance over a certain period (usually one year) [3]. The importance of earnings information is expressly stated in the Statement of Financial Accounting Concepts (SFAC) No.1, that in addition to helping to assess management performance, it also helps to estimate representative profitability, and also helps to assess risks in investment and credit [4].

According to [5], the main purpose of profit-oriented organizations is to maximize shareholder value (profit maximization). Along with the rapid development of the business sector due to economic liberalization, the view of the company began to shift from being only concerned with profit maximization to upholding the 3P principle consisting of profit, people, and planet, which was better known as the triple bottom line. This view is supported by [6] who affirm that achieving 'satisfactory profit' is a company goal better than 'profit maximization' because if managers only focus on maximizing profits, they will always think of ways and alternatives to increase profitability that will not end. In the end, they will only waste their lives always thinking about increasing the profitability of the company.

Most managers want to run their business in accordance with applicable ethics. Besides, managers also feel they have a responsibility to other stakeholders who come into contact with companies other than shareholders. The idea of Corporate Social Responsibility (CSR) became a topic receiving great attention from various groups: academics, public, business people, community organizations, and government-owned enterprises. The results of the 1992 Earth Summit in Rio de Janeiro, Brazil agreed on a change in the development paradigm, from economic growth to sustainable development [7]. In Indonesia, the company's obligation to implement CSR has been regulated in Law No. 25 Article 15b of 2007 concerning Investment, which states that it is every investor's obligation to carry out corporate social responsibility. One indicator to assess the benefits of a company's economic-business is to see the value of the company. The value of the company can be increased by increasing the prosperity of the owner or shareholders [8]. One aspect that can be used to estimate company performance is earnings information. Information about earnings or the level of return obtained by the company listed in the financial statements will cause a reaction to the company's stock price [9]. The company also cannot forget its main goal of increasing the value of the company by increasing the owner or shareholders (Gapensi, 1996, in Wahidwati, 2002). For shareholders, profit means an increase in the wealth that will be received through dividend distribution, and is considered to have information to analyse and to predict stocks issued by issuers [8].

This research also employs a control variable that is the size of the company measured using a log of total assets and company risk, which is measured using a debt to total asset ratio (DAR). The purpose of using control variables is to complement or control causal relationships so that the empirical model becomes better and more complete [10]. Control variables are variables controlled or made constant. Stock prices are influenced by many internal and external factors. Therefore, a control variable is needed to ensure the influence of each independent variable used in this research, namely net income and CSR, on the dependent variable, namely stock prices, so that the influence of independent variables on the dependent variable is not influenced by external factors not examined.

2. Literature Review

2.1 Net income

Profit is the main measurement of the company's financial performance in an accounting period and is the centre of attention of financial statement users [11]. One qualitative characteristic of profit information is its ability to predict stock prices [12]. Market reaction to stock prices will be reflected in stock price movements around the date of profit announcements. Stock prices tend to increase if the reported profit gets bigger and vice versa [12].

If the net income obtained by the company is high, then the dividends to be distributed to shareholders are also high, and more investors are interested in investing in the company. Conversely, if the company's net income is low, then dividends to be distributed to shareholders will also be low, and the number of investors interested in investing will also be decreasing.

There are several uses of reporting of net income according to [13]: (a) as a determination of company dividend and storage policies. The amount of net income recognized by the company is an indicator of the maximum amount of dividends that can be distributed to shareholders or be held for expansion or be used for reinvestment; (b) As a guide in investing and in making general decisions. Most investors will see the company's net income figures because their goal is to maximize the results of the invested capital, which is worth the level of risk received; (c) As a measure of the company's efficiency. It is a reflection of the management over company resources and the efficiency in running the company.

In general, shareholders are very interested in net income because it describes the amount of profit that can be interpreted in the future [13]. It is the same with prospective shareholders who are interested in large net income. Thus, they will feel more confident and safer to invest in the company. If the profit received by investors is high, the investor will receive a good return on investment [13].

This encourages investors to continue to make investments, even with increasing numbers. The stock price automatically continues to increase as a result of the mechanism.

2.2 Concept of Corporate Social Responsibility.

This concept of CSR is defined by The World Business Council for Sustainable Development as a business commitment to contribute to the sustainable economic development and to work with company employees, the employees' families, local communities, and the community in order to improve the quality of life. Meanwhile, according to Suharto (2007), CSR is a business operation committed not only to increase the company's profits financially, but also to develop the socio-economic region in a holistic, institutional, and sustainable manner. Thus, it can be concluded that CSR is the company's commitment to provide a long-term contribution to a particular problem in society to create a better environment so that there is a mutually beneficial relationship. It can be in various forms, such as scholarship programs, infrastructure development, public facilities, labour training, and so on. The concept of CSR first appeared after the Second World War when companies grew to become so large and became more open to competition and criticism [14].

The doctrine of "profit maximization" was opposed by [6]. They assume that achieving ‘satisfactory profit’ is a company goal better than ‘profit maximization’ because if managers only focus on maximizing profit, they will always think of ways and various alternatives to improve profitability, which will not end. Hence, they will only waste their life always thinking about increasing the profitability of the company. The company's financial performance is important, but it is not the only responsibility of the business world. Most managers want to run their business in accordance with applicable ethics. Besides, managers also feel they have a responsibility to other stakeholders who come into contact with companies other than shareholders. Therefore, the principle of the business world starts to develop from only focusing on profit, to focusing on profit, people, and planet (3P) or better known as the triple bottom line.

2.3 Stock price

Stocks are one type of financial asset that investors can choose when investing. Investors need to assess the stocks they have chosen before making an investment decision in order to minimize risk. The level of return on investment in stocks in the capital market is largely determined by the price of the stock. Therefore, to be able to predict returns that will be received by investors, they must know the factors influencing stock prices [15]. According to Usman 1989 [16], there are many factors influencing stock prices in the capital market, including the psychological factors of sellers and/or buyers, company conditions, directors' policies, interest rates, commodity prices, other investments, economy conditions, government policy, income level, inflation rate, and market conditions. Changes to these factors can affect the rise and fall of stock prices [16].

Stock prices are determined by market forces. Trading transactions taking place on the Indonesia Stock Exchange (IDX) used an overdriven market system and a continuous auction system. The continuous auction system shows that the transaction price is determined by the investors’ offer and demand. They will buy the stock if the intrinsic value is above the market price and vice-versa.

According to [17], two basic approaches can be used to analyse and select stock prices. The first is fundamental analysis based on the company's historical data in the form of financial statements. This fundamental approach estimates stock prices in the future by estimating the value of fundamental factors affecting stock prices in the future and applying the relationship of these variables to obtain estimated stock prices. The investors will then use the intrinsic value to be estimated and the results will then be compared to the current market value to find out which stock is under-priced and overpriced. The second way is by technical analysis to estimate stock prices by observing changes in stock prices in the past. This analysis technique employs published market data such as stock prices, stock price indices, and other technical factors. The technical analysis aims at determining the timeliness in predicting the short-term price movement of a stock, to give information to investors from technical factors in order to determine the right time to buy and sell securities.

In this research, the value employed is the stock market value, namely the price of the stock on the stock market at a certain time determined by the market participants. Market value was chosen because this value reflects investor decisions regarding information available on the market. In addition, market value is also determined by the demand and supply of a company's stock in the stock market, which is certainly influenced by various market information contained therein.

3. Research Method

The population in this research was manufacturing sector companies since they run their business in direct contact with environmental and social factors. Therefore, manufacturing companies were more responsible for environmental and social factors than other business sectors. The total of the population consisting of manufacturing companies listed on the IDX was 138 companies.

The sample selection method employed in this research was purposive sampling method, which was the selection of non-random samples whose information was obtained based on certain considerations, which were: (a) Companies in the manufacturing industry consecutively listed on the IDX during the period of 2014-2016; (b) Companies that have not changed its business activities (manufacturing) during the period of 2014-2016; (c) Companies issuing financial statement information available both printed and online in the period of 2014-2016, audited by officially certified public accounting firms; (d) Companies reporting information on corporate social responsibility in a complete knowledge report available both printed and online in the period of 2014-2016; (e) Companies with a book period ending on December 31; (f) Companies that did not experience delisting from the IDX during the period of 2014-2016. From those criteria, 76 companies were obtained as samples with 228 observational data for three years. To carry out hypothesis testing and data analysis, this research used the help of SPSS version 22. SPSS was used to obtain descriptive statistical data and to conduct BLUE test, regression analysis, t-test, F-test, and analysis of the coefficient of determination. Data collection was carried out using the help of Microsoft Office Excel 2013 application to facilitate the selection of samples using purposive sampling method.

Data collection technique used was documentation methods, by finding and collecting data obtained from annual reports and sustainability reports published by manufacturing industry companies listed on the Indonesia Stock Exchange from 2014 to 2016. The data was obtained from the IDX website (www.idx.co.id) and the companies' websites. The following is the model used in this research.

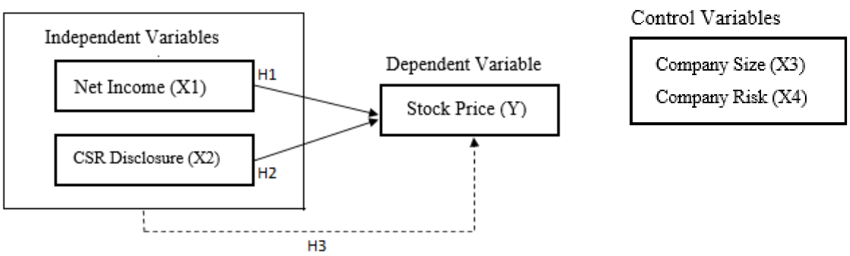

Figure 1. Model of Research

: The partial influence of variable X on variable Y

: The simultaneous influence of variable X on variable Y

The research hypotheses are as follows:

H1: Net income has a significant positive influence on stock prices

H2: CSR disclosure has a significant positive influence on stock prices

H3: Net income and CSR disclosure simultaneously have a significant positive influence on stock prices.

4. Results and Discussion

The test results are presented in Table 4.1 below:

Table 4.1 t-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	-1.682	0.615		-2.735	0.007
Net Income (ROA)	7.509	0.448	0.724	16.754	0.000
CSR (CSRI)	-0.639	0.335	-0.083	-1.910	0.057
Risk (DAR)	0.016	0.126	0.005	0.125	0.901
Size (log total asset)	0.234	0.062	0.165	3.803	0.000

The test results for each independent variable are as follows.

4.1 Test on the influence of net income on stock prices

Test on the influence of net income, measured using the ratio of net income to total assets (ROA) to stock prices, produced a regression coefficient value of 7.509, t-observe of 16.754, and significance value of 0.000. T-observe value (16.754)>t-table value (1.972) and significance value (0.000)<0.05. Hence, net income had a significant positive influence on stock prices and the first hypothesis was accepted.

4.2 Test on the influence of CSR on stock prices

Based on the results of the research, the coefficient value for CSR (in this research, CSRI was used to measure the value of CSR disclosure) was -0.639. The t-observe value was -1.910 and the significance level was 0.057. The significance value of CSR was 0.057>0.05, which means that CSR had no significant positive influence, but can be said to be relatively significant or marginally significant.

According to research conducted by Pritschet, Powell, and Horne (2016), a p-value of 0.07 can still be said to be "marginally significant", which means it is not too significant but is near. The p-value for CSR was 0.057, which was still smaller than 0.07. Thus, it can be said that CSR had a marginally significant influence.

T-observe value (-1.910)<t-table value (1.972). However, the difference between the t-observe value (-1,910) with t-table (1.972) was not too far, which was only 0.062. Thus, it can be concluded that CSR variable had a marginally significant negative influence on stock prices.

4.3 Test on the influence of company size on stock prices

Test on the influence of company size (proxied by total assets) on stock prices produced a regression coefficient of 0.234, t-observe value of 3.803, and significance value of 0.000. Therefore, the t-observe value (3.803)>t-table value (1.972) and significance value (0.000)<0.05. Thus, it can be concluded that the total assets proved to have a significant positive influence on stock prices.

4.4 Test on the influence of the company risk on stock prices

Test on the influence of company risk (measured using DAR) on stock prices produced a regression coefficient of 0.016, t-observe value of 0.125, and significance value of 0.901. Since t-observe value (0.125)<t-table value (1.972) and significance value (0.901)>0.05, it can be concluded that debt to total asset ratio (DAR) proved to have no significant influence on stock prices.

The results of the tests carried out on the variables of net income, CSR, company size, and company risk on stock prices can be arranged as the following multiple regression equation: Stock Price = -1.682 + 7.509 ROA - 0.639 CSRI + 0.016 DAR + 0.234 TA + e

The net income regression coefficient of 7.509 showed the direction of the influence of net income on stock prices, which showed a positive direction, meaning that if net income increases by one unit then the stock price will increase by 7.509 points. The regression coefficient value for CSRI was -0.639. It indicated the direction of CSRI influence on stock prices that was negative or opposite, meaning that if CSRI decreases by one unit then the stock price will decrease by 0.639 points.

The Total Asset coefficient of 0.234 showed the influence of Total Assets on stock prices having a positive direction, meaning that if the total assets increase by one unit then the stock price will increase by 0.234 points. Then, the DAR coefficient was 0.016, which means that the relationship between DAR and stock prices was positive. If DAR increases by one point then the stock price will increase by 0.016 points.

4.4.1 Simultaneous Significance Test (F Test).

F test was used to test whether there was a simultaneous influence of independent variables on the dependent variable (Ghozali, 2011, p. 177). F test was conducted by comparing F-observe with F-table at the significance level (α) = 0.05. If the F-observe>F-table, then there was a simultaneous influence of independent variables on the dependent variable. Conversely, if F-observe<F-table, then the independent variables do not simultaneously influence the dependent variable. The results of simultaneous significance test (F-test) are as follows.

Table 4.2 Results of Statistical F-Test with Multiple Linear Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	123.787	4	30.947	80.022	.000
Residual	86.240	223	0.387		
Total	210.027	227			

F-table value for df_1=4 and df_2=223 with a significance value of 0.05 was 5.65. The F-observe was greater than F-table, or 80.022>5.65, with the significance value of 0.000<0.05. Thus, it can be concluded that the independent variables, which are net income and CSR as independent variables studied, and company size and company risk as control variables, simultaneously influenced the stock price. The conclusion is that independent variables were appropriate and feasible in explaining the variation in stock price variables.

4.4.2 Analysis of the coefficient of determination (R^2).

The coefficient of determination (R^2) is a coefficient showing the amount of variation caused by the independent variable (Kadir, 2015, p. 182). The coefficient of determination measures the extent of the ability of the model to explain the variation of the dependent variable.

Table 4.3 Results of the Coefficient of Determination of Multiple Linear Regression Model

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	0.768	0.589	0.582	0.62187

Based on the results of calculations using SPSS in Table 4.1 above, it appeared that the coefficient of determination was equal to 0.589, showing that the influence of the independent variables that can be explained by this equation model was equal to 58.9% while the rest 41.1% was influenced by other factors outside of research.

5. Conclusion and Implication

5.1 Conclusion

This research aims at examining the influence of net income and social responsibility on stock prices. The sample used in this research is manufacturing industry companies listed on the IDX for the period of 2014 to 2016. Companies selected as samples need to meet the predetermined criteria, namely issuing annual reports during the observation period and reporting social responsibility information in its annual report. Based on the research that had been done, the conclusions are: (a) Net income had a significant positive influence on stock prices in manufacturing companies in Indonesia for the period of 2014-2016; (b) CSR had a relatively significant negative influence on stock prices in manufacturing companies in Indonesia for the period of 2014-2016; (c) The control variable of company size (measured using total assets) had a significant positive influence on stock prices, while the control variable of company risk (measured using debt to total asset ratio [DAR]) had no significant positive influence on stock prices in manufacturing companies in Indonesia for the period of 2014-2016; (d) Net profit and CSR simultaneously had a significant positive influence on stock prices in manufacturing companies in Indonesia for the period of 2014-2016.

5.2 Implication

Significant positive influence of net income showed that information regarding net income was considered to give a positive signal to investors. Investors as parties who use financial statements utilize financial information (including net income) for investment decisions.

Based on the results of research that had been done, it can be seen that CSR had a marginally significant negative effect on stock prices. However, the implementation of CSR by companies was still recommended, because CSR guided the triple bottom line, which means that it paid attention to economic, environmental, and human (social) aspects. By inculcating the CSR principles, the company will become more responsible in the process of its operations and will participate in helping the government in preserving nature and the welfare of the surrounding community.

The simultaneous influence of net income and CSR on stock prices showed that net income and CSR in this research were factors that can influence stock prices together. This research found that net income and CSR were considered important information by investors in making capital market investment decisions, especially in the form of stock.

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Enhancing Investment and Regional Gross Domestic to Encourage the Economic Growth in Trenggalek District

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Abstract. This research aimed at choosing the implemented strategy in developing Trenggalek District through MICE. The types of data were primary data taken from the results of the questionnaires filled by the government and private parties, and secondary data received from the related sectors in Trenggalek district and from Statistics Indonesia in East Java Province, journals and literature related to the research. The Analytical Hierarchy Process (AHP) method was processed using the 9.0 version of expert choice. The results shows that the development strategy of Trenggalek District through MICE could emphasize on (1) enhancing the investment sector with the highest value as much as 0.614 and followed by (2) improving the economic growth of Trenggalek District with the value of 0.260, which will help in (3) increasing the Gross Domestic Regional Income of Trenggalek District through MICE as much as 0.126. It is suggested that Trenggalek District promotes itself using social media and electronic media platforms to introduce this investment not only within the country, but also all over the world. Creating more national or international events in Trenggalek District will help promoting the District domestically and internationally and improve the students' skills to gain positive impacts for Trenggalek District income.

Purchase Intention Based on Environmental Knowledge

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Abstract. Customer behaviour in doing the purchasing of environmental friendly products is influenced by customer knowledge to environment. It becomes a study background of the correlation of environmental knowledge and green purchase intention. Experimental study is conducted by survey to 100 customers of Supermarket who have knowledge for environmental friendly products. Research testing through hypothesis test is based on quantitative questionnaire. Research finding is known that customer green purchase intention for environmental friendly product can be started by environmental knowledge. The highest knowledge that is most famous by customer for environmental friendly products relates to information of no animal testing on product, organic vegetables, unleaded petrol, and minimum information of materials on product. Environmental knowledge is important to be improved to customer; it encourages the growth of environmental friendly products and healthy lifestyle.

Value of Eco-Label on Organic Vegetables

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Abstract. The purpose of this study reviews the impact of eco-label on organic vegetables towards customer green awareness. The study is triggered by the low of customer attention for organic products at Supermarket. Research method is conducted by survey to customer at Supermarket who has known organic products to 100 respondents. Data analysis technique is through factor and correlation analysis, also there is research model tested by hypothesis. Research finding is stated that eco-label; on organic vegetables cannot improve customer green awareness on organic products. The value of eco-label is not assumed to be important by customer, in fact of eco-label is one of differentiators of organic products with conventional product.

Factors Influencing Capital Expenditure

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Abstract. The purpose of the current study is to describe and analyze the partial and simultaneous influence of Local Revenue, Revenue Sharing Fund, General Allocation Fund, and Specific Allocation Fund on capital expenditure in cities/municipalities in West Java. The research method used was descriptive analysis. The data collection technique was documentation where the researcher analyzed documents, transcripts and reports related to and supported the current study. The data used was secondary data time series from 2012-2014. The data analysis technique was panel regression analysis of data involving the combination of the time series and cross-sectional of data. The finding showed that the Local Revenue (LR), Revenue Sharing Fund (RSF), General Allocation Fund (GAF) and Specific Allocation Fund (SAF) had a simultaneously significant influence on the capital expenditure. Partially, the Local Revenue, Revenue Sharing Fund, and the General Allocation Fund had a significant influence on capital expenditure, while the Specific Allocation Fund did not have any significant impact on the capital expenditure.

1. Introduction

The national policy on regional autonomy written in the constitution has brought certain consequences to local governments. They are expected to be able to carry out development in various areas without any dependence on the central government. The policy was stated in Law No. 22 of 1999 concerning Regional Government which was revised with Law No. 32 of 2004, then changed again through Law No. 23 of 2014 and Law No. 25 of 1999 concerning Financial Balance between the Central and Regional Governments which was revised with Law No. 33 of 2004.

Revenue Sharing Fund (hereafter RSF), General Allocation Fund (hereafter GAF), and Specific Allocation Fund (hereafter SAF) are some amount of money the central government transferred to local government so that the local government can fund its regional administration, maintain its authority, reduce discrepancy between central government funding and local government funding and. Finally, cut the gap in the amount of supporting the central government allocated between one local government and another local government. It ensures vertical balance regarding budgeting between different levels of government, horizontal balance regarding budgeting between the same level of government as well as the implementation of certain local activities in line with the national interest [1].

The local government should be able to maximize their revenues. The sources of local income are a local tax, local retribution, profits of locally-owned enterprises, and other legal revenues. The 2004 Regulations number 33 on the Financial Balance between the Central and Local Government stated that the central government allows local government to increase their local revenue. The 2009 Regulations number 28 on Local Tax and Retribution reinforces the implementation of fiscal

decentralization where local tax and retribution become sources of local income. The policies allow local government to maximize their local revenue of which reference is local tax and retribution.
Capital Expenditure is budget expenditure used to acquire or increase fixed and other beneficial assets in more than one accounting period and exceeds the minimum limit of the capitalization of fixed assets or other assets by the government. The fixed assets are used for daily operational activities of a working unit of work; they are not for sale.

In the context of financial management, the allocation of capital expenditure is associated with long-term financial planning, especially for maintenance of fixed assets resulting from the capital expenditure. The concept of Multi-Term Expenditure Framework (hereafter MTEF) states that capital expenditure policy should pay attention to usefulness and budget capability in the long-term the management of these assets [2].

2. Theoretical Framework

One of the implementations of fiscal decentralization is the provision of the source of revenue for local government so that they can use and maintain the potential sources. Based on the 2004 Regulations number 33 Article 1 paragraph (18), local revenue is some amount of money local government owns based on the local regulation that is in accordance with the national regulation [3].
Revenue Sharing Fund (RSF) is some amount of money of which source is the National Budget; it is given to local governments based on the certain percentage that represents the local government's needs in the implementation of decentralization [1]. RSF was part of the National Budget given to the head of local government to help them carry out the implementation of decentralization [4]. The sources of RSF are taxes, namely Land and Building Tax, Customs Acquisition Rights on Land and Building, revenue tax, personal taxpayers and revenue tax as well as natural resources such as forestry, general mining, fisheries, petroleum, natural gas, and geothermal [1].

General Allocation Fund (GAF) is funding from the National Budget of which objective is financial equality among regions in Indonesia, and it represents local government needs to carry out the implementations of decentralization [5]. GAF is one component of the National Budget balance; the allocation was based on the concept of the fiscal gap, which is the difference between financial need and capacity. Equalization grants neutralize the gap in the financial capability using local revenue, tax and natural resource profit sharing the local government generates Analysis on Autonomy and Local Development: Reform, Planning, Strategy, and Opportunities [6].
Henley, et al. identified several objectives of block grants from the central government to local governments; they are a) encourage geographical equity, b) promote accountability, c) to develop more progressive tax system, and d) improve acceptability of local taxes [7]. General Allocation Fund emphasized equality and justice in which its formula and equation are dictated by the National Regulations [8].

Specific Allocation Fund (SAF) is some amount of money from the National Budget given to the particular local government to carry out specific local activities in line with the national priorities [3]. The objective of SAF is to support the local government so that they can carry out specific activities in line with national priorities such as developing public facilities and infrastructure or accelerating regional development.

Specific Allocation Fund (SAF) cannot be used for administration, preparation of physical activities, research, training and official traveling such as developing planning and program, official going for government officials or other related general activities [8].

Capital expenditure is one of the direct spending on the National Budget/Regional Government Budget. Capital expenditure is expenditure for the fixed asset that gives significant benefits for more than one accounting period [9]. The amount of money to buy, develop or build the fixed asset in the capital expenditure is the same as the price for buying/ making the asset. Capital expenditure may be spent on acquiring land, equipment and machinery, freeway and irrigation system and other general services.

Capital expenditure is local government expenditure of which benefit exceeds one fiscal year, going to increase the government assets or welfare and consequently, causes routine spending such as maintenance fee for general administration budget category [2]. Capital expenditure is an expenditure made by the government that resulted in certain assets [10].

Capital expenditure was an item of expenditure that generated the formation of capital formation by increasing fixed assets/inventory of which benefit was more than one accounting period, including the expenses for maintenance that maintain, expand or develop both quality and quantity of the assets [11]. There has yet been any regulation that mentions the source of capital expenditure explicitly. However, all types of local revenue may be spent on capital expenditure. The local income that may be used as a source of the Regional Expenditure is Regional Revenue and Financing [3].

On the other hand, the sources of Local Financing are Surplus of Local Budget Financing, revenue from the Local Loan, local reserved fund and income from local resource sale. The amount of money allocated for Regional Expenditure of which source is The local government itself determines local Revenue and Financing. In general, a higher percentage of a Local Revenue is allocated to operational expenditure and the rest is earmarked for another spending including capital expenditure [2]. A more upper portion of the General Allocation Fund (GAF) is reserved for spending related to government employees such as salary, and the rest is allocated for other expenditure for example capital expenditure. The capital expenditure share towards the Regional Government Budget in areas outside Java is indeed higher than in Java, in line with the vast space for infrastructure development needs.

The modern growth theory emphasized the possibility that capital expenditure; may contribute to the acceleration of economic growth. The study that Straub conducted mentioned that the direct impact of the improvement of capital expenditure is increased on the productivity of other factors as well as economic output [12]. Also, it is related to the externality. The well-qualified infrastructure cuts down dependence on private institutions such as clean water supply, electricity, and highways [13]. Increasing human capital and productivity of employees as the result of public investment are alternatives to decrease dependence on the private institutions [14].

Local Revenue (LR) is one of the local government revenue sources based on particular government regulation and relevant Regulations. Based on the 2008 Regulations number 12 Article 15 and the 2004 Regulations number 33 Article 6. Sources of local revenue are the local tax, local retribution, income from local resource management and other legitimate sources such as domestic resource sales, current account service, bank interests, profits from the exchange of currency (the national currency to other foreign currency) and commission. Deduction as well as different types of revenue as the result of the sale and purchase of goods and service by the local government [15].

Besides the local revenue, other sources of local government revenue are some amount of money the central government gives as well as equalization fund that consists of Revenue Sharing Fund (RSF), General Allocation Fund (GAF), and Specific Allocation Fund (SAF). The funding is maintained by the local government in order to carry out the implementation of the local government programs, mark the local government authority, minimize the gap in source of funding between the central and government and, finally bridge the discrepancy in terms of how much funding the local government distribute between an area to another. It creates vertical balance regarding finance between different levels of the government, horizontal balance concerning investment between local governments and ensures the implementation of particular activities of which purpose match the national priority [1].

Revenue Sharing Fund (RSF) is some amount of money of which source is the National Budget; it is given to local government based on the certain percentage that represents the provincial government's needs in the implementation of decentralization [1]. RSF was part of the National Budget given to the head of local government to help them carry out the implementation of decentralization [4]. The sources of RSF are taxes, namely Land and Building Tax, Customs Acquisition Rights on Land and Building, revenue tax, personal taxpayers and revenue tax as well as natural resources such as forestry, general mining, fisheries, petroleum, natural gas, and geothermal.

Through well-managed RSF, it is expected that local government can manage its funding and allocate them for the expenditure needed for local development accurately based on the actual need of the event [16]. Therefore, it is expected that the establishment of the policy related to Revenue Sharing Fund (RSF) allows the local government to manage their budget and spend it accurately for fulfilling the need of the regional development. The higher RSF, the local government, gets, the higher capacity the local government has to carry out local development programs, and it gives an opportunity for local governments to optimize its financial performance to achieve the regional autonomy.

General Allocation Fund (GAF) is funding from the National Budget of which objective is financial equality among regions in Indonesia, and it represents local government needs to carry out the implementation of decentralization. It has been established that the total GAF is at least 26% of the net national revenue [1]. GAF from the central government to local government aims at creating financial equality among local government and minimize discrepancy regarding economic inequality between local governments by taking local need and potential into account [16]. Thus, when the local government can successfully maintain the GAF, the local government can fund particular programs of which aim is the implementation of decentralization, gives an opportunity for the local government to maintain and increase their local revenue as well as develop local authority.

Specific Allocation Fund (SAF) is some amount of money from the National Budget distributed to local government to help them carry out their programs that suit the national priority. The percentage of Specific Allocation Fund (SAF) for each local government states in Paragraph (1)b; the rate is determined based on specific index divided into 3 (different) criteria namely general, specific, and technical [1]. The general principle is formulated based on how healthy financial situation of an area is reflected by general revenue of the Regional Government Budget after some expenditure related to the local government officers. The specific criteria are formulated based on the regulations about the implementation of particular autonomy; Regional characteristics and geographical index that take suggestions from the State Minister for National Development Planning and other Ministers/Heads of Department into account. The technical criterion is formulated based on the indicators of specific activities the GAF funded [1].

Specific Allocation Fund (SAF) is allocated to fund specific activities conducted by certain local government and suit the national priority, especially to build and develop public facilities and infrastructure or accelerate the regional development [16]. Therefore, when local government is capable of maintaining the SAF optimally, and the specific activities they have in the field of health, education, and infrastructure match the direction of the regional development, SAF the local government has will facilitate the acceleration of the regional autonomy.

Based on the elaboration, the hypotheses are as follow:

Ha_1: Local revenue had a positive impact on capital expenditure

Ha_2: Revenue sharing fund had a positive impact on capital expenditure

Ha_3: General allocation fund had a positive impact on capital expenditure

Ha_4: Specific allocation fund had a positive impact on capital expenditure

Ha_5: Local revenue, revenue sharing fund, general allocation fund, and specific allocation fund had a positive impact on capital expenditure.

3. Methodology

The research method used was descriptive analysis method which is a method of examining the status of human groups, an object, a set of conditions, a system of thought or a class of events in the present [17]. The objectives of the study were Local Revenue, Revenue Sharing Fund (RSF), General Allocation Fund (GAF), Specific Allocation Fund (SAF), and Capital Expenditure in 18 municipalities and 9 cities in West Java.

The data collection technique was a documentation study, namely by analyzed documents, transcripts and reports related to and supported the research. The data were secondary time series data from the year of 2012 to 2014. The data analysis technique was panel regression analysis of data involving the combination of the time series and cross-sectional of data.

4. Results and Discussion

The panel data analysis was used to obtain the regression coefficients using several approaches. The estimation using three types of panel data model was conducted; they were Common Effect, Fixed Effect, and Random Effect. The following step was taken to decide which one was the most suitable method.

The estimation using the Common Effect model showed that the slope of the Local Revenue (LR) was 0.353630, the hill of the Revenue Sharing Fund (RSF) was 0.236488, the slope of the General Allocation Fund (GAF) was 0.689869 and the slope of the Specific Allocation Fund (SAF) was -0.024511. Besides, the p-value of the Local Revenue was 0.0000, that of the Revenue Sharing Fund (RSF) was 0.0159, that of the General Allocation Fund (GAF) was 0.0027, and that of the Specific Allocation Fund (SAF) was 0.779. These showed that three variables, the Local Revenue (LR), Revenue Sharing Fund (RSF) and General Allocation Fund (GAF) had significant influence while the Specific Allocation Fund (SAF) did not have a significant impact on the capital expenditure partially. The probability of the F-test was 0.0000 that meant all of the variables were significant simultaneously.

Based on the estimation using the Fixed Effect model, the coefficient of the Local Revenue was 0.489000, that of the Revenue Sharing Fund (RSF) was 0.492193, that of the General Allocation Fund (GAF) was 0.777299, and that of the Specific Allocation Fund (SAF) was 0.121556. Based on the p-value of the four independent variables, three variables did not have any significant influence on capital expenditure because their p-value was > 0.005. They were Local Revenue (0.0748), General Allocation Fund (0.2035) and Specific Allocation Fund (0.1824). On the other hand, the Revenue Sharing Fund had a significant influence on capital expenditure because its p-value was 0.0360.

Moreover, based on the estimation using the Random Effect model, the intercept (C) of -0.589024 was the average of the random effect component. The random effect score showed how much difference the random effect component had towards the average intercept of all of the cities/municipalities.

The Chow/Likelihood Ratio Test (Common Effect or Fixed Effect) was frequently called the fixed effect significance test (F-test). The F-test evaluates the difference in two regressions used to decide whether or not dummy variable should be added to describe different intercept between cities/municipalities using the Fixed Effect. Output views showed that the F-test was significant; *(p-value)* 0.0000 was lower than 5%, and therefore, H_0 was rejected. The FEM was more suitable than the PLS/Common Effect model.

The Hausman test (Fixed Effect vs. Random Effect), the Hausman statistical test followed the Chi-Square distribution where the Degree of Freedom was k; k was the number of the independent variables. When the score of the Hausman statistical test was higher than the critical rating, the suitable model was the Fixed Effect, and at the opposite, when the score of the Hausman statistical test was lower than the decisive score, the appropriate model was the Random Effect. Table 1 described the result of the Hausman test.

Based on the output of the Hausman test, Chi-Square $_{ratio}$ < Chi Square$_{Table}$ was 2.976999 < 4 with p-value= 0.5617 > 5% so H_0 was accepted. Thus, it can be concluded that the REM *(*Random Effect Model*)* was more suitable compared to the FEM *(*Fixed Effect Model) model.

Furthermore, based on the Chow and Hausman tests, it was seen that the model followed the random effect. Therefore, from the estimation using the random effect model, the researcher formulated the following equation:

$$Y = -0.589024 + 0.383554LR + 0.250037RSF + 0.542909GAF + 0.052855SAF$$

Table 1. The Result of the Hausman Test

Correlated Random Effects - Hausman Test
Equation: Equation1
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Probability
Cross-section random	2.976999	4	0.5617

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
LOG(LR)	0.489000	0.383554	0.064982	0.6791
LOG(RSF)	0.492193	0.250037	0.041753	0.2360
LOG(GSF)	0.777299	0.542909	0.307045	0.6723
LOG(SAF)	0.121556	0.052855	0.001855	0.1107

Based on the equation, the constant was -0.589024 that showed all of the independent variables (Local Revenue, Revenue Sharing Fund, General Allocation Fund, and Specific Allocation Fund) were considered as 0 and, therefore, the capital expenditure was 0.589024. The regression coefficient of the Local Revenue was 0.383554; when there was a 1-point increase in the local revenue, there would be a 0.383554-point increase in the capital expenditure and the remaining variables were considered constant. The regression coefficient of the Revenue Sharing Fund was 0.250037; when there was a 1-point increase in the RSF, there would be a 0.250037-point increase in the capital expenditure and the remaining variables were considered constant. The regression coefficient of the General Allocation Fund was 0.542909; when there was a 1-point increase in the GAF, there would be a 0.542909-point increase in the capital expenditure and the remaining variables were considered constant. The regression coefficient of the Specific Allocation Fund was 0.052855; when there was a 1-point increase in the GAF, there would be a 0.052855-point increase in the capital expenditure and the remaining variables were considered constant. These applied to the objects of the study and the period when the study was conducted.

The hypothesis testing aimed at describing the partial influence of the Local Revenue, Revenue Sharing Fund (RSF), General Allocation Fund (GAF) and Specific Allocation Fund (SAF) towards the capital expenditure in which the level of significance was$\alpha = 5\%$. Based on the previous evaluation, a random effect was the model used for the t-test. Table 2 described the result of the t-test.

Table 2. The Result of the Partial Test (t-Test)

Dependent Variable: LOG(CE)
Method: Panel EGLS (Cross-section random effects)
Periods included: 3
Cross-sections included: 26
Total panel (balanced) observations: 78
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG(LR)	0.383554	0.084323	4.548603	0.0000
LOG(RSF)	0.250037	0.101479	2.463921	0.0161
LOG(GAF)	0.542909	0.237711	2.283901	0.0253
LOG(SAF)	0.052855	0.078855	0.670275	0.5048
C	-0.589024	0.416373	-1.414654	0.1614

Based on Table 2, the Local Revenue (LR) had a significant influence on the capital expenditure in which the level of significance (p-value) was 0.0000 (<0.05). As a result, H_{a1} was accepted. The t was 4.548603 which meant there was a positive correlation between the Local Revenue and capital expenditure. Therefore, the Local Revenue had a positive, significant influence on the capital expenditure. Increasing Local Revenue would result in increased capital spending.

The testing towards the influence of RSF towards the capital expenditure resulted in the t of 2.463921, and the level of significance (p-value) was 0.0161 (< 0.05). Since the p-value $<\alpha$ (5%), H_{a2} was accepted. It meant the RSF had a positive, significant influence on the capital expenditure. High RSF in West Java would cause increasing allocation of the capital expenditure.

The testing towards the influence of the General Allocation Fund (GAF) towards the capital expenditure resulted in the level of significance (p-value) of 0.0253 (< 0.05) and therefore, H_{a3} was accepted. The t was 2.283903 which meant the General Allocation Fund was directly proportional to the capital expenditure. In conclusion, GAF had a positive, significant influence on capital expenditure. Increasing General Allocation Fund may increase the funding allocated for the capital expenditure in West Java. The finding confirmed the study of Askam Tuasikal (2008) that partially General Allocation Fund (GAF) had a positive and significant influence on the capital expenditure when $\alpha = 0.05$.

The testing towards the influence of the Specific Allocation Fund (SAF) towards the capital expenditure resulted in the level of significance (p-value) of 0.5048 (< 0.05) and therefore, H_{a4} was rejected. The t was 0.670275 which meant the Specific Allocation Fund was directly proportional to the capital expenditure. In conclusion, SAF had positive, yet non-significant influence on the capital expenditure. It indicated that the local government still relied upon the central government for the regional development funding. The finding confirmed the study conducted by Askam Tuasikal (2008) that partially Specific Allocation Fund had a positive, significant influence towards the capital expenditure when $\alpha = 0.05$. It was also stated that the Specific Allocation Fund 0.327% contribution towards the capital expenditure (positive) and thus, 1%-increase in the Specific Allocation Fund would cause a 0.327%-increase in the capital expenditure.

The simultaneous test was conducted in which the level of significance was 0.05 ($\alpha = 5\%$). Table 3 described the result of the F-test.

Table 3. The Result of Simultaneous Statistic Test (F-Test)

R-squared	0.592823	Mean dependent var	1.201177
Adjusted R-squared	0.570512	S.D. dependent var	0.030472
S.E. of regression	0.019970	Sum squared resid	0.029113
F-statistic	26.57078	Durbin-Watson stat	2.179554
Probability (F-statistic)	0.000000		
Unweight Statistics			
R-squared	0.736475	Mean dependent var	2.542418
Sum squared resid	0.060404	Durbin-Watson stat	1.404199

Based on the F-test in Table 3, the F was 26.57078, and the level of significance was 0.0000. Using α 0.05 or 5%, H_{a5} was accepted. The evidence was the level of significance (0.00000) < than $\alpha = 0.05$ so the Local Revenue (LR), Revenue Sharing Fund (RSF), General Allocation Fund (GAF) and Specific Allocation Fund (SAF) simultaneously had a significant influence on the capital expenditure. It was in line with the study of Wandira (2013) stated that the General Allocation Fund, Specific Allocation Fund, and Revenue Sharing Fund had a significant influence towards capital expenditure.

Based on Table 3, R^2 (R-Square) was 0,592823 or 59.28%. It meant the independent variables had 59.28% contribution towards the dependent variable or the independent variable variance in the model was able to explain 59.28% of the dependent variable variance while the remaining 40.72% was influenced or defined by another variable outside the study. As a conclusion, the Local Revenue, Revenue Sharing Fund (RSF), General Allocation Fund (GAF) and Specific Allocation Fund (SAF) had 59.28% influence on the capital expenditure while the remaining 40.72% was affected by another factor.

5. Conclusion

The Local Revenue (LR), Revenue Sharing Fund (RSF), General Allocation Fund (GAF) and Specific Allocation Fund (SAF) had a significant influence on the capital expenditure simultaneously. Partially, the Local Revenue (LR), Revenue Sharing Fund (RSF) and General Allocation Fund (GAF) had a significant influence on capital expenditure, while the Specific Allocation Fund (SAF) did not have any significant impact on the capital expenditure.

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The Influence of Incentives, Work Motivation and Work Discipline on Employee Performance at PT. Jalur Nugraha Ekakurir Jakarta

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Abstract. The purpose of this research is to determine the influence of incentives, work motivation, and work discipline partially and simultaneously on employee performance at PT. Jalur Nugraha Ekakurir Jakarta. This research is associative with a quantitative approach. The population involved were all employees of PT. Jalur Nugraha Ekakurir Jakarta, while the sample used was 115 respondents chosen using saturated sampling. The data were collected using questionnaires and analyzed using test instruments, classical assumption tests, regression analysis, determination coefficients, t-test, and F-test. The results showed that incentives had a positive and significant influence on employee performance, proven by the simple linear regression values obtained, where Y = 30.357 + 0.317X1, coefficient of determination = 27%, and t-observe = 6.471> t table (1.9811) with a significance of 0.000 <0.05. Work motivation had a positive and significant influence on employee performance. It was proven by the simple linear regression values obtained, where Y = 20.053 + 0.592X2, coefficient of determination = 25.2%, t observe = 6.167> t table (1.9811) with a significance of 0.000 <0.05. Work discipline had a positive and significant influence on employee performance, proven by the simple linear regression values obtained, where Y = 25.201 + 0.470X3, coefficient of determination = 27.2%, and t observe = 6.498> t table (1.9811) with a significance of 0.000 <0.05. Incentives, work motivation, and work discipline simultaneously had a positive and significant impact on employee performance, proven by the multiple linear regression equation, where Y = 13,090 + 0,222X1 + 0,366X2 + 0,253X3, coefficient of determination = 49,1%, and F observe = 35.723> F table (3.08) with significance of 0.000 <0.05.

The Influence of Hotel Tax, Entertainment Tax and Parking Tax toward Local Original Income in Bandung

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Abstract. This Research to find out the influence of Hotel Tax, Entertainment Tax and Parking Tax toward Local Original Income in Bandung (2011-2016). This research uses quantitative research method and descriptive research type. Using classical assumption test among them test correlation test, a coefficient of determination test, multiple linear regression test, and hypothesis test partially and simultaneously. Show that the test of F test 0,004<0,05, which means there is influence between hotel tax, entertainment tax and parking tax toward Local Original Income.

1. Introduction

Tax is a compulsory obligation for the people of a country. Through this tax, local government can dig sources of local opinion that can be used to increase the original revenue. Tax sharing according to the tax collection authority is separated into two, namely the central tax and local taxes. Central government tax collected consists of income tax and value-added tax. The local taxes are paid by the local government itself. Regional Government is the implementation of government affairs by the Regional Government in accordance with the principle of autonomy and the principle of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia (Law Number 28 the Year 2009 on Regional Tax and Retribution). Local taxes are an important source of local income to finance local government expenditures. This could be a major buffer in financing regional development activities. Among the types of local tax revenues are hotel tax, restaurant tax, advertising tax, entertainment tax, street lighting tax, parking tax, groundwater taxes, land and property tax, wallet nest tax and land and/or buildings etc. All types of local taxes have great potential to contribute to local revenue. This revenue will be used for the regional development process so as to promote the economy of the community.

2. Theoretical Framework

Tax is a mandatory fee for taxpayers. The Taxpayer is an individual and an entity, including taxpayers, tax cutters, who have the right and obligation of taxation in accordance with the provisions of the laws and regulations of taxation of Law No.28 of 2009. "Taxes are dues to the (enforceable) state owned by those obliged to pay under general rules (law) by not obtaining a direct re-eligible achievement and whose use is to finance general expenses related to state duties which organized the government "[1] Local Original Income is regional income derived from local taxes, regional retributions, the results of separated regional government management, which aims to provide flexibility to regions in exploring funding in the implementation of regional autonomy as a manifestation of the principle of decentralization. As explained in the Law No.33 of 2004 on the Balance obtained by the regions levied according to the Regional Regulation in accordance with the laws and regulations. [2] "Local Original Income is revenue sourced and levied by the local government. The original source of indigenous people consists of local taxes, regional levies, profits from regionally owned enterprises, and other valid Local Original Income ".

According to Law No.28 Year, 2009 hotel tax is a tax on hotel services. The definition of the hotel is the facility of lodging/lodging service providers including other related services with free of charge, which includes motels, guesthouses, tourism huts, tourist homes, guesthouses, lodging houses and the like, as well as boarding houses with more than 10 (ten) rooms. Local Regulations for local taxes are contained in Regional Regulation No. 27 of 2009. For Bandung according to Local Regulation no. 27 of 2009 Article 6 hotel tax rates are set at ten percent (10%). According to Law No.28 of 2009 entertainment tax is a tax on the administration of entertainment. Entertainment is all kinds of spectacle, performances, games, and/or crowds that are enjoyed with free of charge. Entertainment Tax rates are highest thirty-five percent (35%). Especially for Entertainment in the form of the fashion show, beauty contest, discotheque, karaoke, nightclub, game agility, massage parlor, and steam/spa bath, entertainment tax tariff can be set at most seventy-five percent (75%).

Special entertainment art folk / traditional charged entertainment tax rates set at the highest of 10 percent (10%). The entertainment tax rate is determined by local regulation. According to Law no. 28 The Year 2009 parking tax is a tax on the provision of off-street parking spaces, whether provided in connection with the principal business as well as provided as a business, including the provision of motorized daycare. Parking is a non-moving vehicle of a temporary nature. The parking tax rate is the highest thirty percent (30%). The tariff of parking tax is determined by local regulation.

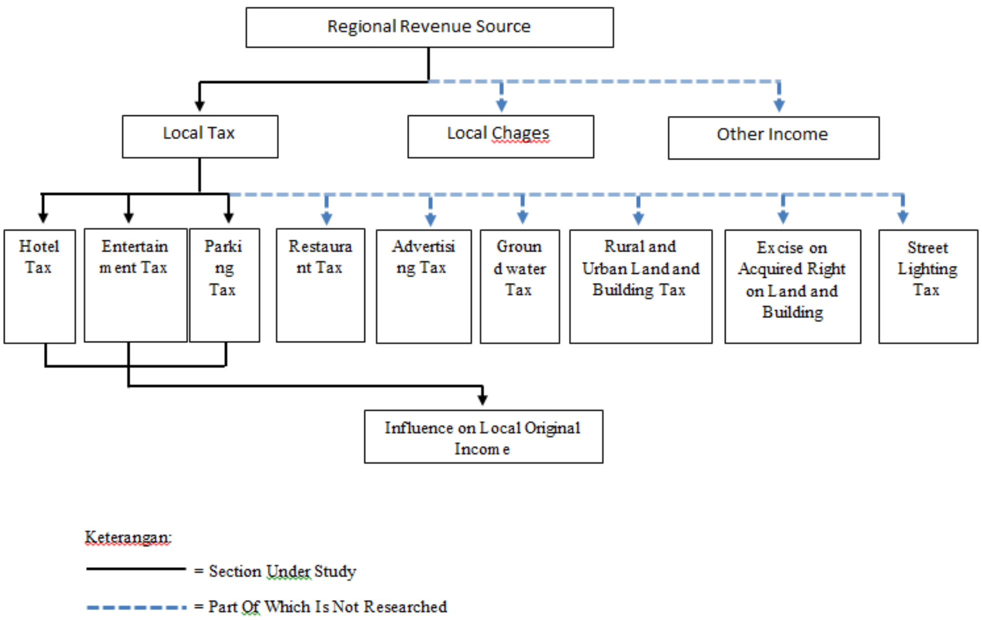


Figure 1. Framework

Under Law No.28 of 2009, the sources of regional income are derived from regional tax, regional retributions, and other income. The original revenue of the region is a regional income derived from pure regional revenue sources. Local original revenue is used to finance the implementation of regional autonomy. Original revenue should be sought to always increase. Local governments are responsible for the implementation of development and fulfillment of services to the community in the region. In connection with the implementation and fulfillment of services to these communities, local taxes are expected to be a solution. In financing the implementation of regional autonomy, local governments can utilize several local sources of opinion such as regional taxes, regional levies, and other revenues.

Among local revenue sources, local taxes have a very important role to sustain local government revenue. Among the Regional Taxes, there are some local taxes that are the source of Local Original Income. Hotel tax, entertainment tax, and parking tax are part of local taxes which have the significant effect on Local Original Income. In this research will discuss the influence of hotel tax, restaurant tax, advertising tax, parking tax to Local Original Income so as to help the local government of Bandung to know the importance of tax hotel, restaurant tax, entertainment tax, parking tax to government administration. Thus, in the hotel tax collection, restaurant tax, advertising tax, parking tax must be done well.

3. Methodology

This research uses a quantitative method using descriptive statistic and using classical assumption test consisting of a normality test, multicollinearity test, heteroscedasticity test and autocorrelation test to get the best result from data obtained. In addition, the test used is the correlation coefficient test, multiple linear regression test, the coefficient of determination test and hypothesis test partially and simultaneously.

4. Result and Discussion

Income Hotel tax Bandung city in 2011-2016 can be known through the target and its realization in the following table:

Table 1. Hotel Tax Target and Hotel Tax Realization In Bandung 2011-2016

Tahun	Hotel Tax Target	Hotel Tax Realization	(%)
2011	92.000.000.000	112.007.259.932	0
2012	131.000.000.000	142.732.317.105	27,43%
2013	148.000.000.000	177.490.303.830	24,35%
2014	202.850.000.000	204.674.481.155	15,32%
2015	260.000.000.000	215.285.361.236	5,18%
2016	260.000.000.000	274.809.381.603	27,65%

Source: PPID Bandung 2018

The realization of hotel tax minimum 2011 amounting to Rp.112.007.259.932. The realization of the hotel tax 2012 amounted to Rp.142.732.317.105 or an increase of 27.43% from the previous year. Realization hotel tax 013 amounted to Rp.177.490.303.830 or an increase of 24.35% from the previous year. Realization Hotel tax 2014 amounted to Rp.204.674.481.155 or an increase of 15.32% from the previous year. Realization hotel tax city 2015 amounted to Rp.215.285.361.236 or an increase of 5.18% from the previous year. Realization hotel tax maximum is the year 2016 amounted to Rp.274.809.381.603 or an increase of 27.65% from the previous year. The average realization hotel tax from 2011-2016 amounted to Rp.187.833.184.144.

Hotel tax Bandung City from 2011-2016 in its development continues to experience a significant increase. Researchers assume that this increase is influenced because the number of hotels in the city of Bandung in the period 2011-2016 experienced some increase, so that in the tax revenue also increased. The lowest achievement of hotel tax was obtained in 2011 amounting to Rp.112.007.259.932. Researchers assume the small achievement of tax hotel this year is influenced because the number of new hotel reached 289 points based on information obtained from the Central Bureau of Statistics of West Java Province in 2011.

While the highest hotel tax achievement obtained in 2016 amounted to Rp.274.809.381.603. In this case, researchers assume that the increase is obtained because of the national event Pekan Olahraga Nasional (PON) XIX and Pekan Paralimpiade Nasional (PEPARNAS) XV which was held in West Java Province. This national event affects the income of Bandung hotel tax which in this case was chosen as the place of the conductor of several sports.

4.1 Entertainment Tax

Reception Entertainment Tax Bandung in 2011-2016 can be known through the target and its realization in the following table:

Table 2. Entertainment Tax Target and Entertainment Tax Realization In Bandung 2011-2016

Tahun	Entertainment Tax Target	Entertainment Tax Realization	(%)
2011	28.000.000.000	31.223.414.896	0%
2012	33.000.000.000	34.553.186.144	10,66%
2013	35.500.000.000	37.767.188.531	9,30%
2014	45.000.000.000	40.980.498.102	8,51%
2015	60.000.000.000	50.449.101.884	23,11%
2016	68.000.000.000	69.831.106.484	38,42%

Source: PPID Bandung 2018

The realization entertainment tax minimum is in 2011 amounting to Rp.31.223.414.896. Realization entertainment tax 2012 amounted to Rp.34.553.186.144 or an increase of 10.66% from the previous year. Realization entertainment tax 2013 amounted to Rp.37.767.188.531 or an increase of 9.30% from the previous year. Realization entertainment tax in 2014 of Rp. 40,980,498,102 or an increase of 8.51% from the previous year. Realization of Hotel tax 2015 amounting to Rp. 50.449.101.884 or an increase of 23.11% from the previous year. Realization entertainment tax maximum is the year 2016 of Rp. 69.831.106.484 or an increase of 38.42% from the previous year. The average realization of Entertainment Tax Bandung from 2011-2016 amounted to Rp.187.833.184.144.

Entertainment tax Bandung city from 2011-2016 in its development continues to increase. The increase is influenced because the number of entertainment in the city of Bandung in the period 2011-2016 experienced some increase, so that in the acquisition of taxes also experienced an increase. The lowest achievement of entertainment tax was obtained in 2011 amounting to Rp.31.223.414.896. Researchers think the small achievement of entertainment tax this year is influenced because the number of entertainment venues in 2011 is not as much in the following years. While the highest entertainment tax achievement is obtained in the year 2016 of Rp. 69.831.106.484.

4.2 Parking Tax

Acceptance Parking Tax Bandung in 2011-2016 can be known through the target and its realization in the following table:

Table 3. Parking Tax Target and Parking Tax Realization In Bandung 2011-2016

Tahun	Parking Tax Target	Parking Tax Realization	(%)
2011	6.000.000.000	6.016.891.600	0%
2012	7.000.000.000	7.135.692.799	18,59%
2013	7.500.000.000	7.796.908.376	9,27%
2014	12.000.000.000	12.198.543.998	56,45%
2015	30.000.000.000	20.234.816.571	65,88%
2016	26.000.000.000	29.289.132.387	44,75%

Source: PPID Bandung 2018

Minimum parking tax realization Bandung is the year 2011 amounted to Rp. 6.016.891.600. Realization parking tax Bandung in 2012 amounted to Rp.7.135.692.799 or an increase of 18.59% from the previous year. Realization parking tax Bandung in 2013 amounted to Rp.7.796.908.376 or an increase of 9.27% from the previous year. Realization parking tax Bandung in 2014 amounted to Rp.12.198.543.998 or an increase of 56.45% from the previous year. Realization parking tax Bandung in 2015 amounted to Rp.20.234.816.571 or an increase of 65.88% from the previous year. Realization parking tax Bandung maximum is the year 2016 of Rp. 29,289,132,387 or an increase of 38.42% from the previous year. The average realization of parking tax Bandung from 2011-2016 amounted to Rp.187.833.184.144.

Parking tax Bandung from 2011-2016 in its development continues to experience a significant increase. The increase in the number of parking is influenced by the number of hotels and entertainment venues in the city of Bandung. hotel and places of entertainment in question are those using parking gate facilities or paid parking that are levied on taxes. The lowest achievement of parking tax was obtained in 2011 amounting to Rp.6.016.891.600. The small achievement of parking tax in 2011 is affected because the number of parking gate facilities collected is not as much in the following years. While the highest parking tax achievement obtained in the year 2016 amounted to Rp.29.289.132.387.

4.3 Local Original Income

Local Original Income Reception of Bandung in 2011-2016 can be known through the target and its realization in the following table:

Table 4. Local Original Income Target and Local Original Income Realization in Bandung 2011-2016

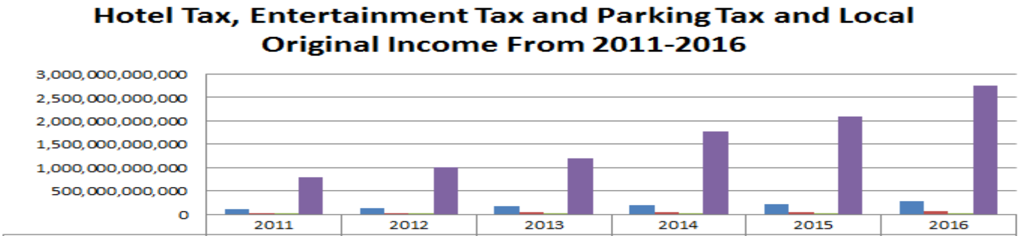
Tahun	Local Original Income Target	Local Original Income Realization	(%)
2011	719.988.881.243	793.663.513.485	0%
2012	933.920.994.572	1.001.806.364.114	26,23%
2013	1.407.759.106.133	1.194.159.468.709	19,20%
2014	1.808.509.055.075	1.762.952.227.000	47,63%
2015	2.066.246.830.526	2.093.200.000.000	18,73%
2016	2.767.404.903.304	2.751.416.770.000	31,45%

Source: PPID Bandung 2018

Real Local Original Income Bandung minimum is in 2011 amounted to Rp.793.663.513.485. Realization Local Original Income Bandung in 2012 amounted to Rp. 1,001,806,364,114 or an increase of 26.23% from the previous year. Realization Local Original Income Bandung in 2013 amounted to Rp. 1,194,159,468,709 or an increase of 19.20% from the previous year. Realization Local Original Income in 2014 for Rp. 1,762,952,227,000 or an increase of 47.63% from the previous year. Realization Local Original Income Bandung in 2015 amounted to Rp. 2.093.200.000.000 or an increase of 18.73% from the previous year. Realization of Local Original Income of Bandung maximum is 2016 Rp. 2,751,416,770,000 or an increase of 31.45% from the previous year. The average realization of Local Original Income Bandung from 2011-2016 amounted to Rp. 1.599.533.057.218.

Local Original Income Bandung 2011-2016 in its development continues to experience a significant increase. This increase was influenced by local tax revenues in the city of Bandung in the period 2011-2016 continued to experience an increase, so that the acquisition of Local Original Income Bandung also experienced an increase. The lowest achievement Local Original Income Bandung was obtained in 2011 amounting to Rp. 793,663,513,485. The small achievement of Local Original Income this year is influenced by low local tax revenues, regional retribution and balance funds. Whereas the highest Local Original Income Bandung was obtained in 2016 of Rp. 2,751,416,770,000.

4.4 Hotel tax, Entertainment Tax and Parking Tax and Local Original Income



	2011	2012	2013	2014	2015	2016
Hotel Tax	112,007,259,93	142,732,317,10	177,490,303,83	204,674,481,15	215,285,361,23	274,809,381,60
Entertainment Tax	31,223,414,896	34,553,186,144	37,767,188,531	40,980,498,102	50,449,101,884	69,831,106,484
Parking Tax	6,016,891,600	7,135,692,799	7,796,908,376	12,198,543,998	20,234,816,571	29,289,132,387
Local Original Income	793,663,513,48	1,001,806,364,	1,194,159,468,	1,762,952,227,	2,093,200,000,	2,751,416,770,

Figure 2. Local Original Income Realization

Based on the data shown can be seen from local tax revenues and from Local Original Income in 2011-2016 continues to increase every year. The increase in tax revenues from 2011-2016 is an effort of hard work of related departments in conducting a vigorous socialization as well as efforts in raising public awareness of taxes and taxpayer compliance every year. Test results classic assumption for normally distributed test, multicollinearity test is found in hotel tax only, heteroscedasticity test does not show clear pattern shape and for auto test correlation does not occur.

Hotel tax correlation test results of 0.977, entertainment tax of 0.963 while parking tax correlation test of 0.975 indicating a very strong relationship. Test the correlation simultaneously obtained a number of 0.999 which means the relationship is very strong. The result of multiple linear regression test Y = 358.074 + 8.121 X1 - 31.211 X2 + 79.367 X3, if Local Original Income = 358.074, if there is an increase in hotel tax of 8,121 then Local Original Income increased by 366.195 units. If entertainment tax decreased by -31.211 then Local Original Income also decreased by 326,863 units. Meanwhile, if there is an increase in parking tax of 79,367 then Local Original Income increased by 437.441 units. The value of R Square is 0.997 or 99.7% while the remaining 0.3% is influenced by other factors outside the model.

Hotel tax has a significant effect on Local Original Income can be seen from the significance value of hotel tax of 0.029 which is <0.05 and also the value of table t < value t is 2.776 < 5.752. From the analysis of data partially entertainment tax no significant effect on Local Original Income. This can be seen from the value of entertainment tax significanct of 0.051 > 0.05 and also the value of equation t table> value t, that is 2.776 > -2.326. While from result of partial data analysis obtained that parking tax no significant effect to Local Original Income can be seen from significance value of parking tax of 0.051 > 0,05 and also table t > value t that is 4,303> 4,241.

From the data analysis simultaneously hotel tax, entertainment tax, and parking tax have an effect on Local Original Income. This is based on the significant level of 0.004 which is < 0.05 and also the equation value F,> F table 238,083 > 9,55 which means there is influence between hotel tax, entertainment tax, and parking tax to Local Original Income.

5. Conclusion

The result of the research has been done, after going through the data collection stage, data processing, data analysis, and interpretation of the analysis result about the influence of hotel tax, entertainment tax and parking tax to Local Original Income, using normal distributed data, there is multicollinearity in hotel tax, there is no problem heteroscedasticity, and also free from autocorrelation, then the following conclusions are obtained. From the result of partial data analysis, it is found that hotel tax has significant effect to Local Original Income can be seen from the significant value of Hotel Tax of 0,029 which is <0,05 and also table t < value t 2,776 <5,752. From the results of partial data analysis of entertainment tax information obtained that entertainment tax has no effect on Local Original Income.

This can be seen from the value of entertainment tax significant of 0.051 > 0.05 and also the value of equation table t> value t, that is 2.776> -2.326. While from result of partial data analysis obtained that Parking Tax no significant effect to Local Original Income can be seen from significant value of parking tax of 0.051 which is > 0,05 and also table table t > value t that is 4,303> 4,241. From the data analysis simultaneously hotel tax, entertainment tax, and parking tax have an effect on Local Original Income. It is based on a significance level of 0.004 which is <0.05 and also the equation table F > value F, 238,083> 9,55.

6. Acknowledgments

Alhamdulillahi rabil ‘alamin, the researcher gratitude to Allah subhanahu wa ta’ala for blessing, health, opportunity, love, and mercy to complete this research. Finally, I would like to thank everybody who was important to the successful realization of this research. This research is far from perfect, but it is expected that it will be useful not only for the researcher, but also for the readers. For this reason, constructive thoughtfull suggestion and critics are welcomed. I would also like to thank the Nurtanio University who has provided such a valuable support for me personally and institution.

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7. Biographies

Reza Kurniawan was born in Bandung who is a lecturer at Universitas Nurtanio Bandung in Accounting Studies Program Faculty of Economics, has conducted several studies published at international conferences published in international conferences. The competencies are in accounting and financial management.

Analysis of Factors Affecting Corporate Social Responsibility Disclosure

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Abstract. The aim of this study to determine the effect of profitability, the proportion of independent board of commissioner, leverage, and public share ownership. The population in this study were 27 companies listed in Indonesian securities for the period of 2015 - 2017, so as to obtain as many as 81 samples. Methods of data analysis in this study using multiple linear regression analysis. The results of the study show that profitability significantly affects CSR disclosure, meaning that the size of the company's profit affects the company to disclose CSR, while public share ownership also influences CSR disclosure because companies with good quality tend to provide social information so that the market can differentiate the quality of the company other. While the Independent Board of Commissioners and leverage do not affect CSR disclosure.

The Analysis of the Effect of Intellectual Capital, Company Growth, Size, Solvency on Profitability and Their Impact on Company Value

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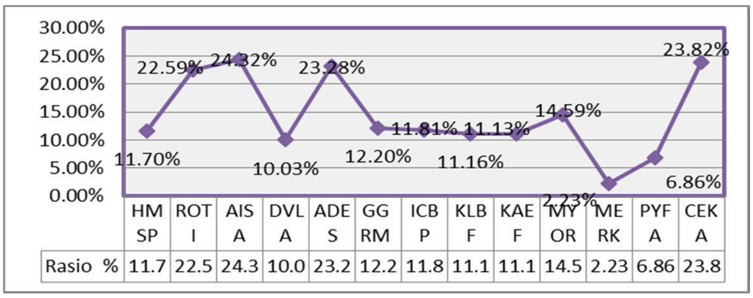
Abstract. This research aimed at determining the influence of intellectual capital, company growth, firm size, and solvency on profitability and their impacts on company value. The sample of this research consisted of 13 consumer goods sector companies listed on the Indonesia Stock Exchange for the 2012-2016 period. Sampling was conducted by purposive sampling method. This research used descriptive quantitative method and employed multiple linear regression analysis and hypothesis testing (statistical t-test and determination coefficient test). The results showed that partially the intellectual capital variable had an influence on profitability with sig value of 0.0000<0.05. Company growth had no significant effect on profitability with sig value of 0.3283>0.05. Firm size had a significant influence on profitability with sig value of 0.0313<0.05. Leverage had a significant effect on profitability with sig value of 0.0091<0.05. The results showed that simultaneously variables of intellectual capital, company growth, firm size and solvency had significant influences on profitability with sig value of 0.0000<0.05. Profitability had a significant influence on company value with a sig value of 0.0016<0.05.

1. Introduction

Consumer goods companies are non-cyclical companies, which means that this industrial sector is relatively more stable and not easily affected by the season or changes in economic conditions such as inflation. Even though there is inflation, the smoothness of consumer goods industry products will still be guaranteed because this industry is engaged in the basic human field.

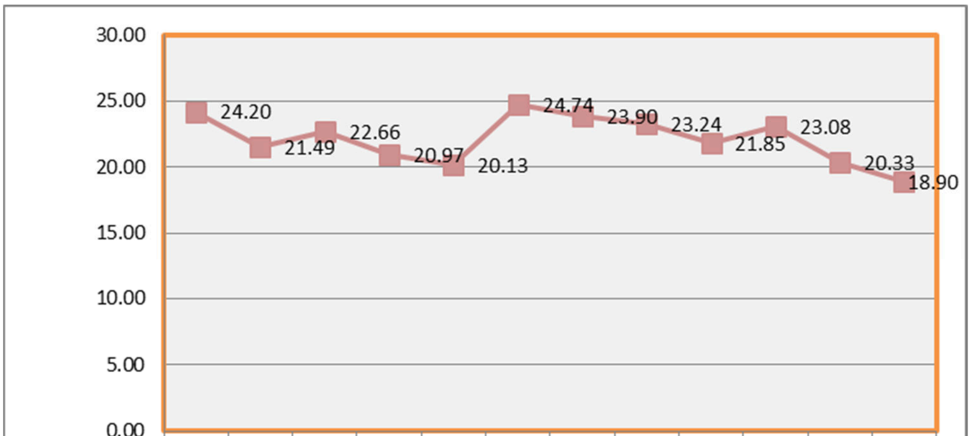
One approach used in the assessment and measurement of intangible assets is Intellectual Capital [1]. The company's long-term goal is to optimize the company's value as reflected in its stock market price. An increase in the difference between the stock price and the book value of assets owned by the company indicates the existence of a hidden value.

Growth is an important indicator of market acceptance of the company's fund or service products, where revenue generated from sales can be used to measure sales growth rates. Sales growth reflects the investment success manifestation in the past period and can be used to predict future growth.



Source: Primary Survey Data

In the graph above, it can be seen that during 2012-2016, the growth of manufacturing of consumer goods sector companies experienced an average fluctuating growth. The highest percentage of company growth was achieved by PT Tiga Pilar Sejahtera Food Tbk, which reached 24.32%, while the lowest achievement occurred at PT Merck Indonesia Tbk, which managed to reach 2.23%.

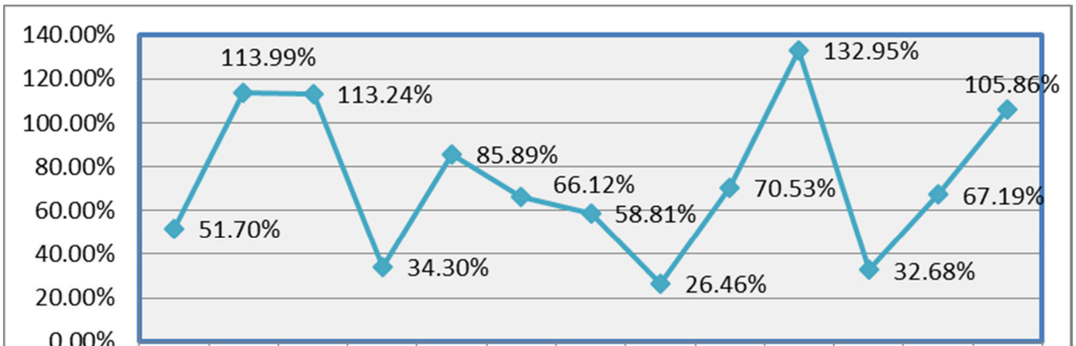


	HMSP	ROTI	AISA	DVLA	ADES	GGRM	ICBP	KLBF	KAEF	MYOR	MERK	PYFA
Total Aktiva	24.20	21.49	22.66	20.97	20.13	24.74	23.90	23.24	21.85	23.08	20.33	18.90

Source: Primary Survey Data

In the graph above, it can be seen that during 2012-2016, the average size of manufacturing of consumer goods sector companies experienced a fluctuating growth. The highest firm size was obtained by PT Gudang Garam Tbk which reached 24.74, while the lowest achievement occurred at PT Pyridam Farma Tbk, which reached 18.90.

Leverage is one of the important factors in influencing profitability because solvency can be used by companies to increase company capital in increasing profits [2]. Solvency is the use of sources of funds by companies that have fixed costs to increase the shareholders' potential profits.
A large debt causes the company's profitability to be low because the company's attention is shifted from increasing productivity to the need to generate cash flows to pay off their debt.

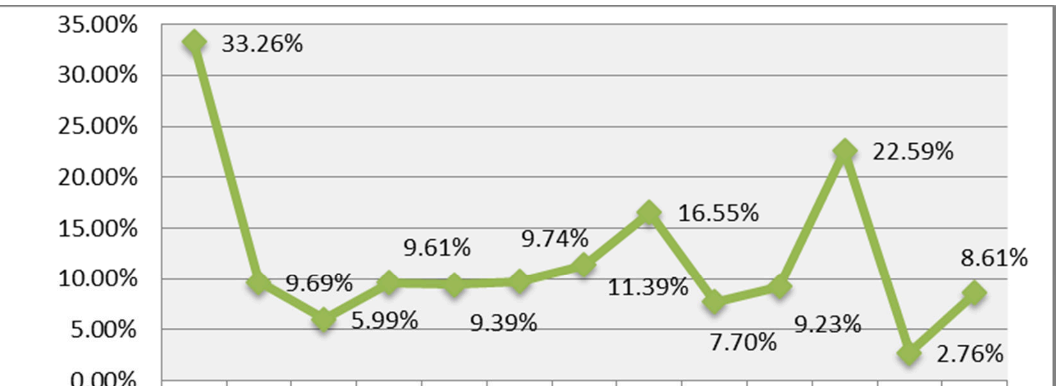


	HMS P	ROTI	AISA	DVLA	ADES	GGR M	ICBP	KLBF	KAEF	MYO R	MER K	PYFA	CEKA
DER %	51.70	113.9	113.2	34.30	85.89	66.12	58.81	26.46	70.53	132.9	32.68	67.19	105.8

Source: Primary Survey Data

In the graph above, it can be seen that throughout 2012-2016, leverage (DER) in the manufacturing of consumer goods sector companies experienced a fluctuating growth on average. The highest percentage of leverage (DER) was achieved by PT Mayora Indah Tbk, which reached

132.95%, while the lowest achievement occurred at PT Kalbe Farma Tbk, which managed to reach 26.46%.



		HMSP	ROTI	AISA	DVLA	ADES	GGRM	ICBP	KLBF	KAEF	MYOR	MERK	PYFA	CEKA
ROA	%	33.2	9.69	5.99	9.61	9.39	9.74	11.3	16.5	7.70	9.23	22.5	2.76	8.61

Source: Primary Survey Data

In the graph above, it can be seen that throughout 2012-2016, profitability (ROA) in the manufacturing of consumer goods sector experienced a fluctuating growth on average. The highest percentage of profitability (ROA) was achieved by PT HM Sampoerna Tbk, which reached 33.26%, while the lowest achievement occurred at PT. Pyridam Farma Tbk, which reached 2.76%.

In line with the problems formulated, the purpose of this research is to find out, analyze, and study:

1. The partial influence of Value Added Intellectual Coefficient (VAIC) to return on assets in consumer goods sector companies in the Indonesia Stock Exchange.
2. The partial influence of sales growth to return on assets in consumer goods sector companies in the Indonesia Stock Exchange.
3. The partial influence of firm size to return on assets in consumer goods sector companies in the Indonesia Stock Exchange.
4. The partial influence of solvency (debt to equity ratio) to return on assets in consumer goods sector companies in the Indonesia Stock Exchange.
5. The influence of VAIC, sales growth, firm size, and debt to equity ratio simultaneously on return on assets in consumer goods sector companies in the Indonesia Stock Exchange.
6. The partial influence of Return on Assets on Price to Book Value in consumer goods sector companies in the Indonesia Stock Exchange.

2. Literature review

According to [3], management is the achievement of organizational goals that have been predetermined by using the help of others. Meanwhile, according to Stoner in [4], management is the process of planning, organizing, directing, and supervising the efforts of organization members and the use of other organizational resources to achieve organizational goals that have been set. Thus, those definitions conclude that management is a situation consisting of the process indicated by the line leading to the process of planning, organizing, leading, and controlling. These four processes have their respective functions to achieve an organizational goal.

Management as a science that seeks to systematically understand why and how humans work together to achieve goals and make this system of cooperation more beneficial to humanity [5]. According to Gulick management has fulfilled the requirements to be called the field of science, because it has been studied for a long time and has been arranged systematically into a series of theories.

Definition of growth ratio according to [6] is "a ratio that measures the company's ability to maintain its position in the industry and in general economic development. This growth ratio is seen from various aspects of sales, earnings after tax (EAT), earnings per share, dividends per share, and market prices for shares."

According to [7], the definition of leverage ratio is "a ratio that measures how much the company is financed with debt. The use of debt that is too high will endanger the company because it will be included in the extreme leverage category, where the company is trapped in a high debt level and it is difficult to release the debt burden. Therefore, the company should have to balance how much debt is worth taking and where the sources can be used to pay off debts."

3. Methods

In this research, the population was the financial report of 40 consumer goods industry companies listed on the Indonesia Stock Exchange that provide periodic financial statements for the period of 2012-2016.

Based on these criteria, 13 consumer goods industry companies listed on the Indonesia Stock Exchange (IDX) during the period 2012-2016 were chosen as the sample. Therefore, the number of analysis units was 65 (13 x 5). The following companies are included in the research sample:

No.	Companies	Code
1	PT Tiga Pilar Sejahtera Food Tbk.	AISA
2	PT Wilmar Cahaya Indonesia Tbk.	CEKA
3	PT Indofood CBP Sukses Makmur Tbk.	ICBP
4	PT Mayora Indah Tbk.	MYOR
5	PT Nippon Indosari Corpindo Tbk.	ROTI
6	PT Gudang Garam Tbk.	GGRM
7	PT Hanjaya Mandala Sampoerna Tbk.	HMSP
8	PT Darya-Varia Laboratoria Tbk.	DVLA
9	PT Kimia Farma (Persero) Tbk.	KAEF
10	PT Kalbe Farma Tbk.	KLBF
11	PT Merck Tbk.	MERK
12	PT Pyridam Farma Tbk.	PYFA
13	PT Akasha Wira International Tbk.	ADES

3.1 Data analysis

According to [8], there are several approaches that can be used to estimate regression models using panel data, which are:

3.1.1 Common effect model approach.

The common effect approach can be conducted by combining time series and cross section data without looking at the differences between time and individual, assuming the data between companies is the same within a certain time period. This approach uses the OLS (Ordinary Least Square) method as an estimator of the panel data model. The regression model is:

$$Y = \alpha + \beta_1 X_{1it}+\beta_2X_{2it}+\beta_3X_{3it}+\beta_4X_{4it}+e_{it}$$

3.1.2 Fixed effect model approach.

The fixed effect approach assumes that there are differences in intercepts between companies, but the intercept is said to be the same across time (time invariant) and the regression coefficient (slope) is said to be constant between companies and between times. This approach is conducted by using a dummy variable to see differences in intercepts. The regression equation model is as follows:

$$Y = \beta_0+\beta_1 X_{1it}+\beta_2X_{2it}+\beta_3X_{3it}+\beta_4X_{4it}+\beta_5D_{1i}+\beta_6D_{2i}+\beta_7D_{3i}+e_{it}$$

3.1.3 Random effect model approach.

Random effect approach can be conducted by using an error variable. This approach will estimate panel data with the assumption that variable interference may be interconnected between time and individual. The disturbance variable is used to overcome the problem of using dummy variables in the fixed effect approach that causes a reduction in degrees of randomness and ultimately reduces the efficiency of the parameters. The equation model is:

$$Y = \beta_0+\beta_1 X_{1it}+\beta_2X_{2it}+\beta_3X_{3it}+\beta_4X_{4it}+\beta_5D_{1i}+vit$$

3.2 Selection of data panel regression estimation techniques

a. Chow test
b. Langrange Multiplier (LM) test
c. LM test is a test that is generally used to detect Hausman test problems

3.3 Operationalization of variables

The operationalization in this research describes indicators used to measure the research variables, both the dependent variable and independent variables:

Variables	Definitions	Formulae			Scale
Intellectual Capital Source: Public (1999) in Ulum (2009: 50)	*Value Added Intellectual Coefficient* (VAIC) is an indication of the intellectual ability of a company that is considered as BPI (*Business Performance Indicator*)	VAIC	=	VACA + VAHU + STVA	Ratio
Company Growth Source: Kasmir (2012: 107)	Sales growth shows the extent to which a company can increase its sales compared to total sales overall	*Sales Growth*	=	<u>Sales of Year$_t$ – Sales of Year$_{t-1}$</u> Sales of Tear$_{t-1}$	Ratio
Firm Size Source: Hararap (2013: 23)	Firm size is measured by natural logarithm (Ln) from the average total assets of the company	*Size*	=	Natural logarithm of Total Assets	Ratio
Leverage Source: Munawir (2011: 119)	Comparison between total debt and own capital	DER	=	<u>Total Amount of debt</u> Total Equity	Ratio
Profitability Source: Kashmir (2016: 115)	Profitability is a ratio that shows the results (return) of the amount	ROA	=	<u>Net Income After</u>	Ratio

	of assets used in the company			Tax Total Assets	
Company value	Company value shows how far a company is able to create company value relative to the amount of capital invested	PBV	=	Price per share sheet Book value per share sheet	Ratio

4. Results and discussion

4.1. Results analysis

From the results of this research, the analysis of the influence of intellectual capital, company growth, firm size, and solvency on profitability and their impacts on company value can be explained as follows:

4.1.1 Intellectual capital.

Based on the data processing of the X_1 variable with 65 data from 13 companies during the five years of the research, the average (mean) of intellectual capital was 3.658516, the median was 3.300136, the minimum value was 1.557229, the maximum value was 7.490424, and the standard deviation was 1.382949.

4.1.2 Sales growth.

Based on the data processing of the X_2 variable with 65 data from 13 companies during the five years of the research, the average (mean) of sales growth was 0.165373, the median was 0.143399, the minimum value was 0.165993, the maximum value was 1.253526, and the standard deviation was 0.196417.

4.1.3 Firm size.

Based on the data processing of the X_3 variable with 65 data from 13 companies during the five years of the research, the average (mean) of firm size was 22.01307, the median was 21.81122, the minimum value was 18.72706, the maximum value was 24.87439, and the standard deviation was 1.720281.

4.1.4 Debt to equity ratio.

Based on the data processing of the X_4 variable with 65 data from 13 companies during the five years of the research, the average (mean) of debt to equity ratio was 0.753885, the median was 0.670847, the minimum value was 0.187239, the maximum value was 1.706294, and the standard deviation was 0.382677.

4.1.5 Return on asset.

Based on the data processing of the X_5 variable with 65 data from 13 companies during the five years of the research, the average (mean) of return of asset was 0.121990, the median was 0.099312, the minimum value was 0.015386, the maximum value was 0.394769, and the standard deviation was 0.084328.

4.1.6 Price to book value.

Based on the data processing of the X_6 variable with 65 data from 13 companies during the five years of the research, the average (mean) of price to book value was 4.992523, the median was 4.455808, the minimum value was 0.592054, the maximum value was 22.29148, and the standard deviation was 4.526345.

4.2 Results and discussion

4.2.1 The influence of intellectual capital on return on asset.

The results of the regression test obtained the regression coefficient value of 0.326430 with P-value or significance level of 0.0000<0.05 and t-observe of 7.5526>2.0003. Hence, H_0 was rejected and H_1 was accepted. These results proved that partially, the Intellectual Capital variable had a significant positive influence on Return on Assets.

4.2.2 The influence of sales growth on return on asset.

The results of the regression test obtained the regression coefficient value of 0.095558 with P-value or significance level of 0.6862<0.05 and t-observe of 0.406286<2.0003. Hence, H_0 was rejected and H_1 was accepted. These results proved that partially, the sales growth variable did not have significant influence on Return on Assets

4.2.3 The influence of firm size on return on asset.

The results of the regression test obtained the regression coefficient value of -0.387589 with P-value or significance level of 0.0454<0.05 and t-observe of 0-2.050963<2.0003. Hence, H_0 was rejected and H_1 was accepted. These results proved that partially, the firm size variable had negative significant influence on Return on Assets

4.2.4 The influence of debt to equity ratio on return on asset.

The results of the regression test obtained the regression coefficient value of -0.535483 with P-value or significance level of 0.0133<0.05 and t-observe of -2.565781<2.0003. Hence, H_0 was rejected and H_1 was accepted. These results proved that partially, the debt to equity ratio variable had a negative significant influence on Return on Assets

4.2.5 The influence of intellectual capital, sales growth, firm size, and debt to equity ratio on return on assets.

The result of simultaneous hypothesis testing states that Value Added Intellectual Coefficient (VAIC), sales growth, firm size, and debt to equity ratio (DER) variables had significant influences on Return on Assets (ROA) because the value of $F_{observe}$> F_{table} (32.16>2.53) and the probability value (prob) of 0.0000 was smaller than the significant level of 0.05. Thus, H_0 was rejected and H_1 was accepted.

4.2.6 The influence of return on asset on price to book value.

The results of the regression test obtained the regression coefficient value of 21.411 with P-value or significance level of 0.0007<0.05 and t-observe of 3.6173>2.0003. Hence, H_0 was rejected and H_1 was accepted. These results proved that partially, the Return on Asset variable had a positive significant influence on Price to Book Value.

5. Conclusion

1. The results of this research indicated that the value of the regression coefficient of intellectual capital was positive at 0.326430, meaning that every 1% increase in intellectual capital was predicted to increase return on assets by 0.326430, assuming the value of other variables remains.
2. The results of this research indicated that the regression coefficient value of sales growth was positive at 0.095558, meaning that every 1% increase in sales growth was predicted to increase return on assets by 0.095558, assuming the value of other variables remains.

3. The results of this research indicated that the regression coefficient of firm size was negative at -0.387589, meaning that every 1% increase in firm size was predicted to decrease return on assets by 0.387589, assuming the value of other variables remains.
4. The results of this research indicated that the regression coefficient of debt to equity ratio was negative at -0.535483, meaning that every 1% increase in debt to equity ratio was predicted to reduce return on assets by 0.387589, assuming the value of other variables remains.
5. The results showed that the Value Added Intellectual Coefficient (VAIC), sales growth, firm size and debt to equity ratio variables had a significance level of 0.0000<0.05 and F-observe 32.16>2.53, meaning that they simultaneously had a significant effect on return on assets.
6. The results of this research indicated that the regression coefficient value of the variable return on assets was positive at 21.41102, meaning that every 1% increase in return on assets was predicted to increase the price to book value by 21.41102, assuming the value of other variables remain.

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The Role of Capital Structure in Intervening The Effect of Ownership Structure on Company's Value

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Abstract. The purpose of this study is to examine the partial or simultaneous effect between Stock Price consists of internal factors of the company associated with the Managerial Ownership (INSD), Institutional Ownership (INST), Foreign Ownership (FORG), Independent Board (INDB), Capital Structure (DER), Company's Value (PBV). The populations in this study $A = \pi r^2$ 8 companies incorporated in Retail Trade Company's in Indonesia at the period of 2013-2017. Regression analysis was performed based on panel data analysis results on Eviews 10.00. This research concludes several things as follows: Variables Managerial Ownership (INSD) has a negative and not significant effect on Capital Structure (DER), Institutional Ownership (INST) has a negative and significant effect on Capital Structure (DER), Foreign Ownership (FORG) has a positive and significant effect on Capital Structure (DER), Public Ownership (PUBL) has a positive and significant effect on Capital Structure (DER), Managerial Ownership (INSD), Institutional Ownership (INST), Foreign Ownership (FORG), Public Ownership (PUBL) simultaneously have a positive and significant effect on Capital Structure (DER) and able to explain Capital Structure of 0.972745 or 97.72 percent, Managerial Ownership (INSD) has a negative and not significant effect on Company's Value (PBV), (7) Institutional Ownership (INST) has a negative and not significant effect on Company's Value (PBV), Foreign Ownership (FORG) has a negative and not significant effect on Company's Value (PBV), Public Ownership (PUBL) has a positive and significant effect on Company's Value (PBV), Capital Structure (DER) has a positive and not signifikan on Company's Value (PBV), Managerial Ownership (INSD), Institutional Ownership (INST), Foreign Ownership (FORG), Public Ownership (PUBL) and Capital Structure (DER) simultaneously have a positive and significant effect on Company's Value and able to explain Company's Value of Retail Trade Company's In Indonesia of 0.922560 or 92.25 percent.

1. Introduction

Company's value is important, because its describes the welfare of the owner. The manager, Has responsibility to manage the company in order to increase the company's value. [1] To optimallize the manager's work, some companies provide them the opportunities to own the company shares (called insider ownership or managerial ownership). Managerial ownership has both good and bad efect. The good effect is, the managers with shares will have highly performance. On the other hand, managerial ownership can cause managers to take policies that can increase the value of the company as well as to improve their own welfare. [2]

The company's value can be basically measured through several aspects, which is the stock market price of the firm because the stock market price of the company reflects the overall investor's valuation of each equity, in some literature calculated based on the stock price called by some of the terms price book value is the value Market of a company by comparing the market value of a company listed on the financial market with the asset replacement value of the company. According to JC.Van Horne (1912) [3] "Stock market prices indicate a central assessment of all market participants, The stock market price acts as a barometer of corporate performance management. The value of the firm using the stock price approach by using price book value. [4]

The empirical facts show that the research under study there are differences of research from previous researchers that reveal more depth about determinan capital structure implication on the company's value by expressing variable denpeden z thais the value of the company proxied with price book value (PBV) in mediation with capital strukture in Proxies the debt equity ratio (DER), which is used as intervening variable and discloses different indenpeden variables with many researchers is ownership structure (insider ownership, institutional ownership, foreign ownership, public ownership).

2. Literature Review

2.1. Company's Value

Maximizing the value of the company is very important, because by maximizing the value of the company also means to maximize shareholder wealth that is the main goal of the company. Keown Aj, Martin Jd, Fetty Jw, Scottt Jr df (2010: 277) has suggested value of enterprise is a market value of securities over a debt and equity company outstanding. [3]

2.2. Pecking order theory

Myers & Majluf (1984) put forward arguments about the existence of a tendency of an enterprise to determine the selection of sources of funding based on the pecking order theory. Majluf argued that funding decisions based on the pecking order theory. Pecking order theory is one of the theories based on the asymmetry of information. [4]

2.3. Signaling Theory

Signaling Theory propounded by Linther, j. (1956) developed by (Ross, 1977), once the company's executive has a better information, its compelled to convey such information to the potential investors in order to increase his company's share price. [15]

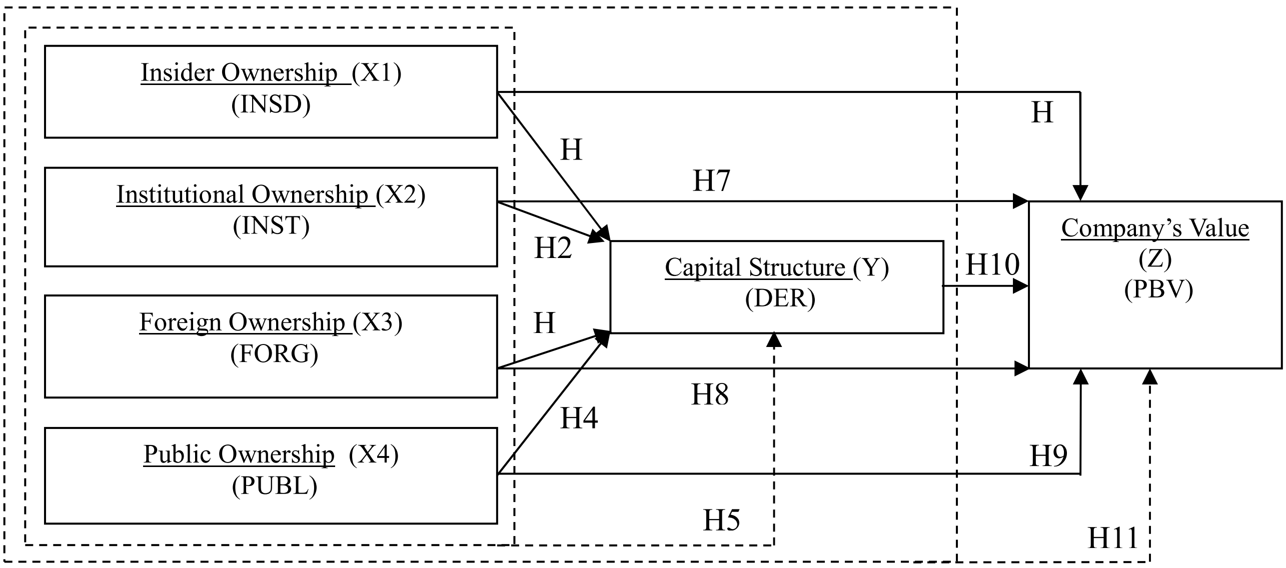
2.4. Trade off theory

Trade off theory is the capital structure theory based on cost and benefit, between cost of capital and profit use of debt i.e. between the costs of bankruptcy and tax advantages. [10]

2.5. Ownership structure

A high agency cost of debt will effect to the value of the company. Insider ownership will reduce improper resource allocation (misallocation). Insider share ownership is an incentive to increase the value of the company. [1]

Research Framework



Research Hypothesis

Hypothesis (H_1) : The influence of Insider Ownership (INSD) on Capital Structure.
Hypothesis (H_2) : The influence of Institutional Ownership (INST) on Capital Structure
Hypothesis (H_3) : The influence of Foreign Ownership (FORG) on Capital Structure
Hypothesis (H_4) : The influence of Public Ownership (PUBL) on Capital Structure
Hypothesis (H_5) : The influence of INSD, INST, FORG, and PUBL on Capital Structure
Hypothesis (H_6) : The influence of Managerial Ownership (INSD) on Company's Value
Hypothesis (H_7) : The influence of Institutional Ownership (INST) on Company's Value
Hypothesis (H_8) : The influence of Foreign Ownership (FORG) on Company's Value
Hypothesis (H_9) : The influence of Public Ownership (PUBL) on Company's Value
Hypothesis (H_{10}) : The influence of Capital Structure (DER) on Company's Value (PBV)
Hypothesis (H_{11}) : The influence of INSD, INST, FORG, PUPL, and DER on Company's Value

3. Metodologi

This research is using a quantitative approach and each variables based on quantitative measurement scale. [8]. Data collection techniques is documentation techniques, through non-participant observation, by recording and reviewing secondary data form of corporate financial statements incorporated in the of Ritail Trade Company's In Indonesia. [9]

Table 1. Number of Sample Based on Sampling Criteria

No	Sample Characteristic	Sample Size
1.	The number of population is a company engaged in the Ritail Trade Company's index listing in idx period of 2008-2017	21
2	The company incorporated in the Ritail Trade Company's does not publish its financial statements and publish its full financial statements during the period 2008-2017 and notyet full Capital Structure.	(13)
	Last Sample Size	8
	Observation Year 5	5
	Observation Amount	40

Table 2. Research Sample

No.	Code	Ritel Company In Indonesia
1	ACES	PT Ace Hardware Indonesia Tbk.
2	CENT	PT. Centratama Telekomunikasi Indonesia Tbk.
3	CSAP	PT Catur Sentosa Adiprana Tbk.
4	ECII	PT. Electronic City Indonesia Tbk.
5	HERO	PT Hero Supermarket Tbk.
6	MPPA	PT. Matahari Putra Prima Tbk.
7	RALS	PT Ramayana Lestari Sentosa Tbk.
8	RANC	PT. Supra Boga Lestari Tbk.

Table 3. Operationalization of Variable

Variable	Proxy	Measurement	Scale
Company's Value (Z)	PBV	$PBV = \frac{\text{Stock Price}}{\text{Book Value}}$ $BV = \frac{\text{Total Equity}}{\text{Amount of shares}}$	Ratio
Capital Structure (Y)	DER	$DER = \frac{\text{Total Liability}}{\text{Total Equity}}$	Ratio

Insider Ownership (X1)	INSD	$INSD = \frac{\text{Insider Ownership}}{\text{Amount of shares}}$	Ratio
Institutional Ownership (X2)	INST	$INST = \frac{\text{Intitutional Ownership}}{\text{Amount of shares}}$	Ratio
Foreign Ownership (X3)	FORG	$FORG = \frac{\text{Foreign Ownership}}{\text{Amount of shares}}$	Ratio
Public Ownership (X4)	PUBL	$PUBL = \frac{\text{Public Ownership}}{\text{Amount of shares}}$	Ratio

The method of data analysis conducted in this research was using regression analysis method of panel data. To determine one of the three panel regression approaches to be used are Ordinary Least Square (OLS) [7]. While the data processing activities with *EVIEWS version 10.0* is used to assist in analyzing the data used in performing the test of significance of multiple linear regression analysis of pool data. [8]

4. Result

Factors that affect Company Value consists of internal factors of the company associated with the Insider Ownership (INSD), Institutional Ownership (INST), Foreign Ownership (FORG), Public Ownership (PUBL) on Capital Structure (DER).

4.1. Determinant Capital Structure.

Based on testing of paired data regression model against the third panel, the conclusions are as follows: [9]

No	*Methods*	*Testing*	*Result*
1.	Uji Chow-Test	common effect vs fixed effect	fixed effect
2.	Langrage Multiplier (LM-test)	common effect vs random effect	random effect
3.	Haustman Test	fixed effect vs random effect	fixed effect

Estimasi Model Regresi Data Panel secara Parsial (*Uji T*) dan Simultan (*Uji F*) *Model Fixed Effects dengan White-Test.) sbb :*

Dependent Variable: DER?

Method: Pooled EGLS (Cross-section weights)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-184.4363	84.45693	-2.183792	0.0375
INSD?	-33.16121	19.47411	-1.702836	0.0997
INST?	-0.099592	0.037683	-2.642898	0.0133
FORG?	7.518352	1.070550	7.022891	0.0000
PUBL?	5.463454	1.854499	2.946055	0.0064
Fixed Effects (Cross)				
_ACES--C	-38.31340			
_CENT--C	-481.6910			
_CSAP--C	3.459049			
_ECII--C	461.1904			
_HERO--C	-272.3759			
_MPPA--C	-134.9278			
_RALS--C	276.4880			
_RANC--C	186.1707			

Weighted Statistics

R-squared	0.972745	Mean dependent var	1.428254

Adjusted R-squared	0.962038	S.D. dependent var	1.780149
S.E. of regression	0.153128	Sum squared resid	0.656546
F-statistic	90.84833	Durbin-Watson stat	1.912334
Prob(F-statistic)	0.000000		

Estimation Regression Data Panel Result for Fixed Effect as follow :

Model	*Adjusted R^2*	*Prob. (F-stat.) α – 0,05*	*Probabilitas α – 0,05*	
Fixed Effect	0.962038	0.0000	INSD	Not Significant
			INST	Significant
			FORG	Significant
			PUBL	Significant

4.2. Implication on Company's Value

Based on testing of paired data regression model against the third panel, the conclusions are as follows:

No	*Methods*	*Testing*	*Result*
1.	Uji Chow-Test	common effect vs fixed effect	fixed effect
2.	Langrage Multiplier (LM-test)	common effect vs random effect	random effect
3.	Haustman Test	fixed effect vs random effect	fixed effect

Estimasi Model Regresi Data Panel secara Parsial (*Uji T*) dan Simultan (*Uji F*) *Model Fixed Effects dengan White-Test.) sbb :*

Dependent Variable: PBV?

Method: Pooled EGLS (Cross-section weights)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3100.061	605.3419	-5.121173	0.0000
INSD?	-135.2114	69.37617	-1.948960	0.0418
INST?	-0.378126	0.295054	-1.281549	0.2109
FORG?	-21.80234	11.68581	-1.865710	0.0730
PUBL?	200.1143	24.12448	8.295073	0.0000
DER?	-0.063489	0.460061	-0.138000	0.8913
Fixed Effects (Cross)				
_ACES--C	-3560.036			
_CENT--C	1945.954			
_CSAP--C	135.4421			
_ECII--C	1233.672			
_HERO--C	2286.085			
_MPPA--C	-1046.842			
_RALS--C	-849.2715			
_RANC--C	-145.0047			

Weighted Statistics

R-squared	0.922560	Mean dependent var	3.217906
Adjusted R-squared	0.888142	S.D. dependent var	2.880083
S.E. of regression	0.629743	Sum squared resid	10.70757
F-statistic	26.80463	Durbin-Watson stat	2.708945
Prob(F-statistic)	0.000000		

Estimation Regression Data Panel Result for Fixed Effect as follow :

Model	*Adjusted R^2*	*Prob. (F-stat.) α – 0,05*	*Probabilitas α – 0,05*	
Fixed Effect	0.888142	0.0000	INSD	Significant

INST	Not Significant
FORG	Not Significant
PUBL	Significant
DER	Not Significant

4.3. Determinant Of Capital Structure and It's Implications On Company's Value: Hybrid Analyisis

The table below describes the combined two models the regression data panel, on the first model, explains determinants Capital Structure, Insider Ownership (INSD), Institutional Ownership (INST), Foreign Ownership (FORG), Public Ownership (PUBL) simultaneously effect significantly to Capital Structure. Second model describes the Implications for on Company's Value of Retail Trade Company's In Indonesia at the period of 2013-2017 with the result that the INSD, INST, FORG,PUBL and DER simultaneously effect significantly to the on Company's Value of Retail Trade Company's In Indonesia at the period of 2013-2017.areas follows: [9]

Table 4. Determinant Of Capital Structure and It's Implications for Company's Value of Ritail Trade Company's In Indonesia at the period of 2013-2017

Independent Variable	*Model 1 Determinant of Capital Structure*			*Model 2 Implications on Company's Value*		
	Koefisien Regresi	*Prob.*	*Sign./Not Sign.*	*Koefisien Regresi*	*Prob.*	*Sign./Not Sign.*
INSD	-33.16121	0.0997	Not Sign.	-135.2114	0.0418	Significant.
INST	-0.099592	0.0133	Significant	-0.378126	0.2109	Not Sign
FORG	7.518352	0.0000	Significant	-21.80234	0.0730	Not Sign
PUBL	5.463454	0.0064	Significant	200.1143	0.0000	Significant
DER	-	-	-	-135.2114	0.8913	Not Sign

5. Conclusion & Suggestion

5.1. Conclusion

1. Insider Ownership partially has a negative not significant effect on Capital Structure.
2. Institutional Ownership partially has a negative significant effect on Capital Structure.
3. Foreign Ownership partially has a positive significant effect on Capital Structure.
4. Public Ownership partially has a positive significant effect on Capital Structure.
5. INSD, INST, FORG and PUBL simultaneously proved to be positive significant effect on Capital Structure, and able to explain Capital Structure variables of 0.972745 or 97.27 percent while the remaining 2.73% (100% - 97.27%) affected by other variables that are not covered in this research. The dominant variable or the highest dominance of the Capital Structure variables are INSD of 33.16121. The non dominant variable or the lowest dominance to the Capital Structure variable is INST amounting 0.099592. Companies that have the highest rate of change of sensitivity simultaneously or partially to Capital Structure are PT. Electronic City Indonesia Tbk. (ECII) a constant value of 461.1904 and the Company having the smallest change of sensitivity to Capital Structure is PT. Centratama Telekomunikasi Indonesia Tbk. (CENT) with a constant value of -481.6910.
6. Insider Ownership partially has a negative significant effect on Company's Value.
7. Institutional Ownership partially has a negative not significant effect on Company's Value.
8. Foreign Ownership partially has a negative not significant effect on Company's Value.
9. Public Ownership partially has a positive significant effect on Company's Value.
10. Capital Structure (DER) partially has a negative not significant effect on Company's Value (PBV).
11. INSD, INST, FORG, PUBL and DER simultaneously has a positive significant effect on Company's Value, and able to explain the Company's Value variable of 0.922560 or 92.25 percent while the remaining 7.75 % (100%-92.25%) is influenced by other variables that are

not tested in this research. The dominant variable or the highest dominance on the Company's Value variable is PUBL of 200.1143, the non dominant variable or the lowest dominance on the Company's Value variable is the INST of -0.378126. Companies that have the highest rate of change of sensitivity simultaneously or partially to the Company's Value of the largest companies are PT Hero Supermarket Tbk. (HERO) with the constant value of 2286.085. The Company that has the smallest change of sensitivity to the Company's Value is PT Ace Hardware Indonesia Tbk. (ACES) with a constant value of -3560.036.

5.2. Suggestion :

1. To improve the retail trade company's capital structure, partially management must reduce institutional ownership, increasing the foreign ownership and public ownership.
2. Management policies in improve retail trade company's capital structure simultaneous must pay attention to the capital structure
3. To improve retail trade company's value, management must reduce insider ownership, increasing the public ownership.
4. Management policies in improve retail trade company's value simultaneous must pay attention to the capital structure

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The Impact of Digital Channel on Customer Purchasing Satisfaction

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Abstract. Digital marketing is a new kind of marketing for companies. Customers can get complete information easily about the product that they intend to buy through related digital channels. The aim of this research is to examine the influence of digital channel on customer purchasing decision and customer purchasing satisfaction, and to find out the correlation between age and product types which customers prefer to buy using digital channels, and the correlation between monthly income and frequency of product purchase. The research employs survey method to 81 respondents in Bandung City. The data was analyzed by using the chi-square test. It is found that digital channels were correlated with customer purchasing decision and customer purchasing satisfaction, age was correlated with the types of product, and monthly income was correlated with the frequency of purchasing product using digital channels.

Implementation of Cooperative Principles as an Organization Culture and an Effect on Financial Performance

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Abstract. Cooperative as a business entity still has several problems according to realize cooperative objectives, that are member promotion and business efficiency, which measured by financial performance. In average showed that cooperative financial performance is lower than the standards set by the Ministry of Cooperatives and Small Medium Enterprises, allegedly of cooperative managers have not implemented yet cooperative principles as a cooperative culture in their managerial activities consistently. The purpose of this study is to examine the implementation of cooperative principles as an organization culture and the effect on cooperative financial performance either simultaneously or partially. This research is conducted on 56 cooperative samples in West Java using quantitative descriptive method, and use multiple regression analysis tools. The results of this research show that the implementation of the seven cooperative principles have not been fully implemented in cooperative samples yet. Principle of democratic management is the highest principle implemented by the cooperative, followed by surplus distribution, cooperative education, the giving of limited remuneration to the capital, independence, voluntary and open membership. Lastly, the cooperative principle that is rarely implemented is partnership among cooperatives. Cooperative principles as an organization culture on financial performance simultaneously have significant effect on the cooperative financial performance, but partially do not give any significant effect on the cooperatives financial performance. This study indicates that the financial performance of cooperative will be determined by the implementation of the whole of cooperative principles consistently.

1. Introduction

The history of cooperative development in Indonesia has been driven by the confidence of the Founding Fathers to usher in the Indonesian economy towards prosperity in unity with the motto "makmur dalam kebersamaan dan bersama dalam kemakmuran" (Noer Sutrisno, 2003). Cooperative development policy in Indonesia has changed. During the Orde Baru Era for example, the role of central government is very dominant, and after the enforcement of Undang-Undang Otonomi Daerah, this role delegated to the local government (decentralization). Reformation of cooperative development is carried out by the current government through rehabilitation, reorientation, and development of cooperative activities. As a business entity, cooperatives have actually been able to perform the functions and roles required by the community, thus becoming an alternative form of business institutions whose benefits felt by the community compared to other institutions. Nevertheless, the development of cooperative performance still need attention, as one example, when the cooperative is measured by the ability of financial aspect from the side of liquidity, activity, advantage and profitability is still far from expectations. Government through Ministry of Cooperative and Small Medium Enterprises of Republic of Indonesia has issued cooperative financial performance standards. Most of the financial performance of cooperatives in Indonesia, including in West Java, is still lower than the standards set by the government. The characteristic of the cooperative organization is an autonomous business entity that has certain differences from other business entities. [1] states that, there are two companies (double nature) in cooperative organizations, i.e. individual member companies and cooperative companies belonging to members. Both are unity in cooperative organizations that cannot be separated. The principles of cooperative as the rule of the thumb means that cooperatives are considered to run well if it is able to implement consistently.

The findings of the other researches of [2] indicated that suggested model has appropriate fit and organized culture beyond its direct impact exerted indirect impact on organizational performance through the mediation of employee's organizational commitment that the extent of indirect impact is significantly higher than direct impact. Work-related attitudes and work behavior have relation to the organizational performance [3], there is a significant and positives correlation between organizational cultures and performance management [4]. Additionally, several researchers that studied the relationship between organizational culture and corporate financial performance [5] used numerous corporate financial performance measures. They used return on assets, return on sales, return on investment, profits before interest and taxes, sales intensity, sales growth and market-to-book ratio in order to measure corporate financial performance.

2. Library Review

This research is related to the implementation of cooperative principles as a cooperative organization culture by cooperative management such as board of director, supervisor, manager and employee, as beliefs, values, behavioral, norms and attitudes. This research also studies how much the effect of implementation of cooperative principles as cooperative culture on financial performance. In recent years, there is growing interest in examining the impact of organizational culture and performance, in particular employee performance [6]. These researches revealed that the right set of cultural values often create excitements, high morale, and intense commitment to a company and clarify the behaviors of employees [7]. Many theoretical models were developed throughout the years in exploring organizational culture and how to measure it. Some of the popular theories include [8].

2.1 Cooperatives Principles as a Cooperative Organization Culture

Although there is no standard definition for the organizational culture, many scholars mention that the organizational culture is something that is "holistic, historically determined by founders or leaders. It is related to things that anthropologists study like rituals and symbols, socially constructed (created and preserved by the group of people who together form the organization), which is, soft, and difficult to change" [9]. According to [10], there are generally three types of organizational culture: constructive culture, passive-defensive culture and defensive aggressive culture. Constructive culture is a culture in which employees are encouraged to interact with people and teach their tasks and projects by assisting them in satisfying their needs for growth and development. This type of culture supports normative beliefs related to the achievement of self-actualization goals, humane appreciation and unity. Passive-defensive culture is characterized by a belief that allows employees to interact with other in a way that does not threaten their own security. Last, aggressive-defensive culture encourages employees to work hard to protect their job security and status. This type of culture is more characterized by normative beliefs that reflect opposition, power, competitive and perfectionist. The implementations of that value are described in the forms of cooperative principles as the rule of the thumb of the cooperative organization. Anyone involved in cooperative activities should implement cooperative principles as a cooperative organizational culture. In Indonesia, the cooperative principles are implemented by cooperative refers to the cooperative principles contained in "Undang-undang RI No. 25 Tahun 1992 Tentang Perkoperasian. According to the cooperative law, cooperative principles are contained in article 5, which can be explained gradually as follows: **(1)** Voluntary and open membership means that there is no coercion to become a cooperative member because it is open to anyone who needs its service. The nature of the voluntary membership implies that being a member of the cooperative should not be imposed by anyone, including any withdrawal from the membership; **(2)** Management must be democratic, means that each member has his right to give aspirations to the cooperative either in submitting opinions, voting rights and also being elected (one man one vote); **(3)** Surplus distribution is done fairly in accordance with the amount of business services of each member. Cooperative surplus will be distributed to the members after deducting the reserve in accordance with the amount of participation services of each member, not based on the paid up of capital; **(4)** The giving of limited remuneration to the capital, remuneration, does not depend on the contribution of members to cooperative capital, because the existing capital in the cooperative is used to provide benefits for members, not for profit. Therefore, the remuneration of capital provided to members is also limited, in the sense that the limited remuneration is reasonable, not exceeding the prevailing interest rate in the market, each member who keeps the capital on their cooperative will receipt limited capital remuneration; **(5)** Independence, everything that concerns about the cooperative should be able to solve independently by deliberation with all members of the cooperative. Independent seen from two aspects: (a) Cooperative management should be carried out independently from other parties, whether or not government or other related institutions; (b) The cooperative's equity capital condition consists of principal savings, mandatory savings, reserves, and investment capital that must be greater than the debt capital, **(6)** Cooperative education must be carried out by the organization not only for board of directors and supervisors, but also for employees and more important for members, because member education will encourage member participation; **(7)** Cooperation among cooperatives, relationship between cooperatives is needed to realize the welfare of cooperative members and develop the national economy, this aims cannot be achieved by individual cooperative, but must be done by cooperation between the cooperatives.

2.2. Financial performance

Measuring the performance of cooperatives should pay attention to the purpose of establishing a cooperative to promote member economies that are often measured by the ability of the cooperative to provide economic benefits for its members. Another suggestion is that the success of a cooperative can be measured by the efficiency of the cooperative business as a company, the efficiency of a member that is measured by the member economic benefits, and the co-operative impact on economic development (Hanel A, 2005). In this study, cooperative performance is measured by business efficiency as a company using financial ratios. According to [11] financial ratios analysis involves calculating and analyzing financial ratios to assess a firm's performance and to identify actions that can improve firm performance.

Many financial ratios analysis can be used to assess cooperative financial, but this study only uses four ratios, namely:

1). Liquidity Ratio is the ability of the cooperative to fulfill its short-term liabilities that must be met immediately as measured by comparing the current assets with current liabilities. In this study only used current ratio. Current ratio formulated as follows:

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Debt}} \times 100\% \quad \text{.....................................1}$$

Liquidity ratio will provide a guarantee to creditor providing loan in the short term. This liquidity ratio is important to keep the cooperative healthy in the sense that the cooperative has liquidity capability so that at any time there is obligation to be paid on time.

2). The leverage ratio, to measure the ability of cooperative in meeting the capital requirements used to finance cooperative assets, is measured by comparing total of co-operative debts to total assets or comparing total debts to total equity capital. For cooperative management this ratio can also be used to measure the ability of cooperatives in financing assets with debt obtained, with the formula:

$$\text{Debt Ratio To Total Assets} = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\% \quad \text{......................................2}$$

3). Activity ratio is an asset ratio that measures ability of cooperatives in maintaining business stability in the long term as measured by the ability of the cooperative in using its assets to provide services. The greater the asset turnover, the more effective the use of assets is. The total asset turnover ratio represents the effectiveness of the overall use of co-operative assets in generating member's service and transactions with non-members. This ratio can be formulated as follows:

$$\text{Total Asset Turnover} = \frac{\text{Member Service + Non Member Transactions}}{\text{Total Assets}} \text{ X 1 time} \quad \text{.......................................3}$$

4). Profitability ratio is the ratio to measure the ability of cooperatives to generate surplus of business from assets, capital used and services. So that the cooperative can be assessed by the effectiveness of the use of assets, capital and services to produce surplus of business. In financial management, it is referred to the ratio of return on equity (ROE). Return on equity is a measure of how the stakeholders are fared during the years because benefiting shareholders is goal, ROE is in an accounting sense, the true bottom-line measure of performance. The formulation as follows:

$$\text{Ratio of Business Results to Equity Capital} = \frac{\text{Surplus of business results}}{\text{Owner's equity}} \text{ X 100\%} \quad \text{.....................................4}$$

For the purposes of the analysis in this study, the data of financial ratios is changed by applying the rating assessment of cooperatives, established by the cooperative ministry and SME, as it is determined by the financial ratios, given certain weights, so that each score can be calculated from the number of inferred scores, used as financial performance data.

3. Research Methods

This research intends to obtain a description of the effect of the implementation of cooperative principles as a cooperative organizational culture on financial performance. The research is conducted in Priangan District, West Java with sample size of 56 cooperatives using a simple random sampling technique. The type of research is descriptive quantitative research and a survey method, which is a method that emphasizes on data acquisition by questionnaires. In order to get data from variable implementation of cooperative principle as a cooperative organizational culture, respondent of this research are managements or supervisors. In addition, financial performance data is taken from the financial statements of each cooperative sample. Analysis methods, used to explain strength and direction effect from independent variable to dependent variable either simultaneously and partially, use multiple regression analysis. Before the regression analysis is done, ordinal data of the variable implementation of cooperative principles as organizational culture is increased to the interval data using MSI and preceded by the Normality test. Hypothesis test is done by statistic of t test and F test.

4. Results and Discussion

The purpose of this study is to examine the implementation of cooperative principles as an organization culture in cooperatives in West Java and to examine the effect on financial performance**.** The first phase discusses about the implementation of cooperative principles as cooperative organizational culture in cooperatives sample in West Java. It is explained in the following figure 1:

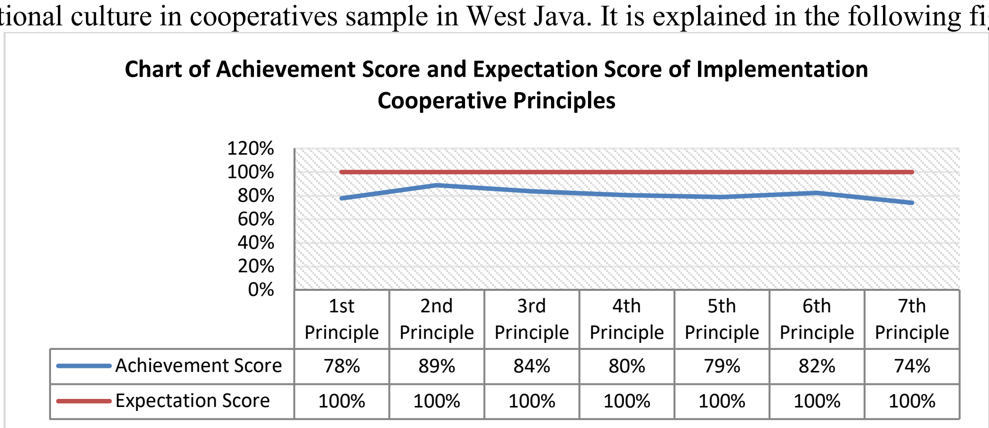

Figure 1. Chart of Achievement Score and Expectation Score Implementation of Cooperative Principles

Based on the chart above, it shows that the implementation of cooperative principles as a cooperative organizational culture has not been fully implemented. The second principle, democratic management, is the highest principle implemented by the cooperatives, then followed by surplus distribution, cooperative education, the giving of limited remuneration to the capital, independence, voluntary and open membership, and cooperation among cooperatives. This condition indicates that until now cooperative samples do not conduct cooperative principles as an organizational culture of cooperative consequently yet. The next discussion relates to test the influence of cooperative principles as an organizational culture on financial performance. This study uses multiple regression analysis, which is preceded by the classical assumption test. The results shows that: (1) Normality test, it is known that the value of significance of 0.955, with alpha 0.1 which means the data has met the assumption of normality. This indicates that data can be used. (2) The multicollinearity test, the VIF value for all independent variables is smaller than 10. It can be concluded that there is no multicollinearity symptom. (3) Autocorrelation test, from the results of autocorrelation test processing with the help of statistical program SPSS 20, obtains the result that the value of DW 1.872. Along with the upper limit (du) 1.868, it can be concluded that there is no autocorrelation between variables with the value Dw 1.872> 1.868. It shows that the regression model does not have problems of autocorrelation. (4) Heteroscedasticity test, it can be concluded that there is no heteroscedasticity, so there are no confounding variables that are same or variant.

Based on multiple regression analysis with the help of SPSS 20 program, it can be summarized that the effect of the implementation of cooperative principles as cooperative organizational culture on financial performance either simultaneously or partially by the following table 1 and figure 2:

Table 1. Correlation Coefficient of the Effect of Implementation of Cooperative Principles as a Cooperative Organization Culture on Financial Performance

No	Description	R	R Square	Significantly
1.	The effect of implementation of voluntary & open membership principles to financial performance	0,215	4,60%	Not significant
2.	The effect of implementation of democratic management principles to financial performance	0,192	3,70%	Not significant
3.	The effect of implementation of proportional share of business with services to financial performance	0,112	1,30%	Not significant
4.	The effect of implementation of limited remuneration of capital principle to financial performance	0,246	6%	Significant
5.	The effect of implementation of independence principle to financial performance	0,011	0%	Not significant
6.	The effect of implementation of cooperative education principles to financial performance	0,069	0,50%	Not significant
7.	The effect of implementation of cooperation between cooperatives principles to financial performance	0,045	0,20%	Not significant
8.	The simultaneous effect of implementation of cooperative principles to financial performance	0,48	23%	Significant

Source: Results of data processing

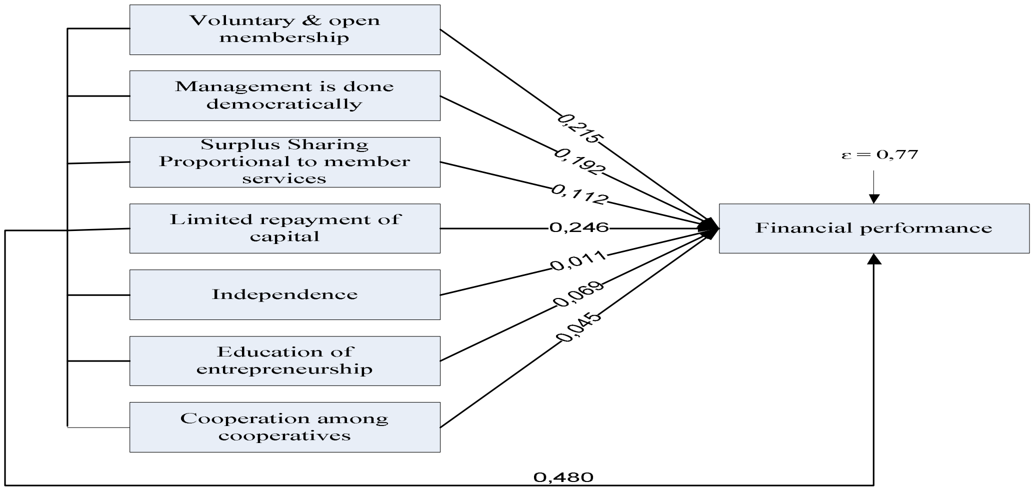

Figure 2. The Effect of Implementation of Cooperative Principles as Cooperative Organizational Culture on Financial Performance

Based on the results of statistical analysis, it can be explained that in simultaneously implementation of all the cooperatives principles as a cooperative culture effect on the financial performance. However, partially the only one variable of implementation of cooperative principle significantly effects on the cooperative financial performance, and the other of six principles do not significantly effect on the financial performance. In detail, it can be discussed as follows:

a). Simultaneously, the implementation of all cooperative principles as a cooperative organization culture on financial performance has a significant effect with correlation coefficient of r = 0.48. This shows that if the cooperative principles are implemented together, it will have an impact on the financial performance of the cooperative. Implementation of cooperative principles cannot be implemented partially as a cooperative organizational culture. The principles of cooperative become a unity of cooperative organizational culture that will serve as organization binder, integrator, organizational identity, energy in order to achieve high performance, sign of quality, motivator, leadership style guidance, and value enhancement stakeholders. It is done together. Consistently, it has impacts to the financial performance of cooperatives. All the cooperative principles are the hallmark of cooperative organization, which must be trusted and acknowledged as the rule of the thumb cooperative organizations: ranging from voluntary and open membership, democratic management, distribution of proportional surplus with services, limited revenues to capital, independence, cooperative education, and cooperation among cooperatives.

b). The partial and significant effect of the implementation of limited revenues on capital principle to the financial performance of cooperatives with the correlation coefficient of r = 0.246, significantly it shows that the cooperatives are able to provide compensation to the owners of capital, although only with a limited amount that has effect on financial performance cooperatives. A good cooperative financial performance will usually be supported by the confidence of the capital owners, so they are willing to participate on the capital needs of the cooperative either from the owner or from creditor. This condition indicates that if the capital owner gets the remuneration, the performance of the cooperative will increase through the increase of capital contribution. The magnitude of the effect of the implementation of limited revenues on capital principle to cooperative financial performance of the determinant coefficient r2 is 6%.

c). The partial and insignificant effects of implementation of cooperative principles on financial performance include the effect of implementation of voluntary and open membership principles on financial performance. They are not significant because the implementation of this principle relates to the membership of the cooperative. Being a member of the cooperative means it is no coercion, nor does differentiate gender, race, class, ethnicity, religion, etc. Besides, it is a volunteerism of its members. Therefore the principle of membership is not related to cooperative business operations. There is no direct connection with financial performance. Membership will be related to the amount of cooperative capital, so that it will indirectly effect the performance of cooperatives. However in fact many members, especially on societal cooperatives, are not actively participate in capital. The effect of the implementation of democratic management principle on the financial performance of cooperatives is not significant. Democratic management occurs when members have to express their opinions, the right to vote and to be elected as the board, supervision and decision making through member meetings. It does not directly affect the financial performance of the cooperative, because at that time the implementation of the principle of democratic management is still part of the level member policy which must be done by the board of director. It has not reached the business operations that have a direct impact on the financial performance. The effect of the implementation of proportional share of surplus business result with service principle to the financial performance is not significant, because the distribution of business results depends on the size of cooperative services utilized by members, not because on the basis of the amount of paid-up capital. This encourages members to be unmotivated to deposit large amounts of capital because the return on capital is often not taken into account. Suppose only to be given a limited amount of remuneration. The effect of the implementation of the independence principle to the financial performance is insignificant, indicating that the conditions, in the field of self-reliance principles, have not been consistently carried out. This condition is illustrated by the circumstances in which many members are not actively contributing to cooperative capital. Cooperative capital is largely derived from loans. In addition, users of cooperative services are mostly used by non-members. The effect of the implementation of the cooperative education principle to the financial performance is not significant. The educational activity for the cooperative is considered as an activity that requires additional expenditure, so it is considered to be a burden of the cooperative organization. Other facts the field of training activities are carried out by the cooperative, because there are offers from other parties' costs borne by the government, private, etc. So that the training activities are just a formality in order not to impact on the performance of the cooperative as a whole. The effect of the implementation of cooperation among cooperatives principle to the financial performance is not significant. This condition occurs because many cooperatives that have not cooperated with other cooperatives or form a secondary cooperative in order to synergize its business through cooperation. Most cooperatives are still trying to rely on their potential business so that the cooperatives are difficult to develop with the financial performance of the cooperative improvise.

5. Conclusions and Suggestions

5.1. Conclusions

Based on the discussion above, the following conclusions is drawn.

1). Implementation of cooperative principles as a cooperative organizational culture has not been fully implemented.

2). Simultaneously, the implementation of all cooperative principles has an effect on financial performance. It shows that to improve financial performance through cooperative principles there must be implemented together and consistently.

3). Partially the only one implementation of cooperative principle is the principle of limited repayment on capital effects to the financial performance of cooperatives. This shows that cooperatives capable of providing compensation to the owners of capital, although it is only with a limited amount of effect to the financial performance. The good financial performance of cooperatives is usually supported by the confidence of the owners of capital, so they are willing to participate to be cooperative capital either from the owner or from creditor.

4). Partially implementation of the other six cooperative principles are the implementation of voluntary and open membership, democratic management, surplus distribution proportional with service, independence, cooperative education, cooperation among cooperatives have no effects on financial performance of cooperatives.

5.2. Suggestions

Based on the above conclusions, it is suggested that each Indonesia's cooperative should implement cooperative principles as a cooperative organizational culture as a whole and consistent from the principles of voluntary and open membership, democratic management, proportional distribution of surplus with services, limited revenues to capital, Independence, cooperative education, and cooperation among cooperatives.

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The Implementation of Customer Relationship Management and Service Excellent in Improving Customer Satisfaction

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Abstract. The tight competition and regulation complicate banking in Indonesia to show its market strength. Customer satisfaction is the most important thing in the trading business. To improve the satisfaction of banking customers, banks should develop their business strategies through Customer Relationship Management (CRM) and improve their service excellences. The implementation of CRM and service excellence provides access to the banking world to be more proactive towards technology that makes it easier for companies to increase customer retention by using customer feedback. This study aims to determine the effect of CRM and service excellence on customer satisfaction. The research method used is a quantitative approach with descriptive and verification methods. The data used is primary data obtained from surveys, interviews, and questionnaires. The results of this study indicate that the application of CRM and service excellence has influences as an effort to improve customer satisfaction proven by series of strategic CRM processes, operational CRM, analytical CRM and service excellence cultures that are friendly, sincere and kinship.

1. Background

The tight competition and regulation make banking in Indonesia difficult to show its market strength. Banking is a company that has an orientation on services that is required to be able to exist by obtaining and retaining customers, one way that can be done is by providing the best service to create customer satisfaction [1], since the existence of customer satisfaction will have a positive impact on banking performance and can maintain the survival of the company [2].

Customer satisfaction can provide four benefits, namely the relationship between the company and the customer become harmonious, it provides a good basis for repurchase, it creates customer loyalty, and it forms word of mounth recommendations that can benefit the company as Tjiptono said [1]. Good services will make customers loyal to the products offered by the banking. Banking efforts in focusing on customers require profile information from each customer, then the desires and needs of what customers want, how to satisfy customers and some factors related to customers [3]. Customer Relationship Management (CRM) is a strategy that can be done to optimize profitability through good relationships with customers [3]. This approach to customer relationship marketing (CRM) focuses more on what is valued by customers rather than on products sold by banks. This starts from the assumption that customers prefer to have a good long-term relationship with one organization rather than moving around [4]

Generally, customers expect to receive the same treatment from each bank. Services provided by banks are expected to be more satisfying than the previous time by increasing community progress and awareness of demanding their rights. It makes a challenge for banking employees [5]. A friendly and fast customer service makes customers feel valued and respected for their existence in the organization. Banking as a service company certainly expects customers to be loyal customers, therefore all employees must provide service excellence while serving customers [4]

Competition between banks is aimed at banking actions to compete continuely to improve bank performance and its service performance. Several groups of Regional Development Banks (BPD) tried to take over the domination of banking from the hands of private and foreign banks. Since then, the growth of regional development banks has progressed, regional development banks will increasingly dominate in the future and most of the customers in Indonesia will choose to use the banking services of regional development banks. The following is the data on the number of banking customers in Indonesia.

Table.1 Number of banking customers in Indonesia

Year	Number of Customers in Indonesia	Number of BPD Customers in Indonesia	Number of Customers Y in Indonesia	Percentage
2013	57.137.663	27.433.924	3.237.203	11,8%
2014	59.743.879	28.492.592	3.419.111	12%
2015	60.867.195	28.371.082	3.319.416	11,7%

Source: www.bi.go.id & www.bisnis.com

Based on Table 1, banking customers' number in Indonesia increases continually from 2013. There were 57,137,663 people who became banking customers and increased in 2015 to 60,867,195. It is shown in the number of BPD customers in Indonesia that increased from 2013-2014 and decreased in 2015. It is also shown in table.1 that in 2015 banking customers in bank Y fell, from 3,419,111 people in 2014, to 3,319,416 people in 2015. Based on the data of banking customers in 2015, banking customers in Y banks declined whereas the number of banking customers in Indonesia was increasing.

PT. Bank Y is a Regional Development Bank that provides banking financial services and products for customers and prospective customers in the country. Bank Y has sufficient facilities to meet the needs of its customers, here are the facilities provided by bank Y:

Table 2. Banking Facilities at Bank Y

Bank bjb's facility	
Conventional Branch Office	45
Conventional Auxiliary Branch Office	171
Sharia Branch Office	6
Sharia Sub-Branch Office	15
Cash office	48
Payment Point	46
Car Education	7
ATM	396

Source: Ywww.bankY.co.id

Based on initial observations made by researchers at Bank Y, there are several phenomena related to customer satisfaction. There were a number of complaints that were felt by customers, including customers complaining about services obtained when conducting financial transactions, unclear information provided by the bank Y and lack of readiness of front liners in helping customers who had difficulties when filling out the forms provided. The number of bank customers Y can be one of the characteristics of customer satisfaction. The following are the number of customers of Bank Y in Bandung KCP in Table.3:

Table 3. Number of Customers at the bank Y in 2015

Year	Costumers Number
2013	563
2014	694
2015	590

Source: bank Y, 2015.

Table 3. shows the data on the number of bank customers Y. Customers in 2013 reached 563 people, in 2014 the number of customers in bank Y increased by 694 people, but the number of bank Y customers dropped in 2015 to 590. Based on existing data in 2015 banking customers at Bank Y declined.

Most banking companies do not pay attention very often to the satisfaction of their customers, that problem makes companies lose competitiveness and even lose some customers. As happened in Bank Y. whereas the Bank has provided sufficient facilities for its customers but its customers decrease in number, especially in Bandung Branch Office. The reasons are the lack of service excellence and the relationship between customers and bank Y that is not intertwined. From the phenomenon that have been explained, the bank is more concerned with the large number of customers who come without providing service excellence to customers.

The customers are not satisfied if they have a perception that their expectations have not been fulfilled, otherwise the customers are satisfied if their perception is the same or more than the customer's mind, in line with what Handi Irawan stated [6]. Customer complaints can be used as an evaluation in improving services. A slight disappointment is a complaint that shoud be immediately handled with sincerity [6].

The purpose of this study is in line with the background described, namely to find out customer relationship management (CRM), service excellence, and customer satisfaction as well as knowing the influence of customer relationship management (CRM), service excellence, and customer satisfaction both partially and simultaneously.

2. Critical Theory

2.1. Customer Relationship Management

Within the scope of management science known as CRM, Customer Relationship Management is a cooperative relationship between the provider and the customer so that both parties are mutually benefited. In this case the institution does not emphasize on product sales, but focuses more on overall interaction by elements of business activities managed by the institution.

Customer Relationship Management (CRM) is a modification and learning of customer behavior from interaction, actors to customers and building strength between customers and companies as described by Newell [7]. While Utami in Carrisa explained CRM is "an interactive process that transforms customer data into customer loyalty through several activities, namely collecting customer data, analyzing customer data and identifying target customers, developing CRM programs, and implementing CRM programs" [8].

There are three concept levels of customer relationship management (CRM) that Butlle said in Carrisa et al, namely: strategic, operational, and analytical CRM. Strategic CRM is a 'top down' view of CRM as the most important business strategy that prioritizes customers and tests attract and retain profitable customers. Operational CRM focuses on automated projects such as service and sales automation, while analytical CRM focuses on the activity of extracting customer data for strategic purposes.

2.2. Service Excellent

Services provided by all units must be integrated both at the front and the back office so the customer expectations can be satisfied and they become loyal customers, *service excellence* [5]. While Ernawati et al in Khaerunisa argued that service excellence is the maximum effort that can be provided by the company to meet customer needs and expectations so the satisfaction is achieved [6]. Service excellence is not a new thing in the world of work, especially service companies. In providing service excellence in an effort to achieve customer satisfaction and loyalty, service providers can be guided by the Service Excellence variables. According to Barata in Asih, they consist of 6 dimensions [9], including: Ability, Attitude, Appearance, Attention, Action, Accountability.

2.3 Customer satisfaction

Customer satisfaction is important for service companies because customers will recommend their satisfaction to prospective candidates, thereby increasing the reputation and performance of banks. According to Kotler in Yunanda et al (2017), satisfaction is a feeling of pleasure or disappointment that appears after comparing the perception / censure of the performance (results) of a product and its expectations [10]. Customer satisfaction indicators presented by Smith, M and Chang in Ersi use four satisfaction measurement indicators namely product quality, service quality, product innovation, and corporate image [11]

3. Research Method

The research method used in this study is a survey method with a descriptive quantitative approach and verification. The sample in this study consists of 85 people from the total population of 590 customers of Bank Y in 2015. Operationalization of Variables

1) Customer relationship management as follows; Strategic CRM, operational CRM, analytical CRM.
2) Service excellence; ability, attitude, appearance, attention, action, accountability.
3) Customer Satisfaction; product quality, service quality, product innovation, corporate image

4. Findings

4.1. Customer Relationship Management (CRM) pada bank Y

A description of Customer Relationship Management (CRM) at Bank Y is good because the majority of respondents gave an agreed assessment of the Customer Relationship Management (CRM). The results of total Customer Relationship Management (CRM) scores in bank Y amounted to 2,898 with a percentage level of 75.8%.

From these results, it can be illustrated that respondents stated that bank x had a good relationship with customers. The results of this study are in accordance with the theory put forward by Anwar [1]: "The better the implementation of CRM in a business unit, the positive impact on customer satisfaction. It can be concluded that CRM is a good strategy to establish relationships with existing customers, because it can reduce excessive and unnecessary expenditure and also can attract new customers."

4.2. Service Excellence at bank Y

Service Excellence at bank Y is good because the majority of respondents gave an agreement agreeing to the service excellence. The result of the total service excellence score at the bank bjb KCP Kopo Sayati was 5,501 with a percentage rate of 76.1%. From these results it can be illustrated that respondents stated that bank Y has been able to provide service excellence as what customers expect.

The results of this study in accordance with Ernawati et al in Khaerunisa argued that service excellence is the maximum effort that can be provided by the company to meet customer needs and expectations so that satisfaction is achieved [6]

4.3. Customer satisfaction with bank Y

A description of customer satisfaction at Bank Y is good, because the majority of respondents gave a positive assessment of customer satisfaction. The results of total customer satisfaction scores at Y Sayati bank amounted to 3,570 with a percentage rate of 76.4%. From these results it can be illustrated that respondents stated that bank Y has been able to provide service excellence and good relationships so as to produce customer satisfaction.

The results of this study are in accordance with Kotler's theory in Yunanda et al [10] satisfaction is a feeling of pleasure or disappointment that appears after comparing the perception / censorship of the performance (results) of a product and its expectations.

4.4. The Effect of Customer Relationship Management (CRM) on Customer Satisfaction

The influence of CRM (X1) on customer satisfaction (Y) based on the results of the tests that have been carried out, generates hypotheses (partially) that can be accepted that is t_{count} more than t_{table} (2.257> 1.98932), and the significance value (P value) below 0.05 (0.027 <0.05), This can mean that the CRM variable has a significant effect on customer satisfaction variables. It shows that customers who have a good relationship with the banking company that they use, will provide customer satisfaction.

The results of this study are in accordance with Anwar's research [1] that revealed that there were many studies which showed that the relationship between CRM dimensions partially and simultaneously in banking companies with customer satisfaction was significant. In addition to positively relating, the impact or influence of CRM on customer satisfaction has proven positive. Based on the description, it can be explained that the closer the good relationship with the customer is, the more influential the customer satisfaction will be, the closer the good relationship with the customer is, the more customers will feel satisfied.

4.5. Influence of Service Excellence on Bank Customer Satisfaction Y.

The effect of service excellence (X2) on customer satisfaction (Y), based on the results of the tests that have been carried out, generates hypotheses (partially) that are acceptable, namely the value of t count more than t table (8,185>1,98932), and the significance value (P value) below 0,05 (0,000 <0,05), this can mean that service excellence variables have a significant influence on customer satisfaction variables. This shows that customers feel service excellence will generate satisfaction with these customers.

The results of this study are in accordance with the theory, "Services that meet quality standards are services that are in line with the expectations and satisfaction of customers or the community" [5]. It can be stated that the more service excellence provided by bank Y, the more it will produce customer satisfaction because customers have become increasingly intelligent so they demand banks to improve their services.[6]. In this study, bank Y attitude from bank employees is still considered low. Every employee should have an attitude of respect, attention, respecting opinions, being close, giving information correctly and pleasantly, helping when seeing customers in trouble.

4.6. The Effect of Customer Relationship Management (CRM) and Service Excellence on Bank Y Customer Satisfaction

Through multiple linear regression tests, CRM and service excellence variables have proven to be very significant in influencing customer satisfaction with a contribution of 68.7% R2 = 0.687, F_{count} greater than F_{table} (90.177> 3.11) and significance value (P value) below 0.05 (0,000 <0.05). The regression test results also found that the service excellence variable (β = 0.688, p <0.05) has a greater effect on customer satisfaction than the influence given by CRM variables ($\beta = 0.190$, $p < 0.05$) on customer satisfaction, this means that prime service from bank Y has more influence on customer satisfaction.

The results of this study are in accordance with the research conducted by Dzikiryati Yuni Ersi, Hatane Semuel [11]) and it can be concluded that Customer Relationship Management (CRM) and Service Excellence have a positive and significant effect on customer satisfaction in bank Y.

5. Conclusion

Based on the analysis that has been carried out in this study, it can be concluded as follows. First, customer relationship management (CRM), service excellence, and customer satisfaction at Y KCP Bandung bank are good. Second, customer relationship management (CRM) and service excellence influence customer satisfaction both partially and simultaneously. It indicates that the better customer relationship management and service excellence performed by the bank Y, the better the customer satisfaction in using banking services. The hope of this research is that bank Y can do CRM development and improve service excellence through service commitment, communication with customers and handling complaints as a focus in establishing good relationships with customers.

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Optimization of Fabric Production through Linear Programming to Maximize Profit of a Textile Industry

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Abstract. This study aims at maximizing a business profit in a textile industry. By using a descriptive quantitative approach, the study was conducted in the district of Cikokol, Tangerang, Indonesia by collecting data from a textile company producing yarn and woven fabrics for the years 2016 until 2017. The data was analyzed by using linear programming to maximize a business profit. In its daily process, the company faced many problems or constrains in its production planning. Uncertain demand fluctuation has caused shortage or overproduction. Other problems are the constrain of raw materials, machine working hour, labour working hour, spindle hour per unit, loom hour per unit, and demand of products. The result of the study showed that the total profit earned by the company to produce 6.67 dozen (80 pcs) of T/C woven fabric is US$ 133.400. On the other hand, total profit to produce 6.67 dozen (80 pcs) of cotton fabric is US$ 100.050, with the assumption that the profit is in accordance with fixed objective and constrain function.

1. Introduction

The textile and textile product (TPT) manufactured in textile industry in Banten Province is one of the main sources of country's national income, besides accommodating large number of workers. In the year 2014, total number of workers employed in this sector reached up to 1.2 million people, which spread over 2,651 textile companies in Indonesia. West Java Province is the largest producer of textile products in Indonesia, consisting of 1.496 companies (56.43%), followed by DKI Jakarta with 456 companies (17.30%) and Central Java with 381 companies (13.37%). The rests are spread over Sumatra, Yogyakarta, East Java, Bali, and Sulawesi. One of the problems arising from the existence of TPT is the impact of emerging creativity and innovation in the Digital Economy Era that lead to the increased of competitiveness among producers, not only in the domestic market but also foreign markets. One of the most popular scientific advancements is linear programming, which is also applicable for textile industry [7]. The linear programming is used to optimize the production of woven fabrics in order to obtain maximum profit. Based on the case study conducted in PT. Argo Pantes, the linear programming technique with simplex model was applied in order to optimize woven fabric production with the aim at maximizing business profit. [4]

2. Research Method

The descriptive quantitative approach of linear programming was applied to maximize profit.[1]. The study was conducted in the district of Cikokol, Tangerang by collecting data from textile industry for the years 2016 until 2017.

3. Problem And Equations In Linear Programming

Linear programming was developed for the first time by George B. Dantzig in 1951. It is a problem-solving method dealing with the use of multiple resources/commodities/factors/products to produce various products. In addition, each unit of the products can provide a maximum benefit. By utilizing linear algebraic theories, several techniques or procedures can be developed [9]. Thus, without having to re-explore the theories; the techniques or procedures can be used to solve the problems that involve the combination of aforementioned resources and products [10]. By employing this method, the potential maximum benefits could be determined. In the textile industry, the linear programming method has been widely applied. For instances, plant operations analysis, production planning, fiber mixing in spinning process, sales-production coordination, marketing strategy, research activities and so forth [2].

In this paper, a brief concept of linear programming and its application in optimizing the production of woven fabric in the company will be described. The formulation of the linear programming problem can be arranged in the form of the following mathematical model. If the factory plans to produce F_1 type of fabric products as much as X_1 units and F_2 as much as X_2 units, then the benefits that can be obtained are:

$Z = C_1X_1 + C_2X_2 + ... + C_nX_n$ .... (1)

Equation (1) is called objective function. Furthermore, producing F_1 fabric as much as X_1 units requires $a_{11}X_1$ spindle-hour and $a_{21}X_1$ loom-hour. Similarly, producing F_2 fabrics as much as X_2 units requires $a_{12}X_2$ spindle-hour and $a_{22}X_2$ loom-hour. Hence, to produce the two kinds of fabric [2], the followings are needed:
- Spindle-hour: $a_{11}X_1 + a_{12}X_2$, and
- Loom-Hour : $a_{21}X_1 + a_{22}X_2$

Since the available capacity of spindle-houris b_1 and the available capacity of the loom-hour is b_2, then the usage of the spindle-hour and loom-hour should not exceed the available capacity [5], So that,
- $a_{11}X_1 + a_{12}X_2 \leq b_1$ .... (2)
- $a_{21}X_1 + a_{22}X_2 \leq b_2$ .... (3)

Equations (2) and (3) are called the constraint function. In more details, this issue is illustrated in Table 1.

Table 1. Linear programming problems for two types of products[1]

Resources	T/C woven fabric F_1	Cotton Fabric F_2	Available Capacity
Fabrics production (unit)	X_1	X_2	
Spindle hour per unit	a_{11}	a_{12}	b_1
Loom hour per unit	a_{21}	a_{22}	b_2
Profit per unit ($)	C_1	C_2	

Based on Table 1, then the problem formulation can be arranged as follows:

Maximize: $Z = C_1X_1 + C_2X_2$ .... (4)
Constraint Function: $a_{11}X_1 + a_{12}X_2 \leq b_1$ .... ..(5)
$a_{21}X_1 + a_{22}X_2 \leq b_2$ ......(6)
$X_1 , X_2 \geq 0$ .... (7)

The main purpose of the problem formulation mentioned above is to determine the prices of X_1, X_2, ... X_n while aij, bi, and Cj are constants, respectively [6].

4. Problem Solving Method

To solve problems with the linear programming, many methods have been developed. One of the popular methods is the simplex method. Solving the problem with simplex method is to use simple formulas through iteration (repetition/replication steps) by using matrix tables. Thus, the maximum results can be obtained in step by step approach.

5. Result And Discussion

Currently, PT. Argo Pantes produces two types of product. They are T/C woven fabrics and 100% cotton woven fabrics. The two products can provide a net profit of $20 and $15 per unit, respectively. The spindle hour per unit (in spinning process) to produce T/C woven fabric is 100; whereas to produce 100% cotton fabrics is needed 50 spindle hour per unit. In addition, the loom hour per unit of producing T/C woven fabric is 20; and 25 loom hour per unit is needed to produce 100% cotton woven fabrics. The results of the study show that total available capacity of the plant is 1000 with 300 total capacity of the loom hour. By using the linear programming, the optimum combination of fabrics to be produced by the factory is presented in Table 2.

Tabel 2. Data for the problem solving by linear programming[2]

Resources	Product		Capacity
	T/C Woven Fabric	Cotton Woven Fabric	
Spindle hour per unit	100	50	1.000
Loom hour per unit	20	25	300
Profit per unit ($)	20	15	

Based on Table 2, the problem can be formulated as follows:

Maximize: $Z = 20X_1 + 15X_2$ .... (8)
Constrain Function : $100X_1 + 50X_2 \leq 1000$.... (9)
$20X_1 + 25X_2 \leq 300$ ..... (10)

5.1 Optimization by Using Simplex Method

The constraint function in the formulation of the above problem contains a sign of inequality. Thus, it must be first changed into a form of equation by adding "slack variable" X_3 and X_4. So that, the new formulations of the problem are as follows:
$Z - 20X_1 - 15X_2 = 0$ .... (11)
$100X_1 + 50X_2 + X_3 = 1000$ .... (12)
$20X_1 + 25X_2 + X_4 = 300$ .... (13)

In the next step, the problem formulation as in equations (11), (12), and (13) will be analyzed by using the simplex algorithm by following the steps as below:

Step 1
Create table 3 and determine X and Z coefficients of the constraint functions and objective functions.

Table 3. Solutions of simplex method in the initial conditions

			1	2	3	4	0
Base Variable		Z	X_1	X_2	X_3	X_4	RK
0	Z	1	-20	-15	0	0	0
1	X_3	0	100	50	1	0	1000
2	X_4	0	20	25	0	1	300

Variables X_3 and X_4 are slack variables of the initial conditions, which are also considered as a base variable, while X_1 and X_2 are called as non-base variables.

Step 2
At row (0), select the cell with the lowest negative price. This price is obtained in line (0) and column (1) or in cell (01). Since the price is obtained in column (1), then F = 1. F = 1 is the column for the variable X_1. Thus, X_1 could be a new base variable (will become base variable).

Step 3
Consider the RK column or column (0) of the newly selected column (1), then choose the smallest positive price of the prices comparison in column (0) divided by the price in column (1). The result of this comparison is as follows:

Row (1): $\frac{1000}{100} = 10$

Row (2): $\frac{300}{20} = 15$

The smallest value is in row (1), so r = 1 in rowr = 1 is a row in X_3. Thus, the X_3 must leave the row.

Step 4
For row (1) or r = 1, the prices are as follows:
Column (1): $a_{11} = 100$ $a_{rk} = a_{11} = 100$, and then $a_{11} = 100/100 = 1$ as a new value
Column (2): $a_{12} = 50$ $a_{12'} = 50 / 100 = ½$
Column (3): $a_{13} = 1$ $a'_{13} = 1/ 100$
Column (4): $a_{14} = 0$ $a'_{14} = 0 / 100 = 0$
Column (0): $a_{10} = 1000$, and then $a'_{10} = 1000 (1000 / 100) = 10$

For the other rows (i.e., row (0) and row (2)), each is obtained through the following procedure:

For line (0)

Column (1): a_{01} = -20 a_{11} = 1 a_{01} = 0

Column (2): a_{02} = -15 a_{01} = -20 a_{12}' = ½ then, a'_{02} = -5

In the same procedure,

Column (3): a'_{03} = 0 – (1/100) (-20) = 1/5

Column (4): a'_{04} = 0

Column (5): a'_{00} = 200

For Line (2)

Column (1): a'_{21} = 20 – 1(20) = 0

Column (2): a'_{22} = 15

Column (3): a'_{23} = - 1/5

Column (4): a'_{24} = 1

Column (0): a'_{20} = 300 – (10)(20) = 100

Furthermore, fill up the cells in row (0) and row (2) with new values calculated above and the results are as listed in Table 4.

Table 4. Solutions with simplex method in the first iteration

			1	2	3	4	0
No	Base Variable	Z	X_1	X_2	X_3	X_4	RK
0	Z	1	0	-5	1/5	0	200
1	X_1	0	1	½	1/100	0	10
2	X_4	0	0	15	-1/5	1	100

The results of the table above shows that row (0) still contain a negative value. Thus, the next calculation is back to Step 2.

Step 2

The smallest negative value in row (0) is in cell (02), thus, F = 2. This means that X_2 will enter the row variable.

Step 3

The comparison of cells in column (0) with column (2) yields the smallest ratio in cell (22) or in row (2). So that, r = 2. Therefore, the variable X_4 will be leaving the base.

Step 4

The new results are listed in Table 5.

Tabel 5. Solutions with simplex method on the second iteration

			1	2	3	4	0
No	Base variable	Z	X_1	X_2	X_3	X_4	RK
0	Z	1	0	0	2/15	1/3	233,450
1	X_1	0	1	0	1/60	1/30	6,67
2	X_2	0	0	1	-1/75	1/15	6,67

Note : volume in unit x 1000

Step 2

Based on Table 5, row (0) has no longer a negative cell value. The next step is to proceed with step 5.

Step 5

The optimum production quantity of T/C woven fabric of 6.67 dozen (cell contents 10) and 100% cotton woven fabrics is 6.67 dozen listed in the table (content of cell 20). The maximum profit earned is $233,330.

5.2 Conclusions

Conclusion can be drawn from Table 5 linear programming solution with simplex method that:

1. The production of polyester cotton (T / C) mixed woven fabrics reaches an optimum is 6.67 dozen with profit : US$ 133.400,-
2. The Production of woven fabric for 100% cotton type reaches an optimum is 6.67 dozen. With Profit: US$ 100.050,-
3. Maximum profit or business profit can be achieved for $ 233, 450, -

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Graphology for Employee Recruitment

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Abstract. Graphology can indicate well a person's personality structure, abilities, capabilities to grow and develop, and perhaps most importantly, integrity. This research aimed at knowing how Graphology works in daily lives. Graphology is a scientific method in a basis of analyzing strokes. Combinations of strokes have significant interpretation. The method used was qualitative method. The data collected consisted of primary data and secondary data. Primary data were obtained through observation and interview to employee and Graphologist. While, secondary data were obtained through literature study. The sample was employees selected by using Graphology (20 employees). In analysing the data, N Vivo11 was used. The result concluded that the role of Graphology is very important because it is helpful in terms of knowing the extent of the competencies of the employee.

1. Introduction

Recruitment plays a very important and vital role in the business world. The recruitment is an important term used in human resource management for all types of business organizations. In addition, recruitment can also be interpreted as a process in determining the employees, who will be accepted and become part of the company, or who will be rejected and not allowed to be part of the company. Effective recruitment can help organizations to generate a better profit by choosing the most appropriate employees quickly. The main purpose of recruitment is to determine the right people quickly, thus that production costs can be used efficiently [1]. Inability in creating competitive employees becomes one of many failures of organization in coping with the changing business environment. Inability in recognizing internal potential leads to shift attention more to external potentials by organization in which it causes the lack of long-term competitive advantages. Organizational potentials can be utilized by integrating human resources strategies into corporate strategic. Unsuccessful recruitment can be a cause of the business failures. Some organizations may emphasize the importance of various tests for selection, while others may emphasize interviews and reference checks. There are several types of tests available to be used as tools for the recruitment, such as ability test, personality test, honesty/integrity test, etc. The implementation of individual personality and characteristic tests can identify and produce the success of the work throughout the organization. Graphology is one of characteristic tests. Nowadays, many companies conduct a graphology test for recruiting prospective employees.

2. Literature review

A lot of questions are related to the credibility of the handwriting. However, it was reported that 6,000 companies in the United States has selected all their employees by using Graphology [2] Graphology is a scientific method in the standard system of analyzing strokes. Combination of stroke has a significant interpretation. This is a form of modern psychology that identifies personality. On the other hand, graphology is described as a scientific study and handwriting analysis, or the art of interpreting characters and personality from specificities in handwriting [3]. The debate about the value of Graphology as an assessment tool has been conducted for several years.

The first special research on handwriting analysis was written in 1622 by Camillo Baldo, an Italian doctor and Professor at the University of Bologna [4]. He wrote the first book on Graphology entitled "How to Assess the Character of People from his letter". In his book, it is said that it is impossible for two people to be able to write in the same handwriting. Modern versions of graphology are rooted in the late nineteenth and early 20th centuries. Writing has been known at least a century old, and a book known about graphology was firstly found in Spain in 1552.

Handwriting analysis is often defined as a method to know one's characteristics in predicting the personality of the author. For analyzing the results of handwriting itself, it can be considered to use several six types of main features: (i) font size, (ii) letter and word slope, (iii) baseline, (iv) pen stroke, (v) distance among letters and (vi) distance among words in a document. These six features are used to identify the characteristics of the author [5].

Graphology or handwriting analysis is a field of study to identify and understand the personality, behavior, and character of people. Handwriting analysis can be applied in many fields. Some fields that apply the techniques of writing analysis are in job profiles, worker recruitment, marital compatibility, criminal investigations, psychological analysis and medical diagnosis [6].

There are two methods in Graphology, namely the French and the German approaches. The French approach is when the handwriting is divided into various components, and examined separately. [The German approach, known as holistic or gestalt approach, stated that isolated element does not mean anything if there is only one element of handwriting, thus there is no any significance. This approach analyses the sample in terms of the arrangement on the page, the form of the writing, and the movement. It gives an intuitive impression of the entire writing, and it can also make certain assumptions about the writer. Either the holistic or the isolated method is the "best", but when it is used in combination, it provides the most complete description of the person's disposition. Today, professional graphologists use a combination of both methods [7].

Debates in the past generally discuss of credibility and reliability from handwriting analysis as a tool to assess one's personality. At this time, the debates over this matter have been shifted by the proof of the emergence of handwriting analysis as a new and independent study. The credibility and reliability of handwriting analysis has been proven as the latest and independent study. There are three main elements of graphology [8]. which are research, development, and education. These elements are related to what happens to our brain. With the existence of graphology, the research and the development of insight can be conducted in order to re-educate organization for being able to use the handwriting analysis [9].

Graphology can be used as a new alternative method to replace the other selection methods used in the past. Graphology offers a number of benefits that are not obtained from other methods. One advantage is that the handwriting samples can be obtained easily. Therefore, the long-term research and collecting data does not take a high cost and a long time. Although graphology is very simple, it can provide the information needed. [10]

Handwriting analysis also provides a lot of information with relatively inexpensive fees. [11] This is proved by a lot of characteristics that can be demonstrated by the Graphology, and the costs incurred are only used to pay for graphologist. However, handwriting analysis in practice will be very difficult to be fraud because in handwriting analysis, it can be seen whether the handwriting is original or made up. Respondents were sometimes often making up a particular handwriting, even though it still can be detected by using handwriting analysis.

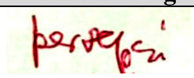
3. Methodology

The research method used was qualitative method. The data collected consisted of primary data and secondary data. Primary data were obtained through observation and interview to employee and Graphologist. Secondary data were obtained through literature study. The sample consisted of the employees selected by using Graphology and not using Graphology (30 employees). Handwritten results of participants were collected and processed by Graphologist. Moreover, N Vivo 11 was used as a tool to analyse data. N Vivo software is a program that is able to support a qualitative method.

4. Analysis

Spencer [12] described that effective recruitment are strategically important to any company. Recruiting the wrong candidates can implicate negative cost, while effective processes can contribute to a reduction in turnover and an increase in productivity. Therefore, many companies use various tools for recruitment, for instance, graphology. Graphology is a science of revealing personality traits from someone's handwriting, not of identifying the author. Graphology is a self-validating science [13]. In other words, this means the credibility of the method can be proven immediately by the feedback obtained from the graphologist. Validation of graphology has also come from the scientific community, thus in this research, data verification was conducted by the graphologist. Data collection was obtained from the handwriting of employees. The data were divided into two groups, the handwriting from the employees selected using handwriting and the data of the employees selected without using handwriting. Here was an example of data processing by graphologist for selected employees using Graphology.

Table 1. Data processing by graphologist for selected employees using Graphology for 24L

Employee	Handwriting	Characteristics
24L		• Being controlled by head not by heart. • Not showing their expression • Being able to be calm in an emergency. • Participating when someone makes them angry, but it does not let their emotion control them • Expressing his feelings with actions not words • Believing in facts and not with emotional stories. • Having social skills and interacting well. • Being able to respect and treat others with dignity and expecting people to act accordingly. • Keeping a lot of things secret especially about them and certain events in the past. • Having good thoughts, high creativity, and being able to solve problems quickly. • Being able to look into the future and have high goals and can really achieve them. • Being able to achieve whatever level of success he wants. • Being able to achieve the greatest potential in him, brave, and not afraid of failure. • Being independent and careful in choosing friends. • Having a healthy and clear imagination.

The example of data processing by graphologist for selected employees without using graphology for 5L

Table 2. Data processing by graphologist for selected employees without using Graphology for 5L

Employee	Handwriting	Characteristics
5L		• Having several types of trauma and problems with trust. • Withdrawing and rarely showing feelings except for emergencies. • Having extreme extroverted properties. • Saving feelings for them. • Bearing a grudge, but not blowing up his anger. • Requiring time and space alone. • Having good skills in socializing and interacting. • Being Sensitive to criticism. • Not being able to accept reality well and often not facing what happened in his life. • Being able to be diplomacy well. • Thinking cumulatively and procedurally. • Thinking methodically. • Having a low level of confidence. • Having a tendency to procrastinate. • Having a healthy imagination. • Often failing because they do not complete what they do thoroughly. • Often exaggerating something that is physical.

All the data that had been processed was made its average. The result of the data's sample found that there are differences between the selected employees using graphology and the selected employees without using graphology. The average comparisons of competencies employee selected using handwriting and without using handwriting analysis could be described below:

Table 3. The average comparisons of employee competencies selected using handwriting and without using handwriting analysis

	Without Graphology		With Graphology	
	Value	**Category**	**Value**	**Category**
Intellectual Competency	1.783	Not good	2.218	Good
Emotional Competence	1.868	Not good	2.208	Good
Social Competence	2.106	Good	2.224	Good
Spiritual Competence	1.980	Not good	2.156	Good

Based on Table 3, it showed that the employees selected using Graphology had higher competencies than the employees selected not using Graphology.

Based on the results of handwriting analysis above, it could be concluded that the role of handwriting analysis was very important. The results of this handwriting analysis were helpful in terms of knowing the extent of the competencies of the employees. If it is based on data of existing employees, it could be seen that the employees selected without using handwriting analysis could not develop their career.

This result showed that handwriting was accurate because the structure of our actual handwriting was indicated to the power of our subconscious mind. Our handwriting changes as our personality evolved or changed as a reaction to life's many positive and negative events. The use of graphology in recruitment processes had become a popular tool in many human resources companies. A major problem in using graphology for marketing research was obtaining acceptance. Even open-minded researchers might feel a sense of embarrassment about a technique equated with such unscientific practices as palmistry and astrology. Graphology played an important role whenever it was useful to know something about human personality. It could be used in personnel recruitment, compatibility analysis, career guidance, assisting lawyers and law enforcement agencies; enabling teachers to identify the strengths, weaknesses, aptitudes of students; supporting social workers and counsellors in identifying and dealing with their client's behaviors and personalities, and diagnostic procedures in medical field.

On the other hand, Rafaeli & Drory [14] examined the relationship between graphology and job performance. Handwriting scripts of 60 employees were analysed by a graphologist and rated on 13 related items. Supervisory assessments of on the job behaviour were obtained using the same 13 jobs related items. The correlation between the graphological ratings and the subjective assessment of performance were highly significant for 10 of these items. The use of graphology in recruitment processes had become a popular tool in many human resources companies.

5. Conclusion

This research concluded that recruitment is a key factor for performance. A good recruitment process is the first step to ensure the succession of the organization. Recruitment is conducted to find the competence of prospective employees in accordance with the needs of the organization. Competence is a key role in improving performance that can be detected using graphology.

Effective recruitment systems identify the competencies in associated with high performance, establish assessment techniques that successfully measure the presence of competencies in candidates, and repay their own expense through the additional productivity of new recruits. This validates the appropriateness of competency is much needed to guarantee high company performance, thus is it is not found irrelevant bias. Recruitment systems represent a key area of competitive advantage. Graphology can be the answer for the right of recruitment process. As mentioned above, effective recruitment can lead to the successful organization. This research tries to find the role of graphology in the complete process of achieving organizational success. This competence can be detected using graphology. Therefore, graphology is important in the recruitment process because it can be a determinant of succession of an organization. Organizations with good performance certainly need to be supported by employed owned good competence.

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Impact of Capital Asset Pricing Model (CAPM) on Excess Return

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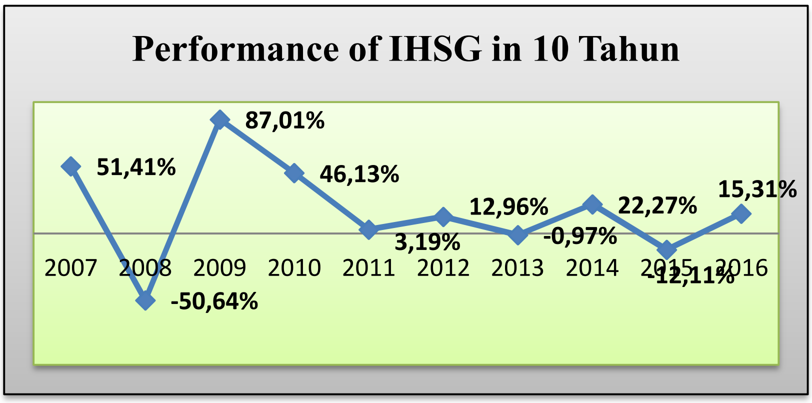
Abstract. Different ways and methods can be used in calculating asset pricing models. One method that can be used in calculating asset pricing model is Capital Asset Pricing Model (CAPM). Capital Asset Pricing Model (CAPM) is a model that links the expected rate of return of risk assets with asset risk to balanced market conditions. This study aims to assess the risk and stock returns with the CAPM method of excess return, in order to provide a decent investment decision on stocks listed in the index LQ 45. Type of research used is descriptive quantitative research. Population in this research is the stock of LQ 45 period of 2012 until 2016. The sampling method in this research uses purposive sampling with a criterion of the company which listed continuously in Indonesia stock exchange and recorded in index LQ 45 period 2012 until 2016, which is 20 companies selected to sample research. Secondary data used in the form of closing price of shares of LQ 45 and interest rate of Bank Indonesia on a monthly basis. All data then calculated, hypothesis testing using multiple linear regression analysis with the help of software used is SPSS Version 24.

1. Introduction

Economic growth is one of the most important discussions because economic growth will have an impact on the development of a country. An important indicator to know the economic conditions in a country in a certain period is indicated by the Gross Domestic Product (GDP) data. The value of GDP will provide an illustration of how the state is capable of managing and utilizing available resources. It is known that in the period 2000-2004, economic recovery occurred with an average GDP growth at 4.6% per year. After that, GDP growth accelerated (with the exception of 2009, due to shocks and global financial uncertainty, Indonesia's GDP growth fell to 4.6%, a figure that is still amazing) and peaked at 6.5% in 2011. Even so, after 2011 Indonesia's economic expansion began to slow down considerably. Between 2011 and 2015 Indonesia's economic growth also experienced a slowdown.

From its own internal side, monetary development is relied upon to be driven by government framework spending with the end goal to reinforce the profitable segment as a driver of financial development. Not only that, as many as fourteen policy packages launched by the government are expected to encourage investment that can accelerate economic growth and maintain macroeconomic stability. Indonesia has a normal development rate that is still better contrasted with different nations during the period 2006-2015. Meanwhile, up to the third quarter of 2016, Indonesia had a truly good economic growth of 5.02%. In addition to being optimistic about economic growth, the health of Indonesia's economic fundamentals is well maintained. This can be seen from 2016 economic indicators which showed good results, such as inflation that was still under control at 3.02%, appreciation of the Rupiah exchange rate by 2.6% and the JCI growth by 15.3%.



Source: www.idx.co.id (Data processed)

Graphic 3. Performance of Indeks Harga Saham Gabungan (IHSG)

The data is the JCI growth data which is calculated from 2007 to 2016. Looking at the growth of the capital market in Indonesia, it is estimated that the capital market in Indonesia can continue to increase every year. This fact shows that investment activities in Indonesia have begun to grow rapidly. So this is inseparable from investment decisions made by investors. The main highlight is the investment decision-making process by investors.

Investment decisions are decisions about investment in the present to get future results or profits. The organization's speculation choice is vital for the survival of the organization as a result of venture choices in regards to the assets that will be utilized for speculation, the kind of speculation that will be made, the arrival on the venture, and venture chances that may emerge.

Investment decisions have a long-term time dimension, so decisions taken must be considered well because they have long-term consequences.

The basics of investment decisions are very important in making investment decisions. The basis of the investment decision consists of the level of expected return, the level of hazard and the connection between return and hazard. Return is the main reason people invest is to get a return. Returns of a certain level are very reasonable for investors who invest their funds. Returns that are expected by investors from their investments are compensation for opportunity costs and the risk of decreasing purchasing power due to the influence of inflation. Need to be distinguished between expected return (expected return) and return that occurs (realized return). The expected return is the level of return that investors anticipate in the future. While the return that occurs (realized return) or actual return is the level of return that has been obtained by investors in the past.

The next basic investment decision is a risk. Risk can be interpreted as the possibility of actual return that is different from the expected return. Specifically, it refers to the possibility of actual return realization lower than the expected minimum return. The normal least return is frequently alluded to as the required rate of return. The third premise of venture choices is the connection between hazard and return desires is a relationship that is unidirectional and straight. This means that the greater the risk of an asset, the greater the expected return on the asset and vice versa.

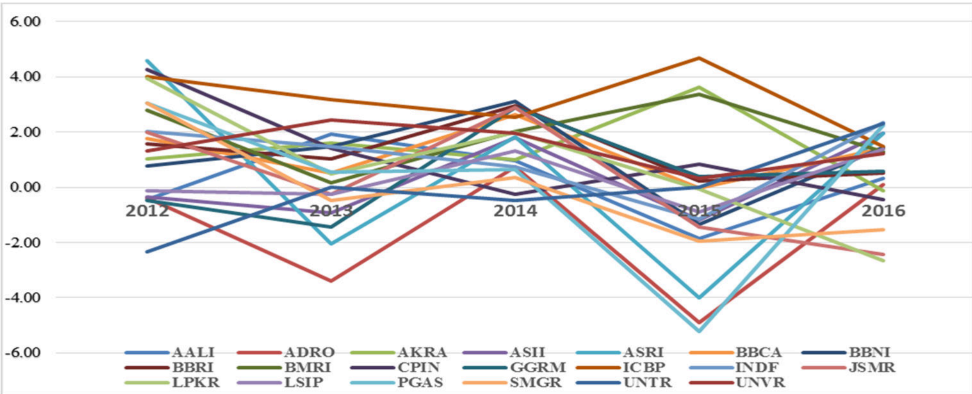
Another important and fundamental concept in investment science is called a balanced model. Basically, a model will be able to help understand a complex problem in a simpler picture. Using the balance model will be able to understand how the behavior of investors as a whole, and how the mechanism of prices and market returns formations in a simpler form. The balance model can also help to understand how to determine the risks that are relevant to an asset, as well as the risk relationship and expected return for an asset when the market is in a balanced condition. One of the balance models is the Capital Asset Pricing Model (CAPM) and Arbitrage Pricing Theory (APT).

The CAPM model is a balanced model that describes risk and return relationships more simply and uses only one variable (referred to as a beta variable) to describe risk. The CAPM is basically the same as the APT model which only considers one risk factor, namely systematic risk. One criticism of the APT model is that there are difficulties in determining the relevant risk factors [7]. According to [7] CAPM is one of the equalization models that can decide the connection between the level of expected return of a hazard resource and the danger of the advantage in a reasonable economic situation. At the CAPM, the market portfolio is very influential because it is assumed that the relevant risk is a systematic risk as measured by beta (the sensitivity level of securities returns to changes in market returns). The advantage of beta lies in its stability, Jogiyanto said that "Beta which is calculated based on historical data can be used to estimate beta in the future [5]. Empirical evidence shows that historical beta is able to provide information about future beta. "At the CAPM, all macro factors are integrated into one factor, namely portfolio market return. CAPM is a model that can describe or predict reality in a market that is complex, though not to the reality of the assumptions used. In this way, CAPM as a parity model can rearrange the genuine photo of the connection between hazard and return.

The CAPM calculation is based on equilibrium conditions (balanced). "Market equilibrium occurs if prices of assets are at a level that can no longer provide incentives to conduct speculative trading" [5]. In equilibrium conditions, the level of profit required by investors for a stock will be affected by the risk of the stock. Stock risk in CAPM is measured by beta (β). The expected rate of return [E (Ri)] CAPM method is determined by the market rate of return (Rm), risk-free return rate (Rf), and systematic risk (β), with the CAPM method investors are expected to measure stock performance.

In this study selected groups of shares included in the LQ45. The LQ45 Index is created and published by the Indonesia Stock Exchange. This index consists of 45 companies whose shares have high liquidity selected through several selection criteria. The LQ45 index is one of the stock index indicators on the IDX which can be used as a reference as a material to assess the performance of stock trading. Among the stocks in the Indonesian capital market, the LQ45 shares on the Indonesia Stock Exchange are shares that are in great demand by investors.

This is because LQ45 shares have high capitalization and high trading frequency so that the prospects for growth and financial condition of the stock are good. In addition, the LQ 45 index is a complement to the JCI and specifically to provide an objective and reliable means for financial analysis, investment managers, investors and other capital market observers in monitoring price movements of actively traded shares. Based on the shares listed on LQ45 after being re-selected according to the criteria that have been set, shows that of the 45 companies listing in LQ45 respectively from 2012-2016 20 companies were selected. Although the shares in LQ45 are in the category of superior stocks, it was found that the majority of shares produced negative returns in a row, as stated that the LQ45 index has high capitalization and high trading frequency so that the growth prospects and financial conditions of the stock should be good. Following the development of excess stock returns in 20 companies from 2012-2016 :



Graphic 4. Development of Stock Return for 2012-2016 Period

Based on Graph 4 Development of Stock Returns for 2012-2016 Period, LQ45 shares are active shares so that they can continue to experience changes in stock prices and later affect stock returns. It can be seen in the graph above that there is a fluctuation in stock returns from 2012-2016. Of the 20 companies that were used as research samples, there were 16 companies that produced fluctuating negative returns and 4 companies that produced a steady positive return during the study period. This is because stock returns are influenced by investor demand and supply in investing.

2. Literature Review

2.1. Stock

Stocks are one of the most attractive capital market instruments for investors because they provide attractive rates of profit. Shares can be defined as a sign of capital statement of a person or unilaterally (business entity) in a company or limited liability company. The definition of shares according to experts is as follows: Shares can be defined as a sign of participation or ownership of a person or entity in a company or limited liability company (PT) [1]. Explained that stocks are evidence that ownership of the assets of the company issuing shares [7]. Stocks are a part of ownership in a company [3]. Meanwhile, stocks are one of the most popular capital market instruments for investors, because they are able to provide attractive returns [2]. Shares are paper that is clearly listed in nominal value, company name, and followed by the rights and obligations that have been explained to each holder.

2.2. Return

One of the goals of investing investors is to get a return. Without the level of profit enjoyed from an investment, investors will certainly not invest. States that returns are profits obtained by companies, individuals and institutions from the results of their investment policies [2], explained that return is the result obtained from an investment [5]. Returns can be in the form of realization returns that have occurred which are calculated based on historical data and expected return that has not yet occurred, but which are expected to occur in the future. Based on some of these opinions, a return is basically the expected rate of return on investment activities that have been carried out. Argues that stock returns are the results obtained from investments [4]. A money related resource demonstrates the readiness of speculators to give assets as of now to acquire a stream of assets later on as pay for the time factor as long as the assets are contributed and the hazard borne.

2.3. Capital Asset Pricing Model (CAPM)

The CAPM model was introduced by Treynor, Sharpe, and Litner. The CAPM model is a portfolio theory development proposed by Markowitz by introducing new terms, namely systematic risk (systematic risk) and non-systematic risk (unsystematic risk). Understanding the Capital Asset Pricing Model (CAPM) is a risk (asset) pricing model in the market balance in a well-diversified portfolio. The Capital Asset Pricing Model (CAPM) tries to explain the relationship between risk and rate of return. Bodie et al. (2014) explained that the Capital Asset Pricing Model (CAPM) is the main outcome of the modern economy. The Capital Asset Pricing Model (CAPM) provides precise predictions between the risk relationship of an asset and the expected return (Expected Return).

The Capital Asset Pricing Model (CAPM) is widely used because the Capital Asset Pricing Model (CAPM) produces sufficient detail accuracy in an application. The Capital Asset Pricing Model (CAPM) assumes that investors are planners in a single period who share the same perception of market conditions and look for the mean-variance of the optimal portfolio. The Capital Asset Pricing Model (CAPM) also assumes that the ideal stock market is a large stock market, and investors are price-takers, no taxes or transaction costs, all assets can be traded in general, and investors can borrow or lend an unlimited number of fixed risk-free rates. With this assumption, all investors have a portfolio with identical risks.

The Capital Asset Pricing Model (CAPM) states that in a harmony state, advertise portfolios are extraneous to portfolio normal change. The Capital Asset Pricing Model (CAPM) suggests that the hazard premium of any individual or portfolio resource is the result of the superior hazard in the market portfolio and beta coefficient. As per the Capital Asset Pricing Model (CAPM) hypothesis the normal level of salary of a security can be figured utilizing the equation:

$$\mathbf{E\,(R_i) = RF + \beta i\,[E\,(RM) - RF]}$$

Where:

E (Ri) = The expected level of income from securities i.
RF = Risk-free income level.
E (RM) = The expected level of income from the market portfolio.
βi = Risk benchmarks that cannot be diversified from securities i.

3. Research Methods

The examination technique utilized in this investigation is an illustrative strategy. The populace in this examination was the offers recorded in the LQ45 time frame 2012 to 2016. The quantity of populace in this investigation there were 45 organizations posting on LQ45. The company is reselected according to the criteria or considerations that have been set. Secondary data in this study were obtained from various parties related to research, library research and online research were also applied in this study. In this study, the use of purposive sampling method as described previously aims at sampling so that the sample used is 10 companies. Data analysis method in this study uses statistical data processing application, to be specific SPSS with a traditional supposition testing investigation and numerous direct relapse examinations.

3.1. Data Analysis Techniques

3.1.1. Calculation Method (Ri)

$$\mathbf{Ri} = \frac{Pt-(Pt-1)}{Pt-1} \quad (1)$$

with Ri = individual stock returns, Pt = period t share price, and Pt-1 = period t-1 stock price.

3.1.2. Calculation Method (Rm)

$$Rm = \frac{\mathrm{IHSGt-IHSGt-1}}{\mathrm{IHSG}t-1} \quad (2)$$

with Rm = market return rate, IHSGt = period t stock price index, and IHSGt-1 = period t-1 stock price index.

3.1.3. Calculation Method (Rf)

Risk-free or known as risk-free returns are the rate of return on financial assets that are not at risk. The security interest rate issued by the government is the measurement basis used, which is hereinafter referred to as Bank Indonesia Certification (SBI).

3.1.4. Calculation Method (βi)

$$\beta_i = \frac{\sigma im}{\sigma^2 m} \quad (3)$$

with β_i = Beta stock, σ_im = Covariance market return, σ2m = market variant

3.1.5. Calculation Method E (Ri)

E (Ri) = Rf + βi [E (Rm) -Rf] (4)

with E (Ri) = The expected rate of return, Rf = Risk-free return rate, βi = The level of systematic risk of each stock, E (Rm) = the expected rate of return on the stock portfolio.

4. Result and Discussion

4.1 Result

4.1.1. Regression Analysis Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.159	.002		-88.680	.000
	Beta	-.009	.003	-.589	-3.094	.006

a. Dependent Variable: Excess Return

Y = -.159 – 0.009X1 + e

a. The constant = -0.159 states that if the beta value (X1) equals zero and remains, meaning that there is no change, then the excess return (Y) is -0.159.

b. Regression coefficient value from beta (X1) is a negative sign at -.009 which means that for every 1 unit increase in beta (X1) it will reduce stock excess return (Y) by -9.00 units.

4.1.2. Results of Determination Coefficients

Model Summary[b]

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Change Statistics: R Square Change	F Change	df1	df2	Sig. F Change
1	.589[a]	**.347**	.311	.00772413	.347	9.571	1	18	.000

a. Predictors: (Constant), Beta
b. Dependent Variable: Excess Return

The coefficient of assurance basically measures how far the capacity of the relapse demonstrates in clarifying the impact of the needy and free factor varieties. Based on the test results it is known that the relationship between excess return and beta shows a positive relationship pattern, meaning that the higher the excess return obtained, the higher the risk (beta) that will be experienced by investors. The value of R Square based on the test results is 34.7%, meaning that the beta variable in explaining the variation of excess return is 34.7% while the rest is impacted by different factors outside the examination demonstrate.

4.1.3 Hypothesis Test Results t

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.159	.002		-88.680	.000
	Beta	-.009	.003	-.589	**-3.094**	.006

a. Dependent Variable: Excess*Return*

The t-test is utilized to decide if the autonomous variable significantly affects the reliant variable or not. Based on the test results, the effect of the market beta variable on stock excess return by using SPSS version 24 obtained an explanation that t-count (-3.094)> t table (1.989) it can be concluded that there is no significant effect between beta (X1) on Excess Return (Y) in LQ45 shares for the 2012-2016 period.

4.2 Discussion

In this study it is known that there is no significant influence between beta and Excess Returns, according to criticism from Richard Roll, CAPM cannot be used as a market return only by using the IHSG value only. While it is known that the capital market in Indonesia is not yet an efficient capital market. By using the JCI as a parameter to become a reference for the market, it will cause a large bias. The use of the Composite Stock Price Index (CSPI) as a market portfolio also has weaknesses, because in the JCI calculation on the Jakarta Stock Exchange, it is also unlimited. Various enabling factors from the CAPM are empirical, including portfolios that allow not reflecting existing portfolios, Beta Offering appropriate measurements to measure, including the effects of taxes; abnormal returns, no risk-free assets, loan, and deposit income levels.

5. Conclusions and Suggestions

5.1. Conclusion

Based on the results of the tests carried out it is known that in this study, beta does not have a significant effect on excess return, so this means that beta is unable to explain the excess return, and cannot be used by investors as a consideration tool in making investment decisions in this study.

5.2. Suggestion

This examination is required to be utilized as a source of perspective and extra data for financial specialists and invested individuals who will lead venture exercises and basic leadership. It is important for parties who have excess funds to invest, but it is also important to know how much return will be received on the investment made. Besides that, it is expected that it can be further compared or compared with other asset pricing models in order to see which method or model is better in estimating returns for investors.

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The Influence of Co-Brand Service on Satisfaction that Implicates to General Patient at Green Care Clinic

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Abstract. General patient's visit get decreasing in the beginning of 2017 while patient of BPJS's visit that is expected not to achieve more 15% of membership get improvement and it is more 20% of membership number. The low of general patient's visit is assumed because the low of patient's satisfaction and loyalty since there is increasing of BPJS service as the step of co-branding. The aim of this study is to know the description and the variable influence of co-branded service and patient's satisfaction toward patient's loyalty. The research analysis used is path analysis with survey to 90 respondents, which is general patient of Green Care's Clinic. Type of this research used is descriptive and verification to assess the description and the influence among variable. The research finding shows that there is influence of co-branded service towards patient's satisfaction. Co-branded service has no impact to the improvement of patient's loyalty. When co-branding created so it will be able to improve patient's satisfaction; patient who is satisfied will be able to improve loyalty. But, co-branded service cannot improve patient's loyalty at green care directly.

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1. Introduction

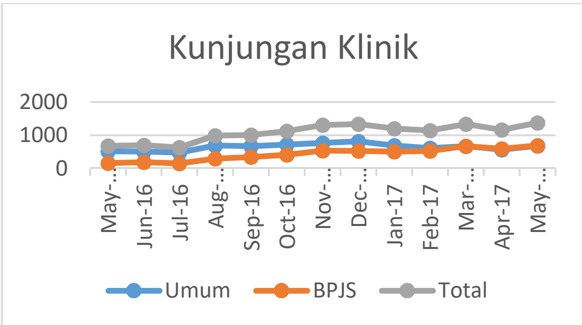
A good health service is necessities for everyone. All of people want to be served and get same position in healthy service. The role of healthy facility is very great in improving a degree of public healthy, particularly the primary healthy facility which is the first and the closest healthy facility to society in preventing the disease and management of basic disease. Therefore, government points to primary healthy service both government owner (Puskesmas) and private (Pratama Clinic) to give direct service is depends on Minister of Healthy Regulations No. 5 of 2014.

Between government's clinic and private clinic are obviously have the same purposes, which is providing qualified healthy service to improve the degree of public healthy, but the implementation in the field, especially the different clinic management. Government's clinic as part of government institution in conducting operational activity of healthy service is subsidized directly by government. So in service it can be more focus to service quality without it has to think the operational cost that has to be charged by service provider, while private clinic must plan to individual financing management. In private clinic, number of patient's visit will impact to clinic income, so the low of general patient will cause the decreasing of clinic income while the operational cost that must be charged monthly has been fixed. Those cases become challenge for private clinic in globalization era recently for keep on going compete in a healthy manner in providing a qualified service. As well as with Green Care's Clinic established since 2014 as the first level of healthy facility with service of general doctor and dentist, and diabetes wound clinic. In globalization era, Green Care's Clinic as private healthy facility must be able to compete in providing service in order to fulfil customer's expectation and it can have a loyal customer. Customer's loyalty has the important role in a company, maintain customer means to improve profit and maintain company sustainability [13]. Having loyal patient becomes the challenge for clinic party to do innovation in improving service quality that it will surely improve patient's satisfaction.

In which the success indicator of healthy service at clinic is patient's satisfaction. If client feels satisfied because a good service quality, it will show a big chance to do re-purchasing and the elevation a consumer faithfullness while it forms the benefit suggestion of corporation statements. Satisfaction will appear if the expectation and realization are equal or it passes the desire expectation. The appearing of satisfied feeling on patient's self can be influenced by some cases, are: because of service character received can give satisfaction feeling, officer's character that gives healthy service itself and also a form of communication and service given (Azwar, A, 2010).

When the competition among healthy service is quite rapid in maintaining its patient in order to keep using those clinics, private clinic is faced also a government program that every Indonesian citizen and foreigner have been stayed in Indonesia has obligation to be BPJS member, it is listed in BPJS Constitution of 2014. Those cases impact greatly toward private health insurance because of many customers of private insurance moved to BPJS (Piglet, 2015).

Observing the condition that society's brand image in taking the pattern of healthy service has been moved to BPJS mostly so clinic must determine the right step in the marketing effort where those cases are much influenced by customer emotional perception in certain brand or brand image (Koubaa, 2008). With those backgrounds, so Green Care's Clinic since February 2016 started to combine two brands (Co-Branding Service) that aims as additional value in improving customer trust. One of measurements that can be used by service provider in assessing the influence of a co-branding towards a product is by assessing the influence of product attribute of co-branding result in fulfilling customer's expectation. The idea must be analysed at Green Care's Clinic is co-branding influence that has been conducted and it is combining two types of services are BPJS service and general service.



Based on the visit data above, where since May 2016 until May 2017 patient's visit is fully improved. Data shows that the improvement of 15% of BPJS' patient but for general service is tended to decreasing. So it will be reviewed what the step of this BPJS co-branding as a right step or not in improving patient's satisfaction and loyalty at Green Care's Clinic.

2. Literature Review And Hypothesis Development

2.1 Co-Branded Service

According to [7], co-branded service often combines their products with other products from other company by several ways. In Co-Branding (joint brand designation), a.k.a. double trademark or merger two or more famous trademark to be merge creation and traded in more ways. A major benefit for brand service that the creation can substantially placed through the advantages of several trademarks. Co-branded service can produce a bigger sale from the existing target market and also open additional chance for customer and new channel. Co-branded service can also reduce product launching cost because combining two famous images and accelerate adoption. And co-branded service can be valuable means for learning customer and how other companies approach to them.

The deficiency of co-branded service is risk and the less of control for connected to other brands in customer's thinking. Customer's expectation about involvement level and loyalty to joint brand (co-brand) will be higher, so unsatisfied performance can give direct impact negatively for both brands. If other brands enter to a number of setting of co-branded, the excessive exposure can define transferring of every association. Co-branded service can also cause lack of focus on existing brands.

2.2 Patient's Satisfaction

Happy or disappointed feeling of someone who appears because comparing the performance which is perceived to product or (result) towards their expectation [6]. If the performance is above customer's perception, so customer will be very satisfied and in contrary if the performance is under customer's perception so customer will be disappointed.

Those cases are added by [6] which is "very satisfied customer is usually will keep faith for a longer time, buy again when company introduces new product and update old product, talk about good things of company and its product to other people and it is not too sensitive to price". But it is vice versa if customer feels disappointed can bring negative impact for company which is decreasing customer number because customer is not interested anymore for using service or product of company so it will impact to profit decreasing in overall.

2.3 Loyalty

All of activities are conducted by a company finally will end to value that will be given by customer about their satisfaction felt. Many benefits that will be got company with achieving the higher of customer satisfaction level, where it will improve customer's loyalty and prevent rotation. Customer's loyalty has important role in company; maintaining customer means improving profit and maintaining company sustainability. It becomes the major reason for company to attract and maintain to them.

Creating customer's loyalty is the expectation for each company, this loyalty often becomes the key to company's success for the future [6].

3. Methods

This study reviewed how the influence of co-branded service towards patient's satisfaction, the influence of patient's satisfaction towards loyalty, and the influence of co-branded service towards loyalty with sample number was 90 patients' respondents at Green Care's Clinic. Data processing used LPS. Variable in this study was three; it was co-branded service, patient's satisfaction, and loyalty.

This study reviewed how the influence of green awareness towards customer value, the influence of customer value towards purchasing decision, and the influence of green awareness towards purchasing decision, with sample number was 120 customers at Yogya Griya Supermarket Bojongsoang. Data processing used LPS. This research variable was Green Awareness, Customer Value, and Purchasing Decision. The dimension used on Co-Branded Service was as follows:

1. Service of BPJS could improve healthy quality in society.
2. BPJS was healthy insurance facility that eased society in getting healthy service.
3. The existence of BPJS at Green Care's Clinic, it became supporter for service and it became more guaranteed.
4. I felt happy with the existence of BPJS service at Green Care's Clinic.
5. The appearance of BPJS brought the improvement of service quality at Green Care's Clinic.
6. Service of BPJS did not service quality of clinic in general.

The dimension used on Patient's Satisfaction was as follows:

1. The rapidly of procedure of patient registration.
2. Quick check queue.
3. Doctor's service was conducted based on schedule.
4. Procedure of administration was easy and quick.
5. Quick service at pharmacy.
6. Medical service was given professionally.

7. Officer gave friendly service.
8. Clean and comfortable clinic environment.
9. Officer's appearance was clean and tidy.
10. BPJS service did not decrease the officer's quality and medical team at Green Care's Clinic.

The dimension used on Loyalty was as follows:
1. I intended to keep using Green Care's Clinic if I needed healthy service.
2. I would recommend to Green Care's Clinic to others who needed healthy service.
3. I would keep using Green Care's Clinic if I needed healthy service, though there was another clinic besides my house.
4. I would keep using Green Care's Clinic if I needed healthy service, though my friend/ colleague recommended other clinics.

For descriptive analysis in variable was stated through percentage criterion. Here was the description of criterion.

20% 36% 52% 68% 84% 100%

1	2	3	4	5

For the assumption 1 was categorized as "worst" and 5 for "very good" criterion. While for confirmatory factor analysis, process was conducted by LPS tools, with using path analysis.

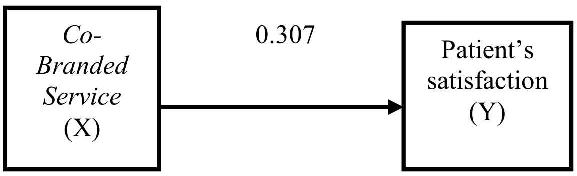
4. Result and Discussion

4.1 The Influence of Co-Branded Service towards Patient's Satisfaction

By existing service of BPJS at Green Care's Clinic, it becomes supporter for service and it is more guaranteed. Respondent answer "agree" for 57 respondents and 25 respondents answer "very agree" with percentage actual score is about 83,778%; it means that it is on good category. And for item of question that service of BPJS does not decrease clinic's service quality in general so 68 respondents answer "agree" and 13 respondents answer "very agree" with percentage of actual score is 80,8889%; it means that it has been good.

BPJS is healthy insurance facility that eases society in getting service and it is in good category; is related to actual score result on item of question no. 2 that is achieved actual score percentage is about 80,222% with 62 respondents answer "agree", government's step in providing facility

There is influence of co-branded service variable towards patient's satisfaction at Green Care's Clinic significantly can be seen on Picture that T-statistical value is about 7.989, it means that it is greater than 1.96. It means that co-branded service variable can influence patient's satisfaction significantly with the value of influence is 55.4%.

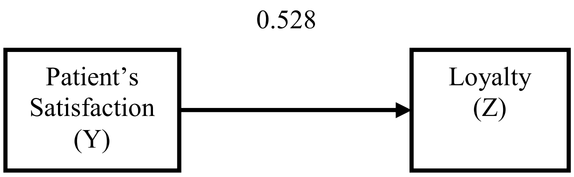


This research result is in line with [3] who stated "Co-Branding (Price benefits and post-purchase service) can be an effective marketing strategy that allows restaurants to construct customer satisfaction and brand loyalty" and the opinion of [21] state, co-branding is bussiness with more corporate in market, share of space and product when keep freedom distinc of trademark. Otherwise from [6], Hotel and restaurant companies has familiar for reputation of co-branding.

It proves that society's demand around clinic towards service of BPJS at Green Care's Clinic is quite high. In this case it can be seen that co-branded of BPJS at Green Care's Clinic generally does not disturb or decrease patient's satisfaction level towards clinic service. Therefore, clinic management's action that implements service of BPJS as additional service at Green Care's Clinic is the right choice and it can be improved continuously.

4.2 The Influence of Patient's Satisfaction towards Loyalty

There is influence of patient's satisfaction variable to patient's loyalty at Green Care's Clinic significantly can be seen on Picture IV.8 that the value of T-statistic is 9.269 means greater than 1.96. It means that patient's satisfaction variable can influence patient's loyalty significantly with the magnitude of influence is 73.1%.



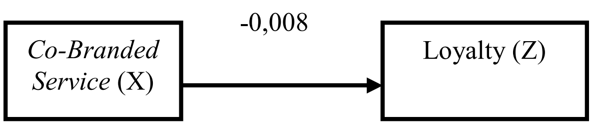
This research result is in line with [10]. Satisfaction is happy feeling overall from customer to company towards the whole of service given, in which the measurement or customer's respond is conducted directly for service given by service provider, so customer's satisfaction can only be assessed based on the experience happened when service delivery process [10]. Customer who is satisfied is loyalty, and customer who is loyal will be profitable, so to satisfy customer, company emphasizes on the effort of giving good experience and satisfaction or customer.

Patient's satisfaction has bigger influence towards patient's loyalty compared than Co-branded service. It proves that when patient feel satisfied of service given by Green Care's Clinic so it will be formed loyalty behaviour.

Based on those results describe that the higher of patient's satisfaction gives impact to patient's loyalty to keep using Green Care's Clinic as its healthy facility. It shows that co-branding of BPJS does not decrease patient's satisfaction even it is still high so patient's loyalty as healthy service user at Green Care's Clinic can be maintained.

4.3 The Influence of Co-Branded Service towards Loyalty

There is no optimum influence of co-branded service variable towards patient's loyalty at Green Care's Clinic. It can be seen on picture that value of T-Statistics is 0.085 means smaller than 1.96. It means that co-branded service variable cannot influence patient's loyalty significantly with the amount of influence is -0.8%.



This research result is inversely to (Hermawan, 2011) who states that a good branding will create the improvement of brand reputation, a good brand reputation will encourage customer to be loyal to product. It is the result of good product quality and the high of customer satisfaction, so a good brand reputation will impact directly to customer's loyalty.

Those cases prove that co-branded service is not impact directly to patient's loyalty. It is strengthen that the addition of BPJS service is not impact directly to patient's loyalty to do repeat visit or maintaining patient's loyalty. It shows that patient who comes and uses healthy service at Green

Care's Clinic is not depended on whether or not the client uses BPJS insurance, however patient repeat visits to feeling satisfied or not to clinic service quality in general.

5. Conclusion

There is influence of co-branded service significantly towards patient's satisfaction. There is influence of patient's satisfaction significantly towards loyalty. There is no influence optimally of co-branded service towards loyalty. It is needed the additional of BPJS service with accompanied by facility improvement and adequate human resource, so by increasing of new service is not decreasing clinic service quality.

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Factors Affecting Trust and Satisfaction Level of Sellers and Buyers towards Online Marketplace

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Abstract. This study was aimed at investigating the satisfaction level of buyers and sellers towards online stores and its influencing factors. An online questionnaire was distributed to 100 buyers and 40 online sellers. The data obtained in the form of data on the level of confidence, the level of satisfaction with use. Then the data were analyzed by SPSS. The results of the calculation of the correlation, quality of goods affect 16%, ease of transaction affects 47%, and the security of transactions affects 16% of buyer satisfaction. For seller satisfaction, the convenience of the goods quality factor affects by 35%, the product factor favored the buyer affects 21% and the convenience factor and receipt of payment and receipt of timely payments affects 24%. This shows that the level of risk is decreasing, the privacy and security of buyers and sales are increasing. The level of customer satisfaction can be seen from the goods sent according to the catalog, received on time, the waiter as promised, quality goods Level of seller satisfaction if sales are high, payment of buyers' money from the marketplace on time.

Value Added Intellectual Capital: An Empirical Study on Islamic Banks in Indonesia

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Abstract. The purpose of this research to analyse value-added intellectual capital and its components in Islamic banks in Indonesia. The research methodology used is descriptive quantitative by comparing components of value-added intellectual capital, consisting of human capital efficiency, structural capital efficiency, and capital employed efficiency. In this research, only three of eleven Islamic banks have a positive of value-added intellectual capital. While human capital efficiency, structural capital efficiency, and capital employed efficiency, most Islamic banks have a negative value.

1. Introduction

Intellectual capital is a collective ability of employees and information systems in the company which contains relevant information for decision making process. Intellectual capital is one of the elements of voluntary reporting considered as a representative in fulfilling the wider information needs of the annual report users[1], [2]. Intellectual capital is also an intangible asset, not explicitly listed on the company's balance sheet but has a positive impact on the company's performance and success, so it is widely believed that intellectual capital will play a greater role in creating values[1].

Intellectual capital has an impact on creating values and improving the company's financial performance. Various methods have been developed to measure it[3]. Intellectual capital consists of human capital (skills), structural capital (database and organizational structure) and capital used (performance relations in the money market and stock market)[4].

Value is created through quality made by employees, such as knowledge in producing creative ideas, developing programs to support information systems or inventing new designs. Humans have knowledge, so they are treated as investments such as factory equipment investments to create value in the manufacturing industry[5].Therefore, the source of economic added-value and wealth does not only include products produced by companies but also intangible assets, namely their intellectual capital[6], [7]. Thus, intellectual capital is widely believed to play a greater role in creating value[8].

Since the establishment of the first Sharia bank in Indonesia in 1992 with a majority population of Muslims, Islamicbanks in Indonesia, in fact, have not shown a maximum development given their total assets which only around 5% compared to the total assets of conventional banks in Indonesia [9].This is caused by internal and external factors[10]. Internal factors inculde the limitations of Islamic banks in disbursing funds, products of Islamic bank still cannot compete with the ones of conventional bank and, the contribution of income from non-operational activities (income other than fund disbursement activities) are still low[11]. The external factors are caused by a lack of public understanding about Islamicbanks, where the *Murabaha* concept, the most popular term in Islamic microfinance institutions, is only understood by 26.85% customers, customers who do not understand the concept of *Mudharabah*reach 80.72%, the same patern also applies to the concept of *Musharakah*, while for *Ijarah* products, is understood by a small percentage of customers. Most of customers do not recognize Islamic bank products[12], [13].

The purpose of this study is to analyze the added-value of intellectual capital and its components in Islamicbanks in Indonesia. There is still not much research that analyzes the efficiency of components of intellectual capital by comparing the performance of Islamicbanks. In this study, we fill in the gaps and contribute to the literature, so it can be said that this research is one of the first studies that explores the relationship between efficiency and added-value of intellectual capital by combining all Islamicbanks in Indonesia.

2. Method

Data on intellectual capital and its components are taken from the publication of the monthly reports of eleven Islamic Bank in Indonesia, from 2004 to 2016. Secondary data sources were obtained from the websites of the Central Bank and the Financial Services Authority.

The research methodology used is quantitative descriptive by comparing the value-added component of intellectual capital, which consists of efficiency of human resources, structural capital and capital used. The Added Value of Intellectual Coefficients (VAIC ™) is a component of the Human Capital Efficiency (HCE), Structural Capital Efficiency (SCE) and Capital Employed Efficiency (CEE), which are then used in various studies [14]. Value of Intellectual Coefficients (VAIC^{TM}) is used as a measure to evaluate the efficiency of a company by using the following formula[15]:

$$VAIC^{TM} = HCE + SCE + CEE \qquad HCE = \frac{VA}{HC}$$

$$SCE = \frac{SC}{VA} \qquad CEE = \frac{VA}{CA}$$

$$SC = VA - HC \qquad VA = output - input$$

Output = Net Premium
Input = Operating expenses (excluding personal costs).
HC = Human capital as personal cost (salaries and wages), considered as an investment.
CA = Capital employed (both physical and financial capital).

3. Results

The VAIC ™ is an important method for measuring the performance of Islamic banks which consist of HCE, SCE and CEE components Table 1 and Figure 1 below show VAIC^{TM} can show IC performance and ranking of efficient Islamic banks.

Table 3.1 The performance of Islamic banks

Bank	VAIC^{TM} (000.000 Rp)	VAIC^{TM} Ranking	VA (000.000 Rp)	VA Ranking
Bank Jabar Syariah	850,849	1	67,265	1

Bank BNI Syariah	257,454	2	50,091	2
Bank BCA Syariah	88,537	3	-5,934	3
Bank Victoria Syariah	-74,664	4	-63,181	5
Bank Mega Syariah	-762,232	5	-120,280	6
May Bank Syariah	-851,456	2	-46,427	4
Bank Panin Syariah	-1,162,078	7	-168,074	7
Bank Bukopin Syariah	-1,279,717	8	-331,383	8
Bank Muamalat Indonesia	-2,465,586	9	-692,344	10
Bank BRI Syariah	-2,920,955	10	-584,372	9
Bank Syariah Mandiri	-3,486,235	11	-1,130,996	11

From table 1, the most efficient of VAIC ™ of Islamic Bank is Bank Jabar Syariah (VAIC ™ = 850,849) followed by Bank BNI Syariah (VAIC ™ = 257,454) and Bank BCA Syariah (VAIC ™ = 88,537). The most inefficient of Islamic bank is Bank Syariah Mandiri, where VAIC ™ = -3,486,235.99.

The VAIC ™ = 850,849 means that for every Rupiah invested by Bank Jabar Syariah will create a value of 850,849, which is the highest efficient Islamic bank among eleven Islamicbanks. Bank Jabar Syariah creates a value of Rp67.265 million, ranking it as the most efficient Sharia commercial bank since it wasable to create the highest value (VA). So far, the most inefficient company is Bank Syariah Mandiri which only creating VA efficiency of Rp-1,130,997 million.

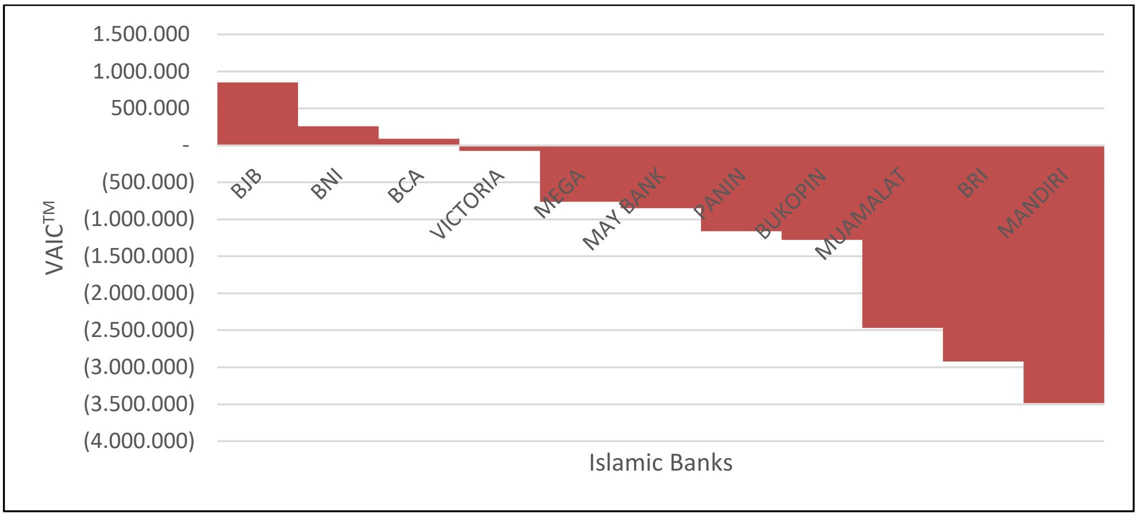

Figure 3.1 The performance of Islamic banks which consist of HCE, SCE and CEE components

Unlike the research on VAIC™ in Pakistan, where 10 out of 12 *Modaraba* sectors have positive VAIC™, indicating that *Modaraba Sector* in Pakistan has been efficient for every Pakistan Rupee (PKR) invested[14]. The value of human capital efficient (HCE), structural capital efficient (SCE), capital employee efficient (CEE), Value of Intellectual Coefficients (VAIC™) and value added (VA) is presented in Table 2 and Figure 2.

Table 3.2 The Value of Human Capital Efficient (HCE), Structural Capital Efficient (SCE), Capital Employee Efficient (CEE), Value of Intellectual Coefficients (VAIC™) and Value Added (VA)

Bank	HCE	SCE	CEE	VAIC^{TM}	VA
Bank Jabar Syariah	33,680	0.00000421	817,169	850,849	67,265
Bank BNI Syariah	19,856	0.00000085	68,681	88,537	50,091
Bank BCA Syariah	-6,022.790	-0.00000808	-68,641	-74,664	-5,934
Bank Victoria Syariah	-10,078.312	-0.00002056	-841,378	-851,456	-63,181
Bank Mega Syariah	-32,073.208	-0.00001852	-1,130,004	-1,162,078	-120,280
May Bank Syariah	-39,590.727	0.00000070	297,044	257,454	-46,427
Bank Panin Syariah	-111,214.415	-0.00000341	-1,168,502	-1,279,717	-168,074
Bank Bukopin Syariah	-154,158.176	-0.00000443	-608,074	-762,232	-331,383
Bank Muamalat Indonesia	-307,679.257	-0.00000163	-2,157,907	-2,465,586	-692,344
Bank BRI Syariah	-422,910.616	-0.00000096	-2,498,045	-2,920,955	-584,372
Bank Syariah Mandiri	-470,334.815	-0.00000091	-3,015,900	-3,486,235	-1,130,996

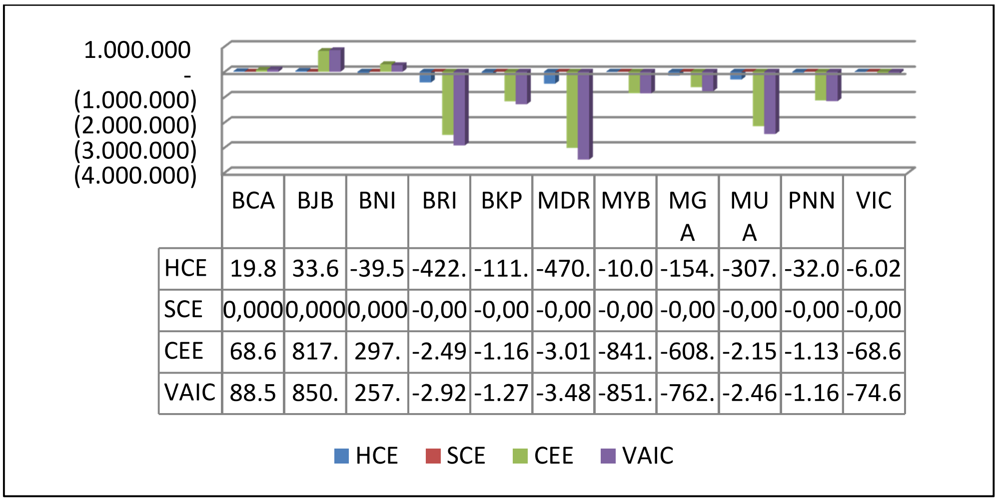

Figure 3.2 Performance components consisting of HEC, SCE and CEE

Table 2 and Figure 2 show VAIC™ performance components consisting of HEC, SCE and CEE. Two Islamic banks which have positive VAIC^{TM}, namely Bank Jabar Syariah and Bank BNI Syariah. In BNI Bank Syariah the CEE performance is relatively better than its HCE and SCE. It shows that the level of efficiency created by physical and financial capital is better than the ability to think, innovate, and make creative ideas which can support the long-term organization's sustainability or the company's ability to reach markets and others that support the company's progress. The higher the value of the Capital Employed Efficiency (CEE) of a company, the more efficient management of intellectual capital in the form of buildings, land, equipment, or even technologies that are easily bought and sold on the market.

In Pakistan, the *Modaraba* Sector have better performance of human capital efficient (HCE), relatively to structural capital efficient (SCE) and capital employee efficient (CEE)[14]. This indicates that employee capability dominates the creation of efficiency.

4. Conclusion

This study concludes that the performance of Islamic banks in Indonesia that using the VAIC approach is still not good. There are only three Islamic banks which have positive added-value, namely Bank Jabar Syariah, Bank BNI Syariah and Bank BCA Syariah. Meanwhile, many other Islamic banks still have negative added-values. Thus, employees of Islamic banks in Indonesia are lack of skill and creativity, the non-human assets have not been used maximally, and the total amount of equity invested in a business supposes to obtain a profit is not yet maximum. To improve such conditions, employees should be included in various training programs, so they can improve their capabilities and competencies which finally improve the organizational efficiency.

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Implementation of Good Corporate Governance on Tax Avoidance and Corporate Social Responsibility Disclosure as Intervening Variables

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Abstract. This research aims to analyze the influence of Good Corporate Governance to Tax Avoidance with Corporate Social Responsibility Disclosure as an intervening variable. Technique sampling is purposive sampling. The research is conducted on the TOP 50 of Manufacturing companies in The Association of Southeast Asian Nations (ASEAN) Countries (2014-2015) range of time. The estimation model being used is multiple regression analysis and Sobel Test to determine mediate variable. The purpose of this study was to determine if Good Corporate Governance have an influence on Tax Avoidance and Corporate Social Responsibility Disclosure able to mediate the relationship Good Corporate Governance to Tax Avoidance. The study involved tri variables, which is, one dependent variable, one independent variable and one variable of moderation. The dependent variable in this study was Tax Avoidance. The independent variables in this study are Good Corporate Governance and Corporate Social Responsibility Disclosure as an intervening variable. Our result indicates a significant influence only impact Good Corporate Governance on Tax Avoidance. The purpose of this study not achieved as Good Corporate Governance not significantly uninfluenced on Tax Avoidance and Corporate Social Responsibility Disclosure unable to mediate the relationship Good Corporate Governance to Tax Avoidance.

Legal Protection for Recipients of Foreign Franchise Rights in Indonesia

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Abstract. Due to gobalization, world trade has increased tremendously. Franchising having surged as one of the many business models has the potential to improve the economy of the community. Basically, franchising refers to a method of goods and services distribution to consumers. The party who owns the method is referred to as the franchisor, while the party given the right to use a method the franchisee. This article examines the legal issues that arise in granting license rights from foreign franchisors to franchisees, and how the laws in Indonesia provide protection for the rights and obligations of the parties. The research employed the normative juridical method or library research. Normative legal research examines the law as a positive norm as it is written in the book. In accordance with Article 1320 and 1338 of the Indonesian Civil Code, arrangements of franchising agreement in Indonesia are based on the agreement between the parties. To provide legal protection for recipients foreign franchise in Indonesia, the government has enacted the Government Regulation No. 42/2007 on Franchise and Trade Minister Regulation No. 53/2007 on the Implementation of Franchising. In principle, the settlement of the problems that occur in international franchising agreement would be resolved by consultation or negotiation. If consensus is not reached, the parties can take the dispute to international arbitration. In general, the dispute over the franchise business concept is mostly resolved through the general justice institution.

1. Introduction

The concept of a franchise business is in demand by business people because it is almost the same as opening a business branch. The difference is that the franchise lies only in its implementation, namely the operation of the expansion of the franchise business is funded and carried out by another party called the franchisee for the risks and responsibilities of his own [1]. Business people prefer franchise business because the type of goods they are going to sell and the quality of the goods are well known to the public, so there is no need to do any more promotions [2]. Granting a franchise license requires a study, whether the Government Regulation No. 42/2007 on Franchising and Regulation of the Minister of Trade No. 53/2007 on Franchising, is effective enough to protect the interests of the parties.[3]

The definition of franchise can be found in some business literature. The committee on Small Business, United Congress defines franchise as franchising is a contractual method for marketing and distributing goods and services (franchisors) through a dedicated or restructured network of distributors (franchisees) [4]. Another meaning of the franchise is a method of doing business by which the franchisee is granted the right to engage in offering, selling, or distributing goods or services under a marketing format which is designed by the franchisor [5]. In Indonesian law, franchising is a special right that is owned by an individual or business entity against a business system with business characteristics in order to market goods and/or services that have been proven successful and can be used and/or used by other parties based on a franchising agreement [6].

One of the benefits of a franchise business system is when the franchisee starts a business, does not promote, because the customer is available. Unlike the new independent business (non-franchise), who must conduct promotions and marketing independently [7]. In addition, this business system also provides a process and regularity of work that is integrated in management, organization, administration, financial, human resources, and marketing that produces outputs of products or services with maintained quality standards [8]. Then, the business system is outlined in the form of standard operting procedures (SOPs) which serve as guidelines for working and doing the business. The SOPs is made in the form of a book or DVD called the Franchise Manual [9].

On the other hand, there are several challenges faced by franchisees, such as, difficulties in getting good cooperation from the parties. The franchisee is very much attached to the franchisor, so he has no freedom to do business creations and innovations, including in production and marketing [10]. Another weakness is the decision and business policy of the franchisor greatly affects the success and failure of the business and has an impact on the franchisee.

Prior to 1997, the franchise agreement in Indonesia was only regulated by the agreement of the parties. The agreement is guided by Article 1320 and 1338 of the Indonesian Civil Code. The law regulates general principles of contract validity, including contracts in business activities. Then, the provisions of the Indonesian Civil Code was considered irrelevant to the needs of the parties, especially in legal protection and dispute resolution. In order to fulfilling the legal needs of business people, the government issues several provisions that specifically regulate franchise agreements. Currently, Government Regulation No. 42/2007 on Franchising is the highest franchise law in Indonesia.

According to data from the Ministry of Trade of the Republic of Indonesia, the franchise industry in Indonesia has increased by 35%. There are around 698 franchises with 24,400 outlets, consisting of 63% franchises, and around 37% of foreign franchises with revenues of 172 trillion [11]. The Indonesian people's lifestyle tends to choose famous brand products from abroad [12]. This condition causes foreign franchisees to easily enter the Indonesian market. Moreover Indonesia has become a member of the ASEAN Economic Community (MEA), where the flow of trade in goods and services is easier to enter Indonesia, and makes foreign franchises more and more grow in Indonesia [13]. The franchise industry in Indonesia has significantly grown in recent years [14].

In a franchise business system, the most important thing is the agreement of both parties, namely the franchisee and the franchisee [14]. The agreement is stated in an agreement. The franchise agreement should apply equally between the franchisor and the franchisee in order to avoid the loss of the party [15]. In relation to franchising involving foreign parties, the franchisor and franchisee usually take procedures commonly used in contract law [16]. There are two different legal systems in a contract, causing the parties to reach an agreement to choose one legal system [17]. To support the development of franchise industries in Indonesia, since 2007 the government has made regulations relating to franchises. However, the regulation has not sufficiently protected against foreign franchise recipients. In practice, many franchise recipients feel disadvantaged because the agreement is only one-sided and benefits the franchisor.

The agreement is one of the most important things in the franchise business, because in the concept of the business, it contains clauses that must be agreed upon during the franchise contract. Thus, it is important to conduct a study to find out how legal protection for franchisees and forms of settlement if there is a dispute from the agreement between the foreign franchisor and the franchisee in Indonesia. The results of this study are expected to provide input for improving franchise regulations, as well as the application and supervision.

2. Method

The legal protection theory is the basis of analysis to find the substance of the franchise agreement, by assessing the laws and regulations made by the competent authority and agreements made by the parties. Observations and interviews are conducted to complete understanding of the effectiveness of the form of dispute resolution. Normative research is directed at the Government Regulation of the Republic of Indonesia No. 42/2007 on Franchising (Government Regulation on Franchising) and Regulation of the Minister of Trade of the Republic of Indonesia No. 57/M-Dag/Per/9/2014 on Amendments to the Regulation of the Minister of Trade No. 53/M-Dag/Per/8/2012 on Franchising Organizations (Ministerial Regulation on Organizing Franchises). The results of the study are then analyzed and described qualitatively.

3. Discussion

3.1 Franchise Agreement

By law, a franchise is an engagement whereby one party is given the right to use and or use intellectual property or a meeting of the characteristics of a business owned by another party with a reward based on the requirements set by the other party in the context of providing and or selling goods and services. Franchising grew in the 1980s when foreign franchises entered Indonesia, such as Kentucky Fried Chicken (KFC), Mc Donald's, Burger King and Wendy's [18]. Franchise Industry can grow rapidly because the marketing methods and business development facilities are used by various types of business fields, from restaurants, retail businesses, hair salons, photos, hotels, car dealers, and others.

The example of a growing franchise in Indonesia is Kentucky Fried Chicken (KFC), which is in various places, and the example of a local franchise that is developing in Indonesia is Indomaret, with its outlets spread in various strategic places. Until 1997, there was no legal basis specifically for regulating franchises. In Indonesian civil law the franchise agreement made by the parties including the agreement is not named, so the agreement is made based on a written agreement, which refers to the principle of freedom of contract as stipulated in Article 1338 of the Indonesian Civil Code.

Prior to the enactment of Government Regulation No. 16/1997 on Franchise and Decree of the Minister of Industry and Trade of the Republic of Indonesia No. 259/MPP/Kep/7/1997 on Provisions and Procedures for Franchise Business Registration, franchising can still be carried out through an agreement stipulated in the Book III of the Indonesian Civil Code, because all agreements can be justified as long as they are legally carried out as well as not against the law and decency [19]. In civil law, there are at least five important principles that must be fulfilled, including: the principle of freedom of contract; principle of consensualism; the principle of legal certainty (pacta sunt servanda); the principle of good faith (geode trouw); and personality principles (personality) [20]. The agreement that has been made cannot be withdrawn, other than by agreeing on both parties, or for reasons stated by law. The agreement must be carried out in good faith. Thus, the franchise agreement is not specifically regulated, because the system adopted in the Indonesian agreement law is an open system and contains a principle of freedom of contract [21].

In the contract law, the concept of a franchise business is a special agreement because it is not regulated in the Civil Code [16]. This agreement is acceptable, because the principle of freedom of contract is the right of the parties. Agreements made legally apply as laws for those who make them. Based on the analysis and conditions of the agreement conditions, the franchise is held according to a written agreement between the franchisor and the franchisee. If the agreement written in a foreign language, it must be translated into Indonesian and delivered at least two weeks before signing the agreement to be studied by prospective franchisees. The franchisee must have proof of legality legalized by a notary and a certificate from the Indonesian trade attache or representative officer in the origin country.

According to Article 2 of the Government Regulation No. 42/2007 on Franchising, there are several criteria that must be met in a franchise agreement, including: Having a business characteristic; proven to have provided benefits; have a standard for services and goods and/or services offered made in writing; easy to teach and apply; continuous support; and registered intellectual property rights. In the Ministerial Regulation concerning the Implementation of Franchising, also regulated the processes and obligations that must be carried out by both parties, in running the franchise business, one of which is about the obligation of the franchisee to have the Franchise Registration Certificate (STPW) and register the franchise agreement.

The latest provisions regarding the prohibition of monopolistic practices and unfair business competition, determine that the franchise agreement is included in the jurisdiction of business competition law. Especially, in some aspects related to price fixing or resale price maintenance, tying agreement, exclusive dealing contract, and post expiry non competition. Based on Article 6 of the Ministerial Regulation on Organizing Franchises, franchise business activities must comply with the provisions of legislation in the field of consumer protection, health, education, environment, spatial planning, labor, and intellectual property.

In classical theory, there are two forms of franchise organizations, namely, Franchising Association and Manufacturer Sponsorship franchise. The first form refers to the implementation of wholesalers for marketing products or services. While, for the second form, the manufactur (franchisor) forms independent distribution networks, based on the conditions set by the manufacturer. Modern franchise refers to the type of Business Format Franchises (BFF). More than 80% of franchises in the world apply this type. There are three known BFFs, such as: Product and Trade Name Franchises (PATNF); Business Format Franchises, and Conversion Franchises (CF) [22].

At present, the BFF type is the most widely used. In this type, franchise recipients are only permitted to run their business strictly. All production processes and business activities, such as business operations, promotion, physical design of outlets must be standard. Unlike, the PATNF, the rules are more flexible. In certain contexts, PATNF is similar to brand or product licenses or dealership systems, as well as marketing automotive products in Indonesia. While, in the CF type the franchisee is a company that has experience in operating similar businesses. This type is not only applied by the hotel industry, but also by consultants and real estate.

Each franchisee is required to have standard operating procedures (SOPs) that become a reference in the company's business, which includes: Operational and service manuals; manual purchase of goods/raw materials and storage methods; marketing, promotion and advertising manuals, bookkeeping manuals and royalty payments, field assistance manuals (field support); quality control and audit manuals; training manual; and site analysis manual (site analysis) [23]. After all requirements have been met, the franchise agreement must be registered with the Ministry of Trade, in Jakarta. Whereas for domestic franchisees or domestic advanced franchise recipients, who already have STPW from the Ministry of Industry and Trade, registration of a franchise agreement can be submitted to the licensing service in the franchise business area.

In addition, in the franchise agreement, the franchisor provides a description of the prospectus regarding the data or information of the business correctly to the franchisee which at least contains: The franchisor's identity, intellectual property rights or findings or characteristics of the business that is the object of the franchise; investment costs; and assistance or facilities provided by the franchisor to the franchisee; and the rights and obligations between the franchisor and the franchisee.

Basically, there are three franchise concepts applied, namely: *Single Unit*, which is a direct relationship between the franchisor and the franchisee; *Multi Unit*, is the relationship between the franchisor and the main franchise recipient in an area or a country, where the main franchisee is permitted to build more than one outlet and is self-managed; and *Sub Franchise*, is the granting of rights from the franchisee to the main franchisee to recruit other franchise recipients [24]. The concept is also generally developed in Indonesia.

Regarding franchise criteria, there are no clear rules governing it. There is no obligation to include financial statements in recent years and has audited by a public accountant, to ensure that a franchise business has been proven reliability. In addition, the criteria for franchising in Indonesian law are not specifically related to intellectual property. Those are some critical notes to improve the franchise law, so that it can provide rules that protect the interests of the parties, and the growth of this business.

3.2 Intellectual Property Rights of Franchise

From an economic perspective, the franchise gives special rights to a person or business entity, to produce or assemble, sell, market a product or service. In the business context, franchise means the freedom to run a business independently in a particular area. Whereas in terms of law, franchise is a legal agreement between two parties in cooperating to produce, assemble, sell, market a service product. As compensation for the use of license rights, the franchisee must pay royalties according to the agreement [25].

Franchising involves areas of contract law, specifically agreements on granting licenses, laws on names of commerce, brands, patents, models, and designs [22]. All of these laws can be grouped in the fields of treaty law and the legal field of intellectual property rights [26]. Elements of intellectual property rights as the most important part of the franchise can be seen from the provisions of Article 1 point 1 of Government Regulation No. 42/2007 on Franchising, which emphasizes franchising as special rights owned by individuals or business entities against business systems with business characteristics in marketing goods or services that have been proven successful and can be used and used by other parties under the franchise agreement. Intellectual property is a component of intangible assets that are important in increasing the growth of the world economy [27].

The substance of regulation of franchise intellectual property is also regulated in Regulation of the Minister of Trade Number 12/MDag/Per/3/2006 on Provisions and Procedures for Issuance of Franchise Business Registration Certificates (Ministerial Regulations Provisions and Procedures for Issuance of Franchise Business Registration Certificates). Based on the provisions of the regulation, intellectual property is a core element of franchises in Indonesia. A business will not be franchised if it does not contain an element of intellectual property. The franchise agreement has regulated the protection of intellectual property specifically, namely by promising certain restrictions that must be obeyed by the franchisee, aimed at protecting this right from the franchisor. Protection of wealth includes brands, patents, copyrights, and trade secrets [28].

The franchise agreement includes: a). Franchise rights, location, and trial period, b). Franchise period, c). Franchise fees and payment methods, d). Royalties, and e). Image maintenance [29]. In the context of granting the right to use trade secrets, the trade secrets must be something unique and different from the forms of formats, formulas, characteristics, methods, procedures, procedures, or systems that are of a unique nature and have commercial value. Something that does not have a certain uniqueness that can be distinguished from goods or similar services or consists only of a series of information processes that are publicly available and can be held and carried out by everyone without the need for special assistance or guidance is clearly not a trade secret [30].

Previous studies show that the Government Regulation No. 42/2007 on Franchising and Regulation of the Minister of Trade Number 12/MDag/Per/3/2006 on Provisions and Procedures for Issuance of Franchise Business Registration Certificates, has not been effective in providing protection for foreign franchise recipients in Indonesia. In practice, the registration obligation is not always followed by the franchisee. This situation causes supervision by the local trade service to not run well.

3.3 Franchise and License

International business development can be done in several ways, such as export, licensing, franchising, joint ventures, acquisitions. As an alternative to expanding the market and reducing costs, a form of cooperation is called for as a license [31]. The license is the permission by competent authority to act which, without such as permission would be illegal, a pass, a tort, or otherwise would not allowable [32].

In relation to the franchise agreement, the license is a right to carry out one or a series of actions provided by the authorized party. Without permission, the action is prohibited and illegal. Through a license, the authorized party to another party to make or sell a product or service. Those who give permission are entitled to receive royalties. The royalty is always connected with the number of products or services sold within a certain period of time. In practice, exclusive or not exclusive licenses not sufficient for the parties. Especially, if the licensor intends to homogenize, which includes the rights and obligations of the operational system and activities.

As the licenses, franchises also rely on the ability of business partners to develop their business through the procedures, processes and codes of conduct, and systems determined by the franchisor. As part of the compliance of business partners to the rules, the franchisee is granted the right to use intellectual property, either in a trademark, copyright on logos, industrial designs, patents, or trade secrets. Then, the franchisor is entitled to royalties. Therefore, franchises and licenses can be used to expand business extensively throughout the world, without borders.

In Indonesian law, licenses are regulated in several intellectual property laws. Especially in trademark, copyright, and trade secret laws. In the law, the issuance of permits is essential in the license, which is made in an agreement by the parties. If there is a licensing agreement that can cause consequences that harm the national economy or unfair business competition, the government will cancel the agreement. In principle, licenses differ from the provision of technical assistance related to project implementation. However, it is a permit to use intellectual property rights.

4. Conclusion

The legal protection of intellectual property owned by the franchisor regulates the protection of intellectual property rights specifically, namely by promising certain limits that must be obeyed by the franchisee, which is directly or indirectly intended to protect intellectual property rights by the franchisor. In a franchise agreement that provides intellectual property protection, the provisions of a franchisee must protect the trade secrets provided by the franchisor for a period of at least two years after the franchise term expires. Franchisees are obliged to protect the rights and interests of the franchisor as the holder of the rights to the brand. Settlement of disputes in Indonesia is usually done by deliberation / consensus as an Indonesian legal culture. If a dispute cannot be resolved through deliberation / consensus, then the parties submit the case to the judiciary, in this case the District

Court as the first court. In addition to settlement through the judiciary, it can also be resolved outside the court through alternative dispute resolution by means of consultation, negotiation, mediation, conciliation, or expert judgment carried out peacefully or can also be resolved through an arbitration body.

This study is limited to fast food franchises from the United States. For further research, it is necessary to conduct research on franchises of several business sectors from other countries, with franchise recipients in several cities in Indonesia. Thus, the results of subsequent research can contribute more broadly and significantly.

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Downsizing Policy: Job Insecurity Makes Non-medical Employee's Work Engagement to Decrease

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Abstract. This paper arranged based on the downsizing issues, due to the implementation of new regulation at public health services. There are at least two problems i.e. the employee felt insecure in carrying out their job and the decreased performance. The research had been conducted in non-medical employees at a private hospital in Jakarta. The research was done toward 175 employees in total as the respondents. The data had been collected using job insecurity scale and work engagement scale. The data analysis was tested to see the causal relationship that occurred between job insecurity and work engagement. The results of the test showed that job insecurity had a role in reducing the level of work engagement. It indicated that an increased insecurity made the employee's work engagement to decline. Another result of the test showed that job insecurity and work engagement had a negative interaction. Nevertheless, a conditions of high job insecurity gave an effect to decrease work engagement. Based on this condition, it is considered that employees significantly do not give benefits to the company. Despite being in uncertain regulation, downsizing is not expected to be the only solution. Therefore, the need for advanced empirical studies to explore the role of organizational climate and innovation culture may help the management to take the proactive steps.

1. Introduction

Organizational downsizing becomes the most frequent solution used by people [1]. It aims to make the organization to keep running the business and to maintain the sustainability of the organization's operations. Downsizing is implemented to help the organization in obtaining an effective organizational structure, and costs efficiency [2]. The downsizing has been conducted widely by decreasing the number of employees, and eliminating the position from the organizational structure. In fact, however, the implementation of downsizing causes a condition of job insecurity. The employees consider that there is an insecurity condition for themselves in job matters [3].

The research on job insecurity that was done toward the employees of an insurance company in China showed a relationship between the insecure condition and the decline in the employees' performances [4]. The relationship could be seen when the insecurity is high and the employees are at low performance, and it could not be seen at high-performance employees. Another finding from a research done toward the employees of IT company in China showed that job insecurity has a role as a mediator in a relationship between emotional intelligence and job satisfaction [5].

The downsizing implementation becomes effective if it is applied using a correct strategy for sorting the downsizing area. If this strategy is ignored, there will be some problems related to the employee's mental wellbeing. The result of a survey had ever been reported by Jakarta Islamic Hospital, one of the organizations that implement downsizing, that 64% of the employees felt satisfied with their performance. There were more than 2% of the voluntary turnover rate. This fact illustrates the symptom of low engagement in some employees. A research done toward the employees in Tokyo, Japan, explained the importance of work engagement i.e. it could increase the quality of life [6]. In Norway, a research done toward 260 adults on dissatisfaction and turnover had ever been conducted. The finding showed that there was an indirect influence of job insecurity toward the willingness to find another job mediated by the psychological wellbeing [7]. The problem of mental health condition and job insecurity could increase the employee's intention to leave from the company. There was an additional strength from mental condition i.e. job insecurity that had a strong relation to confusion and role conflict. The previous researches has not mentioned yet about the research subjects' professions and the area of work. When the employment opportunity rate is high, the most frequent impact occurred is turnover. Meanwhile, low employment opportunity rate often cause confusion and role conflict [8] such as non-medical employees who choose to keep working at the hospital that implements downsizing policy. As a result, the motivation for being successful in career will be low and the employees with disengaged category will react by opposing the management policy consistently [9].

This research aimed to analyze the impacts of implementing downsizing to all categories of non-medical employees at the hospital. In addition, this research was aimed to obtain the profile of the employees who were susceptible to job insecurity, to be disengaged, and checking the subjective perceptions toward the job. It was also aimed to conduct an analysis of the unidirectional influence of job insecurity to work engagement, including a reciprocal interaction between job insecurity and work engagement. The research finding could be used by the company that implemented downsizing policy especially for anticipating the decline in non-medical employee's performance.

2. Research Method

This research involved 175 non-medical employees at *RS Islam Jakarta* by applying the instruments in form of job insecurity scale and work engagement scale, five interval data choices that were constructed to obtain the rate for both scales with the interval score of 1 to 5. The research instruments were tested on the accuracy using the Aiken's model, and internal consistency. The data of measurement results were then analyzed using two techniques i.e. simple linear regression and bivariate correlation analysis. Job insecurity, as an independent variable, could increase or decrease the level of work engagement. Bivariate correlation analysis was used in this research for testing the interaction between job insecurity and work engagement.

3. Result and Discussion

3.1 Instrument Validation

The research instruments were arranged through two stages; first, following the principle of content validity; and second, using internal consistency. The content of the statement was validated using rating analysis by Aiken's model involving five raters. The four raters are from industrial and organizational psychology, and another rater is the management expertise of the company. The result of the rating obtained the coefficient that fulfilled the minimum limit ($p>0.75$). Therefore, the question items were considered appropriate to the indicators. The second validation was done by conducting the trial test toward question items. After the results by giving recommendations toward the question items that had been considered to represent the construct by the raters, the question items were given to 69 respondents who worked at a private hospital in Jakarta. The result of the experiment showed an ideal correlation coefficient (≥ 0.300) under a condition that it keeps maintaining the value of coefficient consistency.

3.2 Descriptive Analysis of Identity Profile

This research was successful to obtain the descriptive data in form of the employee's identity classification and the frequency of data quantification. There were two groups of research subject (group I and group II) and four points of identity that were described. The four points are employment status, marital status, age, and gender. The analysis of this research focused on married male employees at more than 40 years of age and they were contract employees. The analysis of this research has found an interesting issue for describing job insecurity and work engagement resulted from organizational downsizing implementation.

Table. 1. Comparison of Cumulative Mean Scores

Important Characteristics	Characteristics of Group I	JI	WE	Characteristics of Group II	JI	WE

Gender	Man	84.98	118,42	Woman	83.72	121.43
Employment Status	Contract Employee	91.03	118.20	Permanent Employee	83.00	122.23
Marital Status	Married	88.16	118.42	Single	83.36	121.24
Age	≥40 y.o.	83.62	116.45	<40 y.o.	85.27	120.67
	Mean Score	86.79	117.87	**Mean Score**	83.84	121.39

The data collected from the research subjects with a certain employment status characteristic showed that the contract employee had a higher anxiety than the permanent employee had. The more interesting thing was when this characteristic was combined with the other four identities. The level of job insecurity and work engagement in the research subjects based on the characteristics was divided into two groups. Group I was a group of people that were the contract employees, at the age of more than 40 years, married, had a family and had a role as a head of household (male employees). The mean cumulative score for job insecurity was higher than group II (see table 2). This condition positioned all respondents in the groups to perceive them in job insecurity. On the other hand, the mean cumulative score for work engagement in the analysis of the research for the subject categorized as married male employees at more than 40 years of age and had a status as a contract employee was lower (group I) than the mean cumulative score for the subjects in group II.

3.3 The employees' perceptions toward downsizing implementation

When the management implemented the downsizing policy, it became a warning that threatened the employees (those with a profile relevant to the group I) in an institution. Generally, the subjects felt insecurity (emotional aspect) due to the management's policy such as implementing downsizing. It made the employees think about losing their job, losing their salaries and opportunities in developing their career, and think about the workload. The policy of implementing downsizing was a policy followed by the increase of the amount of workload as the impact of job-enrichment implementation.

Table 2. Subjective Perception Resulted from Downsizing Policy

Employees' Perception	The Intensity of Perception	Impacts	Work Behaviours
Threatened to be fired	Strong	Anxious	No enthusiasm
Losing job positions	Strong	Worried	No enthusiasm
Limited career opportunity	Fairly strong	Hesitant	Dissatisfied
Difficult to get pay rise	Fairly strong	Confused	Dissatisfied
Increased workload	Strong	Under pressure	Job exhaustion

From the data represented in Table 2, it can be seen that there are three types of behavior that indicate the decline in work engagement. Dissatisfaction is a symptom illustrating the employee's motivation being in weak condition [9]. The employees had no willingness to empower their potency fully, and it represented the employee's condition that was disengaged. To be exhausted easily was strongly related to job insecurity, and the male employees' exhaustion was higher than the female employees [10].

Daily duties were increased. It caused the focus and concentration in working to decline. The concentration was difficult to be directed correctly since job insecurity made the employee's thoughts become disorganized. Consequently, the process of working would be slow, there was no spirit at work, and the motivation was not aimed to achieve the best performance [4]. The employees were results-oriented and they did not consider the process as an important thing. Moreover, the commitment started to decline. Some features of the job were lost. The employees accept a demotion; some of the financial features of their job were lost resulted from lower income than it should be. Reducing the number of non-medical employees is difficult to be done. It is very difficult because it happens along with the increased number of patients. Therefore, non-medical employees are affected by downsizing policy. Some job positions and some employees are eliminated for maintaining the efficient operating costs. The portion of employment is based on the pragmatism of costs efficiency. As a result, the number of non-medical employees is reduced and there are more responsibilities in working. The non-medical employees who are still working consider that their existences are in job insecurity [11].

3.4 The negative role of job insecurity in influencing the work engagement

The factor of insecurity in employees becomes more obvious. It comes from the employees' subjective perceptions resulted from structural downsizing implemented by the management. The more vivid impact was that job insecurity could decline work engagement. It was reinforced by the calculation result of the regression coefficient obtained from this research. The first result of the test showed that job insecurity affected work engagement significantly (the significance level was 0.004). Meanwhile, the second result of the test showed that job insecurity actively involved in declining the level of the employee's work engagement ($a = -0.29$). Both results gave an illustration on an antagonist role of job insecurity that the impact could weaken work engagement.

The antagonist role of job insecurity could be seen from the interaction between the two variables in this research. The result of the statistical test showed an interrelated interaction between job insecurity and work engagement with negative correlation coefficient value (-0.214). Job insecurity took a part as a variable that had a role in decreasing the level of the employee's work engagement [12]. Job insecurity became the main factor of job dissatisfaction, weakened motivation to be successful, and the employee's behavior in having the unwillingness to empower their potency fully when working, and weakened spirit at work [13]. The fact about the negative correlation was reinforced by the collected cumulative mean score by comparing group I and group II based on the four characteristics.

The cumulative score was calculated based on the classification of the subject's characteristics (Table.2). It showed the bidirectional relationship between job insecurity and work engagement. The insecurity felt by the subjects of group I was greater than the subjects of group II ($86.79 > 83.84$). Meanwhile, work engagement had a contrast result. The subjects of group I had a lower mean score than group II had ($117.87 < 121.39$). Thus, it is clear why the decision for implementing downsizing could decrease the employee's spirit at work. In this case, job insecurity becomes the determinant variable that causes the decline in work engagement.

4. Conclusion

Non-medical employees that have certain characteristics i.e. married male employees, more than 40 years of age, and work as contract employees are the employees who will be at risk in having insecurity resulted from downsizing policy implementation. Feeling anxious and worried about losing job and position are the real impacts felt by the employees. The employees with similar profile characteristics also carry out their job with less motivation and feel dissatisfied toward their job.

The empirical fact can be seen clearly. When downsizing policy is implemented in an organization, job insecurity in non-medical employees occurs. The employees consider downsizing policy can make their status as an employee to threaten. The employees become anxious, worry, hesitate, confused, and under-pressured. As consequence, the employee's feeling of engaged toward the organization declines. The motivation to work, job satisfaction, and the motivation in career success were declining. Job insecurity felt by the non-medical employees gave a negative impact. The employee's work engagement toward the organization was declining. In addition, job insecurity can weaken the employee's seriousness. Regular tasks and responsibilities are not based on the motivation for achieving career success. As the employees feel insecure, their work engagement will be weakened until in a condition when the employees are disengaged with their job.

Work engagement has been proven as a variable that obtains a negative impact from job insecurity. Subjective perception from the employees who consider themselves losing their job every time can cause the performance to worsen if it is ignored in a long period. Nonetheless, it may not happen to other employees if the employee's adaptability is in good condition. The research needs to be directed at exploring the employee's adversity quotient when facing the work environment that threatens them to lose their job.

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Policy Network in Evaluation of E-Government Implementation Policy (a Case Study of *Pesduk* in Cimahi)

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Abstract. The advancement of technology results effortlessness for human beings. The advances should be followed the awareness of positive manner and responsibility. For that reason, the government of Cimahi city through the office of communication, information, archive, and library launched a program called *Pesduk* (*pesan singkat penduduk*/short message service for citizen). *Pesduk* was intended to provide information. Unfortunately, the program has never been evaluated yet. In fact, evaluation is an integral part of the whole process and regarded to measure the effectiveness of respective program. This research used qualitative approach by employing case study method. The data were collected by in-depth interview method, participant observation, and triangulation. Then, the data were classified, edited, displayed, and processed based on data character and type. The analysis shows that the evaluation of *Pesduk* has not been effective. The evaluation is crucial to be a consideration of new strategic plans in implementing subsequent policies. It is necessary to conduct standard operational procedure (SOP) of *Pesduk* to make this program effective, directed, and have legal basis. The procedure is also able to measure some imperfections of the program and, finally, initiate collaboration between society, industrial sector, and government through policy network.

Consumer Legal Protection for Food Beverage Products That Do Not Have Halal Certificate

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Abstract. The purpose of this study is to increase the productivity of safe food and drinks for Muslim consumers in Indonesia. The research method used in this writing is a normative legal research method or normative juridical research that is by collecting data in library research. The efforts of the Indonesian government, through the establishment of laws on food, about consumer protection and about the guarantee of halal products are to ensure legal certainty and context. In terms of the laws and regulations needed by the government.

The Role of Business Communication in Increasing The Survivability of Law Firms

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Abstract. In the current environment, the involvement of an attorney in dealing with sensitive communication matters can also help to eliminate possible communication risks in business. This research was a case study research that used in-depth data collection. The data were collected from one law firm in Jakarta. The law office was chosen because it applied business communication. Although it was a new firm, it was able to compete with other law firms that had operated for a longer time. This research aimed at describing the effectiveness of business career based on communication skills. This research found that many attorneys had received training on communication skill, However, the majority were dissatisfied with the course content and quality. The results of the research showed that communication business is important for attorneys when they are not acting primarily as an attorney but, for instance, as a business advisor, member of the Board of Directors, or in another non-legal role.

1. Introduction

In law firms, communication is needed to run a business efficiently. Every business involves two types of communication: external communication addressed to actors in the business environment and internal communication or organizational communication directed to employees [1]. Attorneys at law firms spend much their working hours communicating because they always involve many people and gain something from the interaction with the people. In doing business in law firms, the main key is to have good communication skills. Business communication in the context of business communication at law firms can be defined as any form of communication to provide legal services and ideas or even build partnerships to enhance organizational or business activities [2].

Communication is one of the most crucial functions to be mastered so that law firms become successful in a today's increasingly competitive market, especially for law firms operating business internationally. Law firms' profitability is partly determined by the strategy and business communication skills. At any workplace, business communication plays several different roles. Communication business has helped in improving all functions within the organization. It means that through business communication, organizational functions in the workplace including internal functions, control, planning and sales, and reporting are coordinated in a better way with business communication. With good business communication, the efficiency and effectiveness of the organization can increase rapidly. Many sources such as Indonesia Ministerial of Law and Human Rights report that in many law firms, communication skills are very important and truly significant contributor to organizational success. Unfortunately, nowadays, law firms in Jakarta have not implemented business communication properly. Eventually, many clients turn to other law firms that are better in providing good advice. Based on these facts, it is interesting to examine about the role of business communication in improving the ability to survive in Indonesia.

2. Literature Review

Communication is the main key in running a business. Communication plays a role in maintaining and developing the organization. Efficient management is very important in the success of an organization and it can only be achieved by effective communication. It is important that all departments and staff are informed in an appropriate manner about what they should know to be able to do the job efficiently. Increased work efficiency means saving costs and generating better profits than before.

Communication is a basic human function and prominent human needs; everyone, naturally, wants to send and receive messages, express their own thoughts, and relate to others. The following are six things must be known about communication [3] [4]:

1. Connecting with other people
2. Participating in something
3. Getting information about something
4. Getting information in a broad sense
5. Connection
6. Message

Business communication is not a behaviour that can stand alone. However, the assessment of communication itself needs to be linked to all other business or market behaviour. From an anthropological perspective, all market behaviour is tied to culture. Purchases and sales occur in a cultural framework [5]. Business communication can be defined as all types of communication in the business field at the organizational level designed to provide services, products, ideas or even build partnerships to increase the activities of the organization or business [2].

There are three reasons why effective communication is important to individuals and their organizations [6]. First, ineffective communication is very expensive. The ability to communicate is considered as the most important factor in making a person able to achieve a high level of office in a relatively short time. Second, the changing environment and increasing complexity of the 21st century workplace make communication even more important. The collaboration allowing organization to capitalize creative potentials in a diverse workforce depends on communication. Third, the world's economy is becoming increasingly globalized.

3. Methodology

This research was mainly based on the case study. Yin [7] defines a case study research method is "as an empirical investigation that investigates contemporary phenomena in real life contexts, when the boundary between phenomena and context is unclear, and where many sources of evidence are used" [7]. Case study research is a qualitative approach to explore a restricted system (case) or a number of restricted systems (cases). According to Yin [8], the generalization of the results of case studies, either from one or several designs, comes from theory and not the population. By replicating a case through pattern matching, a technique that connects several pieces of information from the same case with several theoretical propositions [9]. Some case designs enhance and support previous results. This helps increasing the reliability of this method. This research was conducted at several well-known law firms in Jakarta that had implemented business communication. This research was an empirical investigation of a contemporary phenomenon about the communication business at the Law Office. Data were collected from a law firm in Jakarta using in-depth method. The law office was chosen because it was a new office,but was able to compete with other existing law firms that had opened for a longer time. The law firms were able to compete with law offices that have long existed because the law office implemented business communication. The respondents were the leaders, senior lawyers, junior lawyers and office staff.

4. Case

Some lawyers from the law firm in Jakarta were expected to be effective communicators. The Commission regularly received complaints about some matters that could actually be easily avoided if the lawyers had communicated more effectively and/or politely in many cases with their clients. Critical thinking and business communication skills had gained increasing attention because lawyers today strongly believe that these skills are essential for the success of their organization [10, 11, 12]. For example, lawyers who had strong critical thinking skills could solve challenging problems they face in the current business environment [13]. Likewise, business communication skills are very important because they equip employees "with communicative skills and techniques and prepare them to critically analyse business as a field of study and social institutions/functions" [14].

In this case, the law firms stated a couple of steps that they can take to try to secure effective communication with their clients. The first was early detection. Problems are increased early. In advance, set a clear understanding about case updates. If an attorney’s practice is to initiate contact only when a development occurs, the attorney should communicate it to the client at the outset of representation. If a client wants (and can pay for) regular updates regardless of whether developments have taken place, it can be told previously—even included in a written retainer agreement. The second is being reasonable. A defendant who called his or her attorney with a request by phone for information can indicate a willingness to speak with the lawyer’s associate, secretary, or paralegal. The attorney may be too tied up on other cases to return the call personally, but may have time to pass along information through an assistant.

The results of the research showed that law enforcers successfully use business communication will generally get the ability to survive facing competition with other law firms.

5. Analysis

The importance of communication should always be realized at all times because it is vital in which people connect within society. Working in business, government, or organization is impossible without communication. People must communicate with each other, exchange information, make decisions, and talk about innovation. Management is a complex practice so that people need to communicate with others. In an age when the business environment is turbulent in terms of competition, political instability, advanced technology, and diversity of labour, the need for good communication skills is increasingly felt by the managers at all levels. The ability to communicate effectively in various business situations must be developed. The organization can conduct and have a competitive manager then all workers must be equipped with communication skills. Many problems that occur in an organization are direct results of the failure to make effective and efficient communication. Large organizations need better communication skills in their employees, so they can work in teams with people from diverse backgrounds. Effective communication skills in today's business world have been discovered to have a direct impact on productivity.

Communication can serve many functions during change initiatives [15], namely

a. Information Sharing: If changes are expected to occur over a long period and are likely to involve high uncertainty at some points, then this should be clearly communicated in advance in order to avoid potential loss of momentum, disappointment, and cynicism in certain groups of employees.
b. Participation: It is generally regarded as a key success factor during organizational change. Communication can break down when employees are not involved in the change process.
c. Vision and Motivation: In change management, it all starts from the vision and communication is the tool to make sure everyone involved with the change are aware of the vision and objectives related to it.
d. Compliance: Change efforts can produce high-levels of anxiety, and communication is needed to determine employee responses to change, reduce potential fears, and encourage the establishment of social support systems among employees.

e. Feedback: Change efforts require the structuring of communication processes that provide employees feedback about their performance during change initiatives and provide feedback to management regarding strengths and weaknesses of the change initiative.

The purpose of business communication in a company organization can be described as supporting actions of business conduction for the benefit of the organization. Business communication as a manager's skill requires the ability to communicate management objectives, planning, controlling, and decision making. Therefore, based on the following functions in Figure 1, business communication occurs.

Decision Making	*Instruction*
Planning	*Ideas and Facts*
Controlling	*Facts*

Figure 1. Business communication as function of management

Business communication 'is an ambivalent term because the various fields of application the term business communication emerged from various sectors applying different terms and perspectives in using the term. We can distinguish three areas, namely business communication as technical communications, business communication as linguistic communication, and business communication as corporate communication. In theory, business communication is the process of information and meaning exchange using the systems of symbols, signs, and general behaviors. The examples are written and audio channels, listening, and electronic [14],16],[17],[18],[19],[20],[21],[22]. Business faculties and business leaders agreed that the basic definition, which is a topic discussed in the course of business communication and the importance of preparing business programs with this knowledge, many experts interpret business communication as something different. This difference, in turn will affect the definition of business communication. Therefore, there is a definition of business communication based on instructional values [14],[16],[23],[24],[25],[26],[27].[28].

In addition, law firms must increase effective communication in their marketing approach. Each approach emphasizes two-way communication through better listening, interactivity, and the idea to customers that communication before, during, and after a transaction can build or destroy important brand relationships. From a communication theory perspective, the Waterschoot and Van den Bulte model, which places persuasion as a function of integrative marketing communication, reverses the relationship between communication and persuasion. In most communication models, persuasion is an element of communication and communication is an integrative factor, not vice versa. Schramm [29] makes the connection clear: "Persuasion is basically a process of communication." Here, and in other communication models in communication textbooks, persuasion is just one area of traditional study and research.

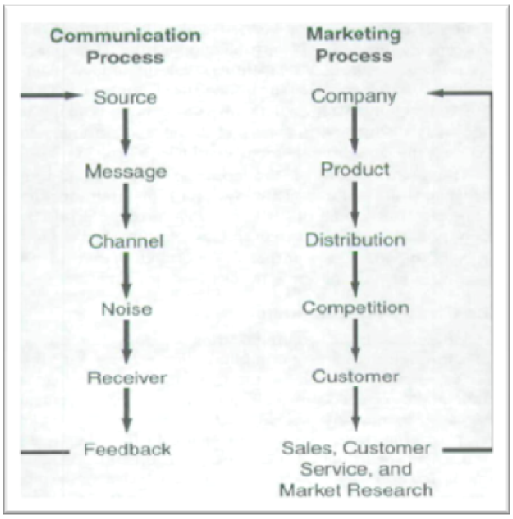

Figure 2. Parallel communication and marketing processes

In recent developments in Indonesia, especially in Jakarta, many new law firms have emerged and this has resulted in the need for competitiveness advantages from the existing law firms that want to compete in the recent competition market. Based on data collected, there were at least 435 law firms in Indonesia and there are only 38 large law firms. The law firm used as the object of research, even though it was only developing, was one of 38 big firms. Besides that, it applied effective business communication in running its business.

Law firms in Jakarta generally did not provide special attention to good business communication and are only concerned about knowledge. This can be seen from the enormous number of legal complaints submitted by the client because of lacking effective business communication. The key factor that helps law firms surviving during competition is the ability of effective business communication. In the observed law firms was implementing the importance of business commitment to the maximum. By the frequent training, employees are able to conduct business communication well. In addition, the clients were generally satisfied with the services provided and stated that the employees of the company tended to be friendly and polite. This also caused clients to happily come back and recommended the law firm to their colleagues who are also experiencing legal problems. This could help the new law firm surviving and being able to be included in the top 38 in Jakarta. This law firms also had applied the theory of efficient business communication by implementing persuasive communication to convince the client about their idea and services. From the aforementioned case, communication business played important roles in helping the business and organization to survive and also affirmed the theory of the existing communication business.

6. Conclusion

At law firms in Jakarta, especially the newly developed law firm, business communication plays a key role as far as the coordination and direction of activities by two levels of management are of concern. Rădulescu [30] states that business communication also increases interaction between senior lawyers and junior lawyers with clients and prevents conflicts. In addition, office staff must practice business communication with guests or clients who come to the office.

As seen from the case of the new developing law firm that could survive well, the new law firm gave special attention into communication business. By giving the special attention, the new law firm could survive well and could top other law firms that have been established earlier. The professional application of 'business communication' refers to any law firm which sells facilities or services with 'business communication'. Many legal experts understand that their long-term competitiveness is conditioned by customer retention. To achieve this, there is a need to change the way customers feel by applying bilateral communication with them, by winning 'client strength' or by treating the clients as partners who can contribute to value creation.

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Potential of Weakening Corruption Eradication through Indonesia's Bilateral Investment Treaties

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Abstract. This study focused on analyzing Bilateral Investment Treaties which has potential to weaken Corruption Eradication in Indonesia and find the ideal conception in this treaties to make Corruption Eradication be stronger in Indonesia. This study uses the normative method by analyzing the case of Al-Warraq against Indonesia in International Arbitration and comparing the Indian and Indonesia Model BIT with Bilateral Investment Treaties in Indonesia. The results of this study explain that fair and Equitable Treatment and Investor-State Dispute Settlement mechanism content in these treaties can strengthens Investor's position as the suspect of corruption, because this content can be used investors to sue the state for law enforcement of corruption against him. Indonesian's Bilateral Investment Treaties in the future, need to include content prohibition of corruption in this treaties as India did in their BIT model. In addition, Indonesia also need to immediately adopted the Indonesia-New Model BIT because this model has content to restrict investors from being able to sue the state for enforcement of corruption criminal law against them.

Measuring Labor Contributions in the Creation of Added Value in Creative Industries

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Abstract. The Indonesian Creative Economy Agency identified 16 creative industry sub-sectors and 10 creative cities in Indonesia in 2015. It is very likely that 16 sub-sectors mostly use modest technology. This indicates the importance of the discussion of the main input contribution to the creative industry sector towards the added value. This study measures the labor contribution rather than the capital contribution to the creative industry in order to get the urgency confirmation of the development of these two inputs. This study uses secondary data of large and medium industry surveys from Statistics Indonesia at firm-level data. The data processing uses an econometric model based on the Cobb-Douglas production function. The model estimation results for 11-year panel data in 6 sectors shows that labor gives an important influence in contrast to the capital. In addition, both capital and labor have the condition of decreasing returns to scale.

The Influence of Public Relations and Direct Marketing on Purchase Decisions

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Abstract. Competition in the paint industry tends to increase, make PT. ICI Paints Indonesia keep trying to increase sales by creating a promotional mix strategy through public relations and direct marketing activities so that consumer purchasing decisions should be maintained. The purpose of this study is to determine the influence of public relations and direct marketing to consumer purchasing decisions PT. ICI Paint especially Dulux users. This research uses the quantitative method. Analytical techniques used are multiple linear regression, F test, and T-test. The renewal of this study is still at least research that examines the influence of public relations strategy and direct marketing to purchase decisions. The results showed the simultaneous impact of public relations and direct marketing to Purchase decisions

1. Introduction

Paint is one of the most promising business in Indonesia. The high growth of the property business is a significant trigger factor that encourages increased demand for color. One of the factors supporting paint business is the increasing number of population, the number of households and the income per capita of Indonesian society. According to research conducted by MARS Indonesia, in 2010 the consumption of paint in Indonesia reached 772,454 tons. By 2014, the figure has become 877,459 tons [1]. Although the growth of business each year continues to be recorded the competition is also increasingly fierce, especially the plan of different paint companies into Indonesia [2] because Indonesia has a population of more than 250 million people, this makes Indonesia a soft market or promising for foreign paint companies such as India Asian Paint and Towa Paint from Thailand [3]. On the other hand with the increasing number of foreign companies entering the Indonesian market resulted in a vast diversity of choice available to consumers, ranging from various brands, colors, quality, prices, etc. Added many sells with free paint without a brand or sold freely with kilogram system, therefore the producers also as the creator of goods or services will try to satisfy the consumer because the satisfaction that affects the purchase decision [4].

PT. ICI Paints Indonesia. Tbk is one of the largest paint manufacturers in Indonesia that produces various kinds of paint that is very qualified and quality compared to other products because of the color produced by PT. ICI Paints Indonesia, Dulux paint is the most widely used product by consumers. PT. ICI Paints Indonesia was established in December 1926 and to date has operated 15 integrated factories, one of its factories located in Cikarang, PT. ICI Paints Indonesia also produces various other paint types, Novalux, Penta, Prima, Carera, Epont Paint, and others [5]. PT. ICI Paints Indonesia is also currently the only one of the most beautiful paint manufacturers in Indonesia and is actively promoting its promotion mix strategy through public relations and direct marketing to keep its company in front. Therefore the authors try to study more deeply about the influence of Public Relations & Direct Marketing Against Purchase Decision Dulux Wall Paint ". The results of this study are expected to provide an overview of the business actors, especially PT. Dulux about public relations & direct marketing as well as its impact on purchasing decisions.

2. Theorical Framework

Marketing is "Identifying and meeting human and social needs. [6], where marketing is also a process by which the company creates value for customers and builds strong customer relationships to capture value from customers in return.”[7]. Marketing management is grouped into four commonly known aspects of marketing mix or marketing mix and is a collection of controlled tactical marketing tools that combine to generate the desired response in the target market and the 4P marketing approach of product, price, place, and promotion often works for goods, but additional elements require attention and distribution systems.[8]. promotional mix element consists of five main tools, that is [9]:

1) Advertising: represents all non-personal presentation, promotion of ideas, promotions of products or services that specific sponsor paid.
2) Sales Promotion: various short-term incentives to encourage the desire to try or buy a product or service.
3) Public relation and publicity: multiple programs to promote and protect the company's image or individual products.
4) Personal Selling: Direct interaction with prospective buyers or more to make a presentation, answer directly and accept orders.
5) Direct marketing: the use of letters, telephone, facsimile, e-mail, and other nonpersonal interfaces to communicate with or obtain an immediate response from individual customers and potential customers.

2.1 Public Relation

Public Relation is a deliberately planned effort intentionally, to establish and maintain mutual understanding between the organization and its people. This opinion indicates that public relations are a process or activity that aims to develop communication between organizations and parties outside the organization [10]. public relations is also an Interaction and create public opinion as a favorable input for both parties, and is a professional profession in the field because it is a crucial factor in achieving organizational goals with the precise and continuously because public relations is the survival of the organization concerned [11]. This public relation has a positive influence on purchasing decisions [12] and the relationship mix also affects brand image and brand awareness that implications will make purchasing decisions also increase [13].

2.2 Direct Marketing

Direct Marketing is an interactive marketing system that utilizes one or more media to generate measurable responses or transactions at any location. In direct marketing, promotional communications aimed directly at individual consumers, with the aim that the messages are responded to by the consumer concerned, either by telephone, post or by coming directly to the marketer [14]. Direct marketing affects consumer purchasing decisions by raising public awareness [15]

2.3 Purchase Decision

The purchase decision is an act of the consumer to buy or not to the product [8]. From the various factors that influence consumers in buying a product or service, usually consumers always consider the quality, price and product already known by the public Before consumers decide to buy, usual consumers through several stages first, namely, (1) the introduction of problems, (2) information search. (3) alternative evaluation, (4) buying decision or not, (5) post-purchase behavior [6]. Another notion of a purchase decision is a person's decision whereby he or she chooses one of several alternative options [16].

2.4 Framework Analysis

The research design used in this research is the causal research design. The design of causal research is research that aims to determine the relationship of a causal or causal cause of a thing, following our research title is "Analysis of Public Relations and Direct Marketing Effects on Purchase Decision." (Fig 1).

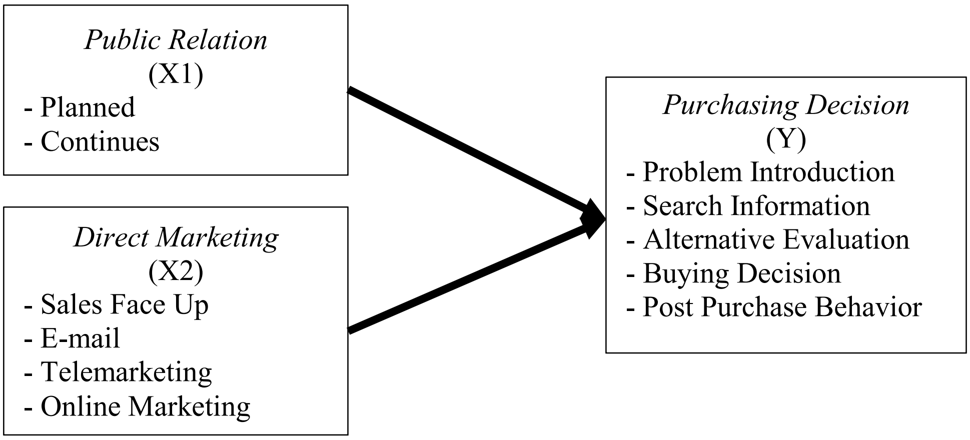

Figure 1. Research Framework

3. Methodology

The research method is a scientific way to get data with a specific purpose and usefulness [17]. "The research method is also a scientific way to acquire, develop and verify knowledge or theory." [18]. here the authors use quantitative research and analysis used by using multiple linear regression analysis. consisting of three variables including two independent variables (X1 = Public Relations, X2 = Direct Marketing) and one dependent variable (Y = Purchase Decision). The data used are secondary data (paper, news, etc.) and primary data (survey). The population in this study with the community Bandung, to meet the technical requirements in sampling, there must be a sample limit that regulates the entry or not a case becomes the object of research. In this research, the research coverage is Bandung society which is the customer of Dulux wall paint. Because the total population of Dulux consumers in Bandung City not identified with certainty, this research uses a nonprobability sampling method. Operation of the variables of the two variables used as objects in this study using an interval scale in the form Likert scale. According to Sugiyono Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about the phenomenon of social. In this study selected social phenomena have been specified by the researchers to research variables. Referring to the above explanation, then for the instrument of reality the answers that support each statement are: 1 = Strongly disagree; 2 = Disagree; 3 = Less agree; 4 = Agree; and 5 = Strongly agree [17]

When viewed systematically, the proper systematic model uses Multiple Linear Regression.

$$Y = a + b1X1 + b2X2 \quad \text{...} \quad (1)$$

Information:

Y : Purchase Decision
a : Constants
b1 : Regression coefficient (slope) magnitude of influence Promotion Mix (Public Relation) By providing added value to the purchase decision.
b2 : Regression coefficient (slope) magnitude of influence Promotion Mix (Direct Marketing) by providing added value to the purchase decision.
X1 : Public Relation
X2 : Direct Marketing

4. Result & Discussion

In this section will be presented the results of research and discussion obtained from the dissemination of questionnaires to the recipient as the primary data source in this study, in addition to data acquisition through observation and literature study to complete the primary data. The questionnaire consisted of 18 questions with details of 6 questions about Public Relation, seven questions about Direct Marketing and five questions about purchasing decisions. The number of respondents samples in this study as many as 100 people consisting of 25 questionnaires each part of the region in Bandung, the method used to process and analyze data in this study is a simple linear regression as a tool in decision making.

4.1 Validity test

Table 1. Validity Test

Variabel	No. Item	RCount	information
Public Relation	1	.5309	Valid
	2	.4639	Valid
	3	.6282	Valid
	4	.514	Valid
	5	.6373	Valid
	6	.6685	Valid
Direct Marketing	1	.5193	Valid
	2	.565	Valid
	3	.561	Valid
	4	.5969	Valid
	5	.4052	Valid
	6	.4589	Valid
	7	.4219	Valid
Purchasing Decision	1	.663	Valid
	2	.6839	Valid
	3	.7201	Valid
	4	.767	Valid
	5	.703	Valid

n = 100, a = 0.05, rtable = 0.195

The results of validity testing with SPSS 16 as listed in table 1, indicates that the validity test results stated every item of the question is valid, as it meets the requirements of r-count> table so that all statement items can be used in this research.

4.2 `Reliability test

Table 2. Reliabilitas Test - Variabel *Public Relation*

Reliability Statistics

Cronbach's Alpha	N of Items
.729	6

Table 3. Reliabilitas Test - Variabel *Direct Marketing*

Reliability Statistics

Cronbach's Alpha	N of Items
.765	7

Table 4. Reliabilitas Test - Variabel Purchasing Decision

Reliability Statistics

Cronbach's Alpha	N of Items
.748	5

Table 2.3, and 4 show the value or Cronbach's Alpha score of 0.729, 0.765, and 0.748 so that the variables of Public Relation, Direct Marketing, and Purchase Decision can be said to be reliable with a strong correlation and trustworthy data relationships, in the sense that the question on the questionnaire the respondent's answers are consistent or stable over time.

4.3 Normality test

The following is the result of normality data test from the influence of Promotion Mix (Public Relation & Direct Marketing) to the decision of purchase:

Table 5. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	2.45126070
Most Extreme Differences	Absolute	.103
	Positive	.061
	Negative	-.103
Kolmogorov-Smirnov Z		1.035
Asymp. Sig. (2-tailed)		.235
a. Test distribution is Normal.		
b. Calculated from data		

Normality test results are normal, because sig is 0.235> 0.05 (alpha). From the picture below states that the normality test results are said to be normal because of the scattered data in the form of a circle following the direction of the appropriate diagonal line.

Normal P-Plot of Regression Standardized Residual
Dependen Variable : Purchase Decision

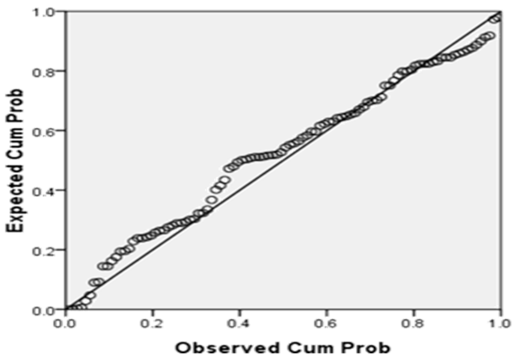

Figure 2. P-Plot Normality Test

4.4 Multiple linier regresion

Table 6. Model Summary

R	R Square
.471[a]	.222

a. Predictors: (Constant), Direct Marketing, Public Relation

The table above explains the value of correlation or relationship (R) that is 0.471. This value interpreted that the relationship between the two research variables is moderate. Through this table also obtained the value of R Square or determinate coefficient which shows how good the regression model formed by the interaction of independent variables and dependent variables. The ratio of determination obtained is 22.2% which interpreted that the independent variable X has a contribution influence of 22.2% to Y and 77.8% from another factors outside the variable X.

4.5 F Test

Table 7. ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	169.331	2	84.665	13.806	.000[a]
	Residual	594.859	97	6.133		
	Total	764.190	99			

a. Predictors: (Constant), Direct Marketing, Public Relation
b. Dependent Variable: Keputusan Pembelian

Based on the above table, obtained sig = 0,000 which means <significant criterion (0,05), with regression equation model based on research data is important meaning, linear regression model meets linearity criteria..

4.6 T-test

Table 7. ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	169.331	2	84.665	13.806	.000[a]
	Residual	594.859	97	6.133		
	Total	764.190	99			

a. Predictors: (Constant), Direct Marketing, Public Relation
b. Dependent Variable: Keputusan Pembelian

Based on the above table, the model of regression equation obtained by the coefficient of constant and coefficient of existing variables on Colom Unstandardized Coefficients B. Based on this table obtained the model of regression equation: Y = 8.754 + 0.356 + 0.148X

The explanations for the regression equation are:
The value of constantan in the regression line is +8,754, and it's means that if no sales (x = 0) then the customer satisfaction (y) is worth 8,754 points. The value of the regression coefficient (b) Public Relation of +0.356 and the amount of regression coefficient (b) Direct Marketing of +0.148, This means that each addition of 1 point public relations and direct marketing, will be predicted to increase the purchase decision by 0,504 points.

Research Analysis

We get the result that from the data of research questionnaire about the Analysis of Public Relations & DirectMarketing Effect on Purchase Decision Dulux wall paint product, which get the highest total score found in variable Y, that is variable of purchase decision equal to 4,018, While the variable X1 (public relations) score of 4.01 and the variable X2 (direct marketing) score of 3.66. The location divided four-point like at the area of North Bandung which is in Paris Van Java. Then we get the result that from the data questionnaire research on the Analysis of Public Relations & DirectMarketing Effect on Purchase Decision Dulux wall paint products, which get the highest total score of the public relations variables are listed on Q4 indicator (Dulux advertisement is getting preferred by consumers), that is 4.52. While getting the lowest total number of public relation variables found in indicator Q1 (Dulux always create an attractive promotional strategy for consumers), that is equal to 3.72. The location of East Bandung which is in Metro Indah Mall. We get the result that from the data of research questionnaire about the influence of promotion mix (Public Relation & DirectMarketing) to Purchase Decision Dulux wall paint product, which gets the highest total score from public relation variable there on the Q6 indicator (Dulux quality increasingly quality day), which amounted to 4.4. While those who get the lowest total number of direct marketing variables found on the indicator Q10 (Dulux provide direct offers via fax), that is equal to 3.2.
The location of South Bandung stationed at Miko Mall. We got the result that from the data of research questionnaire about the influence of promotion mix (Public Relation & DirectMarketing) to Purchase Decision Dulux wall paint product, which get highest total score from direct marketing variable and decision purchase is on Q13 indicator (Dulux has an online site) and Q14 (I need Dulux paint for building), that is 4.36. While the lowest total number of direct marketing variables found on Q9 indicator (Dulux gives direct product offer via telephone), that is equal to 2.84. The location of Central Bandung which is in Bandung Indah Plaza. We get the result that from the data of research questionnaire about the Analysis of Promotion Mix (Public Relation & DirectMarketing) on Purchase Decision Dulux wall paint products, which get the highest total score of public relations variables are on the indicator Q2 (Dulux paint color choice is diverse and exciting), that is equal to 3.76. While the lowest total score of direct marketing variables is in the Q9 indicator (Dulux gives direct product offer via telephone), that is equal to 3.04.

5. Conclusion

1. Based on the results F obtained, simultaneously or simultaneously (Public relations and Direct Marketing) has a significant influence on purchasing decisions.
2. Viewed from the results of the T-test, or the result of partial control, public relations has a more significant impact on purchasing decisions than direct marketing
3. The magnitude of the influence of public relations and direct marketing seen from the results of multiple regression test of 22.2% and the remaining 77.8% influenced by other factors that are not in carefully.

Acknowledgement

I would like to thank Telkom University for contributing funding in this research

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Utilization of Digital Marketing to Increase Sales in Small and Medium Industries In Cirebon Regency, Indonesia

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Abstract. This research aimed at identifying the sales differences between small and medium industries (SMIs) in Cirebon Regency that use conventional marketing and digital marketing in promoting their products. The research employed a quantitative method and used SMIs in Cirebon Regency as the subject. The data obtained were secondary data containing the production cost of SMIs in Cirebon Regency. They were analyzed using Wilcoxon. The findings of the research showed that the negative ranks between sales with conventional and digital marketing were N = 24 and mean rank = 29.33. Those values represent the sales decline of 24 SMIs that used digital marketing with an average sales decline of 29.33. Furthermore, the positive ranks between sales with conventional and digital marketing were N = 50 and mean rank = 41.42. This means that there were 50 SMIs that achieved an average sales increase of 41.42. Therefore, it can be concluded that digital marketing had the ability to increase and decrease sales, so SMIs should be careful and meticulous when it comes to utilizing digital marketing to promote their products.

1. Introduction

Small and medium industries (SMIs) play an important role in the Indonesia's economy due to their ability to create jobs for people of productive age, hence reducing unemployment in the regions such as Cirebon Regency. In their attempt to maintain growth, SMIs face challenges in different aspects, including marketing. The lack of marketing-related knowledge makes SMIs limit their production because higher production might not come together with higher sales, which eventually can cause loss due to the imbalance between production cost and sold goods. According to a research conducted by [1], one of the strategies to increase the competitiveness of micro, small, and medium enterprises (MSMEs) is to establish partnership with parties that are relevant to the MSMEs. According to the data from the Department of Industry and Commerce of Cirebon Regency, the performance of SMIs in Cirebon Regency increased in the period of 2016 to 2017, as can be seen in the table below.

Table 1. Development of small and medium industries in Cirebon Regency in 2016 and 2017.

No	Description	Total		Growth	
		2016	2017	Total	%
1	Business unit (Rp)				
	-Small and medium industries	13,614	14,048	434	3.19
	-Large industries	132	132	0	0.00
	Total	13,764	14,180	434	3.16
2	Labor (Rp)				
	-Small and medium industries	70,240	72,844	2,604	3.71
	-Large industries	19,800	21,120	1,320	6.67
	Total	90,040	93,964	3,924	10.37
3	Investment value (Rp)				
	-Small and medium industries	426,075,693.53	448,231,629	22,155,936.06	5.20
	-Large industries	2,811,029,812.57	2,811,029,812.57	-	0.00
	Total	3,237,105,506.10	3,259,261,44.16	22,155,936.06	5.20
4	Production value (Rp)				
	-Small and medium industries	2,181,063,273.50	2,251,592,796.95	70,556,523.45	3.24
	-Large industries	4,458,798,015.68	4,518,991,788.89	60,193,773.21	1.35

	Total	6,639,834,289.18	6,770,584,585,84	130.750.296,66	4.59
5	Export of industrial commodities (US$)	328,896,164.69	374,243,171.99	45,347,007.30	13.8

Source: Department of Industry and Commerce of Cirebon Regency, 2018

According to Table 1, a concept to address the problem in marketing is needed to increase the productivity of SMIs in Cirebon Regency. Therefore, this research was conducted to study the utilization of digital marketing to increase the productivity of SMIs in Cirebon Regency. In line with the background of the research, this research aimed at identifying the sales differences between SMIs in Cirebon Regency that use conventional marketing and digital marketing.

2. Literature Review

Some studies on digital marketing have been conducted, including one by [2] that found that, in marketing, there is an ecosystem in digital marketing called information and communications technology, financial service and delivery service. The main component of digital marketing includes: 1) migrating from face-to-face transaction to online or by-phone transaction, 2) introducing competition to become more skillful in marketing, such as telecommunication, financial service, travel, logistics and utilities and 3) evolving the marketing process and technology to become more active. The new marketing ecosystem include: client companies, marketing agencies, market research companies, telecommunication network company, telecommunications services supplier, database management companies, data brokers, database software suppliers, analysis software suppliers, application providers, analytical consultants, web software providers, grab, management/marketing consultants and training organizations.

[3] Has found that the key of the power of digital marketing is social media. Therefore, it is not ideal to limit budget on unlimited media channels, needs for consistency and understanding of customers' digital body language and the crucial role of automatic technology of marketing to introduce its product.

[4] Have analyzed the threat of social media to company reputation, which can come from three different actors, which are the customer, the employee, and the company itself. The customer can quickly and easily forward, modify, and share content to the public, which might contain negative rumors or complaints about the company while the company only has a short amount of time to respond. Moreover, the employees often post to social media without a permission from the company. These posts can be published using their personal accounts as well the company's account on blogs or social media websites. Furthermore, the company itself can experience loss of social media websites or resignation of website operators, which can result in the inability of the company to keep up with or respond to discussions, posts or blog entries about them. In addition, company's reputation can also be damaged by the inability of the company to develop a strategy to respond or to develop emergency measures during social media crisis. The negative impacts of a damaged reputation are loss of market share, sales decrease, loss of inventory price value, loss of customer's attention and weaker relationship between the company and customers.

[5] Has studied how an insurance company, The Affordable Care Act (ACA), was promoted to the millennials through social media, i.e. Facebook, Twitter, Google+, and YouTube and how hashtags and viral campaigns can be used to promote the adoption of a public policy. The market was the online platform in healthcare.gov, a place for customers to buy health insurance. By creating the 'Share Your Story' feature, the customers were given a chance to communicate and share experience with each other. The hashtags helped online content to be found more, just like how tags or keywords were used by news websites and blogs. To help promote the hashtags, the administrator incorporated celebrities and basketball players. The marketing strategy that utilizes the power of viral content might one of the best strategies there is.

[6] Has conducted a research on customers' interest on discount and voucher codes. The research revealed that customers' interest on discount and voucher codes is strong. If sellers have enough margin, they can use discount and voucher codes, but smart sellers will adjust their discount codes and vouchers to determine a fair pricing strategy in a way that the customers understand that the

codes will not work in other places. This way, the use of discount and voucher codes is effective to increase sales but the customers still feel appreciated.

[7] Found in their research that, in recent years, some companies have adopted QR (quick response) code to promote their products because studies showed that there was a positive relationship between smartphone possession and the use of QR code. QR code is a trademark for an optical label containing information about an item that can be read by a machine. QR code has four standard encoding modes, namely numeric, alphanumeric, byte/binary and kanji. QR code allows companies to share information with their customers quickly and easily because of its capacity to contain different kinds of data.

According to the study by [8], e-mail is the most popular and economical marketing channel in an integrated multi-channel campaign. Sellers can adjust the style, content, and tone of their e-mail to generate highest involvement possible and attract the receivers to read the e-mail, which can be complemented with a phone number or a link to a webpage should they deemed necessary. In this modern world, people can check their e-mail through different platforms as long as they are connected to the internet. The subject lines, pre-headers and form names can be displayed differently depending on the platforms. For example, g-mail shows a hundred characters collectively in the subject line and pre-header, while iPhone shows about a hundred and forty characters in a traditional vertical display. With this in mind, to make the e-mail displayed properly on both devices, it is important to limit the subject line and pre-header to about eighty to a hundred characters. Before broadcasting the e-mail, it is also important to send test e-mails to some ESPs, like Litmus, to ensure proper display. In addition, HTML e-mail and e-newsletter are good ways to maintain communication because they allow clickable call-to-action button.

[9] Has discussed the role of technology in transforming businesses. In recent years, companies have been changing their business strategy from Business to Consumer (B2C), where marketing relates to consumer, to Business to Business (B2B) strategy that aligns marketing and sales. Technologies like Customer Relationship Management (CRM), especially Salesforce, have started disrupting the 10-year stability and changes are made faster with more tools like marketing automatization and the migration to digital marketing.

[10] Have studied the effect of social media on wine sales in wineries in the United States using an online survey that involved samples of 375 wineries. The results showed that 87 percent of the wineries were able to improve their sales with social media. Wine sales in the United States will benefit from the adoption of social media in their marketing strategy. According to the results of this research, it is advisable to start with Facebook and ensure that winery owners are responding to comments on TripAdvisor and Yelp.

[11] have discussed in their research the importance of customer co-creation through customer participation, which was an ad creation campaign by PepsiCo India. The roles of digital/social media marketing in this front-end innovation consist of customer creation and branding, personalization and product design, innovative products and new service offers. Customer innovation became an interesting field because the market became a forum where customers can play an active role in creating value and compete. The company developed various competitions with interesting prizes to encourage customer innovations. Based on the objectives of the research, the hypotheses of this research were as follow:

$H_0\colon \mu_1 = \mu_2$: There is no significant difference between the sales of SMIs that use conventional marketing and those that use digital marketing

$H_0\colon \mu_1 \neq \mu_2$: There is a significant difference between the sales of SMIs that use conventional marketing and those that use digital marketing

3. Methods

This research employed a quantitative method. The data obtained were secondary data containing the production cost of SMIs in Cirebon Regency, which was obtained from the Department of Industry and Commerce of Cirebon Regency. The data were collected using observation and documentation study and analyzed using Wilcoxon because the analysis involved comparing two related samples.

4. Results and Discussion

Kampung UKM Digital (Digital SMEs Village) is a comprehensive and integrative utilization of information technology to support businesses in small and medium enterprises (SMEs) centers or centralized SMEs in a certain area to create millions of developed, independent and modern SMEs. Through Information and Communications Technology (ICT), SMEs are expected to have a global-level of competitiveness and give contribution to the growth of Indonesia's economy. Below is the list of Kampung UKM Digital in Cirebon Regency.

Table 2. Kampung UKM Digital in Cirebon Regency.

No	Name of Kampung UKM Digital	Village
1	Kampung UKM Digital Batik Trusmi Cirebon	Plered
2	Kampung UKM Digital Masterbu Suciayumajakuning	Losari Lor
3	Kampung UKM Digital Batu Alam Duku Puntang	Balad
4	Kampung UKM Digital Gincu Manunggal	Panongan
5	Kampung UKM Digital Mebelair Cikeduk	Cikeduk
6	Kampung UKM Digital Sendal Kebarepan	Kebarepan
7	Kampung UKM Digital Grosir Tegalgubug	Tegal Gubug
8	Kampung UKM Digital Konveksi Perbutulan	Perbutulan
9	Kampung UKM Digital Rotan Galmantaro	Tegal Wangi
10	Kampung UKM Digital Winangun	Purwawinangun
11	Kampung UKM Digital Gerabah Jamblang	Sitiwinangun
12	Kampung UKM Digital Keramik Plered	Plered

Source: https://www.kampungukmdigital.com

Table 3. Descriptive statistics.

	N	Mean	Std. Deviation	Minimum	Maximum
Conventional marketing	74	3,720,215.12	15,757,784.259	21,000	132,000,000
Digital marketing	74	5,217,151,202.08	13,200,176,524.450	30,000	75,237,120,000

From Table 3, it can be identified that the average value of sales with digital marketing was more increase than with conventional marketing. The minimum value of sales with conventional marketing and the maximum value of sales with conventional marketing was more lower than with digital marketing, so that digital marketing more potential to create revenue.

Table 4. Ranks.

		N	Mean Rank	Sum of Ranks
Digital Marketing - Conventional marketing	Negative Ranks	24[a]	29.33	704.00
	Positive Ranks	50[b]	41.42	2071.00
	Ties	0[c]		
	Total	74		

a. Digital Marketing < Conventional marketing
b. Digital Marketing > Conventional marketing
c. Digital Marketing = Conventional marketing

The negative ranks between sales with conventional and digital marketing were N = 24, mean rank = 29.33 and sum of ranks = 704.00. Those values represent the sales decline of 24 SMIs that used digital marketing with an average sales decline of 29.33 and a sum of negative ranks of 704.00.

The positive ranks between sales with conventional and digital marketing were N = 50, mean rank = 41.42 and sum of ranks = 2071.00. This means that there were 50 SMIs that achieved an average sales increase of 41.42 with the sum of positive ranks of 2071.00.

The ties, which means the value similarity between sales with conventional and digital marketing, was 0. Therefore, it can be said that there was no similarity in terms of the sales value between conventional and digital marketing.

Table 5. Test statistics.

	Digital Marketing - Conventional marketing
Z	-3.682[b]
Asymp. Sig. (2-tailed)	0.000

a. Wilcoxon Signed Ranks Test

b. Based on negative ranks.

According to Table 5, it can be identified that the value of Asymp Sig (2-tailed) was 0.000. Since 0.000 < 0.05, it can be said that the "H_0 was rejected", which means that there were differences in the sales value of conventional and digital marketing in SMIs in Cirebon Regency. Therefore, it can be concluded that digital marketing affected the sales of SMIs in Cirebon Regency. In other words, the utilization of digital marketing had the ability to increase and decrease sales, so SMIs should be more careful and meticulous when it comes to utilizing digital marketing to promote their products.

5. Conclusion

According to the findings of the research, it can be concluded that the utilization of digital marketing to promote products in small and medium industries in Cirebon Regency had the ability to affect sales value by ways of increasing or decreasing them. Therefore, SMIs should be more careful and meticulous in utilizing digital marketing to avoid negative reputation that can be made by unsatisfied customers.

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Creative Industry and Local Economy Development: A Strategy in Export Market

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Abstract. This research aims at describing the design of strategy for developing small and medium enterprises. The strategy was intended to provide a valuable insight for export-oriented creative industry. It is a descriptive qualitative research. To determine the subject of this research, purposive sampling technique was employed. In this research, the analysis of SWOT alternative strategy is used to construct an appropriate development strategy. The analysis showed that internal strength score was 3.05 and internal weakness score was 1.42 (derived from average score of internal factor, which was 2.24). Moreover, the score of external opportunity was 3.24 and the score of external threat was 1.32. The total score of two external factors was 4.56. Therefore, the average score for external factors was 2.28. This research proposed 10 strategies by considering strength, weakness, opportunity, and threat of this sector. Furthermore, there were technical plans on development action for creative industry practitioners in all sectors.

Market Penetration for Micro and Small Business using Information Technology in Majalengka District Indonesia

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Abstract. The purpose of this research is to obtain information about market penetration efforts by micro and small entrepreneurs in Majalengka. The market penetration strategy was intended to gain a broader market share to increase sales and profits. The analytical method used was descriptive qualitative with the *Forum Pengusaha Muda (FPM) Majalengka*as the analysis unit. The results showed that micro and small businesses in Majalengka had made efforts to penetrate the market in good categories. Efforts made included products marketing by utilizing information technology, considering market segmentation, and listing the brand, expiration date, and composition for food entrepreneurs, and registering products to obtain P-IRT permission and MUI *halal* certification. The utilization of information technology was expected to increase market penetration efforts, including knowing about the needs of prospective customers containing products, product quality, expected services, complaints about products and services provided, and even competitor activities. The FPM Majalengka allowed for digital programs to occur, namely peer-to-peer contact, knowledge transfer, training, and intervention.

Pinning-up Entrepreneurial Orientation for Hospital Industries

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Abstract. Phenomenon happened at regional referral hospital in Indonesia has not been fully achieved the accreditation standard set by government. It is one of them caused by supporting from human resource through not optimally of healthy workers. Reviewing from the phenomenon of human resources at regional referral hospital, this study focuses on reviewing the ability of entrepreneurial orientation in mediating the correlation of human capital with hospital business performance. The study is conducted at regional referral hospital in Indonesia with survey on the hospital leaders through questionnaire and interview. The research finding is stated that entrepreneurial orientation of hospital leaders can be improved by the implementation of human capital. Besides that, entrepreneurial orientation can improve hospital business performance. This study provides new point of view for hospital industries in Indonesia that it is needed entrepreneurship soul for hospital leader in managing regional referral hospital.

1. Introduction

In the globalization era today, company is demanded to improve its company strategy in order to increase its business performance [1], it is conducted by company to maintain business competition with new competitor or old competitor. Company performance is a measure of achievement achieved by activity process overall in an organization [2]. The existing performance at Ministry of Healthy is conducted generally by using performance indicator of hospital accreditation. However, not all of regional referral hospital has accreditation relates to government’s suggestion. It indicates hospital performance that is inappropriate to society’s needs. As stated by Adisasmito (2008) in his study said that annually it is reported and happened the improvement of citizen Indonesian number who take medicine to abroad (Malaysia and Singapore). It is seen that society trust in Indonesia towards healthy service performance at hospital is still need to be evaluated. It is certainly not good in supporting referral hospital performance in Indonesia, remember that those results emphasize the phenomenon of human capital factor at regional referral hospital in Indonesia has not been achieved optimally, in which human capital actually has influence to company performance, it means Hospital [4]. Human resources is principally human capital; it is asset or the most important capital for organization or company [5]. Human capital is stated the most important capital because of having value more than all of equipment, technologies and systems owned by organization and company itself [5]. By listening to several existing facts, it is very interesting to be done the research related to the performance of Regional Referral Hospital in Indonesia. The performance quality of Regional Referral Hospital is very support to government program in the effort of improving national level of public health. In which support from Regional Referral Hospital is expected to be able to operate based on its capacity. Remember customer behavior is service users are increasingly changing [7]. The measurement of company performance is conducted to do the improvement and control for its operational activity in order to be able to compete with other company. Besides that, the measurement of performance is needed to determine the right strategy in order to achieve company goal [8]. By noticing those statements above, so the measurement of organizational performance can be put into all of fields, except service field like Regional Referral Hospital.

In running hospital administration is certainly needed innovation that impact positively for society of hospital user. Relating to those cases, company or organization behavior that can show the character of its specific ability in taking a risk is one of forms where that organization has entrepreneurial orientation through its ability in innovation and taking risk. Then, it is mentioned that entrepreneurial orientation can be shown through 4 (four) components are readiness in facing uncertainty situation, ability in calculating risk, personal responsibility and ability in accomplishing business problem [9]. Entrepreneurial orientation reflects the characteristic from businessman, it covers: confidence feeling in doing business, task and result oriented, risk taker, leadership soul, originality, and future oriented. Entrepreneurial orientation is a construct that is multidimensional and it covers dimension of innovation, risk taking and pro-activeness attitude [9]. Next, the use of company internal resource and also support of organization, in case it is owned enterprise very needed in order to improve company performance also power to face business competition. Those statements are encouraged by the concept of theory that states one of efforts to create company strategy in business competition such as through the empowerment of company resources is knowledge management and human capital [10].

However, because of company internal resource in case of human capital does not develop well if it is not supported by stakeholders (owned enterprises) [11]. So therefore contribution of company internal is one of important unsure of company that needs to be developed and empowered as the key in facing business competition and the effort of improving company performance [12]. Reviewing from that phenomenon about human resource at hospital with the issue is about entrepreneurship orientation, so this study focuses on the impact of human capital at hospital in the implementation of entrepreneurial orientation and its impact on the gaining of business performance towards regional referral hospital in Indonesia.

2. Literature Review

2.1. Human Capital

Most of companies in around the world try to build the different value by the way of increasing asset that cannot be measured with money; it is commonly called intellectual capital. Intellectual capital is the measured resources to improve competitive advantages, because with intellectual capital company will be able to use company resource efficiently, economically, and effectively; therefore it will provide contribution to company performance [13]. Human capital is expected to improve performance, productivity, flexibility and capacity to repair the condition that are less skilled become skilled workers and knowledge level also their competence [14]. However, it is no merely seen from individual but also as team work that has personal relationship both inside and outside of company [15]. The first theory of human capital explained by Hudson who states that human capital is as talent, education, experience, attitude in life and business [16]. The interpretation of those opinions imply that human capital is company resource that is intangible and need to be developed, its relation to company business. Human capital is one of the important capital for company because it is innovation source and strategical updating, re-engineering process, also source of dreams from company [11].

Subramaniam & Youndt (2005) defines that human capital is as knowledge, skill, and ability attached to someone and it is used by individual. Those opinions are in line with the previous of first theory from Hudson; the meaning of human capital attached to human resource and it has value. The selection of dimension and indicator from human capital considers the opinion explained by

Greenwood, Will, Wood, & Zelano (2013) specifically on service industry that simplifies some measurements of human capital, such as skills, knowledge, attitudes and competence.

2.2. Entrepreneurial Orientation

In service industry it is known with service, for that human capital is closely related to entrepreneurial orientation or entrepreneurship orientation [19]. So the use of entrepreneurial orientation in this study is much needed, in order to measure other factors is company performance. Entrepreneurship can be defined as a dynamic process where people create wealthy gradually [20]. The concept of entrepreneurial orientation is firstly introduced by Miller in 1983, and its development has the correlation to entrepreneurship and strategy management [21]. Some literatures describe entrepreneurial orientation as “entrepreneur personality” [22]. Entrepreneurial orientation from a businessman can cause the improvement of company performance [23]. The development of entrepreneurial orientation theory is stated by Alegre & Chiva (2013), who states that “*Entrepreneurial orientation is considered as a managerial attitude oriented toward the strategy-making processes that provides organizations with a basis for entrepreneurial decisions and actions”*. The meaning of those opinions explains that entrepreneurial orientation correlates to managerial behavior which supports company strategy based on decision and entrepreneurship action. According to entrepreneurial orientation can be concluded that it is decision making process of company through innovation and new creativity in delivering company success. In the first research, Miller states that entrepreneurial orientation consists of three dimensions such as risk taking, pro-activeness, and innovative [25]. In study of Hughes & Morgan (2007), they identify five dimensions of entrepreneurial orientation has great influence to company performance, such as Risk Taking, Innovativeness, Pro activeness, Autonomy, Customer Performance, and Product Performance.

2.3. Business Performance

In principle, organizational or institutional performance is level of achievement result for certain task implementation, in order to realize the target, purpose, mission, and vision of an organization, also the level of achievement result in order to achieve company goal [27]. It seems that company performance is task result related to organizational goal, efficiency, and effectivity of other performance [28]. As a concrete work result, company performance can be observed and measured. In industry generally, company performance is usually measured from sale level, benefit level, return on capital, turn over level, and market place achieved [29]. In banking industry, performance can be assessed by financial performance that reflects fundamental performance of a company [30]. Financial performance is measured by fundamental data of company, which is data derived from financial report. Banking financial performance is also indicator of achievement level that can be achieved and it reflects manager’s success in a bank. Performance refers to the achievement level of company in certain period of time [2]. Performance of company is the thing that very determine in company development. The measurement of performance is conducted in financial field and it can be used to get prospect description or future, growth, and a good potential of development for company.

Hospital performance is as service industry in healthy field, it gives public service is not separated from evaluation to service given from the status of service quality from healthy side. However, the measurement of public service performance generally uses *Balanced Scorecard method* [31]. In which it is a contemporary management tools that is designed to improve organizational ability in multiplying extraordinary financial performance continuously. Balanced scorecard is more used as effective tools to strategic planning, which is as an equipment to translate vision, mission and organizational strategy into action planning [32]. The final goal of vision, mission and company strategy reviewed from four perspectives are financial, customer, internal business process, also learning and growing.

3. Methods and Hypothesis

The study was conducted in Indonesia with observation unit, in this case was at Regional Referral Hospital. Data collection was done through questionnaire on 32 hospital leaders and data was processed by path analysis (Picture 1). Data processing result was done by depth interview to confirm research result. There was variable reviewed in this study such as human capital (HC), entrepreneurial orientation (EO), and business performance (KN). Based on the previous literature review, the measurement of human capital was taken from individual activity, effectivity of team work, individual motivation, leadership and organizational climate. The dimension of entrepreneurial orientation was taken from pro-activeness innovation and autonomy. While for business performance was assessed from employee's satisfaction, customer satisfaction, financial perspective, internal business perspective, learning and growth perspective. Reviewing from research goal, it was stated some research hypotheses that would be tested, as follows:

H1. Human capital could influence entrepreneurial orientation.
H2. Entrepreneurial orientation could influence business performance.
H3. Human capital could influence business performance.

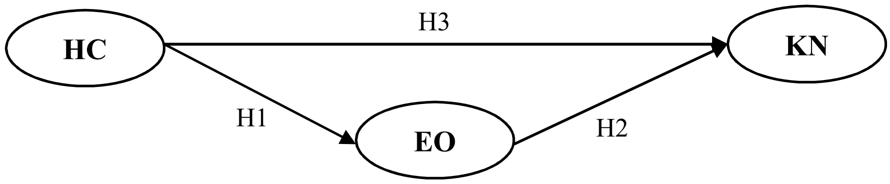

Figure 1. Research Model

4. Results and Discussions

Research result is obtained from 32 leaders of regional referral hospital who fill questionnaire and it is represented by Director or Head of Division. Most of them who answer questionnaire are Head of Division as much as 74%. For sex, it is known that mostly are female as much as 53.1% while for male are only 46.9%. In respondent profile is found that leader's age where it is dominated by range age > 40 years old, it is followed by range age 31-40 years old. It seems that the age of regional referral hospital leaders have a mature age. The average of working period is dominated above 10 years as much as 78.1%, it is followed by working period between 7-10 years as much as 15.6%. It marks that most of them have a quite experience to work at Regional Referral Hospital. Relating to the last educational background from research respondent, it seems dominated by Diploma degree is about 87.5%, then Bachelor degree is 12.5%. It is very visible that service industry of hospital, for the educational background has not been optimum, because it is dominated by Diploma than Bachelor or even Postgraduate. The last data found from respondent's profile is the operational time of Regional Referral Hospital. It is found that most of them have been operated for more than 20 years.

This study is quantitative research that uses questionnaire and it is made research model by hypothesis test. Here is explained data processing result for 32 respondents which is leader of Regional Referral Hospital in Indonesia relates to structural capital, human capital, entrepreneurial orientation and hospital performance, also hypothesis test result of each relationship between research variables (Picture 2). Research model result is conducted research model test where in Partial Least Square-Structural Equation Modelling (SmartPLS), model test can be done by evaluation on outer model and inner model.

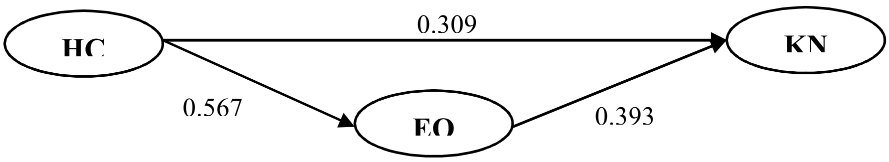

Figure 2. Research Finding

Table 2. The Value of Path Coefficients

Hypothesis	Research Hypothesis Test	Result of t/F statistic	Result
H1	*Human Capital* to *Entrepreneurial Orientation*	3.925	Support
H2	*Entrepreneurial Orientation* to Business Performance	2.255	Support
H3	*Human Capital* to Business Performance	2.175	Support

Then, to know whether mediation of entrepreneurial orientation is stated to be right, it can use the formula of Sobel Test [33]. It is obtained the value of Sobel Test for business performance is about 6.350 and it is explained that entrepreneurial orientation can be mediation of the correlation of human capital to hospital performance, because the value of $z > 1.98$ for significance 5%.

4.1. The Influence of Human Capital on Entrepreneurial Orientation

Human capital relates to knowledge or skill of Hospital resource that is managed by Hospital leader. Based on data processing result (Picture 4.15), it is known that there is correlation of human capital to entrepreneurial orientation. It is known that human capital has correlation value on entrepreneurial orientation is about 0.56. It is big enough value marks that every human capital improves and it is created by Hospital leader, so entrepreneurial orientation will also keep improving. In principle, human capital is as one of former from intellectual capital [34], has the important role on the improvement of company performance [35]. However human resource in company like at Hospital related to medical worker will not be able to work optimally in the relation of hospital performance without not supported by a good hospital system. Hospital system is like leadership of hospital itself through entrepreneurial orientation. A qualified human resource is supported by entrepreneurial orientation from hospital leaders, is a good combining that actually can improve hospital performance [36]. Human capital of Regional Referral Hospital is not merely seen from individual, but also team work that has individual relation both inside and outside of hospital. Human capital of hospital is important finally because it is innovation source and strategy updating that can be gained from the improvement or skill development of healthy worker. Besides that, human capital provides additional value in company daily through motivation, commitment, competence, also effectivity from healthy workers.

In this study, it is known that there is influence of human capital to entrepreneurial orientation; it is in line with the previous research review [37]. But the difference of this study with the previous study is on research object where it is reviewed before from small industry in Ireland. This finding emphasizes the existing research, it also completes that entrepreneurship orientation can be formed by human capital.

4.2. Ability of Entrepreneurial Orientation in Improving Business Performance

Based on data processing result, it is known that entrepreneurial orientation has the correlation with hospital performance. It marks that actually entrepreneurial orientation has good correlation directly to improve hospital performance. Hospital needs to notice entrepreneurial orientation in trying to improve hospital performance [38], but other elements from hospital that can be controlled by human capital. Entrepreneurial orientation is more than creating business, looking chance, taking risk and has power to encourage ideas to hospital leaders. Hospital leaders are innovator that introduces and catch opportunity; it changes a chance to ideas that can be done, add value through business, time, money, skill with risk estimation from competition to implement the ideas and to realize the result of their effort.

Entrepreneurial orientation is a concept that covers a process and decision making method [39]. The implemented method and practice in organization tends to pro-activeness, innovative in taking decision [40]. So it is very suggested to hospital leaders to implement three main things are pro-activeness, innovative, and quick response in decision making. Entrepreneurial orientation relates to specific level of hospital behaviour in facing risk, independent activity; it is involved in innovation and react positively and aggressively in order to fulfil standard as Regional Referral Hospital. The finding of this study is not line truly with the previous research [24], it explains that company performance is depend on leader's soul in entrepreneurship. Reviewing of those findings actually completes the previous research, that it is not always entrepreneurial orientation can improve company performance.

4.3. Mediation of Entrepreneurship Orientation for Business Performance

In the previous of interview result with hospital leaders, it is known that leader of Regional Referral Hospital in Indonesia particularly in the area; they cannot do authority as leader fully for hospital. As the example, in the implementation case of budgeting realization given by Ministry of Healthy, where in its implementation Regional Leaders (Governors or Mayors, and other Regional Leaders) has still intervention on fund launch realization given by Ministry of Healthy. So it is not fully that all of fund realization for approval from hospital leaders. It becomes trigger that the implementation of entrepreneurial orientation has not been optimum from hospital leader. If entrepreneurial orientation runs well, it is possible that there will be a change in result on research model which is supporting level from human capital on hospital performance through entrepreneurial orientation. From several explanations above, all of research hypotheses are based on research goal; it has been conducted and answered to research purposes. It is known there are some research problems about human capital, entrepreneurial orientation and the performance of Regional Referral Hospital in Indonesia. In which it is known principally that entrepreneurial orientation can be mediation between human capital with hospital performance. Those problem facts are connected with previous research finding, most of them complete the existing research, and there are mostly differences especially with research method.

5. Conclusions

Entrepreneurial orientation is soul that needs to be owned by leaders of regional referral hospital. In which based on research result it is known to be able mediation between human capital and hospital performance. In principle, hospital business performance can be controlled by entrepreneurial orientation and the support from human capital. Based on the review empirically of this study towards human capital, entrepreneurial orientation and hospital performance so it is determined novelty is research model that called with Pinning-Up of Entrepreneurial Orientation Model. This research model becomes surely unique and it can be characteristic of success from hospital as one of service industries remember that it has been never studied in overall in the previous researches. Therefore, the study does not look up from structural capital side, where it has also the correlation in the improvement of structural capital so it becomes suggestion for next research.

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Comparative Analysis of Employee Performance of Cooperatives, Micro, Small and Medium Enterprises, Trade and Industry Agency in Bandung

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Abstract. Based on Local Regulations of Bandung City Number 08 of 2016 on Formation and Structure of Regional Entities of Bandung City, Cooperatives, Small and Medium Enterprises and Trade Industry Agency of Bandung, the enterprises are divided into two departments, namely, Bandung Cooperatives, Micro, Small and Medium Enterprises Agency and Bandung Trade and Industry Agency. Performance problems that occur are the quantity of work, namely the amount of work finished in a specific time period. The purpose of this research was to compare the performance of two agencies that previously these agencies were one in the first-year research. The research method used a research combination Sequential Model. The results showed that there were differences at the time before and after the department was separated. The employees performance of these two agencies was different in terms of quality-quantity, and personal quality and responsibilities in carrying out each main duties of each job's function, but in the placement of employees has not been optimal yet to their fields.

1. Introduction

1.1 Background

Referring to the title of the agency nomenclature, Cooperatives, Small and Medium Enterprises (KUMKM, *Koperasi, Usaha Mikro, Kecil dan Menengah*) and Trade Industry Agency of Bandung was formed based on the Bandung City Regulation No. 13 of 2007 concerning the Formation and Structure of Organizations of Bandung Regional Office [1].

In 2016, based on the Bandung City Regional Regulation Number 08 of 2016 [2], concerning the Establishment and Composition of Regional Equipment of Bandung City, which nominally adopted the new Organization and Work Standards starting in 2017, the Cooperatives, Small and Medium Enterprises and Trade Industry Agency of Bandung was divided into two departments namely Bandung KUMKM and Bandung Trade and Industry Agency.

The performance problem that occurs was the quantity of work, namely the amount of work finished in a specified time period. In the organizational structure of Bandung KUMKM, quantity of work still contains the necessities of micro, small and medium enterprises, namely the existence of Micro Business Field and Small and Micro Enterprises (SME, Small and Medium Enterprises) Facilitation that supervise the Section of Empowerment and Development of Micro Business and SME Facilitation, Financing Section of Micro Business and SME Facilitation, and Promotion and Marketing Section of Micro Business and SME Facilitation (Bandung Mayor Regulation 1394 of 2016 concerning Position, Organizational Structure, Tasks and Functions and Work procedures of Bandung KUMKM) [3].

1.2 Research purposes

The specific purpose of this research is to compare the performance of the two agencies, namely the Bandung KUMKM Agency and Bandung Trade and Industry Agency, which previously was one of the first years of research, namely Bandung Cooperative Small and Medium Enterprises and Trade Industry Agency. Many job responsibilities must be carried out by the two agencies with different functions and different structures, but there are some responsibilities that are the same as the area of trade promotion, small industries and also micro businesses, cooperatives also demand intensive promotion.

1.3 Literature review

Comparison, according to the Kamus Besar Bahasa Indonesia, is defined as comparing. According to Surakhmad in his book entitled *Pengantar Pengetahuan Ilmiah* (1986: 84), comparison is an investigation of a causal relationship, namely choosing certain factors related to the situation or phenomenon investigated and comparing one factor to another. Nazir (2005: 58) expresses that comparative research is a type of descriptive research seeking answers fundamentally about causation, by analysing the factors that cause the occurrence or emergence of a particular phenomenon. By using this comparative method, the researcher intends to draw a conclusion by comparing ideas, opinions and understanding to compare the performance of these two agencies, namely Bandung KUMKM and Bandung Trade and Industry Agency. According to [3], there are several factors that affect performance, namely as follows:

a. Ability factor

Psychologically, the ability consists of:

1. Potential ability (IQ).

2. The ability of reality (knowledge + skill).

The point is leaders and employees who have above average IQ (IQ 110-120) of standard score especially IQ superior, very superior, gifted and genius with adequate education for their position and skilled in daily work, it will be easier to achieve maximum performance.

b. Motivation factor

Motivation is defined as an attitude of leaders and employees towards work situations in the organizational environment. Those who are positive (pro) towards their work situation will show high work motivation and vice versa, if they behave negatively (counter) to their work, situation will show low work motivation. The work situation referred to includes employment relationships, work facilities, work climate, leadership policies, work leadership patterns, and working conditions.

Several employee performance measurements, according to Gomes in his book entitled *Human Resource Management* (2003: 142), are represented by the following employee performance indicators:

1. Quantity of work: the amount of work performed in a specific time period.
2. Quality of work: the quality of work achieved based on the conditions of suitability and readiness.
3. Job knowledge: the breadth of knowledge about work and skills.
4. Creativeness: the authenticity of ideas raised from actions to resolve the appeared problems.
5. Cooperation: the willingness to work with other people (fellow members of the organization).
6. Dependability: the awareness and trustworthiness in terms of attendance and completion of work on time.
7. Initiative: the enthusiasm to carry out new tasks and enlarge their responsibilities.
8. Personal Qualities: concerning personality, leadership, hospitality, and personal integrity.

2. Research methods

1.1 Objects and places of research

The Bandung Trade and Industry Agency is one of regional apparatus in the Bandung City Government that has the function of carrying out business development in the field of Trade and Industry. The establishment of Bandung Trade and Industry Agency is based on Bandung City Regulation Number 08 of 2016 concerning the Establishment and Composition of Bandung City Equipment and the Mayor of Bandung Regulation Number 1395 of 2016 concerning the Position, Organizational Structure, Duties and Functions and Work Procedures of the Trade and Industry Office The City of Bandung and the Bandung Mayor Regulation Number 160 of 2017 concerning the Establishment, Position, Duties and Functions, Organizational Structure and Work Procedure of the Technical Implementation Units at the Office and Agency in Bandung City Government.

The Bandung KUMKM is the implementing element of Bandung City Government Affairs, which organizes governmental affairs in the field of KUMKM located under and are responsible to the Mayor through the Regional Secretary. The establishment of Bandung City Trade and Industry

Agency is based on Bandung City Regulation No. 08 of 2016 concerning the Formation and Composition of Bandung City Regional Devices and Bandung Mayor Regulation Number 1394 of 2016 concerning the Position, Organizational Structure, Tasks and Functions and Work Procedures of Bandung KUMKM and Bandung Mayor Regulation Number 160 of 2017 concerning Formation, Position, Duties and Functions, Organizational Structure and Work Procedure of Technical Implementing Units at the Office and Agency in Bandung City Government Environment.

The Office of Bandung UMKM is located at Jalan Kawaluyaan Nomor 2, Kota Bandung. Telephone (022) 7308358. Meanwhile, the Bandung City of Trade and Industry Agency is located at Jalan Nuansa Mas Raya No. 2 Cipamokolan, Rancasari - Bandung. Telephone (022) 87303993.

1.2 Data collection techniques

Data collection techniques consist of literature study, field study (participant and non-participant observation, in-depth interviews to two Agency Heads, questionnaires distributed to 18 respondents and Focus Group Discussions), research designs, data and data sources, key informants namely two Agency Heads and informants namely several employees from those two agencies, and documentation studies.

1.3 Data analysis techniques

a. Quantitative data analysis process

1) Validity test

First, testing the validity of measuring instrument was done by searching for equal correlation price among the parts of measuring instrument as a whole by correlating each item with the total score that is the sum of each score of item. Calculating the validity of measuring instrument was done by using Rank Spearman correlation. It is the coefficient that calculates the relationship closeness between two variables X and Y both and have a scale measurement, at least ordinal.

2) Reliability test

Reliable means trustful and can be fully relied. Result of a reliable study has similarities of data in different time. Good reliability shows a certain level of reliability because this research use the scaling system by using the Alpha Cronbach formula.

3) Wilcoxon test

The Wilcoxon Signed Ranks Test method or commonly called the Wilcoxon test is a testing method used to test the median of a population whose distribution is unknown. There are two types of Wilcoxon test, namely one-stage testing and two-stage testing. Unlike the one-stage method, the two-stage one uses two samples. In the two-stage method, testing is conducted to two times if no decision can be made in the first test. In the second test, the second sample is taken and combined with the first sample to be tested again.

Hypothesis testing:

H_0: $d = 0$ (there is no difference between the two treatments given)

H_1: $d \neq 0$ (there is a difference between the two treatments given)

b. Qualitative data analysis process

Data analysis process in qualitative research was conducted before, during, and after completion research in the field. In qualitative research, the analysis data was focused on during observation together with collecting data research

1. Analysis before the field

The analyses was conducted towards preliminary study data, or secondary data, related to the focus on services in KUMKM and Trade and Industry Agency.

2. Analysis during the field

This research employed an "interactive analysis" Miles and Huberman's model that proposes four important components in collecting and analysing data that are interconnected and simultaneous;

there were data collection, data reduction, data display, and conclusions, as visualized in the following figure[1]

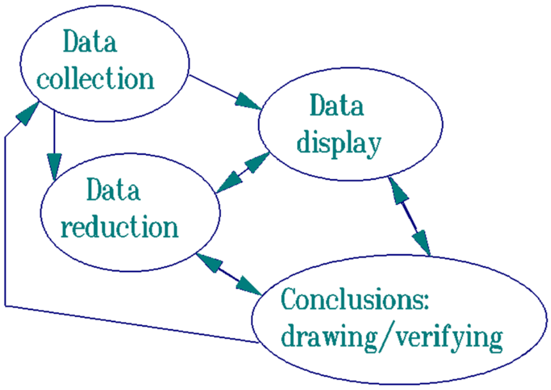

Figure: M&H's Components of Data Analysis

Figure 1. Interactive Analysis Model from Miles and Huberman
Source: Components of Data Analysis according to Miles & Huberman

2.3 Credibility test data

Credibility test data or reliability to data qualitative research results was conducted by increasing perseverance meaning to make observations in a more thorough and sustainable. Thus, the researcher did re-examination of existing data in Bandung KUMKM and Bandung Trade and Industry Agency, so that the certainty of data and sequence of events will be recorded with certainty and systematic. Re-examination of the data can be found wrong or true. In addition, researchers can also provide accurate and systematic description of the data. Furthermore, triangulation is a test of credibility as checking data from various sources, various ways, and various times. Begin with the first source or other terms, to know more why the problems happen is the Head of KUMKM. Trade and Industry Agency, and several Heads of Division from those agencies gave the definition of operational variable of work performance.

2.4 Data analysis techniques

Following this, the researcher presented operational variables of employee performance to facilitate researchers in the process of making questionnaires, interview guidelines and observation guidelines related to the research being conducted which is presented in the following table:

Table 1. Operational Variable of Employee's Work Performance

VARIABLE	DIMENSIONS	INDICATOR	ITEM (+)	ITEM (-)
Performance	1. *Quantity Of Work*	a. Complete a number of jobs on target	1	-
		b. Complete work on time	-	10
	2. *Quality Of Work*	a. Ability of Employees to complete work	5	-
		b. Carry out work according to procedures	-	14
	3. *Job Knowledge*	a. Extensive knowledge of work	3	-
		b. Skills	-	12
	4. *Creativeness*	a. Authenticity of ideas	6	-
		b. Creative actions to solve problems	-	15
	5. *Cooperation*	a. Willingness to work together	8	-
		b. Willingness to accept opinions from colleagues	-	13
	6. *Dependability*	a. Have awareness	4	-
		b. Ability to explain the work done	-	11
	7. *Intiative*	a. The spirit of carrying out new tasks	7	-
		b. Apparatus Initiative in carrying out work	-	9
	8. *Personal Qualities*	a. Honesty level of employees	2	-
		b. Good appearance at the office	-	16

Source: Gomes (2003: 142)

3. Result and discussion

The number of distributed questionnaires was 33 questionnaires to two agencies employee respondents and the questionnaire consisted of 16 statement items. After the questionnaire was collected, the data were processed using Statistical Product and Service Solutions (SPSS) program.

a. Quantitative analysis results

Testing the Performance of MKUKM before and after separation, as follows:

Table 2. Testing the Performance of MKUKM before and after separation

Test Statistics[b]	
	Before-After
Z	-1.365[a]
Asymp. Sig. (2-tailed)	.017

a. Based on positive ranks.

b. Wilcoxon Signed Ranks Test

Source: Research Result in 2018

Statistical testing:

The above calculation result shows that the sig value of 0.017 <0.05 was in accordance with the used statistical tests, hence, H_0 was rejected,

There was a difference in the performance of KUMKM before and after separation. In other words, the separation influenced to the Employee Performance of KUMKM. Testing the performance of employees of the trade and industry agency before and after separation, as follows:

Table 3. Testing the performance of employees of the trade and industry agency before and after separation

Test Statistics[b]	
	Before-After
Z	-1.091[a]
Asymp. Sig. (2-tailed)	.028

a. Based on negative ranks.

b. Wilcoxon Signed Ranks Test

Source: Research Result in 2018

Statistical Testing:

The calculation results above show that the sig value of 0.028 < 0.05 was in accordance with the statistical tests we use, hence, H_0 was rejected.

Conclusion:

There were differences in the performance of employees of Trade and Industry Agency before and after separation. In other words, the separation influenced to the performance of employees of Trade and Industry Agency.

Testing the Performance of employees of KUMKM Agency and Trade and Industry Agency before and after separation

Table 4. Testing the Performance Testing of Employees of KUMKM Agency and Trade and Industry Agency before and after separation

Test Statistics[b]

	Before-After
Z	-.197[a]
Asymp. Sig. (2-tailed)	.008

a. Based on positive ranks.

b. Wilcoxon Signed Ranks Test

Source: Research Result in 2018

Statistical testing:
The above calculation results show that the sig value of 0.008 < 0.05 was in accordance with the statistical tests we use, hence, H_0 was rejected.
Conclusion:
There was a difference in the performance of employees of KUMKM Agency and the Trade and Industry Agency before and after separation. In other words, the separation influenced to the Performance of employees of KUMKM Agency and Trade and Industry Agency.

b. Qualitative analysis results

Quantity of work

The number of jobs *was* very stacked with each other with two service problems, but after being separated, the number of completed jobs *was* more measurable. The pattern of work completion *was* more focused on handling because it *was* in accordance with the existence fields in the cooperative service organization structure and the quality of human resources because it *was* in accordance with the qualifications and operational standards of work procedures. However, the number of employees amounting to 69 people is not ideal even though all types of jobs are targeted so that the existing human resources are optimally empowered because ideally the number of employees in the trade and industry agency is 100 people.

The amount of work in a specific period can improve the service system in both agencies because they have focused on the good performance and services for KUMKM and exporters.

Quality of work

Work quality before the organization of this regional device was separated seems that it still has still been not maximal, especially in the implementation of identification and updating of legal cooperative data. All jobs *were* more easily handled after being separated and able to quickly cope with problems found in the field. For example, the problem of rising prices on the market is easy to identify and its handling the solution is more to market operations. The quality of work for both agencies *was* better because it focuse*d* on the respective fields of human resource capability in accordance with expertise and education so as to optimize employee performance and impact on problem solving in two department.

Job knowledge

There was an overlap in the ability and knowledge of employee work. For instance, one of the section chiefs with his capability in controlling trading was even stored in the cooperative agency. As a result, his work quality *was* being slightly disrupted so even though the separation has been conducted but employee placement must be evaluated because some employees did work not according to their expertise, experience and knowledge. The trade and industry agency have only been separated so that adjustments need to be made, but since the work was conducted in accordance with the current conditions and tends to follow the flow of global markets so that the policies are in accordance with national policies.

Work knowledge and skills were very influential and competent because of their ability to encourage employees to explore their capabilities so that they had an impact on encouraging MSME to actively participate to play a role locally and internationally.

Creativity

The employees in the Balai Industri (industrial hall) and UPT were more creative than others. In the Balai Industri, there *were* various kinds of sewing machines and digital screen printing, in which its practice *was* conducted in the Balai Industri with the method of "Transfer Paper". The way to transfer paper pressed uses a special printer. There is also DTG "Direct Textile Garment" whose function is to process painting directly into fabric or textile material, so that the Balai Industri can provide training on making t-shirts, veils and others whose motives are designed digitally.

The ideas raised are very fast, especially with market needs in Trade and Industry Agency, especially with the existence of globalization and liberalism. At least people may join the market flow in the field of trade and industry. In Cooperative Agency since this is related to traditional economic systems that are still being run and can solve problems for the community so can play a role and utilize the facilities given by the cooperative service.

In addition, coaching was carried out in several fields with an effort to improve human resource capacity through technology training of new entrepreneurs and training in the second state civil service for the sake of enhancing human resources and maturation in the work management related to the most important public services in improving human resources in accordance with the field of work

Cooperation

The pattern of internal cooperation is better with the Electronic Remuneration Performance (ERK) system as a dynamic performance allowance tool for jobs. All jobs have used the system so that the performance measurement of each employee can be known, measured and affected at the amount of income received. In the case of superior activity, a bad performance of head division head will also influence on the performance of subordinates or vice versa. Willingness to cooperate is good because the amount of human resources is a bit solid in collaboration and coordination and has a very good impact on overall performance.

The ability to cooperate was also very remarkable after the agency was separated from the industrial Balai Industri in collaboration with business people and creators to make joint breakthroughs, the Balai Industri and promotion collaborated with Bogasari Karapitan to provide training in making pastries. In addition, cooperation is carried out with the Small and Medium Industries to find out the market and operational directly so that it is easier to find solutions of problems in the field.

Dependability

The issue of trust has been cooperating with domestic and foreign business market players and is trusted in the process of implementation and development. Foreign Trade as the existence of the "Little Bandung Wall" and "Little Bandung Store" programs is as a promotion of Indonesian products, continues to open development programs abroad with the pattern of cooperation and promotion The Regional and Foreign Trade Sector promoted Bandung's brands "Little Bandung" since 2015 with various types (wall, store, mobile for its exhibition, catalogue and web) which is one of the activities carried out both regionally and overseas. So far, the activity that is still running is in Malaysia and Korea. Like in Korea (Seoul and Busan), "Little Bandung Wall" located at the cafe Bali Distro and one of the owners is Bandung people promotes its product by using the cafe wall to store products (utilizing small spaces).

Initiative

Likewise, the problem of initiative was very high when the agency has not been separated. After being separated, the employees were more effective at work. In coordination with new business actors or cooperatives that are co-operative agencies leaders encourage employees to produce their performances as optimal as possible so that employees have the initiative to work. As a result, though the number of employees was limited, the work could still be handled.

Personal Qualities

In terms of personal quality, employees were more comfortable and focused on work after the separation of the regional organization. The employees became more responsible and much freer in completing the volume of work.

Leadership and hospitality are interrelated with the culture of the local community. For instance, Sundanese people prioritizes hospitality, which has an impact on the service to provide more opportunities for the community to be active in development. The output of this research produces a comparative model of performance, the model is the classical sociological of formal juridical model, as follows:

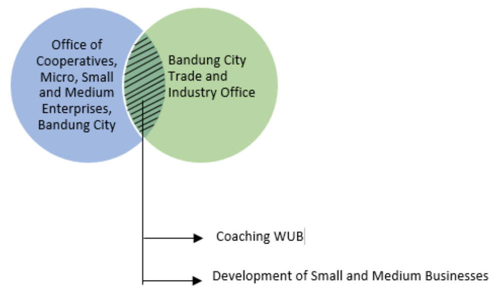

Figure 2. There are intersecting jobs besides the main tasks

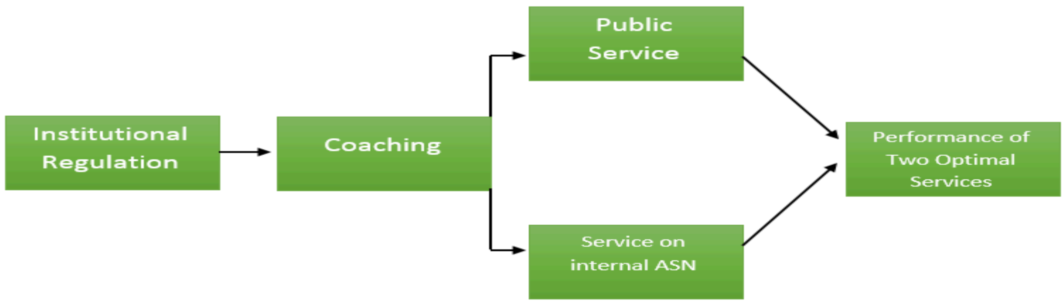

Figure 3.

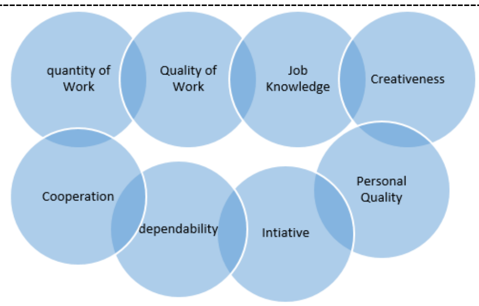

Figure 4.

The results of this research revealed that performance was integrated interrelated between one measuring instruments with other ones in both agencies comprehensively. Thus, to produce performance in a system that was clearly measurable and controlled in the work pattern of the organization of regional apparatus/work unit of regional apparatus can be described in a work system reflected in e-RK reporting.

4. Conclusion

From the analysis results of the researchers, after separating the agencies, it turns out that employees feel much higher in performance, both in terms of the quantity and quality of work, work knowledge, creativity, cooperation, trust and personal quality. Therefore, the comparison of performance of two agencies after being separated was more improved, especially the affairs of the Balai Industri which is the representative of agencies to business people in the city of Bandung in the context of mentoring and alignment with local entrepreneurs and small capitals such as digital printing, print and cut, sewing machines etc. Thus, service attention must be more optimal.

In addition, the alignments with cooperatives are the solution to prevent moneylenders and are particularly important in updating data that is easily accessible to the public. Assistance to new entrepreneurs in Bandung, the level of sub-district levels must be increased especially simultaneous assistance and stimulus, simplify credit at state banks.

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The Group Dynamic of Business Group (e-Warong KUBE) towards a Cashless Society

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Abstract. E-warong KUBE is a small shop business group to alleviate poverty based on KUBE, an earlier program created by the Ministry of Social Welfare of the Republic of Indonesia that was managed traditionally. Today, there is a shift of paradigm of e-warong toward a cashless society. The purpose of this research is to describe the group dynamic of e-warong KUBE n responding digital era.This research used a qualitative method while data were colected from leader of KUBE. Since the group dynamic is low, a cashless society will hard to achieve where they could not fully use Electronic Data Capture (EDC) properly as a method of transaction and the beneficiaries might not understand how to use an electronic card as a digital payment method.

Potential Advantages of Installing Political Advertising Triggering Violations of Broadcasting Regulations of the Indonesian Broadcasting Commission

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Abstract. This study aims to find out how effective television media is in increasing party electability through political advertising, as well as knowing more about the benefits of political advertising that trigger violations of the regulations of the Indonesian Broadcasting Commission broadcasts. The study uses a positivistic paradigm with survey research methods. The results of this study stated that the massive display of political advertisements had violated the broadcast campaign regulations, the effectiveness of political party advertisements on party electability was still low. Moreover, the effectiveness of political advertising on party electability is still relatively low in society.

The Effect of Proactive Personality on Entrepreneurial Intention

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Abstract. Entrepreneurship is a creative and innovative ability used as a basis, tips, and resource to seek opportunities for success. An entrepreneur was developed through these processes. Recently, the profession of entrepreneur is thriving since it can overcome the existing economic problem, namely unemployment. The synergy among the government as a regulator, private sector as a provider of capital, and universities as education providers develops a strong foundation in creating entrepreneurs. Universitas Widyatama is one of the higher education institutions creating entrepreneurs. However, many factors determine the process, one of which is internal factors (proactive personality). Therefore, this research aimed at investigating the effect of proactive personality factor on entrepreneurial intention. 100 students of the Faculty of Business and Management at Universitas Widyatama were taken as respondents. This research employed the linear regression analysis method. The findings revealed that proactive personality had a significant effect on the entrepreneur intention by 26.9%.

1. Introduction

In the past, every parent's deepest fear was their children chose to be entrepreneur. Nowadays, it is a pride for parents if their children have a successful business. There is a paradigm shift in the parents' mindset that the field of employment is not only limited to become a worker in a company, but also develop a private business and even open jobs vacancy for other people. Recently, the term entrepreneurship is thriving repeatedly.

The term entrepreneurship is derived from French word *Entreprende*, which means adventurous, creator, and manager of taste, this term was first introduced [1], cited in Suryana and [2] It became popular when Say used it to describe the businessman who was able to improve the productivity levels of the existing economic resources. Furthermore, the experts defined entrepreneurship into various definitions.One of the definitions was expressed by Suryana [3], stating that entrepreneurship is a creative and innovative ability that is used as a basis, tips, and resource to seek opportunities for success. In addition,an entrepreneur is defined as a person who has the creativity of a new business with the courage to bear the risks and uncertainties aiming at seeking profit and business growth based on identification of opportunities and being able to utilize resources and capitalize on this opportunity [3].

Nowadays, particularly in Indonesia, being an entrepreneur is not easy. It requires a synergy of three parties, namely government, private sector, and universities. In the previous research (2018), researchers investigated the factors that encourage the students of Universitas Widyatama Bandung to become entrepreneur. The finding revealed that there were two main factors to make them as an entrepreneur, namely internal and external factors. Internal factors are factors within individual that can encourage a person to become an entrepreneur, known as proactive personality. Meanwhile, external factors are factors outside individual that drive a person to become an entrepreneur.

This research investigated the effect of proactive personality variables (internal factors) on students'interest in entrepreneurship. According to Bateman and Crant [4], proactive personality is a construct of understanding intended for unique aspects and owned by an individual, which is related to the way it influence the surrounding environment. Itis related to the reason that makes a personto bean entrepreneurs. The fact that internal factors can generate an interest in entrepreneurship is sometimes neglected. Educational institution, in this case, plays an important role as a party creating superior entrepreneurs. The number of Indonesian Higher Education currently reaches 4,445 institutions consisting of all State Universities and Private Universities (forlap.ristekdikti.go.id). The collegesin this research refer toHigh Schools, Universities, Institutes, and Academies. Wiratno revealed in his research that "competencies to be possessed by graduates from higher education include academic knowledge, thinking skills, management skills, and communication skills [5]. In addition, graduates are also expected tohave high life skills. Thus, one of the roles of higher education is to produce entrepreneurs. One way to achieve this role is through the curriculum by giving entrepreneurship courses that focuses on learning programs and learning outcomes of each student.

Moreover, to produce entrepreneurs, the institution should also motivate and encourage the graduates' interest to become entrepreneur. Previous research showed that, although various academic and non-academic ways had been conducted by educational institutions, many graduates were still confused choosing between becoming employees or entrepreneurs. This problem may derive from the students' internal and external factors in which the internal factor such as proactive personality is one of the determinant factors. The purpose of this research was to investigate the effect of the proactive personality variable on entrepreneurial intention.

2. Literature Review

2.1 Entrepreneurship

Entrepreneurship is defined as a creative and innovative ability used as a basis, tips, and resource to seek opportunities for success. This definition is basically derived from someone's business experiences. According to Stevenson in Cowdrey, "enterpreneurship is the pursuit of opportunity without regarding to the resources currently controlled" [1]. From this understanding, an entrepreneur is a person who can take advantage of the existing opportunities by utilizing available resources. Drucker (2002) also states that an entrepreneur is a person who can move the resources from lower-productivity places to higher productivity places which certainly have a greater risk

2.2 Proactive personality and entrepreneurial intention.

Entrepreneurial intention was based on a theory called the Theory of Planned Behavior (TPB) [8]. The TPB states that the intentions to pursue certain behavior are influenced and formed by such factors as attitudes, subjective norms, or perceived behavioral control [2]. Entrepreneurial intention refers to the planning and implementation of business ideas oriented by a mental process [4].

In some research, it was stated that there are several variables related to internal factors that affect someone's interest. These factors are personality trait [2], in accordance with Mc. Clelland (1961, 1971) claim that personality trait is the personality characteristic such as the need for achievement effects individuals in the direction of entrepreneurial intentions. His research also contained several indicators relating to personality trait as for example the need for achievement, locus of control, and self-efficiency. Proactive personality described by Batemen and Crant is a dispositional construct that identifies differences among people in the extent to which they take action to the effect their environment.

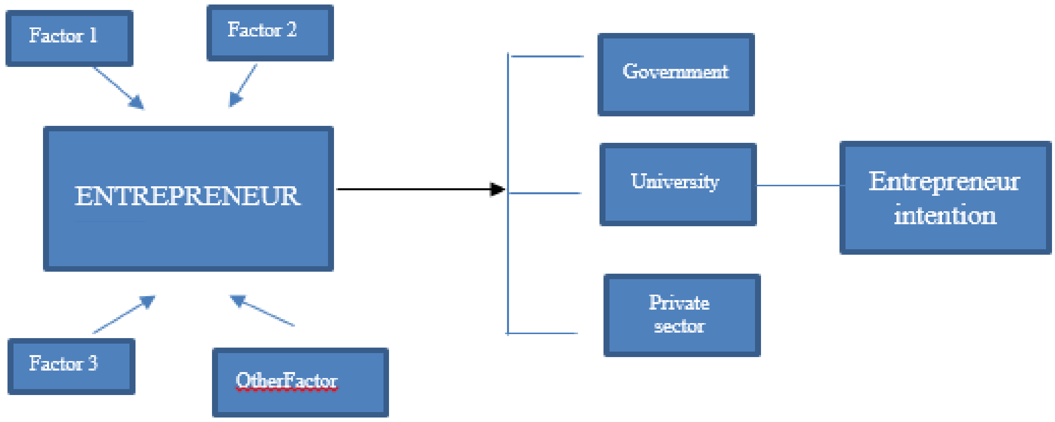

Figure 1. Theoretical Framework

Based on the above theoretical framework, it can be explained that many factors can make a person becomes an entrepreneur. In creating an entrepreneur, synergy is also needed from the government, private sector, and universities. One of main factors is the university. In universities, it is important to understand what can foster students' interest in entrepreneurship. This research will look for one of the factors determining the entrepreneurial interest of a student. That is the proactive personality factor or internal factors.

3. Research Method

This research used a simple linear regression method because there is the relationship between two variables where in this research the independent variable is proactive personality and the dependent variable is entrepreneurial intention. The population in this research was the students of Faculty of Business and Management, Universitas Widyatama which has five faculties. The choice of business and management faculties was because this faculty has an appropriate curriculum to become an entrepreneur. The sample of the research was 100 students.

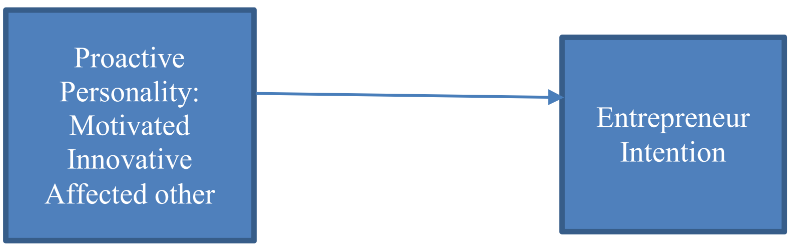

Figure 2. Research Model

3.1 Research Model and Hypothesis

Based on the theory above, the hypothesis of the research is formulated as follow:
Ho: Proactive personality (X) has no significant effect on entrepreneurial intention (Y)
Ha: Proactive personality (X) has significant effect on entrepreneur intention (Y)

4. Findings

The questionnaires consisting of 100 items were distributed both online and offline to describe the characteristics of respondents. Based on the gender, the respondents were consisted of 61% women and 39% men. These questionnaires were distributed to students who joined the entrepreneurship courses.

The t test was conducted to determine the effect of independent variables partially or each independent variable on the dependent variable by comparing the t value with the level of significance (95%).In order to investigatewhether proactive personality (X) has a significant effect on entrepreneurial intention (Y), the hypothesis wass tested as follows:

Ho: Proactive personality (X) has no significant effect on entrepreneurial intention (Y)
Ha: Proactive personality (X) has significant effect on entrepreneur intention (Y)

As presented in Table 1, the t count for service variables was 0.269 with a significance value of 0.000, which was lower than the level of significance (sig <0.05). Thus, H0 was rejected and H1 was accepted, meaning that proactive personality has a significant effect partially on entrepreneur intention of Universitas Widyatama students.

Table 1. Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.525[a]	.276	.269	.46413

a. Predictors: (Constant), VAR00023

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.047	1	8.047	37.354	.000[b]
	Residual	21.111	98	.215		
	Total	29.158	99			

a. Dependent Variable: VAR00024
b. Predictors: (Constant), VAR00023

Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.330	.320		7.270	.000
	VAR00023	.495	.081	.525	6.112	.000

a. Dependent Variable: VAR00024

4.1 Hypothesis testing

Based on the results of the analysis shown in the table above,the coefficient of determinant of the effect of proactive personality (X) on entrepreneurial intention (Y) was 26.9%. Thus, Ho was rejected and Ha was accepted. The dimensions of proactive personality variable were motivation, innovation, and effect to the surrounding.

5. Discussion

The findings revealed that there was a significant effect of the proactive personality variableon entrepreneur intention. The calculation results indicated that proactive personality was one of the determinant factors of entrepreneur intention. However, the magnitude of the effect was 26.9%, which was categorized as low. This showed that there were other factors that influenced the entrepreneur intention. The findings of this research were supported by several previous researches that examine other determinant factors ofentrepreneur intention. Investigated proactive personalityat university as a driver of entrepreneurial interest [4]. In addition, the research of Indarti and Kristiansen examined the demographic and contextual element factors as one of the determinant factorsof entrepreneurial intention. This is also evident from the theoretical framework that there are variousfactors affecting people's interest in entrepreneurship to be explored [9].

6. Conclusion

The role of university to create entrepreneur is very essential.Thus, the university needs sufficient understanding of the determinant factors of the interest in entrepreneurship. The findings of this research revelaed that proactive personality factors affected entrepreneurial intention by 26.9%. It was found that the magnitude of the effect was not too large due to other factors not investigated in this research research.

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Value Orchestration Platform, Innovation and Knowledge Sharing in Developing Entrepreneurship: A Case Study of Entrepreneurship-Based *Pesantren*

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Abstract. Currently, the development of information and technology has brought a lot of changes in the business world. Businessmen are required to become more innovative to improve their competitiveness. It is a challenge and opportunity for Islamic educational institutions (known as *Pesantren)* in Indonesia to create new innovation to compete with other educational institutions. Some *pesantrens* produce a new innovation by adding entrepreneurship concept in their educational system. The students are equipped with entrepreneurship skills with the hope that they can be entrepreneurs in the future. To achieve this goal, effective knowledge sharing becomes important in the process. Not only qualified human resources, an appropriate platform is also needed in creating the process of effective knowledge sharing. Through an exploratory research with a semi-structured interview and the implementation of value orchestration strategies (involvement, curation, and empowerment strategy), the authors try to identify and determine an appropriate platform to be used as media of knowledge sharing in *pesantren*. The result shows that there are two types of platforms, which are real platform (seminar, forum) and digital (web-based or apps). Those platforms help students, teachers, and other stakeholders to share their knowledge and information to develop entrepreneurship in Indonesia.

1. Introduction

The world is changing due to digitization and connectivity. Under such condition, businessmen are required to create new innovation, such as developing products that are not yet offered by the competitors. The product can be a new one or the result of the development of new features in an existing product which would attract the market. The example above shows that the ability to innovate is largely related with the ability to create differentiation with competitors [1].

This phenomenon occurs in Islamic educational institutions in Indonesia (known as *pesantren*). Since the number of conventional educational institutions is increasing, many *pesantrens* in Indonesia try to compete with them by creating new innovations. One of the innovations applied is building an entrepreneurship-based *pesantren* which prepare the students to become entrepreneurs in the future. After they graduate from *pesantren*, they are expected to become young entrepreneurs. It is in line with the Ministry of Industry's program which is to continue carrying out community economic empowerment, especially in developing Small and Medium Industries (SMI). Assessing the high potential of *pesantren* in creating new entrepreneurs, the Directorate General of SMI of the Ministry of Industry creates a new entrepreneurship program for students of *pesantrens*. *Pesantrens* are considered to have a potential as an agent of development which carry an important and strategic role in developing community resources [2]. By developing the entrepreneurship program, *pesantrens* are expected to make a great contribution to economic development in Indonesia.

However, creating an entrepreneurship environment in *pesantrens* needs adequate resources. These resources can be in the form of capable technology, sufficient financial support, and innovative leaders including human resources with appropriate competencies [3]. Another thing to do in innovation is managing the knowledge since it is important and a valuable asset in the organization. Knowledge sharing is an activity used to improve the ability of organizations to create new innovation. Through knowledge sharing, peoples' knowledge can be disseminated, implemented, and developed. Knowledge sharing has been recognized as a significant tool in enhancing the competitive advantage of the organization and a media to increase innovation capability. Knowledge sharing among stakeholders in the business world can be an effective way to co-create new products of innovation [4].

In line with the importance of knowledge sharing, a platform is needed as media of innovation. This platform can help stakeholders like teachers, students, business, government, and others to collaborate, share, and exchange their resources (knowledge and other forms) to develop entrepreneurship program in *pesantrens*. Through this platform, they can create a wide network with several parties without being limited by the time and distance. They can create an effective and collaborative environment to increase the development of entrepreneurship in *pesantrens.*

Through this research, the authors try to identify and design the relevant platform to be used by all of the stakeholders involved in the development of entrepreneurship-based *pesantrens* in Indonesia. By using value orchestration strategy (involvement, curation, and empowerment), each stakeholder is expected to be engaged in and develop the platform. The goal is not merely to enhance the development and sustainability of *pesantrens,* but also to increase the number of entrepreneurship in Indonesia through the implementation of entrepreneurship concept in *pesantrens.*

2. Literature Review

Several theories from previous researches such as knowledge sharing, innovation, collaboration, and value orchestration platform are used to support research analysis.

2.1. The Concept of Innovation

Over the years, the concept of innovation is always interesting to be studied for. Innovation can be defined as the application of new value into the business aspects (products, process, method or other management aspects) in the organization [5]. Meanwhile, Greenhalgh and Rogers [6] defined innovation as the implementation of new value to the products, services, processes, or other management aspects in the company to increase their competitive advantage. The definition is also supported by Valente [7] who defined innovation as a process to create new or improved product, service, or process to fulfill market demand. While according to Van de Van [8], there are several forms of innovation which are technological innovation (related to innovation in terms of technology, products, or services) and administrative innovations (related to innovation in the process, organization policies, forms, or procedures). Based on the definitions above we can make a conclusion that innovation should contain a certain degree of novelty, either in technological aspects (new technology, product or process) or non-technological aspects (new policies, procedures, organization, or other management aspects).

2.2. Knowledge Sharing

There are many kinds of literature discuss knowledge sharing [9]. Most of them stated that knowledge sharing has a crucial and important role in the organization [10]. According to Jacobson [11], knowledge sharing (KS) is a process of knowledge exchange between two people or more, in which one person has a role as the source of knowledge while the other receive that knowledge. Meanwhile, according to Ireland, Hitt and Vaidyanath [12], knowledge sharing is the process of developing, transferring, integrating and using knowledge effectively and efficiently. Other definition of knowledge sharing according to Tangaraja et.al [13] is the "key process" that allows the transfer of knowledge from one individual to another, which probably bring the career success for each individual. From these various understandings, it can be concluded that knowledge sharing is a process of sharing knowledge between individuals and/or organizations to reach common goals by using knowledge as their major assets to enhance the competitive advantages.

2.3. Entrepreneurship in Pesantren

In order to get a better understanding of entrepreneurship concept, various studies have been conducted by several researchers around the world and resulted in many explanations and statements about the entrepreneurship concept. Entrepreneurship involves an opportunity exists in the market [14] to attract more customers. Muhardi and Cintyawati [15] defined entrepreneurship as a process of innovation created by the organization to fulfill market demand. Mokaya et al. [14] said two important things in the process of entrepreneurship are creativity and innovation. They further explained that to make a profit through entrepreneurship, entrepreneurs need to create new innovation by identifying, taking, and evaluating the opportunities exist in the market to develop their business in the long-term.

Currently, many *pesantrens* have added entrepreneurship concept in their educational system to help encourage their students to become young entrepreneurs. Students are required to run a business during their study in *pesantren.* They learn about the management, entrepreneurship concept, and how to build and grow their businesses. To give a better experience on how the real world of business works, *pesantrens* has set up a collaboration with businessmen and let the students actively involved in the businesses. It is expected that the students can build their own businesses after they graduate from *pesantrens.*

2.4. Value Orchestration Platform Strategy in the Development of Entrepreneurship in Pesantren

The concept of value orchestration platform is largely related with the concept of value co-creation. In co-creating the value, there are four processes used to produce a new value among stakeholders in the ecosystem, which are co-experience, co-definition, co-elevation, and co-development [16, 17]. Co-experience and co-definition are the initial stages in which customers have the experience of using the products so that they can co-define the problems and share their expectations. Next is the co-elevation stage where providers or customers attempt to increase their capabilities to reach other parties' expectations [17]. Meanwhile, in co-development process, the focus is placed on gathering all the stakeholders to collaborate in co-creating (to create innovation); in this case, is creating innovation to enhance the development of entrepreneurship in *pesantren.* To reach all of the stages above, an appropriate platform is needed to put all the stakeholders in the same place and time; that way it may help to create a collaborative environment among stakeholders involved in the development of entrepreneurship in *pesantren*.

However, it would take several strategies to entice the stakeholders to get into the platform. One of which is value orchestration platform strategy, a considered-appropriate strategy applied to gain stakeholders' attention and intention to use the platform. This platform can help the stakeholders to create a beneficial networking [17] to enhance the development of entrepreneurship in *pesantren*. According to Kijima et al. [16], the concept of value orchestration platform consists of three important strategies used to involve all stakeholders in the platform. Those strategies are involvement, curation, and empowerment [17].

Involvement strategy is used to draw stakeholders' intention to involve in the platform. To reach this objective, a series of processes called Sympathize, Identify, Participate, and Share and Spread or usually called SIPS process will be applied. At first, the researchers attempt to gain attention from the stakeholders by introducing the platform. They will try to identify the importance of that platform, get interested, and finally join in. The platform can be in a form of physical/real one (seminar, workshop, conference, regular meeting, etc) or virtual (web-based platform). If the platform can satisfy their expectations, they may share and spread the information about the platform to other stakeholders [16, 17] and make them use the same platform to communicate and coordinate with each other.

The second strategy is a curation strategy where stakeholders start to identify the current problems/obstacles faced in developing entrepreneurship in *pesantren.* Using the platform formed, they will collaborate with each other to overcome those obstacles and share their knowledge. The last strategy in the value orchestration platform concept is empowerment strategy. This strategy is focused on how to motivate the stakeholders to increase their capability and collaboration to fulfill each other' expectation [17] during the development of entrepreneurship in *pesantren*.

3. Research Method

To meet the objective of this research, the authors identify which platform appropriate to be used by stakeholders involved in the development of entrepreneurship in *pesantrens.*

3.1. Research Method and Design

An explorative study using qualitative method is applied to get a deeper and better understanding of the issues faced [18, 19] in the development of entrepreneurship in *pesantrens.* The figure below describes the design of this research.

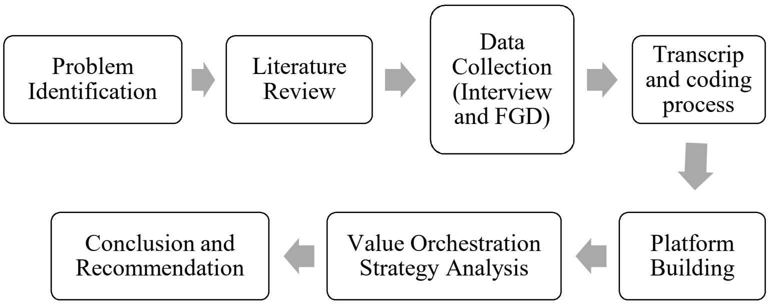

Figure 1. Research Design

3.2. Data Collection

We collect data from entrepreneurship-based *pesantrens* by using an in-depth interview with the stakeholders, i.e., head of entrepreneurship-based *pesantrens*, students, and other stakeholders. There are two entrepreneurship-based *pesantrens* that become the object of this research: Pesantren Dzikir Al-Fath in Sukabumi and Pesantren Ekologi Ath-Thaariq in Garut. Both *pesantrens* have implemented entrepreneurship concept and resulted in a number of graduate students with entrepreneurship skills who later become entrepreneurs.

The source of data collection for this research consisted of depth interview using semi-structured interview, literature review, and focus group. The interview process was conducted in Bahasa Indonesia with the aim to let the informants grasp the whole concept and avoid misunderstanding during the interview. It was held in a relaxed/comfortable situation for 1 to 1.5 hour for each informant. From this interview, the researchers obtained the primary data to be transcribed, coded, and then analyzed. Focus Group Discussion (FGD) was held to get more insight about the issues or problems occurred and gather more solutions for those problems. The result of FGD is used as a source of data in identifying the appropriate platform to be used in the development of entrepreneurship-based *pesantrens* in Indonesia.

3.3. Data Analysis

To analyze the data collected, we used a service science perspective to identify the structure and interaction process of knowledge sharing in the entrepreneurship. We try to develop a new platform as media of interaction and collaboration among stakeholders involved to gain competitive advantages to enhance the development of the *pesantren*, as well as to increase the number of entrepreneurs in Indonesia.

4. Result and Analysis

After conducting the interview and FGD, there are several issues derived from stakeholders. Almost all of them agree that resource limitation is the major issue in developing entrepreneurship in *pesantren*. The limitation can be found in the fund, human resources, knowledge, and even other resources needed.

> "*To enhance the development of entrepreneurship in our pesantren is quite difficult since we have limited resources in funds, human resource, and other resources. As you know we provide a full scholarship for all of our students, so we need to manage our finances effectively. Currently, we get fund from 'zakah and infaq' system, so that we are able to fulfill the needs of all students and run the entrepreneurship concept…." (KyDF056)*

Related to the knowledge sharing process in pesantren, FGD result shows that teachers and businessmen as partners are actively involved in giving the entrepreneurship course to the students.

> *"Teachers give entrepreneurship course to students…..Then, to give a better explanation about the business, we are usually cooperating with some companies to explain about business practices through seminar or workshop. Students are also discussing about their business progress during break time…." (TcDF87)*

From FGD result above, it is shown that recent platform used by stakeholders in entrepreneurship-based *pesantren* ecosystem is a physical/real platform in form of a seminar, workshop, and regular meeting. Whereas, in this digital era, another platform can also be used to enhance the knowledge sharing process among stakeholders; it is not only connecting one *pesantren,* but also many entrepreneurship-based *pesantrens* around Indonesia, and even with other stakeholders (government, academia, business, industry, etc). Therefore, we recommend a virtual platform design for stakeholders in the ecosystem as shown below.

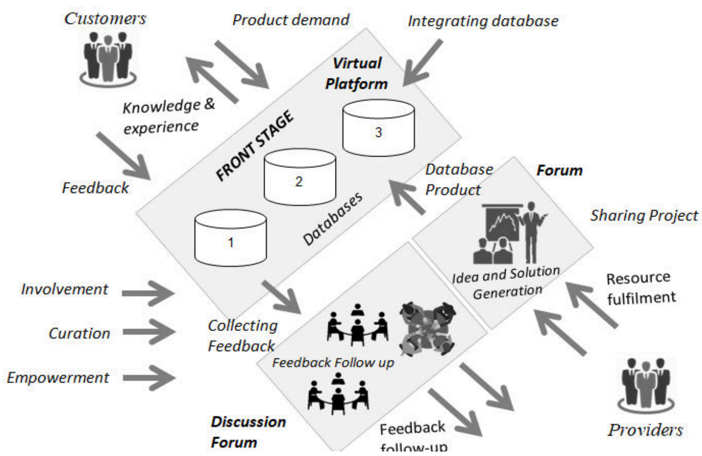

Figure 2. Virtual Platform Design

As seen in figure 2, we divided the platform into two parts: front stage and backstage. A front stage is a place for customers and providers to interact with each other so that they can share their knowledge. While backstage is a place where providers create a forum and discussion about the information to be published in a virtual platform. The information is the knowledge to be shared and what issues faced in the development of entrepreneurship in *pesantrens*. Through the forum, providers can also generate ideas to follow up the feedback from customers. Those three strategies of involvement, curation, and empowerment will be applied to attract the stakeholders to join the platform.

4.1. Two Layered of Service System

In service science concept, the stakeholders are required to collaborate in creating new innovation to fulfill the market demand. Four processes of value co-creation are used to co-create the value among stakeholders. Those processes are co-experience, co-definition, co-elevation and co-development, as described in the figure below.

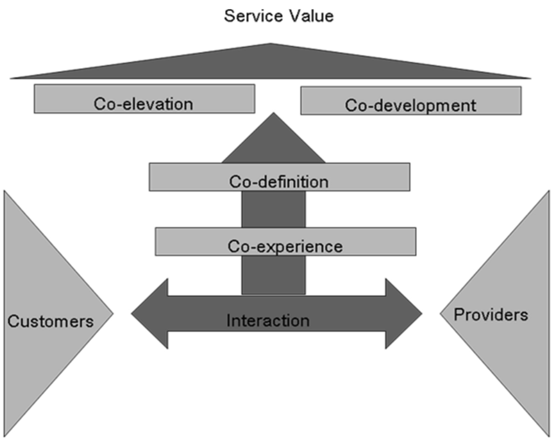

Figure 3. Value Co-creation Model Process in Service System [16]

Figure 3 shows that both sides (providers and customers) use four stages of value co-creation process to fulfill their objectives. To share knowledge in creating new innovation, both customers and providers need to increase their mutual understanding, entering the stage of co-experience and co-definition and share their internal model. To achieve that, they need to understand their capabilities and fulfill their expectations. It is called co-elevation process. After fulfilling those three processes, they will enter the co-development stage where they can collaborate to develop new innovation.

4.1.1 Co-experience and Co-definition Process

In this process, customers and providers are expected to increase their mutual understanding toward other parties. This process is performed to give each stakeholder a better understanding of their expectations and abilities. For example, in seminar or workshop and sharing sessions, teachers can gather students' insight into their entrepreneurship practices. The students' satisfaction is determined by co-experiencing and co-defining a shared internal model. In the end, they are expected to contribute their knowledge to co-create the value.

4.1.2 Co-elevation Process

Co-elevation is a process that explains the ability of providers to fulfill customers' expectations. In this process, students need more facilities of knowledge, skills, funds, products to be sold, companies as their partners, transportation facility, etc. to run their businesses. To meet those expectations, teachers in pesantrens provide a scholarship for students to finish their study with a condition that they can fulfill the requirements. Students have the obligation to apply entrepreneurship concept in the real world, actualized by having a business experience during their study in pesantren. The pesantrens expect students to give a portion of their income as infaq and zakah to help other students in need. Aiming to increase students' capabilities, pesantren has set up a collaboration with other parties such as businessmen, government, and others to provide knowledge, skill development programs, funds, and other resources to make students capable of running their own businesses.

4.2.3 Co-development Process

In this process, each stakeholder is expected to collaborate in creating new innovation continuously through the knowledge sharing process. Nowadays, the development of entrepreneurship-based of *pesantrens* is increasing and entrepreneurship concept development always shifts based on current demand. To follow the current demand, students need new skills, knowledge, and experiences to make sure they can survive in the business world. By utilizing the platform, students and other stakeholders will share their knowledge and resource to create new innovation.

4.2. Value Orchestration Strategy

To support the process of value co-creation among stakeholders, a platform is used as a media of value orchestration program aimed to enhance the development of *pesantrens* in Indonesia. The utilization of that platform can be optimized by applying three major strategies of involvement, curation and empowerment. The first strategy is **Involvement Strategy.** The application of value co-creation process can be achieved if each stakeholder can reach their own goals using that process. For example, *pesantrens* students expect an improvement in terms of the facility received, and the *pesantrens* along with other parties such as the government improves the facility as they required. In this process, the providers and customers are expected to have a mutual understanding in order to recognize each other's expectations and capabilities.

The second strategy is **Curation Strategy.** This strategy is used to analyze the current issues faced in the development of entrepreneurship in *pesantrens.* For example, the number of entrepreneurs in Indonesia is still limited which encourage the Minister of Youth and Sports to create a program called the Youth Entrepreneurship Development Program in Pesantren or Pesantrenpreneur 2018. This program is expected to create new entrepreneurs from *pesantrens'* students.

The last strategy is **Empowerment Strategy.** The empowerment strategy is related to measuring the effectiveness of the platform being used by all stakeholders to achieve the development of entrepreneurship in *pesantren.* In this stage, stakeholders are expected to maximize their involvement in the platform built.

5. Conclusion

Initialized by a general question about the appropriate platform to increase the effectiveness of knowledge sharing process to develop entrepreneurship in *pesantren*, we find out there are two appropriate platforms that can be used. The first one is a real platform in form of a seminar, workshop, regular meeting, etc. The second one is a virtual platform through the website or social media such as WhatsApp, Instagram, etc. Since stakeholders are used to utilizing the real platform, we recommend the virtual platform to get more effective communication and coordination which can be done at any time and anywhere. Through this research, we also try to build the platform design and suggest the government and businessmen have more collaboration with *pesantren* (in form of providing funds, knowledge, and training for students), so that they can co-develop the entrepreneurship in *pesantrens.* For academia, it expected that they can share their entrepreneurship knowledge in the virtual platform or through workshop and seminar programs. It is also expected there are more incubators who willing to share their knowledge with students in *pesantren* and help them develop their businesses.

We realize that this research has some limitations that may limit the result obtained. Firstly, this paper only uses a case study of *pesantrens* in Indonesia, so that the result might be different if conducted in different institutions. Secondly, to get the simulation result we only used service science perspective in determining the appropriate platform.

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SME's Digital Economy-based Community Information Group

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Abstract. The Community Information Group (KIM/*Kelompok Informasi Masyarakat*) is a public service institution formed and managed from, by, and for the community oriented towards information services and community empowerment according to their needs (Directorate of Social Communication Institutions, 2008: 1). KIM is a revitalization and the re-actualization of community empowerment with the development paradigm, which prioritizes the principles of democracy and good governance. It plays a role in facilitating the contribution and distribution of information, bridging the community and the government related to information dissemination and aspiration absorption. In each sub-district, it will be useful if the leader of KIM has the ability to empower the community, thus the national programs information as the community rights is delivered to the neighborhood units. Clean water is the basic needs for the community, health and the development of SMEs. SME activities for the community can be a major community empowerment platform in the context of economy democratization by providing public facilities and accessing financing according to the era of digitalization, so that economy activities of the community will develop and spread prosperity for others (share prosperity).

1. Introduction

1.1 Tracing the urgency of Information and Communication Technology (ICT) needs

Nowadays, human civilization has developed and become so complex that it includes layered systems in many places. Inter-individual, intergroup and international interactions are intensified in line with the development of transportation and communication technologies, radio waves and other innovations that have changed the map of competition among people and nations. Entering the 21st century, humanity who inherited the internet is changing the competition even further.

Alvin Toffler once stated that "the concept of the waves of civilization have resulted in high competition in order to meet the needs of subsystems". In anticipating the impact of the second world war chaos and the aftermath of the second waves of civilization after the industrial revolution in Western Europe, the United States had first anticipated it by creating the internet that triggered a third wave of civilization. The US Department of Defense asked five universities to conduct research to develop a strong and resilient telecommunications network. This telecommunications network provides alternative social communication media, exchange of knowledge and technology for academic and public services and commercial transactions through internet. A few decades later, the internet that was originally ordered for military needs is now used for civilian purposes.

1.2 IMARC model for improving community business competitiveness

Developed and developing countries, and small country like Singapore, have mastered Information and Communication Technology (ICT). Singapore has made a great effort to master ICT, strategically to improve the competitiveness of its business. One of the communities in Singapore, that pursues business competitiveness is the IMARC (Information Management Research Center) lecturers and researchers of the Nanyang Business School in which since 1991, research had been conducted to understand how Singapore-based organizations develop IT (Information Technology) assets that can improve business competitiveness. The research results conceptualized into the model as depicted in Figure 1.

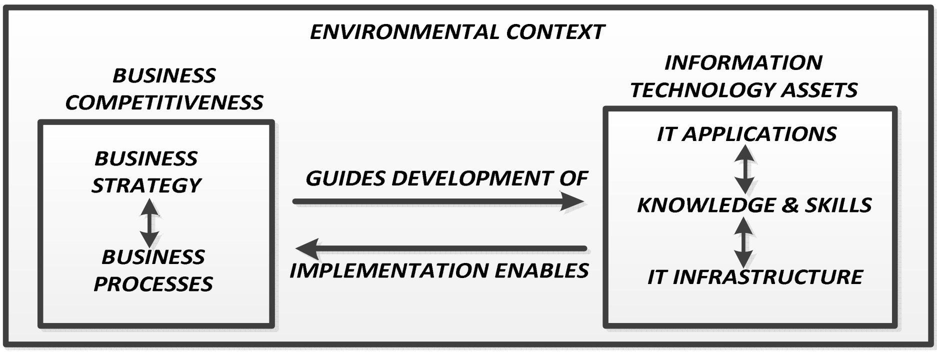

Figure 1. Environmental Context Model

The figure above depicts that in improving business competitiveness, communities are required to progressively improve their knowledge and their home group to obtain a continuing skills education, thus the quality of infrastructure and IT applications can be improved. Improving the quality of human resources (HR) is key in the process.

In line with the spirit of the IMARC Community, Rusdiayanto [5] argues that in the digital economy era, many organizations are restructured massively to eliminate sluggish workers and jobs, thus each organization remains competitive because it seeks to be innovative in improving the competence of its workers.

In fact, the commercial business entities, especially national and international scales, must try hard to adapt and grow dynamically, since they are threatened with bankruptcy. Companies or Medium, Small and Micro Enterprises (MSMEs) should increase competencies in the field of ICT in order to pursue their respective business fields. Sufficient ICT mastery can support the ongoing learning process and the expansion of the marketing area.

2. Theoretical Framework

2.1 Community literacy program as one of the programs community development from the Ministry of Communication and Information of the Republic of Indonesia

The Ministry of Communication and Information of the Republic of Indonesia has a community of literacy development programs named the *Kelompok Informasi Masyarakat* that has a role as a Community Group (POKMAS, *Kelompok Masyarakat*) at the sub-district (*Kelurahan*) level and at the neighbor/community unit (*RT, Rukun Tetangga/RW, Rukun Warga*). The basis for the establishment of KIM are: Law Number 40 of 1999 concerning the Press; Law Number 11 of 2008 concerning Public Information; Law Number 14 of 2008 concerning Public Information Openness; RI Regulation of the Minister of Communication and Information No. 08/PER/M.KOMINFO/6/2010 concerning Guidelines for the Development and Empowerment of Social Communication Institutions.

1. Community Information Group (KIM)

   KIM has a role in facilitating the contribution and distribution of information to the community and bridging the aspirations of the community to the government. Communities form groups to deal with common problems independently through access and empowerment of information. Therefore, KIM is able to find problems and give solutions to problems; make joint decisions; carry out decisions with cooperation; develop information networks to solve.

According to the Directorate of Institutional Social Communication (2008: 1), KIM is a public service institution that is formed and managed from, by, and for communities, which are oriented towards information services and community empowerment according to their needs. KIM is not only needed to make the society be critical of traditional media (newspapers, magazines, radio and television broadcasts), but also to make the society aware of hoax distribution that potentially cause mass panic and disputes in the nation. In addition, KIM is required to be able to reap social and economic benefits from various raw data and information from various sources that are scattered. Tracing the origins of the need for ICT above reveals that placing the strategic role of KIM in equalizing the development program becomes the top priority that cannot be delayed.

2. The Vision and Mission of KIM*:* The realization of a dynamic information society as a basis for the formation of a healthy, intelligent, skilled, creative, innovative, independent, and culturally based civil society. Its mission is to awaken, enlighten, empower, and facilitate dynamically information services through information dissemination for community members.
3. The founding principle of KIM: It is based on Pancasila, a transparent and democratic principle characterized by togetherness, meaningfulness, independence, mutual cooperation and equal rights and obligations. From members, by members and for members.
4. The Purpose and Objectives of KIM: They are formed with the intention to increase knowledge, intelligence, skills, wisdom that encourage the development of community participation in the administration and development.
5. The aim of KIM: To become government partner in disseminating information to the community; as a mediator of reciprocal and continuous communication and information on government and development; as a media forum for development communication, information services for the government.

2.2 Profile of the KIM in Cipedes Sub-District, Sukajadi District, Bandung City

1. General and geographical conditions of Cipedes Village: Cipedes Sub-district, Sukajadi District, Bandung City, West Java is one part of the West, which consists of 11 hamlets and 77 neighborhoods with a boundary: Northern Side. Dr. Sutami, Sukasari Sub-district, south of: Jl. Sukagalih, Sukabungah Sub-district, west of Jl. Cipedes Tengah, Sukagalih Sub-district, east of Jl. Sukajadi. Pasteur Sub-district, with an area of: 51 Ha (flat and bumpy). Population: 31,732 (male: 15,438 & female: 16,294), Number of HH: + 6000.
2. Public facilities: five elementary schools, one junior high school, 22 mosques, one soccer field, futsal area and two volley fields
3. Community organizations capital in Cipedes Sub-district: LPM (PKK-KARANG TARUNA-CIG/KIM-BKM-MUI)
4. *KIM Cipedes data Institution*: It was established on March 16, 2016Cipedes Sub-district, Sukajadi District, Bandung City, based on the Decree of the Head of Cipedes Sub-District Number 10/cpds/SK/V-16. Secretariat having its address at Jalan Sukagalih No. 24 Bandung City. IT-based software. KIM Cipedes is engaged in information by documenting activities in the region.

2.3 Featured Programs:

1. Collecting information from the public and the government summarized in the news be published on the web KIM: https://www.kimcipedes.com/
2. Patronage Group: KPA (Water Management Group) located in the Fordesk field area Jln Cipedes Tengah RT 01/06 Cipedes Sub-district, Sukajadi District, Bandung City, established in 2012 and began operations in December 2016.

3. Street vendors in the Fordesk field area Jln Cipedes Tengah RT 01/06 Cipedes Sub-district, Sukajadi District, Bandung City in every Ramadan that has been existed since 2015.
4. Bread Factory (Mashai Bakery), which has been established since 2015.
5. Manufacture of *basreng* chip crunchy (Basreng Oma) since the beginning of 2016, which has been registered in the Disperindag of Bandung City since August 2016.

3. Result and Discussion

3.1 Review on The Community Information Group in Cipedes, Bandung

Community Information Group (KIM) in Cipedes, Bandung City is a potential community in district area because the leader of this group is aware of all the information from government, and works very hard to solve the community problems. Their programs aim at improving economic activities, which is beneficial to strengthen the community, it would be great if the government support their potential to develop their welfare. Until now, there has been many obstacles faced by KIM to encourage community development due to:

1) Empowerment through KIM workshops and training in developing individuals and strengthening the KIM network system needs has not been be carried out by relevant agencies.
2) The economy condition of the community and the lack of budget owned by the related institutions affects a small effort to develop KIM in advancing the potential as a KIM activity in the community.
3) The dissemination of KIM has not been evenly distributed, resulting in a lack of information obtained by the community, thus the community does not play much role in KIM activities, and even some communities have not been aware of the existence of KIM.
4) As a media to disseminate information for the community, KIM has been operated since 2011, but its membership structure has only been limited to formalities, because there are no sustainable KIM programs and activities.
5) KIM becomes a forum for aspirations and communication to provide awareness and empowerment that develop community welfare.
6) KIM becomes the forerunner of creativity and the spirit of development and community independence and exchanging knowledge.

3.2 Solving problems to empower KIM

In enhancing CIG/KIM in Cipedes, Bandung, there is a method that can be utilized to support the organization in handling critical issues about the organization member. The P-CMM is a tool that can help organizations overcoming critical issues concerning organizational personnel. The P-CMM uses the process of maturity framework of the CMM (Capability Maturity Model) software, which is very successful, and developed based on a model of best practices for managing and developing organizational human resources. The software has been used by many software developers throughout the world to guide dramatic improvements in their ability to improve productivity and quality, reduce marketing costs and time, and increase customer satisfaction.

Based on the best recent examples in the fields of HR development, knowledge management, and organizational development, P-CMM guides organizations to improve their work processes to organize and develop their human resources. P-CMM helps organizations recognize the maturity of their human resources jobs, embodies a sustainable HR development program, sets priorities for corrective actions, and fosters a culture of excellence.

P-CMM consists of five maturity stages that provide a sequential foundation for continuous improvement of individual competencies, develop an effective team, motivate performance improvement, and form the organization needed for future business plans. Each stage of maturity is a well-defined evolutionary level that institutionalizes new abilities to develop human beings. By following the maturity framework, an organization can prevent the introduction of work patterns that make its human resources less/unprepared to implement it effectively [2]. The model is depicted in

Figure 2 Five P-CMM Maturity Phase adapted from Humphrey (1989) and Carnegie Mellon University (1995).

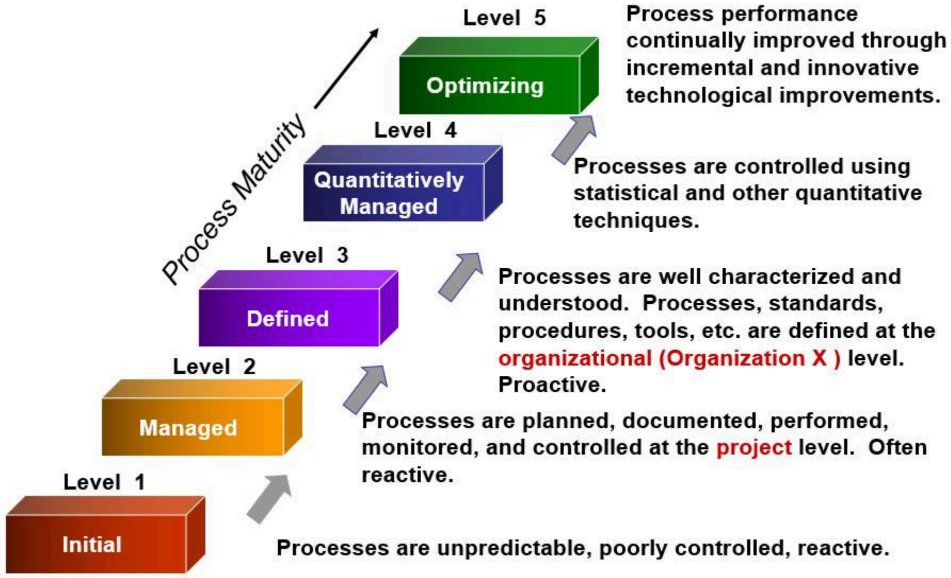

Figure 2. P-CMM Maturity Phase and Carnegie Mellon University

4. Conclussion and Recommendation

KIM competition needs to be conducted by involving several stakeholders and the general public in the area, thus it enables KIM members to develop, and the KIM network to expand. The support for access to capital, provision of information needs for KIM to develop KIM activities are provided. Moreover, synergy between KIM and relevant agencies in the Regional Government has to be established, for example by conducting the KIM exhibition. The implementation of KIM socialization should involve more public to support KIM's activities with public information disclosure through the use of regional information systems.The use of KIM in the sub-district levels should be increased through the implementation of routine KIM coaching done by related institutions, then followed-up by an evaluation of KIM's regular performance.

The Community Information Group should prepare a group that can strengthen the region in developing community welfare in the economic field, thus the entrepreneurship will grow from the sub-district levels, and be able to compete with provincial and even national cities. To accelerate economy development capabilities, KIM is suggested to provide website-based information technology assistance, to assist the socialization of KIM or programs suitable for the community, and integrate the potential of empowerment in each sub-district. The website can contain information about assistance, training, and providing capital.

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Small Industry Performance Through Innovation As Implication of Spiritual Intelligence and Competence of Crafts Entrepreneurship in West Java Province

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Abstract. This research is a case study that aims at discovering the performance of small industrial craftsmen through innovation as an implication of spiritual intelligence and entrepreneurial competence in handicraft products in West Java by involving 386 entrepreneurs as samples. The sample size was determined using a simple random technique. The data was analyzed using correlation analysis and determination methods and processed by employing SPSS 24.00 program. It was found that spiritual intelligence and entrepreneurial competence had significant influence on the performance of small handicraft industry through innovation. This research is expected to determine the right strategy for local governments in an effort to improve the performance of small handicraft industry entrepreneurs in West Java.

1. Introduction

Entrepreneurs are the main capital of economic development in a certain area. Based on the data from West Java Central Bureau of Statistics (BPS, *Badan Pusat Statistik*) (2015), the majority of entrepreneurs in West Java were craftsmen (as much as 84.8%). Traditional crafts, specially woven products, are the main products, are the spearhead and the drivers of West Java microeconomics. Based on the calculation of the production value of these commodities, it was found that it can exceed the value of agricultural products and can absorb enough labour. It also has special characteristics that are not owned by other regions. Thus, woven products have considerable opportunities to continue to be developed.

The production activity of making traditional craft is an activity passed down from generation to generation. The products produced in the small handicraft industry centres in West Java generally have similarities in terms of manufacturing techniques, namely basic weaving techniques with different raw materials. In this case, the role of raw materials is very important because each raw material has different characteristics that can lead to the creation of products that have different aesthetic values. The uniqueness of natural raw materials, such as pandanus, bamboo, mendong, water hyacinth, and others, as well as the peculiarities of its manufacturing techniques, namely the traditional manual weaving techniques, make West Java craftsmen successfully produce various types of handicraft products that have high use and aesthetic value. However, the problem is that entrepreneurial competence is a fundamental factor that is owned by an entrepreneur who has more abilities, which makes an entrepreneur different from others who have average abilities. As with most other business activities, the problem is that the lack of innovation of handicraft medium, small, and micro enterprises (MSME) owners is that they are unable to produce brilliant ideas and taking advantage of opportunities, so that the level of sales has not experienced a significant rise and has not been able to compete at the global level. The lack of entrepreneurial competencies of MSMEs owners is characterized by the low willingness to learn entrepreneurship, lack of ability in business management, lack of ability to access information, technology, and business opportunities, as well as not understanding the mechanisms and systems of trade-import and exports. The lack of spiritual intelligence of the artisans is also characterized by low motivation for business progress, honesty, and understanding of work as a form of worship, less confident of being able to become a successful entrepreneur, as well as low awareness of the owners of the importance of paying attention to the situation of social life with the surrounding community.

According to observations in the field, the majority of entrepreneurs could not move on from the past glories that have been felt from generation to generation for running the same business rules when the Handicraft Centre in West Java was still triumphant. However, in reality, these conditions are no longer in accordance with current market conditions. The use of technology is increasingly important considering that until now, the production process of handicraft in West Java is still conducted simply and manually, and its management is still family-friendly. This indicates that the mastery of science and spiritual intelligence, entrepreneurial competence, innovation, and performance of small handicraft business owners in West Java are still very limited. In this case, this condition can reduce the performance of entrepreneurs themselves.

Business performance is the results of the work or activity function of a person or group in a business organization that is influenced by various factors to achieve the goals of the business organization within a certain period of time. Measuring the performance of a business is very useful to compare a business with other businesses so that a necessary action to improve it could be taken. Without comparison, it would not be known whether the performance has improved or not.

2. Theoretical Framework

Several understandings about performance are presented. According to Gomes (2003: 39), performance is a record of production at a specific job function or activity over a certain period of time. Thus, it can be described that performance is the level of success achieved by employees in doing work related activities by referring to the tasks that have to be done.

Furthermore, [1] states that performance is the result of work in quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities given to the employee. Individual performance is the relationship between three factors, which are ability, effort, and support.

Thus, it can be concluded that performance is the result of ability, motivation, and opportunities shown by an individual in doing work related activities during a certain period.

Innovation is a new element that is introduced in a network that can change, even if only for a moment, both the price, the culprit, the elements, or the nodes in the network [2]. [3] explain that innovation is the ability to apply creative solutions towards a problem along with the opportunity to improve or to enrich an individual's life.

Based on several explanations above, it can be concluded that innovation is a change that is made by a company in order to adapt to the environment by involving the use of resources, namely human, time, and money, in creating or developing new products, new services, or new methods in order to benefit work process, work teams, and organizations.

According to Khavari [4], spiritual intelligence is also a faculty of nonmaterial dimension of human beings or human spirits. Similarly, Zuhri (in Yosef, 2005) explains that spiritual intelligence is human intelligence used to connect with God. The assumption is that if a person has a good relationship with God, it can be ascertained that the person relationships with other human beings will be good too.

Similar view was also expressed by [5] who states that spiritual intelligence is a perspective that direct our way of thinking towards the deepest essence of human life, namely self-servitude to the Most Holy and the All-encompassing. The highest spiritual intelligence can only be seen if individuals have been able to realize it and reflected in their daily lives.

From several explanations above, it can be concluded that a spiritual intelligence is a form of human intelligence that shows the ability to give meaning of worship to all behaviours and activities through steps and thoughts that are natural, have a goal to be a whole person, and have an integralistic thought pattern based on God.

Entrepreneurial competence is the ability to identify and acquire or create market based on entrepreneurial opportunities and resource requirements (Dariaswin et al., 2008). In addition, according to [6], entrepreneurial competence is the unity of knowledge, skills, and ability, which is dynamic, that is demonstrated by an entrepreneur/organization so that they show behaviour to achieve success in their business continuously.

Thus, it can be concluded that entrepreneurship competence is knowledge, attitudes, and skills that are connected to one another, which is required by entrepreneurs to be trained and developed in order to be able to produce the best performance in managing their business.

3. Methods

This research employed a survey method. Primary data was used and it was collected by distributing questionnaires to 383 small handicraft business owners in West Java. In this case, random sampling method was employed. There are several objects of this study, which are Spiritual Intelligence X1 (independent variable), Entrepreneurship Competency (X2), Innovation as Y variable (dependent variable), and small handicraft business owners' performance (Z).

4. Discussion

4.1 The effect of spiritual intelligence on performance

Table 1. First Regression Weight Hypothesis

Relationship			**Estimation**	**SE**	**CR**	**P**	**Conclusion**
KIN	<---	KS	0.105	0.1	-1.053	0.293	Not significant (Ho accepted)

Table.1 shows the regression values of the spiritual intelligence variable on performance. Hypothesis testing can be obtained by directly observing the Sig. value or the column where the data shows P = 0.293. It suggests that the probability is higher than 0.05, which means that there was no significant effect between spiritual intelligence on performance, or in other words, H0 was accepted. It was also found that the direct effect of spiritual intelligence on performance was 10.5%.

The results show that, partially, spiritual intelligence had a positive but not significant effect on performance. These results suggest that an increase in spiritual intelligence, which is characterized by the ability to be flexible, having integrity, quality of life, sincere, reliance on God, holistic thinking, and humility, does not have a significant influence on improving the performance of small handicraft business owners in West Java. It is caused by the low contribution of spiritual intelligence influence on performance, which was only 10.5% in which there was still a gap of 89.5%. Thus, it can be concluded that spiritual intelligence has not been optimal to improve the performance of small handicraft business owners in West Java.

Based on the previous explanation, spiritual intelligence strongly supports the success of entrepreneurs in developing a business. However, the results show that spiritual intelligence influence was not significant in improving the performance of small handicraft business owners in West Java. This was due to the lack of implementation of spiritual values, attitudes, and mentality on business managerial practices managed by the craftsmen. They were not able to connect their spiritual intelligence with knowledge and practical skills such as production skills, design, marketing, and customer service. Consequently, their spiritual intelligence was poorly implemented into their daily business practices, so that although they have excellent spiritual intelligence, it did not have any impact on improving their entrepreneurial performance.

Through intervening variable, it is shown that spiritual intelligence would have a significance on performance through innovation. These results indicated that innovation was a perfect mediation between spiritual intelligence and entrepreneurial performance. It was found that after innovation variable was added, the significance value increased. Thus, spiritual intelligence has to be followed by innovation ability.

4.2 The effect of entrepreneurship competencies on performance

Table 2. Second Regression Weight Hypothesis

Relationship			**Estimation**	**SE**	**CR**	**P**	**Conclusion**
KIN	<---	KK	0.419	0.153	3.767	0.000	**Significant (Ho rejected)**

Table 2 shows the regression values for entrepreneurial competence variable on performance. Hypothesis testing can be obtained by directly observing at the Sig. value or the probability column where the data shows P = 0.000. It means that the probability was lower than 0.05, which suggests that entrepreneurial competence had significant influence on performance in which, in other words, H0 was rejected. It was also found that the direct influence of entrepreneurial competence on performance was 41.9%.

The hypothesis results show that, partially, entrepreneurial competence variable had a positive and significant effect on business performance. The results suggest that entrepreneurial competence, which is characterized by science, personality, skills and motivation, could have a significant influence on business performance, which is characterized by quality, quantity, timeliness, effectiveness, independence, and commitment in developing a business. The positive influence shows that the higher the entrepreneurial competency, the higher the business performance of the craftsmen is going to be.

The test through innovation variable showed a decrease of significance value and even makes the influence of entrepreneurial competence on performance to be insignificant. These results indicated that innovation was a perfect mediation for entrepreneurial competence influence on performance. Therefore, innovation could lead to increases or decreases in the performance of an entrepreneur from its competence.

The hypothesis results proved that entrepreneurial competence has a positive and significant effect on the performance of MSMEs. This result is consistent with previous research that shows the important role of entrepreneurial competence in driving business progress. Hormiga et al. (2010) proved that human capital (entrepreneurial team interaction, commitment, business knowledge, and problem-solving) had a significant relationship with business success. Similarly, Man and Lau's (2008) showed that the competence of 153 owners/managers of SMEs service sector in Hong Kong directly and indirectly influenced the long-term performance of the SMEs through competitive scope and organizational capabilities.

Entrepreneurial competence is required to face local and global competitions (Ng & Kee, 2013). Entrepreneurial competence becomes more important in order to take proactive steps towards the challenges of the business environment. This is because small business owners generally act as managers and leaders who lead businesses and lead humans (Zimmerer & Scarborough, 2004). In this case, the competence as a manager that includes planners, organizers, administrators, and communicators is needed in order to improve their business performance (Cyhe et al., 2010). It is also stated that the nature of entrepreneurial competence indicates an important concept for increasing entrepreneurship (Wickramaratne et al., 2014). In other words, the managerial competence of entrepreneurial craftsmen plays an increasingly significant role in the success of MSMEs.

It was found that the influence of entrepreneurial competence on performance contributed 41.9%. This result means that there is still a gap of 58.1%. Thus, efforts are needed to increase entrepreneurial competence in improving performance.

4.3 Effect of innovation on performance

Table 3. Third Regression Weight Hypothesis

Relationship			Estimation	SE	CR	P	Conclusion
KIN	<---	INO	0637	0164	5271	0000	**Significant (Ho rejected)**

Table 3 shows the regression values of innovation variable on performance. The hypothesis testing can be obtained by directly observing the Sig. value or the probability column where the data shows P = 0.0000. It means that the probability is lower than 0.05, which means there was a significant influence of innovation on performance or in other words H0 was rejected. It was also found that the direct effect of innovation on performance was 63.7%.

The hypothesis testing shows that, partially, innovation variable had a positive and significant effect on business performance. These results explain that innovation in the process, structural, cultural, and resource dimensions could have a significant influence on business performance, which is characterized by quality, quantity, timeliness, effectiveness, independence, and commitment in developing a business. The positive influence shows that the better the innovation, the higher the performance of the small handicraft business in West Java. It was found that innovation contributed to business performance by 63.7%. It suggests that there was a gap of 36.3%, indicating that innovation is still required to be improved to increase the business performance of small industrial craftsmen.

5. Conclusion

It was found that the craftsmen already had good spiritual intelligence in which they have ability to be flexible, good level of integrity and quality of life, having sincerity and reliance on God attitude, holistic thinking, and humility, and good entrepreneurial competence. It can be observed from their knowledge and creativity, good entrepreneurial personality that is optimistic, committed, diligent, and tenacious were important in running a business. It was also found that their technical skills were also good in which they had good idea producing unique products and also have high initiative in taking advantage of opportunities. The craftsmen were also motivated to become successful entrepreneurs in their current and in other fields. It was also found that small industry innovation was sufficient in which that small industries could improve their ability to innovate in their process, organizational structure, culture, and organizational resources. The results of this study indicated that the craftsmen had good spiritual intelligence, sufficient entrepreneurial competence, and sufficient innovation capabilities so that this condition had an impact on the performance of craftsmen who were also in good condition.

It was also found that, partially, influence of spiritual intelligence, entrepreneurial competence, and innovation on the performance of the craftsmen can be found. The results of this study proved that improving the performance of small industrial craftsmen in West Java could take place if the craftsmen can improve their spiritual intelligence abilities, technical competencies, and knowledge in entrepreneurship and innovation. These results mean that performance improvements can occur if spiritual intelligence, entrepreneurial competence, and innovation are able to encourage the ability of craftsmen to innovate in their process, structure, culture, and resources.

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Comppatance Of Communication As An Effort To Improve Marketing Of MSMEs in West Java

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Abstract. This research was conducted to analyze government programs related to improving the quality of micro, small and medium enterprises (MSMEs). The SME quality improvement program carried out by the government included, new entrepreneurship programs (WUB) under the regional government of West Java through related agencies. These programs are coaching programs for MSMEs. Through a number of trainings conducted to improve the quality of SME actors. The problem is that the level of quality improvement of SME actors does not change too much. The number of SME actors at the start up level is still high, which means that MSMEs in West Java are still vulnerable in running their businesses. To examine this phenomenon, researchers use descriptive methods, by digging up information from SME actors who have participated in WUB activities and then describe them in the form of evaluations that are linked to the theory. Data was obtained through interviews with the designers of the MSMEs development program, coaching members. The results of this study first indicate that WUB is an activity of community empowerment from the government in the SME actors. The WUB program has a good concept, but in the field the results are not maximized. Various MSMEs development activities from the government have similarities and overlap, including WUB. This is due to the lack of restrictions in recruiting participants. Secondly, the guidance shows that the focus of development in the field of marketing and management is not enough to develop MSMEs. There needs to be a focus of development on communication skills in supporting marketing communication for MSMEs.

1. Introductions

The number of Micro, Small and Medium Enterprises (MSMEs) in Indonesia continues to increase each year [1]. Until 2015 reached 56.9 million MSMEs [2]. Of the many numbers of MSMEs, the largest and the highest number are micro and small businesses and they are grouped at the start-up level [3]. However, the large numbers make them have a positive impact on a country's economic growth [4]. The benefits of the presence of MSMEs include providing employment [3], fostering the economy of the people, raising the potential of the region to increase regional income potential [1].

The problem is, not all MSMEs can easily run their business [5]. Capital problems [6], marketing [7], technology continues to haunt them [8]. Likewise, MSMEs players in West Java reached 9.1 million in 2013, with the fourth largest regional income from the national level [9]. The government took part in helping resolve these problems.

the provincial government of West Java holds a coaching program for MSMEs to improve competitiveness. The coaching program was given the name "new entrepreneur" (WUB). WUB is a form of government policy to help the development of MSMEs in the form of coaching [10]. This policy is intended for MSMEs who are still at the start up level. Because at the start-up level is a stage that is still vulnerable in the course of building a business [11]. So that a policy is needed to help expand the business of MSMEs. The problem is that this program has not helped to improve the quality of MSMEs [12]. This means that evaluation is needed for the policy, so as to provide better output. It is evident from the results of the study that there are similar problems experienced by MSMEs [1]. This shows that SME actors have not been able to get out of the problem.

This research was conducted to analyze the development program by the government on SME players, which aims to develop MSMEs to be more effective, and to help SME players get out of trouble. This study was examined qualitatively by the narrative method describing the experiences of MSMEs participating in the activity.

2. Literature Review

2.1. *"New Entrepreneurship" Policy*

The "New Entrepreneurship" (WUB) program is a policy organized by the West Java provincial government on the basis of law number 35 of 1992 concerning cooperatives; Law Number 20 of 2008 concerning MSMEs; the regulation of West Java Governor number 79 of 2015 concerning the printing of one hundred thousand new entrepreneurs in West Java; the main tasks and functions of cooperative training centers and small and medium micro enterprises in West Java province; technical instructions for printing one hundred thousand new entrepreneurs; and, the budget implementation document (DPA) of the West Java provincial SKPD number 1.15.01.36.5.2 dated January 7, 2016 [13]. The WUB policy is intended for entrepreneurs with business ages ranging from 0 - 5 years [10]. The purpose and objective of the first WUB policy, provides an overview of the implementation of training, apprenticeship and entrepreneurship mentoring / mentoring. Provide clarity of curriculum, syllabus, lecture / resource material and entrepreneurial training methods. Third, guarantee the consistency of the implementation of entrepreneurship training carried out in accordance with the targets and targets set [13]. The target of a hundred thousand young entrepreneurs is determined by the provincial government of West Java within 13 departments (i.e. Cooperative and Small and Medium Enterprise, Industry and Trade, Manpower and Transmigration, Marine Affairs and Fisheries, Animal Husbandry, Plantation, Forestry, Culture and Tourism, Energy and Human Resource, Sports and Youth, Education, Health Department) for the period of five years from 2014 to 2019 [10].

2.2. MSMEs in West Java

The number of MSMEs in West Java in 2013 reached 9,042,519, spread throughout the region of West Java [9]. Products produced by UMKM players include Textiles ind., Leather and soles 95 (21.6%), woods and others forest prd 78 (17.8%), papers and printed stuff 29 (6.6%), steel industries 61 (13.9%), building and non steels 36 (8.2%), transprt., machinery, and tools 30 (6.8%), handcraft 64 (14.6%), others 44 (10, 0%), total 437 (99.5%) [14]. Various problems must also be faced by MSMEs in developing their business [9]. Among them are capital, human resources, product quality and marketing.

3. Method

This study was studied qualitatively using descriptive methods. This method is used to describe the evaluation analysis of WUB activities, through in-depth interviews of WUB participants and observing activities from WUB development activities. There were ten MSMEs who followed the WUB policy in the West Java Provincial KUKM Office to obtain information.

4. Result

4.1 Analysis of WUB activities

WUB activities under the West Java provincial government are carried out in various services. Like the cooperative and UMKM services, the fisheries and maritime service, the livestock service, the tourism service, the cooperative training center. Activities carried out in each service have the same pattern.

The WUB training to participants began with providing training materials on Managerial Entrepreneurship. The main direction in the training process is to encourage entrepreneurs to develop ideas for entrepreneurship by developing creativity in the formation of products, trade strategies or business, material provided around the mindset to shape their entrepreneurship, business ideas and starting a business that will be run, learning the challenges of the target or appropriate market segmentation in the development of entrepreneurship. this is intended to provide knowledge, insight, skills to have business competence, entrepreneurship, and business. Then the activity ended with an exhibition, exhibiting products from WUB participants [13].

WUB training is a concept of community empowerment. which in its implementation carries the concept of direct community involvement in the WUB program. The provision of various basic materials on entrepreneurship is the provision of ability to run their business in the future. And the WUB program is an ongoing program by continuing to guide MSMEs. This shows that WUB carries the concept of community empowerment through its four key activities, namely, people-centered, participatory, empowering, and sustainable [15].

Based on the field observations, most of each WUB participant did not only participate in one WUB program, they participated in similar activities in other agencies. This is done to meet the needs they cannot get, namely access to capital. The problem is, all WUB activities have the same form of activity, because they have the same legal basis. Each agency has designed the WUB program adapted to the characteristics of the business field that is undertaken by each participant [16]. But because of lack of socialization, as well as the target audience that must be achieved, making MSMEs participants can become WUB participants in several departments. In addition, there are a number of MSMEs participating in WUB development with economic objectives. In carrying out the WUB coaching program, each participant will be given money in lieu of transport costs, and this is used as their reason for following the WUB development. this is different from the results shown in the Irvianty, Essy study; Mirzanti, Isti Raafaldiri who explained the existence of complaints about the problem of funding the transportation of members. Even though every MSMEs participant who participated in the WUB development was already recorded, but it was proven that there was always a gap for SME Actors to follow the coaching again, only to get the cost of replacing transport.

Basically, WUB is appropriate in terms of government policy [10]. But the obstacles faced in the field are, there are still practices that are not yet in accordance with the policy, so that it seems forced. Lack of firmness from each agency to recruit WUB participants, make a gap for MSMEs to be able to join the WUB training program many times. This is the basis that the MSMEs coaching activities overlap. In fact, if supervision is much more stringent and specific in accordance with official studies, then this program will provide great benefits for every MSMEs actor.

4.2 Communication Competencies for MSMEs

This is a basic training in management and marketing. Based on the analysis of WUB participants, the material provided was good enough as a provision for an entrepreneur. The material provided WUB participants to overcome the major problems commonly faced by MSMEs [12]. As we know that the dominance of SME problems faced by the majority is related to management and marketing [17]. The problem that was felt by the participants was the time provided for the delivery of material to relatively short participants. This caused confusion in receiving material for the participants. with the uneven level of education of WUB Participants, more time should be needed to provide material. So that all material is well received.

As we know, the perception that appears to many MSMEs at the start up level in running their business is the need for capital assistance [18]. So that on average the WUB participants follow the program the aim is to get capital assistance. Actually the provision of material can explain that the main problem for starting a business is a creative idea and entrepreneurial spirit. With good management, capital problems can be overcome. The problem is that the time provided is only three days with full material, making the WUB participants not get the understanding as expected. Their perspective in running a business remains the same, it requires a lot of capital. This shows that in each empowerment program a large role for communication is needed, to describe empowerment programs [15]

The holding of the exhibition in the WUB activities, was the final result where each participant was invited to practice the material related to marketing and form market segmentation. Unfortunately, the participants did not understand, because the participants thought that the exhibition was the place where they sold their products, without analyzing whether the exhibition was a market share that matched their products. Finally, most MSMEs view the exhibition as a place to sell, not a place to attract potential customers and as an investment of their business [19]. A new problem arises when the WUB participants in the exhibition session, many have not been able to fully understand the specifications of the product, so that they cannot explain their products well. This is due to the weak ability of business presentations for WUB participants. While in an exhibition, business presentation skills are needed to attract potential customers [20]. In addition, in the exhibition some participants also realized that marketing messages such as brands, taglines, and product education are important things to introduce their products. But not many WUB participants understand this yet. This is due to the perspective of those who only sell products and earn even a small profit. Precisely good business is built if we can build customer loyalty. This perspective has not been developed in the minds of WUB participants. In building customer loyalty we must be able to manage customers in the context of relationship marketing (CRM) cutomers.

5. Conclusion

Based on these studies, it can draws the conclusion that, first, the WUB program is a community empowerment program from the government to create and improve the quality of MSMEs in West Java. But there are still something that must be addressed, especially in the selection of WUB participants. In addition, the implementation process of WUB itself should be made more focused and provide mentor time and facilities in accordance with the number of participants. Second, the need for the role of communication to socialize the WUB program so there is no miss communication between participants and implementers. In addition, communication also needs to be given to participants, given the importance of the role of communication for MSMEs when conducting business presentations, even composing marketing messages. Competance of communication is supporting for marketing communication for MMSMEs in west java.

This research is expected as an input and evaluation for relevant government agencies in developing community empowerment programs for the development of MSMEs. Given the importance of the role of the MSMEs progress in improving the regional economy. It is hoped that in the future this research can continue to focus more on the application of the importance of communication competencies for MSMEs.

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The Influence of China's Vegetable Oil Consumption on Indonesia's CPO Exports and Its Implications on Indonesia-China Trade Balance

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Abstract. China is one of the main destination countries of Indonesian CPO exports. Empirically, there is a widening gap phenomenon in China's vegetable oil consumption patterns, where consumption growth rates are higher than domestic production levels which therefore affects Indonesia's CPO exports to China, hence lead to Indonesia-China trade balance. The analytical method used is the ordinary least square (OLS), which is arranged in two-equation models. The findings of this study conclude that Indonesian CPO exports to China are influenced by increased consumption of vegetable oils in China, and the value of Indonesia's CPO exports to China has a positive impact on the trade balance deficit between Indonesia and China. This is also in accordance with the hypothesis, where the export value has a positive effect on the trade balance. Indonesia's CPO exports have a positive impact on Indonesia-China trade balance, in which contributing to overcoming or reducing Indonesia-China trade balance deficit. The average CPO export reaches USD 3.25 billion per year. This research indicates that CPO as a strategic commodity in Indonesia has helped Indonesia in overcoming Indonesia's trade balance deficit.

The Effect of Creativity on Learning Result of Education Economic Eyes in Teaching Graduate Students Using Learning Media Based Information and Coventional Technology

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Abstract. Internal and external factors are the variables that can affect the learning outcomes of students' economic education courses. To optimize the learning outcomes of economics education subjects required knowledge about the influence of a factor and interaction factor. This study aims to determine the factor of creativity to the learning outcomes of economics education courses on students who are taught by the media of learning based on information technology and instructional media conventional. The interaction between creativity and instructional media used on students' educational economics learning outcomes is also analyzed. This study is a quasi-experiment with the population of all students of the fourth semester of Economic Education Studies Program STKIP Panca Sakti, Kota Bekasi. The sample of 120 students was taken using multi-stage random sampling technique. The data of learning result of videography and creativity is obtained by using the valid and reliable instrument. Data were analyzed by using regression analysis. From the results of data analysis can be concluded that there is an interaction between creativity and learning media (based on information technology and conventional) to result of learning subject of student education economy. In students who are taught with information technology-based media have no significant effect on the learning outcomes of the educational economy either in groups of students with high or low creativity levels. In students who are taught by conventional media, creativity has a significant effect on educational economy learning result in student group with high creativity level of determination coefficient 28,6%, while in student group with low creativity level coefficient determination 38,6%.

1. Introduction

Internal and external factors are variables that can affect the learning outcomes of student education economics courses. To optimize the learning outcomes of educational economics courses, knowledge is needed about the influence of a factor and the interaction between factors. This study aims to determine the factors of creativity in the learning outcomes of economic education courses for students taught with information technology-based learning media and conventional learning media. The interaction between creativity and learning media used in the economic learning outcomes of student education was also analyzed.

The educational economy is the study of how humans and society choose to use money or not to use scarce productive resources to produce various types of training and development of knowledge, skills, the power of thought, character etc. especially through formal education and distributing it now and later among types people and community groups.

Observations made by researchers in the fourth-semester students of the Panca Sakti STKIP Economic Education Study Program, for the value of economics in education, the 2016-2017 academic year, found 65% of students had a C grade or a passing grade for economic education courses. This is a problem that must be looked for, especially by the lecturers of economic education courses.

Understanding Learning Media Based on information technology IT (Information Technology) Media originated from Latin is the plural form of "Medium" which literally means "Intermediary" or "Introduction" which is an intermediary or introduction to the source of the message with the recipient of the message. Some experts give a definition of learning media. Schramm (1977) suggested that learning media is a messenger technology that can be used for learning purposes.

The learning media used in learning activities can influence learning effectiveness. In the beginning, the learning media only functioned as a teacher's tool to teach which was used as a visual aid. Around the middle of the 21st-century visual utilization, efforts were complemented by the use of audio devices, so audio-visual aids were born. In line with the development of science and technology (science and technology), especially in the field of education, currently, the use of assistive devices or learning media is becoming more widespread and interactive, such as the existence of computers and the internet. [1], creativity is one of the basic human needs, namely the need for self-realization (self-actualization) and is the highest need for humans.

Basically, everyone is born into the world with creative potential. Creativity can be identified (identified) and fostered through proper education [2]. Creativity is human tendencies to actualize themselves according to their abilities. Because of the diverse opinions of experts on the notion of creativity, it can be concluded that creativity is the ability of a person to produce a new product or a combination of things that already existed before, which are useful, and understandable.

Effect of interaction between learning methods and creativity on the learning outcomes of videography of students [3]. This study presents the influence of creativity on the learning outcomes of economic education courses in the group of students taught with information technology-based and conventional learning media which presumably have not been widely studied.

Research methods The research method used in this study is a quasi-experimental method. The population of this study was fourth-semester students of economic education study program, Panca Sakti STKIP. The sampling technique used was multistage random sampling. The samples were grouped into four groups: two groups of students with high creativity, each of which was taught with information technology-based learning media and conventional media, and two groups of low-creativity students who were each taught with information technology-based learning media and conventional media. Student creativity is categorized as high if the creativity score is more than 76.70 and low if the creativity score is less than 62.90 based on the analysis using Microcat ITEMAN software with the number of samples of each group equal, namely 30 students. Data collection by using learning outcomes instruments in economic education courses in the form of multiple choice tests and creativity instruments in the form of the attitude scale. The instrument of learning outcomes in economic education courses is valid and has an Alpha reliability of 0.823. Creativity instruments are also valid and reliable with Alpha reliability dimensions I 0.789, dimension II is 0.763 and dimension III is 0.654. Data analysis techniques using simple linear regression analysis where creativity as an independent variable (X) and learning outcomes (Y) as the dependent variable. Regression analysis was carried out on four groups, which then carried out a comparison or comparison of each treatment group.

2. Research result

Description of student creativity score data is presented in the following table.

Table 1. Description of Student Creativity Score

Creativity	Learning Media	Minimum	Maximum	Mean	Standard Deviation
Height	IT-Based	78	89	80.87	2.43
	Conventional	67	78	72.03	3.21
Low	IT-Based	51	53	52.27	2.36
	Conventional	33	52	44.50	5.29

Description of the data on the learning outcomes of students' economic education courses are presented in the following table.

Table 2. Description of Learning Outcomes in the Educational Economics Course

Creativity	Learning Media	Minimum	Maximum	Mean	Standard Deviation
Height	IT-Based	82	100	90.67	5.21
	Conventional	71	90	80.31	6.36
Low	IT-Based	72	97	83.63	6.65
	Conventional	61	90	76.92	7.83

The results of regression analysis on four groups of students using SPSS software can be summarized as follows.

Table 3. Results of regression analysis

Creativity	Learning Media	Regression Line Equation	P-value Creativity Coefficient	Determination Coefficient
Height	IT-Based	$\hat{Y} = 57.337 + 0.396X$	0.142	0.037
	Conventional	$\hat{Y} = 146.135 – 1.062X$	0.004	0.286
Low	IT-Based	$\hat{Y} = 82.733 – 0.081X$	0.931	0.000
	Conventional	$\hat{Y} = 126.052 – 0.937X$	0.000	0.386

From Table 3 above, it can be concluded that creativity (X) does not have a significant effect on the learning outcomes of educational economics courses (Y) on students taught with information technology-based learning media (IT) with high and low creativity levels. Creativity affects the learning outcomes of economic education courses for students taught with conventional learning media, which affects students with lower creativity higher than students with high creativity.

3. Discussion

Creativity does not have a significant effect on the learning outcomes of economic education courses for students who are taught with information technology-based (IT) -based learning media with high or low levels of creativity. This can be caused when the lecturer uses information technology-based learning media to involve fewer students, the use of information technology-based media is only used as a show without inviting students to interact during lectures, so the lecture process goes in the same direction that results in students being bored and less interested in the material presented when lectures, this is supported by [4], states that feelings of pleasure will arise when students are in a class that engages their involvement in the classroom, has a personal relationship between teacher and student, uses innovative ways of learning, and has behavioral rules clear. This relates to the factor of creativity development by giving individuals the opportunity to freely express symbolically their thoughts and feelings.

The results of this study are different from the results [3], which revealed: (1) Learning outcomes of videography students who were taught using a discovery approach were higher than those taught using the demonstration method. (2) There is an interaction between the learning approach and creativity of students' videography learning outcomes. In Ayu's research that uses discovery learning method, this learning method demands the role of students to be active in the learning process so that the learning process takes place, not in the same direction but there is an interaction between students and educators which results in students' creativity in thinking increases. The results of this study support the opinion of [2] stating, in creative individuals, if they have personal and environmental conditions that support such as the environment that provides opportunities for individuals to occupy themselves creatively, it will be predicted that their creativity products will appear. Creative learning can be seen from two sides, namely: (1) teaching in creative (creative teaching) and (2) teaching for creative (Teaching for creativity). Teaching creatively illustrates how lecturers can use imaginative approaches so that learning activities can be more interesting, arousing and effective. While teaching for creativity is related to the use of learning forms aimed at developing students to have the ability to think and behave creatively.

Creativity has a significant effect on the learning outcomes of economic education courses for students taught with conventional learning media. The lecture process that uses conventional learning media in this study influences the learning outcomes of economic education courses, this can be caused by the delivery of lecturers that are carried out step by step with the blackboard media so as to stimulate students' curiosity, this student's curiosity triggers student creativity, in the form of question and answer during lectures so that the lecture process can take place in an interactive or two-way manner so that the understanding of lecture material can be better absorbed by students who impact on the learning outcomes of economic education courses.

The results of this study support the opinion of [2], stating that the factors that influence creativity can be in the form of thinking abilities and personality traits that interact with certain environments. Thinking ability factors consist of intelligence (intelligence) and enrichment of thinking the material in the form of experience and skills. Personality factors consist of curiosity, self-esteem, and self-confidence, self-reliance, risk-taking, and assertiveness. In creative individuals, if they have personal and environmental conditions that support such as the environment that provides opportunities for individuals to occupy themselves creatively, it will be predicted that their creativity products will emerge.

Creativity is human tendencies to actualize themselves according to their abilities. Because of the diverse opinions of experts on the notion of creativity, it can be concluded that creativity is the ability of a person to produce a new product or a combination of things that already existed before, which are useful, and understandable. Every individual has a tendency or inner drive to be creative, realize potential, express and activate all the capacities he has. This encouragement is the primary motivation for creativity when individuals form new relationships with their environment in an effort to become themselves fully

4. Conclusion

From the results of the research and discussion in this study concluded that:

1. Creativity does not have a significant effect on the learning outcomes of economic education courses for students taught with information technology-based learning media both with high and low levels of creativity.
2. Creativity has a significant effect on the learning outcomes of economic education courses for students taught with conventional learning media which affects students with low creativity by 38.6% and for students with high creativity by 28.6%.

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Implementation of Gamification into Management of Education for Motivating Learners

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Abstract. As we know now, Indonesia has begun to enter the era of revolution 4.0 which in that era many changes occurs in all fields. Included in the field of education, the changes that happen in the world of education today is so significant with the start of abandonment of teaching methods that still use conventional way. Keeping track of tasks with books, face-to-face communication, collecting tasks in hardcopy, which of course will cause many losses in a certain period of time, such as many long-buried tasks and hard to find when needed. The learning method is considered a dull way, where students can not explore in the learning search for the number of files that have been collected. So from now on the application of learning methods is changed with the concept of gamification. Gamification learning method was made to keep up with the times when the students prefer to play games rather than learn, therefore gamification methods can be applied to educational management in higher education. It is expected that the method can increase students' interest in learning so that it motivates to explore the ability in the learning process.

The Conceptual Understanding of Prospective Teachers of Economic Education on Basic Natural Science Through Project-Based Learning Approach

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Abstract. This research aims at determining the relationship between conceptual understanding and the quality of the product through project-based learning in the basic natural science course. This is a quantitative descriptive research with the design of pre-experimental design type on one-shot case study. The population of this research is all students of economic education in the 2nd semester with the number of 175 students (divided into three classes). The purposive sampling technique selected one class as the sample, which was class B with 58 students. The instrument of this research is a concept assessment appraisal sheet with product quality assessment using the rating scale model. Based on the calculations, the average value was 3.4 with 82% of students categorized as good. Moreover, the assessment of product quality had an average score of 3.8 with 94% of students categorized as excellent. Thus, a good process will produce a good result or a good conceptual understanding. It is directly related to the product of students.

1. Introduction

The 21st century is initiated by the increasing access to information and communication in limitless time. The 21st century is also initiated by the rapid development of globalization from all over the world. Globalization means a fundamental change in the order of life in the past. Changes in the life order caused by globalization requires everyone to think creatively and innovatively from every performance and effort made by humans. The demands of the globalization era are about the creation of qualified human resources and human with the futuristic view to respond to these challenges well. The shift in the human resource paradigm of the 21st century can predict the needs in the future. The paradigm is sustained by the thoughts of a person in the past. Khun argues that new challenges can be dealt with using the old paradigm, and then any attempt will surely fail. Failure can be a trigger for every person to make new breakthroughs so that the process can produce a qualified output to compete with the work in today’s world [1]. Producing human resources with high competitiveness is highly dependent on the quality of human resource education from elementary, secondary, and higher education levels. At the higher education level, the students are not only required to understand every concept of given material, but they are also expected to have an advanced understanding to produce a product in every learning progress. The creation of such products is unlikely to happen without the deep understanding of a certain topic. The conceptual understanding has a theoretical framework that is sorted by the level of primitive knowing, image making, the image having, property noticing, formalizing, observing, structuring, and discovering (Pirie & Kieren, 1994). Primitive knowing becomes the lowest level of the theoretical framework of student understanding so that it is necessary to have appropriate learning approach to avoid students’ confusion of a certain concept.

Having a good conceptual understanding, as a supportive aspect of skill improvement, is necessary for a globalized era and the 21st century learning concept. Report (1996), from the International Commission on Education for the Twenty-first Century, states that aspects of learning are knowledge, understanding, life, and competence to act. In addition, there are four pillars of education, namely learning to know, learning to do, learning to be, and learning to live together [2]. Understanding is the ability to explain and interpret something, which means a person has understood something or has gained understanding and is able to explain back what has been received (Sari, 2017). A concept is a result of thinking of a person or group of people expressed in the definition so that the birth of knowledge products include principles, law, and theory (Sagala, 2005) in (Sari, 2017). A conceptual understanding is an implicit and explicit understanding of the principles governing the domain and the linkage between the knowledge units in the domain [3]. The indicators that can show conceptual understanding are:

1. Redefining a concept.
2. Classifying objects according to certain traits.
3. Giving examples and non-examples of a concept.
4. Presenting the concept in various forms of representation.
5. Developing sufficient terms of a concept.
6. Using, utilizing, and selecting certain procedures or operations.
7. Applying the concept.

In addition, [4] state that indicators of conceptual understanding are supported by learning tools used by teachers in the classroom, which consist of five main criteria, including:

1. Objectives (Awareness, Reflection, Motivation, Behavioural Change)
2. Learning Support (Perceived Usefulness, Recommendation, Activity Classification, and Detection of Students at Risk).
3. Learning Measures and Output (Comparability, Effectiveness, Efficiency, Helpfulness)
4. Data Aspects (Transparency, Data Standards, Data Ownership, Privacy).
5. Organizational Aspects (Availability, Implementation, Training of Educational Stakeholders, Organizational Change).

2. Research Methods

The research method used in this research is a quantitative descriptive research method with pre-experimental research design on one-shot case study as illustrated in table 1. In this research, only one group of samples was used (A). The sample was given a certain treatment, which was then continued by observation or measurement (O) [5].

Kelompok A X ....O

Figure 1. Research Design

In Figure 1, (A) is a group that was given a project-based learning treatment in the Basic Natural Science course. At the end of the learning, there was a measurement on students’ conceptual understanding on what they got from the class and the quality of their product. The population in this research were students who enrolled on Basic Natural Science course of economic education. They were 175 students grouped into three classes. The sampling of the research was conducted with certain objectives with various considerations of the researcher so that the sampling technique was done by purposive sampling with the number of 58 students.

Data collection techniques used in this research was carried on by measuring the instrument assessment of the concept and assessing the quality of the product. The instrument is calculated using a rating scale to facilitate the researchers in classifying the students' grades on conceptual understanding and the quality of the products by using the criteria [5].

3. Result and Discussion

3.1 Results

The results showed that, based on cognitive assessment, the students had a excellent conceptual understanding. Knowledge of the concept consists of an understanding related to the natural environment that is often discovered in everyday life so that the problems are relevant to the students' life in economic education courses.

The results also showed that students' achievement on the cognitive aspect of the Basic Natural Science course in the treatment group with the number of 58 students was in relatively good conceptual understanding. The results can be seen in Table 1.

Table 1. Conceptual Understanding

No	Number of Students	Conceptual Understanding Score	Total Value per Student	Percentage	Category
1	4	2,9	6,9	6.08	Not Good
2	8	3,2	25,6	8	Average
3	32	3,5	112	13	Good
4	14	3,8	53,2	79	Excellent

Based on the data, of cognitive value of students, from the total number of 58 students, there were 32 students with good conceptual understanding with the average score of 3.5. There were 14 students with excellent category with the average score of 3.8. The data also showed that 79% of students had excellent conceptual understanding of basic natural science material. Furthermore, 13% of students were in good category with the average score of 3.2. Then, 8% of students were in average categories. Finally, 6.08% of students were in not good category by having the average score of 2.9.

After the values were analyzed with the rating scale and the use of the revised researcher's standard value, it was known that 82% of students had mastered the concept with excellent category. The details of the findings can be seen in table 2.

The result of the previous analysis was the initial standard that researchers can use for the individual project achievement. From 58 students who became the centre of the assessment of the research, there were 39 students who had excellent quality and very qualified product to be shown to the general public.

Perfect score was given for some aspects, namely the suitability of the concept, the use of tools and materials, and the aesthetic of the product. There were 39 students with perfect score 4.00, as it was hard to find any error on the product. Therefore, it was reasonable to give that score. 15 students had a qualified product. However, there were still some imperfections on it, so the researchers give an average score of 3.55 with good category. In addition, tools and materials aspects contributed to the different score for each product. Three students with average score of 3.10 were considered to average category as there was a misconception between concept and tool in the product. There was one student with the lowest score of 2.90 as there were too many aspects which were not suitable to the criteria. Moreover, late submission issue was also considered by the researchers. The details of these findings can be seen in the table of achievement on product quality value.

Table 2. Achievement on Product Quality Value

No	Number of Students	Product Quality Score	Total Value / Student	Percentage (%)	Category
1	1	2,90	2,90	1	Not Good
2	3	3,10	9,30	3	Average
3	15	3,55	53,25	2	Good
4	39	4,00	156	94	Excellent

From the adjustment of the categories undertaken by the researcher, it was known that 94% from 58 students were in excellent category, 3% of students were in average category, 2% of students were in good category, and 1% were in not good category. Value analysis can be measured from various aspects of the assessment. It was related to the use of the rating scale to see the value. The obtained result is depicted in the following graph:

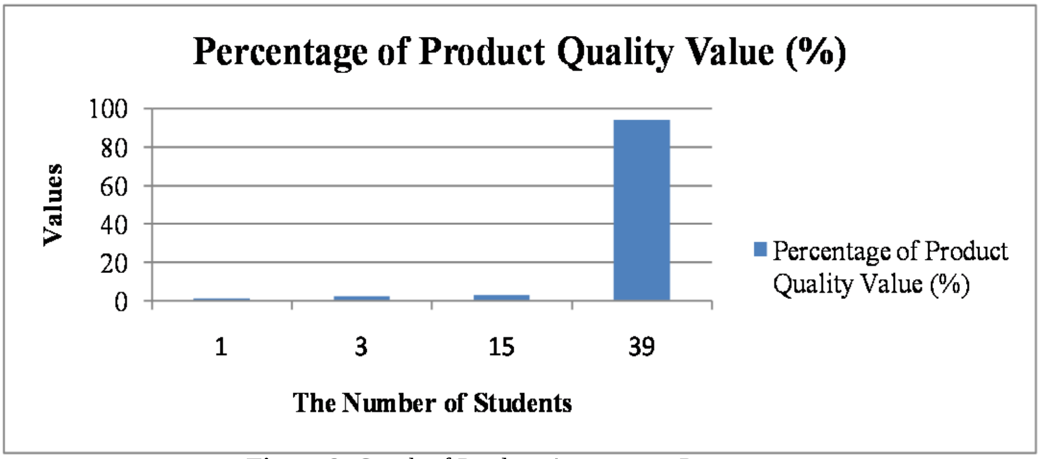

Figure 2. Graph of Product Assessment Percentage

Assessment criteria**:**

1. Systematic (list of contents, preface, library, glossary, and index)
2. Attractiveness (layout, colouring, harmony)
3. Clarity of information
   - Visible
   - Structured
4. Substance (goals, methods, results)

3.2 Discussion

The concept of knowledge given by the students has quite a lot of implications on students, both in terms of scientific attitude and the implementation of conceptual knowledge for their life. Basic natural science is directed to help learners gain an in-depth understanding of the environment so as to foster their ability to think, work, and be scientific and be able to communicate it as an important aspect of life skills [6]. The percentage of basic knowledge of basic natural science concepts held by economic education students is actually derived from their own experience guided by such knowledge by the teaching of the teacher. Project-based learning in understanding basic natural science is relevant to some of the benefits of learning when it sees the mastery of concepts that tend to be at excellent levels with a percentage gain of 82%. Some of the advantages are (a) Increasing motivation, (b) Increasing problem-solving ability, (c) Improving library research skills, (d) Increasing collaboration, and (e) Increasing resource-management skills. The satisfactory achievement of this project-based learning also requires the learner to continue further learning at the project-making stage in accordance with the concept the student has acquired. The quality of the products produced by the students with the excellent level of quality apart from the understanding of the concept that most students understand but also comes from the soft skills they have mastered as well. During the process of project work, the students are required to work on their own and take an active role during the process of work so that students can directly combine or can link the elements of knowledge and skills in the learning of knowledge and skills to plan an activity, problem solving, and communication of the results or products that have been made [7]. Assessment of product quality includes several judgments done thoroughly both in terms of assessment of conceptual understanding and product quality. Assessment of product quality includes several judgments done carefully in terms of assessment of the concept of understanding and product quality. The products that must be made by students are teaching materials with predetermined criteria, ranging from the assessment of the cover page, the contents of the contents list, the content of the teaching materials, the substance or purpose of the content presented.

The graph shows that the overall assessment of the product produced the first assessment lies in the aspect of the beauty and suitability of the cover page. The assessment consists of the size and type of letters, images according to the content of the material, and the selection of attractive colors and images. The average score of the four aspects included in the cover page assessment was included in excellent category with a percentage value of 95%. The cover page was important as it belonged to the criteria as a substantial requirement of a teaching material. On this cover page, the students generally obtained the average score of 4.00 or in excellent category. The suitability and drawing of the cover page included the criteria of graphics that were part of the teaching material relating to physical form and format. Physical form and format played a role to attract students to interest in reading, studying, and having the teaching materials [8].

In addition to the cover page that should be arranged in an interesting, the appropriateness of the contents that was presented also facilitated students in reading the textbook. The rules of making a textbook written for a particular instructional purpose were arranged in a systematic and run based on a particular flow and logic. Preparation of teaching materials was also made based on several things including the initial knowledge of students and understanding of student concepts so that the content of the textbook material was rationally arranged and not too difficult to understand by the students themselves so that the content assessment becomes the largest percentage of valuation. In the aspect of the content of the content of the overall content of the students had an average value of 3.85 with excellent category because the process of compiling the material had followed the rules of preparation of teaching materials that came from understanding the concept that students had. Understanding the concept that students had on basic natural science materials had a fairly good percentage of assessment, so that understanding became more meaningful if compiled in a teaching materials, because basically the science or understanding of the concept that students had was the result of abstraction and reduction, but teaching science included on how to make the theory of science understandable and useful for students. One of the most important things in the reconstruction process is that the reconstructed content should be simpler than the scientific content and can be easily understood by the students [9].

The last aspect of the assessment was the substantial aspect of the teaching materials. The substance includes on (objectives, methods, outcomes) that students arranged on the teaching materials. It was also a consideration of the researchers in assessing the quality of teaching materials products that students arranged because basically teaching materials is a set of materials systematically arranged so that teachers and students can use it in the learning process [10]. The suitability of the substance can also support learning effectively to understand and apply the norms (rules, attitudes, and values), take action or motor skills, and master knowledge (facts, concepts, principles, procedures, and processes) so that learning competencies can be achieved [8].

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Development of Electronic Document Management System as an Economical, Practical and Dynamic System at SMKN 14 Jakarta

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Abstract. Most forms of documents in schools are in the form of physical documents, such as paper and various other physical forms. Physical documents will use a room that is quite spacious as a place to store it. This problem obstructs school performance and causes a decrease in the effectiveness and efficiency of the school. Related this problem, an alternative is needed in its settlement. Electronic document development is one of the technology-based, economical and practical archive management systems to support archiving activities in a school. This study uses research and development methods of Borg and Gall's research strategy. The purpose of this research is to implement and develop an electronic document management system as an economic system in SMKN 14 Jakarta. The results of this study indicate that the implementation at SMK 14 Jakarta shows positive results in improving document management. Digital document systems are integrated successfully within the organization and must be fostered by implementing a new culture that leads to electronic organizations (E-Organization).

1. Introduction

One of the key elements of business management is document management system. Document management becomes one of the aspects that supports the managerial process itself. Documents are recorded information, including data in the computer system, that is created or received by an organization/individual transaction activity or act as evidence of such activity. The information and data contained in a document, of course, is important and various, ranging from matters concerning routine operations until the important matters concerning the company. Therefore, we need a system that can be relied upon to organize and manage documents in order to function properly.

Most forms of documents at the company are in the form of physical documents, such as paper and a variety of other physical forms. The physical documents would use a fairly spacious room as a place to store them. This may not be a problem at first when a new organization still in operation. However, over time, accumulating documents would cause various problems such as termites, insufficient rooms, and the difficulty in indexation. The documents will be physically scattered, and it will be difficult to search if required later. This would hinder the performance of the organization, so the impact will eventually cause a decrease in the effectiveness and efficiency of the organization.

One form of document management in the developing world organizations is Electronic Document Management System (EDMS). EDMS is a digital-based document management system, where the system generally uses a digital document storage and use other support features such as a scanner and optical character recognition (OCR). EDMS is flourished with a variety of advantages over conventional document management systems, such as the flexibility to store documents in a storage memory with large enough space and cheap price. In addition, of course, speed and accuracy in finding and using documents will always be maintained by the database system developed. Companies that have implemented EDMS also show to have increased productivity by 30. The use and application of the EDMS is unavoidable, given the rapid development of technology and information that occur worldwide. To that end, each organization must be able to adapt to the changes that exist in order to maintain its existence.

2. Theoretical Review

Bocij, Greasley, and Hickie explains that system can be defined as a collection of interrelated components that work together towards a collective goal [1]. In line with the above definition, Mukhtar explains that the system is a collection of several components which consist of several elements, components and elements which can be tangible objects and methods that interconnect, interact and collaborate with each other on a regular basis to achieve the goal [2]. Dommasch and Laudeman in Adamsen describes that complete system is any complex of equipment, human being, and interrelating logic designed to perform a given task, regardless of how complex the task may be. Logically, very large or complicated systems are broken into subsystems, to be fitted together like blocks to form the entire or total system [3].

A system has at least three basic components that work together to achieve goals, namely: input, process and output. Component inputs are typically composed of data and the raw material which will then be processed to produce the desired output. Components processed the raw input in a system. While the component output is the result of input that has been processed. Additional component that generally also presents in the basic system is a component of the feedback, which serves to evaluate and analyze the system running. In addition, the components of the control (control mechanism) are also required to change, reduce, or add things which are needed in the system.

Development of the system can be defined as a process of defining, designing, testing, and implementing a new system. McLeod explains that one of the existing methods in the development of a system is the prototype method, and the stages in developing a system with the prototype model is as follows [4]:

1. Identifying the needs of the user. At this stage, the system designers make the process of data collection by observing and interviewing users to get an idea of what they want to the system, then do modeling of information systems that are running.
2. Developing Prototype. At this stage, the prototype design of information systems, such as database design, interface design, and construction of a prototype information system applications are created. The prototype is designed in such way from product development, manufacturing of usage tutorial modules, and prototype testing schedule.
3. Determining whether the prototype is acceptable. At this stage, the user provides input to the analyst whether the prototype is already as needed or not after experimenting with several stages. The results of this phase can include product enhancements in the form of various versions.

According to Gulo, the document is a written record of events or occasions in the past [5]. Meanwhile, according to Moekijat, documents are all written records, either printed or not [6]. Azad Adam describes that document can be considered to be any file, whether it is text-based, picture based, or any other type of format, the which is under the control of an EDRM system [7]. According to Sukoco, the document is recorded information, including data in the computer system, which created or received by an organization/individual transaction activity or act as evidence of such activity [8]. Document means any object in the form of goods, pictures, or written as proof and can provide important and valid information. Documents must meet the requirements set, namely complete, adequate, meaningful, comprehensive, precise, and does not violate the law.

According to Tonfoni, Graziella and Jain, the document management is a process to help to accumulate and classifying documents and to make them available to others [9]. Document management is the process of achieving the goals of the document itself, as a source of information in decision making, in effective and efficient use of resources According to Awad and Ghaziri, document management system is a computer-based system which provides a web-based storage that can be accessed from anywhere [10]. The core of the document management system is a centralized storage area (centralized repository), a medium electronic storage (storage) with a primary storage location that can provide any authorized access to it. Document management system basically stores information and it incorporates a set of information relevant to one location through an interface.

According to the Association for Information and Image Management (AIIM), EDMS consists of a minimum of three components, which are; digitalization input, repositories, and document retrieval [11]. The system of digital document facilitating better access to documents saved digitally using a display or interface that is quite similar to the internet browser. According to the Journal issued by the U.S. Department of Health and Human Services document digitizing refers to creating a digital representation of a paper document through the use of an input device such as a scanner [12].

Liddy in her journal also explained that document retrieval is the computerized process of producing a list of documents that are relevant to an inquirer's request by comparing the user's request to an automatically produced index of the textual content of documents in the system [13]. As quoted by Bennett Klein EDMS solutions started out in the 1990's as document imaging where paper documents were scanned for electronic storage and retrieval [14]. Over time, these solutions evolved to include management of digitized information such as electronic forms and emails. EDMS solutions combine basic routing documents and workflows to help organizations automate business processes that are economical and practical in their application. An EDMS solution helps organization accelerate processes and task completion, eliminate time, risk and cost associated with storing and retrieving paper documents and forms, and address regulatory compliance around document retention, security and availability.

3. Research Methods

In this study, the authors used research and development (R & D) method. Sugiyono explained that the method of research and development is the research methods used to produce a particular product, and test the product effectiveness [15]. Such products are not only shaped in objects or hardware, such as books, stationery, and other learning tools but also in the form of software. Simply put, Nusa Putra explains that R & D can be defined as a method of research that deliberately, systematically, aim to find discover, formulate, refine, develop, produce, test the effectiveness of products, models, methods/strategies/ways, services, certain procedures that are superior, new, effective, efficient, productive, and meaningful [16]. The study was conducted at the office of SMKN 14 Jakarta. Data and research resources obtained by using observation and interview techniques at the office of SMKN 14 Jakarta and administrative staffs.

In the implementation of research and development, there are several methods used; descriptive, evaluative and experimental. Descriptive research method used in a preliminary study to collect data on existing conditions. Evaluative methods used to evaluate the system being implemented so as to find weaknesses that exist and to analyze how to develop a more effective system. Experimental method used to test the efficacy of the resulting product. Experiments were performed as a direct application of products on the conditions and circumstances directly where the product will be implemented. This study used a linear process, where the testing and revision process were carried out three times in one cycle by performing the stages of system engineering, analysis, design, code, testing and maintenance.

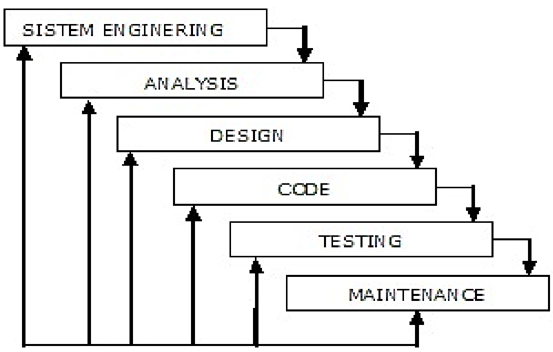

Figure 1. Research Scheme

4. Result and Discussion

Needs analysis conducted to administrative staff at SMK 14 Jakarta shows that the document management system used is a traditional document management system that only applies to document management in the physical form. When the administration receives a letter or document from an outside source, the staff will immediately record it in the incoming mail log manually. After that, the letter will be placed into the document folders. Obstacles experienced by manual document management system is the process that tends to be troublesome. Document build up is slowly occurring, resulting in difficulty in finding documents if it is later required. The risk of damage and loss of documents also tend to be high, resulting in various ineffectiveness in document management.

In the development of EDMS at SMKN 14 Jakarta, researchers used open source software that are available as options for non-profit use, namely Open Knowledge Management (OpenKM), Java Development Kit (JDK) from Oracle, and Apache Tomcat. EDMS was installed inside a Local Area Network (LAN) network that includes an internal network in SMKN 14 Jakarta. This network was covered by a router that functions to connect both internal and external networks. Researcher used localhost server that was installed on the staff computer, which will become the main storage of EDMS. Researcher completed the product package with a video tutorial on the use of product procedures created using Camtasia Video Studio application.

Initial installation of the product was on Wednesday, December 30, 2015 located at SMKN 14 Jakarta, precisely in the administrative staff computer. The computer had a medium specification, based on the Windows XP operating system. The first installation installed OpenKM community version 6.3, Java Development Kit 7.9, and Apache Tomcat. Furthermore, researchers also installed the Canon Pixma 6170 printer that also has a scanner as one of the main data input in EDMS.

The product installation process was continued on Thursday, December 31, 2015 where the installation focused more on the completion of the previous day's process. This included product improvements in the form of replacing the main page logo, creating usernames for users, and configuration of the LAN network that will be utilized during initial field trial.

Initial field testing of EDMS was conducted on January 4, 2016 at the office of SMKN 14 Jakarta. The trial took place with the presence of administrative staff at SMKN 14 Jakarta. The first step was to provide instructions and tutorials, and show video tutorials that have been made to explain the details of SOP usage of EDMS. In this early-stage trial, some constraints were still visible on the product. Product revisions were processed based on data collected during initial field trials and processed to become information related to EDMS constraints and shortcomings:

1. Plug in Java that had experienced unresponsive constraints. Researcher diagnosed existing problems may be sourced from the Java version installed in the administrative computer of Prodi Management Education. The installed version was Java version 7.9, which is the latest update issued by Oracle. While the operating system used was Windows XP, which is an operating system that is quite old. Researchers decided to reinstall Java with an older version, version 6.5.
2. A summary feature of an inactive EDMS report was not known yet. Researcher suspected that this was caused by networks which were sometimes unstable that disrupted the database synchronization process that exists on the local server.
3. Logo replacement was a configuration owned by OpenKM that can be accessed by an account that has privileges as administrator. The logo on the OpenKM system will be automatically adjusted to the correct size, using an integrated application called Image Magick. Researchers suspected that this was the source of the problem in logo replacement, so it was decided to reinstall the Image Magick in a newer version.

The final field trial was conducted on Wednesday, January 6, 2015 located in the administrative office of SMKN 14 Jakarta. Field test was done by trying to input data and employee documents of Prodi Management Education. Documents were included in the form of documents needed for data collection of Civil Servants. Before performing the input process, Emma first created a folder classification system in the system to maintain EDMS tidiness. Folders were created according to user categories and needs, making it easier for users to search later. This folder system was flexible, tailored to future needs.

One document input process through scanning process took about 3 minutes. In addition, trials were also conducted to access the system through a computer in the network. Document sharing feature is one of the main features in electronic document management system, where multi-users can use and access the system simultaneously. EDMS can be accessed well through various computers connected to the Local Area Network (LAN) at SMKN 14 Jakarta. In this final-stage trial, some constraints were still visible on the product. Obvious obstacles were:

1. Logo replacement problem still occurs, even though the Image Magick application has been re-installed. After going through several analyzes and studies from the OpenKM forum, the researchers found the problem lies in the configuration of OpenKM accessed through the Administrator panel inside the application. The problematic configuration is the configuration of the Image Magick application usage as the default application used to manage an image used, including the logo on the front page. After doing the configuration, the logo can eventually be converted into a logo that has been created.
2. Scanner size which was limited to the size of A4 paper was a constraint in the process of inputting a legal-sized document. But taking into account the various conditions that exist, researcher decided to keep using existing devices. Most legal-sized documents do not use the full paper area, so the input process by folding a small piece of paper will not remove the information contained in it.
3. The use of Java in product development does have weaknesses. Java as one of the tools to develop an application product is famous to use lot of memory, so that impact on "heavy" its process run. But the weakness is because Java has a language that is close enough to human language. The principle in the programming language is, the closer a programming language to the human language, the more difficult the process would be by the machine/computer. Conversely, the closer the programming language to the machine language, it will be more difficult to understand humans, but it will be easier to be processed by the machine / computer. The decision was that researchers persisted in the use of Java as a programming language to develop EDMS in SMKN 14 Jakarta.

EDMS was implemented at SMKN 14 Jakarta as integrated digital systems that organize and manage documents. Implementation was done with the approval of Principal and administrative staff. Implementation of EDMS was conducted since December 30, 2015, starting with the installation phase of hardware and software at SMKN 14 Jakarta. Installation hardware included the preparation of the local server computer with the following specifications:

1. Processor Intel Core i3 second generation with a clockspeed of 2.9 GHz and a cache of 1.5 Megabytes.
2. Random Access Memory (RAM) DDR3 dual-channel mode installation of 4 Gigabyte, with a clock speed of 1300 MHz and a voltage of 1.35 volts.
3. Hard Drive with three virtual partitions with a total of 500 Gigabyte Partition.
4. LCD Monitor.
5. Keyboard, Mouse, and Speakers.
6. Printer HP P1102w.
7. Canon Pixma Printer and Scanner 6170.

Furthermore, some software installations were done on the computer to run the EDMS, including:

1. Windows XP Service Pack 3.
2. Mozilla Firefox Browser.
3. Java Plug-in Environment.
4. Java Development Kit 1.6u45.
5. Apache Tomcat.
6. OpenKM community version 6.3.
7. Drivers Printer and Scanner Canon Pixma 6170.

Implementation was done within 3 weeks, starting on December 30, 2015 until January 18, 2016 with a summary of the report as follows:

1. There were a total of 2 users who have registered with EDMS, Principals and Administrative Staff. These two users have permission as administrators and can make full changes to the system.
2. It has been digitizing official documents related to the data collection of civil servants (PUPNS) three teachers.
3. The logo has been changed successfully so that the display will show the front page logo of SMKN 14 Jakart
4. EDMS already contained 58 documents in it, which consists in the form of text documents, videos, images and other file types.
5. The total size of the document that has been inputted into the system was 93.5 Megabytes
6. 21 directories or folders in the EDMS have been made in order to categorize the various documents that have been inputted into it.
7. A number of features and software required to develop and improve EDMS functionality has been activated and installed including search features, summary reports, share documents, Uni PDF, and Sygate Personal Firewall.

The main objective of EDMS creation and management is to provide evidence for the implementation of the main tasks and functions of the organization or for the accountability of organizations or individuals. The archive has several characters to support basic and multifunctional tasks that provide evidence:

1. Authenticity, which is the original character of the archive that relates to context, structure, and content. This means that the archive is intended to have the subject matter.
2. Reliability, namely the ability of archives to provide reliable evidence. The archive has reliable content because it completely and accurately describes transactions, activities, and facts.
3. Integrity, which is related to complete and irreversible archives.
4. Usefulness, namely membership of the archive to place, rediscover, present, and interpret activities and transactions of organizational activities.

Rapid evolution in computer technology and also in information systems has given rise to the issue of electronic archive management relating to availability, authenticity, completeness, and value of a use. In an electronic-based work environment, there is a need to change in the field of archives starting from the provision, use, and maintenance.

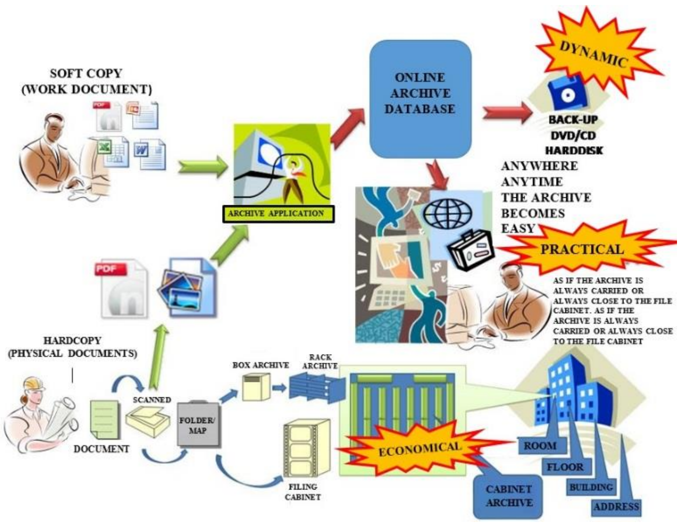

Figure 2. The Flow of Developing an Electronic Document Management System as an Economical, Practical and Dynamic

Benefits of Developing an Electronic Document Management System as an Economical, Practical and Dynamic:

1. Quickly find and allow the use of archives or documents without leaving the work desk.
2. Indexing that is flexible and easily modified based on the procedures that have been developed will save energy, time and cost.
3. Search in full text, by searching for files based on keywords and names and finding them in full-text documents.
4. Minimize the possibility of losing files, this is because we will only see on the monitor screen or print it without being able to change it. We can look for it by sleeping word or file name if it is accidentally moved. Of course, there are procedures for backing up into other media, such as CDs or external hard disks.
5. Save storage space.
6. Archive digitally, so the risk of damage to paper documents or opaque because age can be minimized because it is stored digitally. Also at risk of moving documents to folders that are not supposed to know or even disappear will be safe because they are stored digitally.
7. Share archives easily, because sharing documents with colleagues and clients will be easy to do via the internet.
8. Improving security, because mechanized control is clearly stated in the electronic filing manual, people who do not have an authorization are relatively difficult to access.
9. Easy to do data recovery, by backing up data into compatible storage media. Compared with recovering paper documents that are partially burned or affected by floods or theft, the back-up will be difficult again.

5. Conclusion

The application of electronic document management system can overcome the shortcomings of traditional document management system previously applied at SMKN 14 Jakarta, namely:

1. Storage of digital document management system is fairly inefficient because it is in the hard disk in the computer operating system, so it does not cause a buildup of documents taking up work in school
2. The process of finding the document or the information contained in a document goes much faster with a search feature that belongs to the electronic document management system. This greatly assists in decision-making processes that require fast and accurate information.
3. Storage of documents in digital form can be a back-up or backup physical documents that are vulnerable to loss and damage, so the school has a copy of the original document for all activities undertaken.

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Enhancing Student's Competitive advantage in Technology Based University

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Abstract. The research was aimed at investigating competitive advantage of students in technology-based university and to what extent their competitive advantage can be enhanced. The research was performed through a case study in a private university in Bandung, which applies bases of technology in almost all activities of learning and administration. The methodology used was quantitative method by implementing validity test, reliability tests, and simple linear regression to analyze the percentage of relationship between Student Competitive Advantage and Technology Based University. Data collection was conducted by spreading questionnaires on 261 respondents and was rated with Likert Scale. Data retrieval from related division, interview, and literature review were also performed for additional data. The finding of the result has led to the significance of student's competitive advantage in Technology based university. It means the application of technology is a major factor in winning the competition in field of global education. The findings contribute in providing recommendation for building technology-based university and shifting university management from conventional to technology-based university.

1. Introduction

Competitive strategy is the way to find sustainable and profitable position in the competition [1]. Since there is high competition among HEI, building competitive advantage of the students through technology application is very important. Indeed, it is becoming the major factor to determine the success of HEI [2]. Education have to focus to enhance skills of the students as the part of competitive advantage. This means that the students should have accountability, critical thinking skills, and rationale in making the decision. [3]. In the meantime, information technology revolution creates competitive advantage by giving new ways to outperform their rivals [4]. Technology application is the source of competitive advantage and organizational learning which relate to system adaption or change [5]. Therefore, the student's competitive advantage (SCA) has been predicted to have strong relations to technology-based university (ITU) and therefore become an interesting issue to be researched.

Many prior studies discussed about the competitive advantage. The research of P. Ghemawat and J. W. Rifkin (2006) indicated that a firm can reach its competitive advantage by creating something unique and valuable. However, the research only highlighted the creation of competitive advantage in general, not in the specific term of technology application [6]. Other research studied competitive advantage in the industrial fields and commercial firms [7,8,9]. Unfortunately, not many researches talked about the competitive advantage linked with the university. A prior research by L. Lam and S. Hayduk (2003) studied about competitive advantage in educational institutions. However, the research described about the broader concept of competitive advantage in the areas of service quality, customer satisfaction, and behavioral intentions not in terms of the students [10]. The measurement of student's competitive advantage from the technology application side has not yet been mentioned in this research.

Since the most prior researches in the competitive advantage stated that the essence of creating advantage is finding and setting something different from its rivals, the research with more specific terms is needed to confirm it. Additionally, many previous researches described competitive advantage in terms of price, product, system, etc. [7, 11, 12]. Only few researches explained about competitive advantage on human resource, especially on the students. Concerning to that, the purposes of this research are to investigate ways to enhance student's competitive advantage and to what extent their competitive advantage by technology application in the University can be enhanced. The research was conducted in a private university in Bandung, Universitas Komputer Indonesia as the case study. The quantitative method was used to discover the precise number. The methods used were validity test, reliability tests, and simple linear regression in order to find the percentage within the relations between ITU and SCA.

2. Experimental Method

The case study was performed in this research by spreading the questionnaire from 261 respondents in Universitas Komputer Indonesia. The questionnaire was distributed on Entrepreneurship Class on August 16, 2018. The questionnaire covered 21 statements representing each measured indicator and were assessed based on the Likert Scale [13]. Validity test, reliability tests, and simple linear regression using IBM Statistical Social Science Program (SPSS) 20 were performed to know the extent of student's competitive advantage enhanced in the technology-based university. Additionally, interview with entrepreneurship lecturers and collection of related reports/documents were conducted for completing the data analysis. The hypothesis in the research suggested that technology application has significant influence to the student's competitive advantage.

Figure 1 describes analysis model in which student's competitive advantage (SCA) as dependent variable and technology-based university (ITU) as the independent variables. The research was done on two indicators of technology application in the university. First, technology application in terms of administration service/e-service (ES) and second, in terms of e-learning/on-line system (EL). The indicators of SCA covered Basic skills (BS), Acquired Skills (AS), College Accomplishment (CA), and Time management (TM) [3]. Sub indicators of ES were web information quality, web interaction quality, reliability, responsiveness, and assurance [14]. Sub indicators of EL were non-linearity, feedback interactivity, Just in Time, Easy Accessibility, and Collaborative Learning [15].

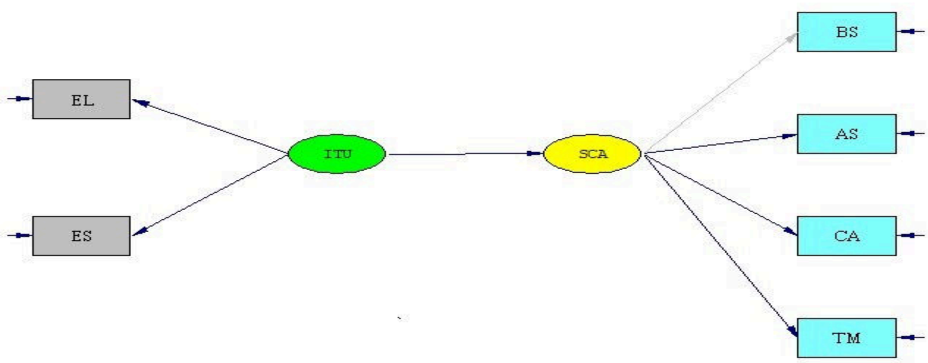

Figure 1. Analysis Model

Sub indicators for BS covered initiative, teamwork, and personal selling skill. Sub indicators AS covered problem-solving skills, written communication, Computer skills, and decision-making skills. Sub indicator of CA covered High GPA and Foreign language. Sub indicator of TM covered Time management and scale priority [3].

The calculation of the coefficient correlation of Pearson should be performed for validity testing stage using the following formula:

n (∑XY) – (∑X). (∑Y)
rxy =√ {n∑X2 – (∑X)2}. {n∑Y2 – (∑Y)2

rxy is the coefficient correlation, X is the total item score, and Y is the amount of total score (all of the item). Then, the criteria for decision-making in testing validity are: (1) If r count > r table, then the statement is valid (2) If r count < r table, then the statement is invalid; in which the critical value of Pearson is 0, 197. [16].

Furthermore, reliability testing (reliability level of the questionnaire) is calculated by using Cronbach
Alpha
formula [16, 17]: $-\left(\frac{k}{k-1}\right)\left(1-\frac{\sum\sigma_b^2}{\sigma_t^2}\right)$ where ri is the reliability instruments, k is the number of questions, ∑σb2 is the number of grain variants, and σt2 is the total variant. Criteria for decision making in reliability testing are defined if the instrument has a reliability coefficient of ≥ 0.6 [16]. Based on the results of data processing, the reliability value obtained for ITU is 0.790 and for SCA is 0.899, which exceeds the reliability coefficient of 0.6, so the statement is included in the category of reliable [16].

3. Results and Discussion

Table 1. Result of Validity and Reliability Test

Variables	Indicators	Validity	Reliability
IT-based University	E-Learning	0.914	0.790
	E-Service	0.905	
Student's Competitive Advantage	Basic Skills	0.917	0.899
	Acquired Skills	0.924	
	College Accomplishment	0.909	
	Time Management	0.872	

Table 2 showed that the relations between ITU and SCA 0.782 was categorized in the strong relations. The influence ITU toward SCA is 61.2 %.

Table 2. Summary of Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.782[a]	.612	.610	4.78016

a. Predictors: (Constant), ITU

Table 3. Result of Regression Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.146	1.773		.082	.934
	ITU	1.184	.064	.782	18.384	.000

a. Dependent Variable: SCA

Regression equation: Y = 0.146 + 1.184 X1
T count 18.384
T table 1.971
T count >T table, the conclusion is ITU has a strong influence toward SCA

The research on the student's competitive advantage is a new perspective of the competitive advantage concept. Competitive advantage used in analyzing the perspective of firms operational covers several dimensions such as: Price/cost, quality, delivery dependability, product innovation, and time to market [18]. C.K Prahalad and Gay Hamel stated that competitive advantage not only lies in the product or service differentiation but also lies more on the disciplined and characters of people [19]. The facts saying that recent student's competitive advantage is becoming more crucial in the competitive world and the digital era. This significantly brings massive influence to all aspect of human's life, and therefore has made this research more relevant to be performed.

As shown in Table 1, IT-based University covers two aspects of technology application such as e-learning and e-service. Sub indicators of e-learning comprise Non-linearity, Feedback interactivity, Just in Time, Easy Accessibility, and Collaborative Learning. Non-linearity referring to the freedom to access learning objects, download lesson material, assignment from lecturers, information and the availability of e-learning facilities. Feedback interactivity refers to learning process that is performed interactively and feedback in the learning process. Just in time means as learning material, e-learning can be used anytime, can solve the problem, and can increase knowledge of the students. Easy Accessibility means the easiness to access the e-learning and its facilities. Collaborative learning means that the tools used in e-learning can create better communication between lecturer and student at the same or different time through e-learning user [15]. Additionally, e- service covers several sub indicators such as web information quality, web interaction quality, reliability, responsiveness, and assurance. Web information quality is defined as assessment of the costumers toward website information quality. Web interaction quality is defined as assessment of the costumers toward interactive website and ease of use. Reliability is defined as assessment of the costumer toward reliability of the system to perform service. Responsiveness is defined as assessment of the costumers toward system that can response and solve the problem effectively. Assurance means assessment of the costumers toward system service through security guarantee in all transaction process [20].

Table 1 showed that all data in the questionnaires are declared valid in which the critical value of Pearson is 0, 197. The r count on all statements showed that all r count > r table so that the data is declared valid [16]. Based on the results of data processing, the reliability value obtained for ITU is 0.790 and for SCA is 0.899, which exceeds the reliability coefficient of 0.6, so the statement is included in the category of reliable [16].

Table 2 showed that the relations between ITU and SCA is 0.782 and is categorized in the strong relations [21]. The influence ITU toward SCA is 61.2 %. For e-learning as one of the indicators in ITU, the finding of this research confirmed most of the previous finding, in a more specific area. The previous research indicated general positive relationships among the use of the learning technology and student's engagement, as well as the learning technology and the learning outcomes. Additionally, the results in the student engagement indicated that they have been more likely to enroll in online courses [21]. Learning process in the technology-based university usually refers to e-learning and online learning. Both terms are often used interchangeably; e-learning is a broader concept that covers any form of telecommunication and computer-based learning, whereas on-line learning has a more specific definition referring to the use of internet and web [22]. E-learning, as the indicator of ITU, has strong influence toward SCA. In addition, the statement of the European Commission (2001) suggests that e-learning is described as the use of new multimedia technologies and the Internet in order to increase learning quality by easing the access to facilities and services as well as distant exchanges and collaboration [24]. The increasing of learning quality and easing access to learning facilities such as lesson material and on-line references are predicted to give strong influences to SCA.

E-learning as one of the ITU indicators has influenced significantly on SCA that covers BS, AS, CA and TM. It means that the sub indicators of e-learning (Non-linearity, Feedback interactivity, Just in Time, Easy Accessibility, and Collaborative Learning) have also strong relation on the sub indicators of BS (initiative, teamwork, and personal selling skill), on the sub indicators of AS (problem solving skills, written communication, Computer skills, and decision-making skill), on the sub indicators of CA (High GPA and Foreign language), and on the sub indicators of TM (Time management and scale priority) [3].

This was in line with the result of prior research. Heinzen and Alberico (1990) claimed that the users of e-learning, especially through teleconferencing, could be used to enhance skill, motivation, and communication [25]. Another research investigating e-learning on dentistry students found that they likely to attend class with e-learning method [26]. Generally speaking, e-learning can be a positive experience. The world wide web, e-mail, and bulletin boards as the particular components of e-learning allow digital materials to be created, stored, accessed and interacted. There exists prior research indicating this as the reason of e-learning in having time flexibility as well as enhancing time management as one of the SCA indicators [27]. Another research claimed that the use of technology in learning is the ways to engage students, strengthen communication skills, incorporate skill development, and promote services available outside the classroom as well as help students to develop multiple skill sets in class [3].

As depicted in Table 2 and 3, another indicator of ITU; namely e-service (ES) also contributes significant influence in 61.5% relations between the ITU and SCA. It means that sub indicators of the ES (information quality, web interaction quality, reliability, responsiveness, and assurance) have strong relationship with the sub indicators of the SCA. ES in university includes online library, administration service, e-admission, etc. Information quality means that e-service in university contributes accurate, reliable, up to date, and easily understood information. Web interaction quality is defined as web effectivity, efficiency, user friendly website, and simple menu. Reliability means real time process, accurate, minimized mistakes, easy access, and usable anytime. Responsiveness means fast response and effective, at the same time it provides problem solving solution. Assurance means the existence of protected password, website security, and availability of call center [28]. Not so many literatures discussed the issue concerning relationship between ES and SCA because most previous studies describe about ES in the commercial company, rather than in the university.

A few literatures discussed about e-service linking with the time management as one of the SCA indicators. Ward and Peppard (2002) said that the main target of Information technology application are resource efficiency, effectiveness, and enrichment. Resource efficiency leads more to efficiency and time management. This has strong relations to the agility to gain the maximum achievement. Effectiveness leads to clear focus for that achievement. Meanwhile, enrichment refers to progress, improvement, and adaptability to face changing environment and raises the learning as well [29]. This factor was strongly predicted to have relations with the SCA. In addition, e-service also includes self-service technology. For example, the student can make their personal self-service in the registration as well as find the information about the score, questionnaires, and examinations. The self-service technology increases the SCA, especially in terms of problem solving as well as initiatives [30]. The easiness to find literatures in online library in ITU can enrich the knowledge of the student, thus it can increase SCA's basic skills, acquired skills, college achievement, and time management as well.

4. Conclusion

From all the depicted tables and figures, it is obvious that the technology application in university can enhance student's competitive advantages. The application of technology is a major factor in winning the competition in the global education field since the students become the core of university. Although we believe so, the student competitive advantage is still the challenge to be developed through the good management of IT system in university, both in e-learning and e-service. In additions, considerable investment to build the technology-based university was the most frequently mentioned drawback. Through this research, we believe this information may also be beneficial in providing recommendation to shift into ITU since it has a great influence on the SCA as the main objective of higher education itself. However, the limitation of this research is that all sub indicators was calculated as one unity of the indicator of SCA; as well as indicator of ITU. Future research should investigate the influence on each sub-indicator separately to make the description more specific and detailed.

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Consumer Trends to Visit Online Shopping (Survey in Postgraduate Students of Universitas Pendidikan Indonesia)

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Abstract. This study aims to conduct a thorough analysis of the tendency of consumers to visit online shopping sites that are done repeatedly. The method used in this study is a survey method with a quantitative approach. To find data about the tendency of consumers to visit online shopping sites, a questionnaire is used that contains questions about the topics discussed. The population in this study is all postgraduate students of Economic Education 2017 at Universitas Pendidikan Indonesia. The collected data will be tested for reliability and validity, then a regression analysis is used thoroughly for each related variable. The results of this study indicate the influence of each variable used. The level of online shopping site visits is not only influenced by one factor, but many factors influence it. Therefore, the results will be very useful for the development of online shopping sites that will increase economic growth in the era of digital economy.

1. Preliminary

The survey conducted by the *Asosiasi Penyelenggara Jasa Internet Indonesia* (APJII) in 2016, as many as 132.7 million people from 256.2 million people of Indonesia have been connected to the internet. This means that more than 50% of Indonesia's population has used the internet. This creates great opportunities for online transactions. One of the impacts is the increasing use of E-Commerce, where people get the convenience of shopping with just one touch of a finger. This allows increasing the intensity of online shopping [1], [2]. E-commerce is one type of online shopping information system that is becoming a trend in the world of modern technology [3], [4]. The dominance of E-Commerce which is able to change consumer behavior from offline shopping to online shopping must be balanced by the company's awareness in creating online shopping experiences [5], [6]. Iprice Group in 2017 featured the 10 strongest E-Commerce companies in Indonesia as follows:

Table 1. E-Commerce with the number of visits Most

RANK	VISITS	APPS INSTALL	TWITTER	INSTAGRAM	FACEBOOK	EMPLOYEES
1	Lazada	Ali express	Blibli	Hijup	Lazada	Mapemall
2	Tokopedia	Zalora	Tokopedia	Shoppee	Zalora	Lazada
3	Elevenia	Tokopedia	Lazada	Lazada	Bibli	Tokopedia
4	Bukalapak	Lazada	Bukupedia	Gwood	Tokopedia	Bukalapak
5	Blibli	Shopee	Elevenia	Mothercare	Shoppee	Matahari mall
6	Jd id	Bukalapak	Bukalapak	Brodo	Bukalapak	Bibli
7	Shopee	Matahari mall	Matahari mall	Tokopedia	Matahari mall	Shoppee
8	Blanja	qoo10	Bhineka,	Matahari Mall	Elevenia	Bhinneka
9	Matahari mall	Bibli	Zalora	Zalora	Brodo	Zalora
10	Bhineka	Elevenia	Hijup	Bukalapak	Bhineka	Elevenia

Source: Iprice Group 2017

The indicator developed by Iprice Group lies in how high the intensity of consumer visits to the company's website is developed, so that the main objective of E-Commerce companies that must be fulfilled is the provision of excellent service centered on customer satisfaction. The hope is the increasing intensity of website visits so that the chances of online transactions on these sites are getting bigger. This is part of a marketing strategy that must be understood and implemented by every E-Commerce company. In addition, Demangeot & Broderick (2006) further explained the importance of the relationship between the online shopping environment and marketing planning.

Recently, a number of studies have discussed the design of web-based e-commerce application systems and identified many different design features. For example, [8] identified several design factors from E-commerce sites consisting of information quality, service quality, playfulness, quality of system design, and system usage. Liu et al. (2001) found that well-designed sites will produce customers who are better off to the site and its products. These findings became our motivation to do similar research by adding website design variables in our next study.

This research is motivated by the research of Demangeot and Broderick (2006) in which sense-making potential and exploratory potential are seen as a framework for organizing a company in understanding how consumers feel and process the shopping environment when they shop online. While website design is the key to success in determining how a website can contribute to creating a virtual environment that consumers can feel, process and use as their experience in the online shopping environment.

2. Literature Review

Demangeot & Broderick (2006) divided the online shopping environment into three categories of approaches as follows:

a) Initiative Approach to Scale Development [9], [10]. This approach is based on identifying the perceived quality of an online shopping site. Website quality measurement Loiacono et al. (2002) describe the use of the framework of thinking from the Theory of Reasoned Action (TRA) and Technology Acceptance Model (TAM) as a starting point for developing web quality measures to investigate consumer reuse.
b) Stimulus - Organism - Response (S-O-R) approach of Mehrabian & Russell (1974). This stimulus approach assumes that responses to environmental stimuli (S) can be treated as an approach or avoidance (R) response, with the experience of individuals in the environment (O) as mediators. Individual reactions to the environment are carried out in two ways, namely approach and avoidance.
c) Cognitive Approach in online shopping. E. Rosena & Purinton (2004) apply Kaplan's (1987) preference framework that distinguishes between sense-making potential and exploratory potential, between direct prospects and future attributes, rather than merely suggesting or arriving at promising results. Singh, Dalal, & Spears (2005) also use Kaplan's (1987) preference framework and found that web page design is preferred and behavioral intention can be explained by two higher constructs, namely understanding information and involvement of web pages (involvement). Furthermore, Bai, Law, & Wen (2008) deepened the design of web pages by measuring the quality of the website into five dimensions, namely purchasing information, service / product information, destination information, quality information, and contact information.

The presentation of the literature above gave rise to two main conclusions. First, the cognitive approach shows how consumers provide insight into the online shopping environment. All buyers are information seekers, this process presupposes searching for product information and considering products, whether they are involved in the pre-purchase information gathering process, or just browsing and satisfying their interests in certain product categories [16].

Second, the difference between sense-making potential and exploratory potential seems very appropriate for the context of online shopping. The online shopping environment has great potential for exploration where they can be interactive, live and become a source of information both in verbal and sensory forms. But at one point in time, they can only display one page in the form of a hyperlink in the form of an image or search engine that can display thousands of other pages. This situation occurs because the computer dimensions are limited so that the activity becomes less intuitive than the real environment. In this case sense-making potential is defined as the perceived ability of a retail website to facilitate orientation, navigation and consumer achievement tasks [5].

3.1. Online Shopping Site

"Online shopping sites are retail websites where customers can browse, evaluate, order, and buy products or services. In short, shopping internet sites are online versions of physical retail stores where all their relevant transactions and activities take place in online virtual space" [10]. Furthermore, Byun (2011) simplifies the quality of an online shopping site by looking at a web page as the first contact or gate of a user when visiting a website, so that the principle of page design must be positive. This page design will form the sense-making potential that encourages exploratory potential. Page design builds steps whether the page can be accessed quickly and allows easy navigation between pages, whether the content is interesting and easy to read, while content may play a role in motivating users to visit the site again [17]. For this reason, researchers believe that the better the website design, the more sense-making potential can be felt.

3.2. Online Shopping Environment

"The online shopping environment allows consumers to search for information and buy products or services through direct interaction with online stores" [18]. Environmental psychologist Kaplan (1987) argues that two important human needs in the environment are the need to understand (sense-making potential) and the need to explore (exploratory potential). Both needs exist simultaneously, and can be fulfilled by the information conveyed by signals present in the environment. The higher the sense-making potential makes a website increase, causing more consumers to be able to see the exploratory potential.

3.3. Shopping Value

The motive behind shopping behavior is not only to find the product that is sought, but also the satisfaction obtained from the shopping process [21]. A person's motivation to move in an online shopping environment consists of hedonic values and utilitarian values [22]. Utilitarian values are defined as values that come from achieving utilitarian and hedonic, and hedonic values are defined as the value obtained from the enjoyment of shopping for one's own sake [23]. When consumers think websites are easier to understand, the tendency to search for products is also easier, so the possibility of navigation is more productive. Thus, the authors argue that the higher the potential sense-making of an online shopping site will increase utilitarian value.

"The involvement that results from exploring the content of a website can provide further product knowledge for its own sake, and is considered a pleasant intrinsic experience. The presence of involvement indicates that this experience is hedonically beneficial" [24]. "Consumers may be able to enjoy the interaction of life with the product without continuing with the purchase, and this alone can produce a hedonic value" [25]. For this reason, involvement with the content of online shopping websites is positive with the production of hedonic values.

Engagement is also known to improve information processing skills and seek further information [20]. Consumers involved pay more attention [26], to facilitate instrumental tasks [19]. Furthermore, site exploration and interest in seeing more products and further information can cause consumers to look for products that are more suitable, so shopping trips are more successful in utilitarian terms [27]. Therefore, researchers also suspect that the content of online shopping websites will affect the utilitarian value of the product.

4. Methodology

The approach taken in this study is quantitative. Collecting data to test the conceptual model, represented in Figure 1, was collected from survey activities. The sample used in this study is the

Postgraduate Students of Universitas Pendidikan Indonesia. Sample selection is based on students because it is possible that more technology literacy, and more active become online buyers compared to the average of other consumers. Postgraduate students are more representative of consumers who will come when the flow of technology develops faster and more sophisticated. Meanwhile, who is the seller and how the seller markets their products is considered when designing future versions of their website [5]. Second, the diversity of background of graduate student status (married status, number of children, employment status, busyness outside of college) makes graduate students selective in utilizing their time to shop online. Third, because the pressure of postgraduate students to be more sensitive and up to date on the latest phenomena and current developments, may also create a tendency of exploratory behavior, and it is very possible to increase the observed level of involvement and hedonic value [5].

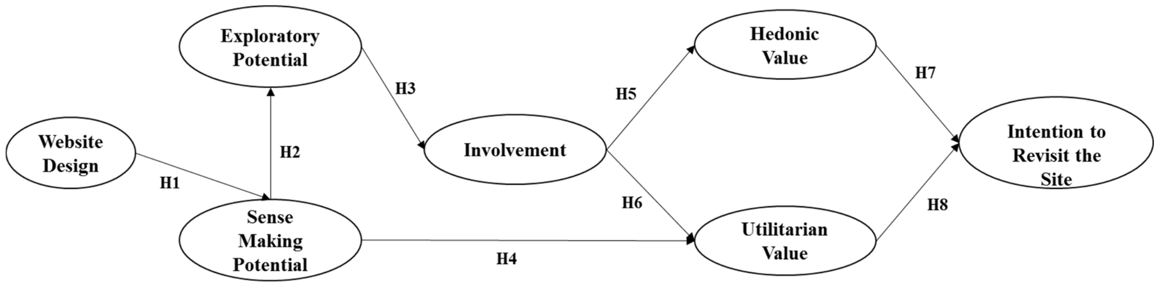

Figure 1. Conceptual Model

The population in this study is 918 new postgraduate students of the 2017 class year as seen based on the Graduation Letter (LOA) and New Student Registration Circular for the 2017/2018 year of force (Test December 2016, May 2017 and July 2017). To collect research data, researchers gave questionnaires to 279 respondents containing questions regarding the consumer experience in an online shopping environment at Lazada. Lazada was chosen because based on the survey conducted by I-Price Team (2017) it was stated as the website with the most visit intensity [2]. Respondents selected were respondents who had shopped or at least had opened the Lazada website in the past month. Data collection is done within one week. Several research instrument designs are made to maximize the picture of consumer behavior in an online shopping environment.

5. Research Result

The formulation of the proposed problem needs to be known whether the formula is accepted or not, for that a survey is conducted for postgraduate students about online shopping responses. The survey was conducted using a research instrument in the form of a questionnaire with 80 questions from the predetermined indicator. The following are the results of simple linear regression test data.

Table 2. Results (answers hypothesis)

H	Model Summary			Anova	Coefficients (B)			Sign	T / F Table	Ket
	R	R Square	Adjust R Square	F Count	t	Cons	Var			
H1	, 650A	, 422	, 418	111.8	10.574	9.941	0.291	0,000	0.05	Sig
H2	, 708a	, 502	, 499	154.2	12.418	23.035	.917	0,000	0.05	Sig
H3	, 832a	, 693	, 691	345.1	18.577	1,087	0.226	0,000	0.05	Sig
H4	, 600a	, 360	, 355	85.9	9.268	4.416	.224	0,000	0.05	Sig
H5	, 689a	, 474	, 471	138.1	11.749	7.340	1,945	0,000	0.05	Sig
H6	, 739a	, 546	, 543	184.2	13.571	1.935	0.785	0,000	0.05	Sig
H7	, 745a	, 555	, 552	191	13.819	-1.380	.216	0,000	0.05	Sig
H8	, 452a	, 205	, 199	39.36	6.274	1.672	0,349	0,000	0.05	Sig

Source: 21. SPSS for windows and MS Excel

H1. The better the website design, the more the sense-making potential can be felt.

Hypothesis test results show that t count is greater than t table and F count is greater than F table. The significance value also shows a value smaller than 0.05. These results can be interpreted that there is an influence of the independent variable on the dependent variable, which means that hypothesis 1 is accepted with the influence value seen from R square of 0.422 x 100 = 42.2%. Whereas, based on the B var coefficient value, the increase is 0.291, which means that when an increase in website design increases the sense-making potential. These results indicate that the better a website design, the greater the potential for the company to be able to look superior to other competitors in the eyes of consumers or clients. Effective website design can change the appearance of the website to be interesting to be seen and visited by consumers. In this case, attractive website design can help companies achieve success in the midst of increasingly tight business competition. The design process of a website will include creativity, technical knowledge, and experience.

H2. The higher the sense-making potential makes a website increase, causing more consumers to be able to see the exploratory potential.

Hypothesis test results show that t count is greater than t table and F count is greater than F table. The significance value also shows a value smaller than 0.05. This result can be interpreted that there is an influence of the independent variable on the dependent variable, which means that hypothesis 2 is accepted with the influence value seen from R square of 0.502 x 100 = 50.2%. Meanwhile, based on the coefficient value of B var, the increase is 0.917, which means that the higher the potential sensing, the more consumers can see the exploratory potential. These results prove that actually site visitors want the information they need to be found efficiently and quickly. Because of that accessibility can take various forms. Other ideas include the organization of web content into small pieces of easily digestible parts by utilizing a format that makes sense to users and even makes it easy for users to skim the writing on a web page.

H3. Involvement of consumers with the content of online shopping websites has increased as a perception of exploratory potential.

Hypothesis test results show that t count is greater than t table and F count is greater than F table. The significance value also shows a value smaller than 0.05. This result means that there is an influence of the independent variable on the dependent variable, which means that hypothesis 3 is accepted with the influence value seen from R square of 0.693 x 100 = 69.3%. Whereas, based on the coefficient value of B var, the increase is 0.226, which means that the higher the exploration potential, the consumer involvement with the content of online shopping websites will increase. Based on these results indicate that consumers need to experience themselves in the exchange process so that trust can be formed in the mind of consumers who are defined as involvement. Through this consumer involvement, experience will be created, which is the beginning of the formation of trust.

H4. The higher the sense-making potential of an online shopping site will increase utilitarian value.

Hypothesis test results show that t count is greater than t table and F count is greater than F table. The significance value also shows a value smaller than 0.05. These results can mean that there is an influence of the independent variable on the dependent variable, which means that hypothesis 4 is accepted with the influence value seen from R square of 0.360 x 100 = 36%. Meanwhile, based on the B var coefficient value, the increase is 0.224 which means that the higher the sensemaking potential an online shopping site will increase utilitarian value. Increasing utarian shopping motivation shows consumers shopping by making purchases or not purchasing goods or services that consumers have specified as needed. Utilitarian value perception can depend on what consumers want to achieve from the shopping activity. The utilitarian criterion emphasizes the ability of a product that fits the function of everyday consumer life. This utilitarian value is only limited to the level of dependence and necessity of the product user.

H5. Engagement with the contents of online shopping websites is positive with the production of hedonic values.

Hypothesis test results show that t count is greater than t table and F count is greater than F table. The significance value also shows a value smaller than 0.05. This result can be interpreted that there is an influence of the independent variable on the dependent variable, which means that hypothesis 5 is accepted with the influence value seen from R square of 0.474 x 100 = 47.4%. Whereas, based on the B var coefficient value, the increase is 1.945 which means that the higher the involvement with the content of online shopping websites will increase the production of hedonic values. The high motivation for hedonic shopping is the drive to shop as a result of subjective views that are emotionally influenced to seek mere pleasure. Consumer hedonistic considerations present cognitive aspects that lead to impulsive purchases. A pleasant experience when shopping can be caused by the fulfillment of emotional desires, in order to eliminate negative feelings in consumers.

H6. Engagement with the contents of online shopping websites results in utilitarian value production.

Hypothesis test results show that t count is greater than t table and F count is greater than F table. The significance value also shows a value smaller than 0.05. This result can be interpreted that there is an influence of the independent variable on the dependent variable, which means that hypothesis 6 is accepted with the influence value seen from R square of 0.546 x 100 = 54.6%. Whereas, based on the coefficient value B var, the increase is 0.785, which means that the higher the involvement with the content of the online shopping website will increase the production of utilitarian value. "Utilitarian value applies when consumers focus on tangible benefits when shopping. This tangible attribute is the result of cognitive stimulation in consumers which then affects consumer behavior in the selection of products or retail outlets in accordance with the needs of the consumers themselves" [28]. This perception of utilitarian value is determined by how much the consumption needs that drive this shopping experience are met. This proves that consumers shop effectively and efficiently.

H7. Consumers who have obtained high levels of hedonic (hedonic value) from online shopping websites are more likely to visit the site (intention to revisit the sites).

Hypothesis test results show that t count is greater than t table and F count is greater than F table. The significance value also shows a value smaller than 0.05. These results can mean that there is an influence of the independent variable on the dependent variable, which means that hypothesis 7 is accepted with the influence value seen from R square of 0.555 x 100 = 55.5%. Whereas, based on the B var coefficient value, the increase is 0.216 which means that the higher the hedonic value of the online shopping website, the consumer will tend to visit the site (intention to revisit the sites). Hedonic shopping motivation is similar to utilitarian shopping motives, only purchasing decisions are related to fulfilling the value of hedonic shopping, such as feeling a pleasant experience, entertainment, and fantasy. The value of hedonic shopping refers to the feeling of pleasure and pleasure that consumers receive from all the buying experiences associated with shopping.

H8. Consumers who have obtained high levels of utilitarian value from online shopping web are more likely to visit the site (intention to revisit the sites).

Hypothesis test results show that t count is greater than t table and F count is greater than F table. The significance value also shows a value smaller than 0.05. These results can be interpreted that there is an influence of the independent variable on the dependent variable, which means that hypothesis 8 is accepted with the influence value seen from R square of 0.205 x 100 = 20.5%. Whereas, based on the value of the B var coefficient, the increase is 0.349 which means that the higher the utilitarian value of the online shopping website, the consumer will tend to visit the site. The utilitarian buying motives include comfort seekers, diversity seekers, quality goods seekers, and reasonable price levels. Utilitarian value motives, derived from rational thinking that has been planned, while hedonic shopping motivation is the impulse to shop results from subjective views that are emotionally influenced to seek mere pleasure.

6. Conclusion

After finding the results of research and conducting a discussion, the following can be concluded as a whole (1) The better the website design, the more sense-making potential can be felt, (2) the higher the sense-making potential makes a website increase, causing more consumers are able to see the potential of exploration (exploratory potential), (2) Involvement of consumers with the content of online shopping websites increases as a perception of exploratory potential, (3) The higher the potential sense-making an online shopping site will increase utilitarian value, (4) Involvement with the contents of online shopping websites is positive with the production of hedonic values, (5) Involvement with the contents of online shopping website results in utilitarian value production, (6) Buyers who have obtained hedonic values the height of an online shopping website is more likely to me visit the site (intention to revisit the sites), (7) Consumers who get a high utilitarian value from online shopping web tend to revisit the site.

7. Acknowledgements

The researchers would like to thank the Universitas Pasundan Bandung and Universitas Pendidikan Indonesia who has given research permission. Acknowledgments also to the students of Economic Education of Universitas Pendidikan Indonesia who have worked well together during the research. Do not forget to thank Dr. Marten Yogaswara, M.M. has helped a lot during the research.

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Religiosity-Economy Simulacra within Sundanese Adat Law amidst the Acceleration of Digitalization and Technology

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Abstract. Local (Adat) law of Indonesia in all aspects of life holds the characteristics of instant, concrete, communal, and religious. The relation of man and its surroundings was bound with the spiritual aspect so that any destructing behaviors may imply “bala” (mala-), plague, or disaster. In its development, such principles particularly living in Sundanese community start to slowly shift, erode and fade in day to day life, and transform into other formal ceremony for the sake of image and tourism. The magic-religious values as the characteristics of local law is starting (also) to shift into economic values such as accelerated advantage. This research used philosophical and conceptual approaches which are combined with the hermeneutical study to obtain a comprehensive picture of hidden reality. This research was expected to discover new principles, norms of the more lenient local law and that of can respond the changes. The relation in the local community changed in a sense that it entered the abstract, consensual, and lenient principles. The religious concept and its adaptation and modification enters the “digitalization of religiosity-economy” of which the relation of man with the universe and its creator was constructed through digital, capital, and economic relation for the image fulfillment. Spirituality was determined by the news and live reports on what was happening in the world through the culture of media and “law of acceleration”. Giant enterprises constructed networks prying people consumption. Media has successfully created a massive symbolic power by forcing the life to enter entertainment world to be enjoyed by layers of community.

1. Introduction

Redictabilityof science that was used to be an achievement starting to be replaced with non-science dimension (knowledge of wisdom) as an alternative. Quoting what Gunther Stent, John Horgan [1] predicted the emerging of new episode and the end of the domination of science. Science may end, not that the academicians are skeptical but more to the science has already performed well. Fritjof Capra [2] explained that the grow of the new wisdom-based knowledge to challenge the settled paradigm-Cartesian. Paul Davies [3] argued about the relation of modern science with the religion in a changing world, while Gary Zukaf [4] offered the new understanding of physics (quantum) in life.

Man keeps developing the information technology, creating artificial intelligence to resolve the problems of humanity which contradictive resulted in man heavily relies on the technology and at the same time become the slave of technology, mastering but powerless against it [5]. The development of technology as Suyanto argued has created rapid flow of information feeding people with new things that creates other more complex, ambiguous, and at the same time, deceiving reality namely hyperreality [6]. Actual reality is replaced by virtual reality. The world moves under the law of acceleration: the faster is they who get and, at the end, is trapped in the new hedonism that is an ideology of progress that strictly linear, ideology of luxury using sophisticated tools for the rapid progress [7].

Local community (*adat*) is facing two options: holding on to the traditionalism or following the global change. Since the development of information of technology circa 1990, the leap is amazing.

Some see it positively for the potential to open new territory for the remote (local) reality as well as to create the creativity of the community supported with specific features with convergent flexibility of the media, distribution, participation and the control of the user upon the content of the media [8]. Other views that digital media gives freedom of expression, easy access to information, even though the content of digital media such as internet is still influenced by certain social powers.

The state deals with a similar condition when facing global system or local system. The state and the community are facing a mock reality between the real life and virtual reality, a reality of pretension what Jean Baudrillard [9] as "Simulacra". Simulacra is a game, however, "Simulacra is no longer a matter of imitation or duplication or even parody, but the replacement of the mark of the real for the real. Simulacra reflects true reality. Simulacra covers and changes the true reality and hides the reality. Simulacra cannot have a connection with any reality and simulacra is pure from its simulacrum.

2. Problems

This paper studies how the policy of the state concerning local law/Sunda adat related to the globalization and digitalization; and how the characteristic of local law that is cosmic religious when facing digitalization, globalization, and capitalization.

3. Approaches

The approaches used was, first, the philosophical approach that is deconstructionist and heuristic to open a way or to find a new way or to solve a new problem or to describe problems by dissecting what is considered vital, to then reattach it by adding some new things in. This approach provides alternatives for new creativity.

Second, the conceptual approaches, as the supporting approaches to the philosophical approach. Concept is elements of abstract representing classes of phenomena in subject that often refers to universal things that are abstracted from things. The steps of conceptual approach, in this case, consists of process of abstraction namely a process of selective mental omitting or separating certain reality aspect from the other, and the process of integration combining units into a single entity, a new mental entity used as single unit of thought (however, it can be extracted into components when needed).

4. Rationale

4.1 Term &Characteristics of Adat Law

Adat law is a technical term showing the rules of customary applied in the society that is not stipulated in form of regulation promulgated by the ruler of the country. Some definitions are such as [10], FD. Holleman[11], in his address titled "De Comune Trek in het Indonesische Rechtsleven" (the characteristic of communal work in the life of Indonesian law namely, Religious magic, meaning that to contain spiritual dimension; Communal that is to put first the public needs; Instant that is logical one and another; and Concrete, is generally a real prove that, for example, trading should have agreement beforehand.

Albar Subari [12], argued about the characteristics of adat law namely religious-magic, communal, instant, and concrete. According to Retno Lukito [13] adat law is flexible, simple and supple, dynamic and flexible. Adat law lies inside the detail rules, rooting from the experience and the need of the life continuously develops along with the change of time. However, it does not mean that general principles are easily to change,

Asmah[14] explained that the original law of Indonesia can be seen from the conduct of the people who love their customs, then transforming it into the conduct of culture and to be a special custom separating them from others.

4.2 Sundanese Local Wisdom

Local wisdom of Sunda can be interpreted as indigenous knowledge, local genius, that is a community of certain people or local (region; wewengkon). For example, the indigenous knowledge of people of Kampung Naga, Pamengpeuk, Baduy, Ciomas, Sukajadi, Aborogin and many others. Local wisdom is a structure of value of conducts of local community in interacting with surrounding environment or live wisely. Some of Sunda local wisdom is stipulated in the traditional utterance, such as advise and message; containing moral value and reflecting the wisdom of the community. Some of the wisdom, for example, a relation of man and other man based on the attitude of "silih asih, silih asah and silih asuh", meaning that man should take care of each other. The relation of man with the states and the people, for example the traditional utterance "kudu nyangkulu ka Hukum, nunjang ka Nagara, mupakat ka balarea" [15].

4.3 Digitalization of Reality & the Folded World

Digitalization, Marshall argued, is a simplification of information material in the form of binary code[16], or what by Schiller[17] is called the unity of technology, to be considered to have excellence to increase flexibility on handling, storing, and delivering data, is a description on ease and the state of the art of current life and at the same time explains that man has been reduced in their material life by (many) digital ware displaying non-sense causality namely extreme intimacy between their privacy and technology (gadgets, mobile phone, so on).

Aspects of life begin with how people dress up, technique of cooking by using wood to cooking wares full of knobs that can produce delicious and ready food. From traditional economic life until digital economic, from hustle and bustle of traditional market, supermarket to online stores such as Lazada, Tokopedia, Shopee become the identity and heaven for online shoppers. People are ruled by "dromology" that is the dramatic law of acceleration bringing huge consequence to the life. Traditional community relying on its traditional aspects cannot survive since it has entirely been dragged into the digital vortex. Digitalization of reality, naturally, creates space alternation, from material into visual space which then convergent in one point so that the world can be folded. Lovink [18] argued "…there is no unlimited freedom in digital media as what has been dreamed of all along..."

5. Discussion

5.1 Local Law between Globalization (Digitalization) and State Policy

According to Cultural Anthropology what is called Sunda tribe is people whose mother tongue is Sunda with its dialect in their daily life and is from the land of West Java, a region often called Tanah Pasundan. While Sunda culture is a manifestation of mind and thoughts and activities either abstract or materially of a group of people called Sundanese [19].

Sundanese culture has certain traits distinguishing them from other cultures. Generally, people of West Java or of Tatar Sunda are known as soft, religious, and spiritual. They tend to be compassionate (trait of welas asih), self-perfecting or improving (through education and knowledge sharing) and protecting each other (taking care of each other). In addition, Sunda holds some other values such as modesty, decency, respect the elderly and caring the youngsters. In Sundanese culture, the balance of magic is kept by performing rituals of adat while for the social balance, Sundanese society keep it through togetherness.

However, it is admitted that the development of progressive virtual reality has brought a big significant impact for the development of local law, especially for the Sundanese people. The Sundanese adat law whose main substance is Sundanese local wisdom is at dilemmatic position especially its relationship with the state in which policies related to the whole aspects of life of local community is made. State policies are still ambiguous and view the local law not as a part of national laws. We are still difficult to find the principles/norms to be developed from other dimension of local law since it is still deemed as traditional law and is unable to reach out the development of technology due to the closed community. In fact, in conflict resolution, local law owns equal dimension to model of conflict resolution in the society and applies restorative sanction that is quite effective [20].

Illustrations below describe the relation of the state, local wisdom, and globalization.

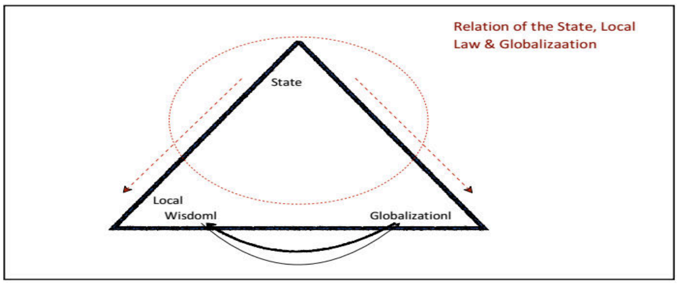

Figure 1. Relation of State, Local Wisdom, and Globalization

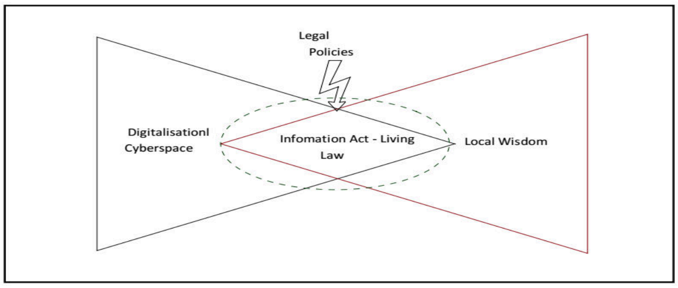

Figure 2. About Legal Policies

Legal policies must be able to adopt two different systems, for example, the Information Technology Law, is a manifestation of the modification and adaptation of global development through the world of digital or cyberspace, and the modification and adaptation of local wisdom values, local law is a law that lives in a developing society however, it is still preserved and empowered, for example in the Draft Penal Code on customary law that is still alive.

5.2 The Shift of Religious-Cosmic in the Local Law

Relationship among globalization, state, national law, and local law within the people is an evidence of openness, and conservation of local ideas at the same time remains. Sundanese traditionalism still maintained in tools and architecture. However, society does not stand still, soon it will be part of globalization. For instance, application of communication devices such as cellphone, computer, and television in local communities such as Kampung Naga, Coimas and Tasikmalaya.

There are urgent needs, from the overflow of information as the result of globalization and digitalization and encouraging remote communities to begin to realize that the local wisdom of the community has economic value. So, starting a variety of information that can be presented to the public has an important influence. This is done jointly with the local government. The sale of information to the community is massive, so that customary law and local wisdom are widely open to be accessed either through the digital world or the virtual world. Slowly the land of local legal reality shifts from a limited public space, to an unlimited virtual space.

There is a kind of unique mixture, about the cosmic religious concept developed by indigenous peoples, that is from a life that is ingrained in the behavior of the community turns into a tourist-valued viewing arena that can be enjoyed by the public. Then the form of the ceremony was held, with awareness as a preservation effort, namely the attachment of the community to the value of spiritual or religious cosmic values, with economic value that can be displayed. The ceremony of 'Nyepuh' at Ciomas is no longer religious per se, but also contain economic value since it attracts tourist attention. Another example is souvenir market at Kampung Naga, Baduy, and other region. The souvenir represents a religious side of the community and at the same time filled with economic interests.

We can depict those relationship as following:

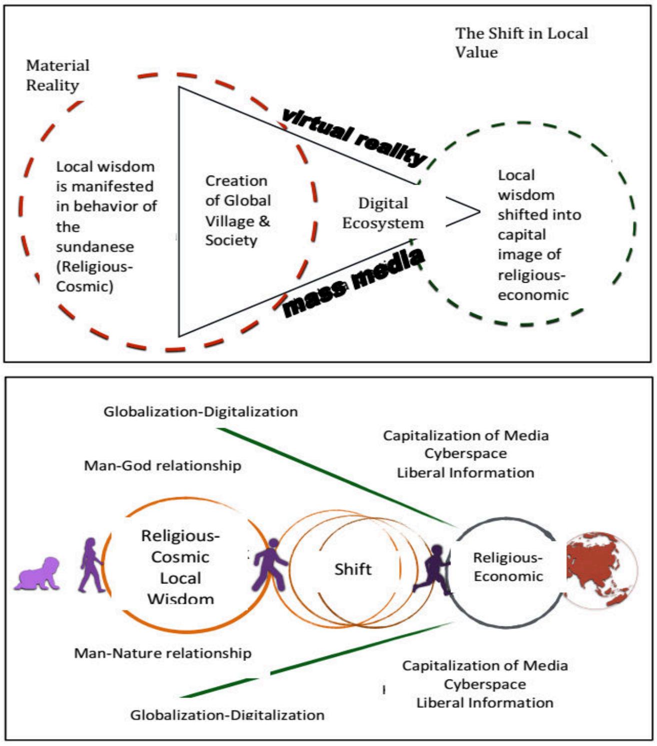

Figure 3. The Shift in Local Value

Global and digital developments have changed the face of reality inhabited by local communities, especially about the concept of space as described above, but local people do so with the aim of making efforts to maintain value so as not to be eroded and stay friendly with extraordinary rapid development. In such a position there is no longer the original identity to be created, all identities will become false identities.

The case of Kampung Naga communities shows the failure in positioning magis-religious dimension as significant part of the society. They tried, in vain, to preserve their tradition as well as accepts changes, and the result is a mixture between the old and new conceptual value. Religious-economical is one of these adaptive concepts. This condition has urged for openness of meaning-giving process or re-interpretation [21].

Martin Heidegger, a German philosopher, has raised the issue of technology as a philosophy, which means that the development of technology including digital technology is a form of existence in the world, which reflects humanity in the desire to always increase the completeness and ease for him in nature to guarantee its existence. Thus, technology forms relationships that are characterized by the desire to exploit nature as far and as efficiently as possible. This means showing changes in human attitudes towards nature which were originally determined by qualitative values into quantified relation of production [22].

The effort to preserve Sundanese tradition in global era is an evidence that local law, especially Sundanese adat law, has turned into religiosity-economic simulacra. A show of local community with emphasis or façade to village tourism is being presented to tourists, in which some traditional value has been converted for economic purposes. Village tourism or Eco-tourism is an instance. All of these want to expose or preserve local culture, something that is no longer manifested in sundanese people, but to be understood as new interpretation of sundanese 'Nyantri, Nyuda, jeung Nyakola'. French philosopher, Jean Baudrillard, argued that cultural façade has created local culture simulacra.

Digitalization has an influence on the development of the media industry, so that the process can produce better media features to build the image of the community, so that its development becomes more effective and can always create new models or new versions to update things. In the next phase, the local culture (customary law) becomes more open and with the medium of information being absorbed by the wider community, this phase creates the formation of free media or liberal media, and information has become public property. Local law, Adat, will become media consumption because provide information that is beneficial to Local Communities and spread very quickly to other parties. The condition creates opportunity for communities to exploit their religious values and convert those into economic capital. At the time when media text has been written in internet system, anyone can make variation of it [23].

6. Conclusion

Digital media in all its applications is now crucial for communication. Specifically, digital technology has transformed society into economic business activities. Media convergence and the presence of handheld devices open a new level in correcting traditional relationship formation and globalization / digitalization. Both dichotomies have now become one and a living part of the traditional reality which has been inherent in local law, has undergone significant changes. Legal relations in indigenous communities shift from life with a religious cosmic character to a religious economy. The simple reality in local communities (Adat), develops into complex realities.

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"*Rumah Paseban*" as a Development Model for the Sustainability of the Equivalency Education Program

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Abstract. The *Rumah Paseban* (Smart Households) community learning model of the Equivalency Learning Program in Indonesia has been implemented, but it still has weaknesses. The model is still dependent on the initiatives in the programs' management, and has not reached a level where citizens learn independently. This study aims at implementing the *Rumah Paseban* model to optimize the management of equivalency education programs in increasing participation and self-reliance of the learning community so that the program can be developed and be sustainable. The research subjects consisted of 25 residents attending Siliwangi Community Learning Centre which uses the *Rumah Paseban* learning model. Data collection was by observation of the learning process, questionnaire and interview. Data processing was by use of Microsoft Excel and SPSS Software. The results showed: 1) Increased participation of learning citizens in the equivalency education program; 2) Response of citizens' studying under the *Paseban Rumah* modal show that the implementation of the model is generally satisfactory; 3) The independence of learners can be nurtured through their entrepreneurial spirit to enable them finance their equivalency education programs independently for the sustainability of their education.

1. Introduction

Equivalency education serves as a substitute for formal education, meaning that it is taken as an equivalent of formal education (Law No. 20/2003 on National Education System). Citizens enrolled in equivalence education are usually adults with diverse needs and characteristics, so service to them are based on their needs and characteristics (Directorate of Equivalency Education, 2010)[1]. The equivalency education program in West Java focuses on efforts to build a productive population that is ready to build society in general.

Management of the Equivalency Education Program still needs improvement as there are still many gaps in this program, they include: 1) Citizens lack of interest in the learning process of the Equivalency Education Program; 2) Need to increase the quality of learning outcomes in slow learning citizens as seen from the competencies of the learning community; 3) The community mindset about the program, it is commonly perceived as for those who are are less intelligent, so equivalency education is still underestimated; 4) Monotonous learning due to the low understanding of tutors on strategies and methods of learning; 5) Limitations of facilities that support the learning process, so tutors and residents find it difficult to maximize learning materials.

Directorate General of Primary Education of the Ministry of Education and Culture of Indonesia noted that until the academic year 2014/2015, the number of institutions providing Equivalency education are 3,667, serving 163,522 learners, this means that each institution must serve approximately 45 students. The implementation of the Equivalence Education Program is conducted by Community Learning Centers, Islamic Education Institutions (*Pesantren*), social organizations and other similar institution (Regulation of Education and Culture, No. 81/2013).

Equivalency Education Program in West Java overcomes at least three challenges. Firstly, assists in the completion of the Nine-Year schooling Program, by absorbing dropout children in primary education and encouraging unmarried children to attend the equivalency programs. Secondly, it provides encouragement and assistance to primary and junior secondary education graduates, to attend the Packet C equivalence program. Third, provide life skills and education skills relevant and required by the world of work, and the ability to pioneer and develop independent businesses.

To respond to various developments in the dynamics of society as above, in line with the improvement of the quality of equity education services, it is necessary to reform the education of equality. This reform aims to revitalize the function of equality education in proportion to formal education, quality of education services through curriculum, teaching thematic inductive materials and learning process equivalent to formal education, and improve the competence of learners with life skills education, in accordance with the standards of program implementation compulsory basic education (Article 3 paragraph 3, PP No. 47/2008 on Compulsory Education).

Equality education especially in West Java has not been all directed to vocational education, so the output is not yet on independence. In addition, the services provided by equality education are still not optimal due to insufficient Human Resources. With regard to the role of equal education research results D. Mulyono (2018)[2] in Kota Cimahi concluded that the role of equality education has not run optimally and still require assistance.

Improvements continue to be made for improving the quality of equity education programs. Among them is the implementation of Rumah Seni Eketaraan and Rumah Pintar. But Ansori and Samsudin (2013)[3] reported that Rumah Belajar Kesetaraan only reaches community participation in learning alone does not cover the full program management so the program is not sustainable. In line with that Rohaeti et al (2015) also reported that in the implementation of Rumah Pintar, the independence of learners 'learning is still dependent on managers' initiation and not yet based on the learning needs of the learners so that the programs are not sustainable.

For that we need a model of equality education that can empower the community through vocational considering the citizens of learning are generally adults who already have their own learning orientation so that required a functional learning of everyday life that makes learning becomes more meaningful.

Paseban House Model was presented as a Model of Development of sustainable equality education program. Paseban House is a program that conducts equality education programs with the strengthening of vocational training, so as to build a human character that is ready to make a clearer and tangible contribution in achieving the vision and goals of development of West Java and Development of Indonesia of Gold 2045.

Paseban comes from the Sundanese term meaning a place of king's audience. In the context of this research, Paseban is used to refer to places that mean houses that serve as a place of interaction / hearing for various layers of society that aims to improve the quality of life through didactic dialogue activities that are expected to provide changes to the public perception of the form of innovative and creative efforts to improve the quality his life.

Paseban House is conceptually built on the idea of Freire (2000: 80)[4] which states that the education process should be built on self-awareness that exist in the community. Not just based on the context of crazy needs alone. This awareness is much stronger in encouraging changes in the quality of community life than educational propaganda efforts that are unable to address the main issues in their lives in society. Therefore, it becomes so important to build character related to the formation of awareness related to the sustainable development of character of community life.

The development of the Rumah Paseban model aims to:

1. Strengthen institutional organizers of equivalency education programs.
2. Develop a sustainable model of equity education programs that are sustainable and in line with the vocational potential of the community
3. Facilitate the community to gain access to better and sustainable education services, in accordance with the real needs felt by the community itself.
4. Assisting the government in developing a network of equivalency education programs in accordance with the vision and mission of West Java province education.

Advantages of Household Model:

1. Facilitate access to education for the community, especially those relating to the needs of primary and secondary education.
2. It brings together educational units with different sides of community life, especially those directly charged with vocational education.
3. Expanding government access to quality and sustainable basic and secondary education services.
4. Extension and diversification of education programs to reach the wider community.
5. Can be integrated into community service activities organized by universities to become a model of strengthening human resources in locations where community service is performed.

Implementation of the *Rumah Paseban* model is to a heart; consisting of two chambers with pockets in them. The two chambers are the literacy chamber and the crafts chamber, then the pockets are the IT pocket and the Business pocke.

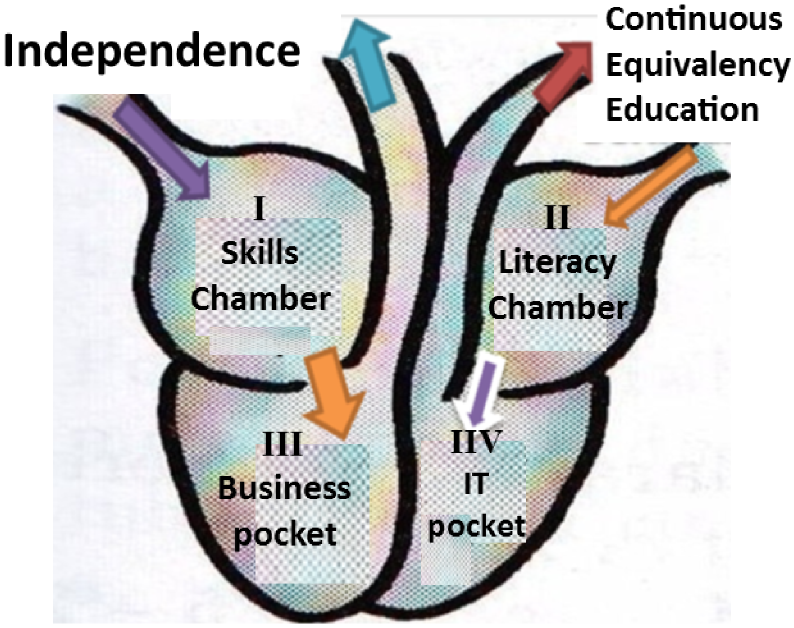

Figure 1. *Rumah Paseban* Model

The *Rumah Paseban* model also provides an opportunity for community members to train in vocational education programs and to broaden the socialization of the Equivalency Education Program in the community. The program is now taken as formal education, in fact the equivalence program is a participatory program. In *Rumah Paseban*, the community is given the opportunity to develop and engage in community education. For the implementation of the *Rumah Paseban* model in Equivalency Education Program in this study aims to:

a. Reviewing the increasing participation of studying citizens after the implementation of the *Rumah Paseban* model in the equivalency education program.
b. Analyze the responses of learners towards the implementation of the *Rumah Paseban* model in the Equivalency Education Program.
c. Analyze the independence of citizens to acheive the sustainability of the Equality Education Program after the implementation of *Rumah Paseban* model.

2. Method

This research is a descriptive research describing the implementation of the *Rumah Paseban* model in the Equivalency Education Program. Research subjects as many as 25 people consisting of 15 women and 10 men residents study at Siliwangi Community Learning Center in Central Cimahi. The study was carried out from February to September 2016. The implementation of

Rumah Paseban model was done through a format likened to two chambers each with a pocket. From the Literacy Chamber of the learning is directed to the IT pocket to improve IT utilization skills in enhancing creative economic capacity. From the Crafts Chamber, the learning is channeled to the Business pocket, to improve their entrepreneurship abilities with IT. In this study based on the identification of the needs of citizens in community learning centers, the crafts making activity focused on decoupage skills and flannel art skills

Observation was mainly on the attendance, enthusiasm and activeness of learners at every meeting. Interviews were conducted to obtain inputs and opinions from residents learning in the model. A satisfaction rating questionnaire was used to measure the satisfaction of the learning community toward the implementation of the *Rumah Paseban* model. All data was processed using Microsoft Excel and SPSS Software.

3. Results And Discussion

The study was started with distribution of questionnaires to identify the needs of the studying community in Siliwangi Community Learning Center, whose results indicated the need for Life Skills and the following were identified as suitable:

a. Sewing Skills
b. Handicraft
c. Processing of used goods
d. Information and Communication Technology Skills (computer and internet).

From the results of the identification, an analysis meeting was held to analyze the questionnaire and made the preparations for the research phase I, and drafted a module for the research instrument phase I.

On March 15, 2016 we made a purchase of practice materials to support life skills practices for studying citizens at the time of the study. Practical materials include practice materials Decoupage skills and panel fabric skills. The selection of these skills is based on the questionnaire of identifying the needs of the learning community, the modules for the crafted booths and the available Human Resources to become these skill training instructors and the available costs.

Figure 3. Decoupage Practice Materials

Figure 3. Flannel fabric Handicraft Practice Materials

The *Rumah Paseban* learning Model was carried out through two chambers namely Literacy and Skills Chambers, and two pockets namely the IT and Business pockets. Phase I of the study took place at PKBM Siliwangi. First of all, the learning citizens were introduced into the Literacy Chamber that aimed at strengthening their scientific insights, adding to the knowledge of the diverse skills of making various handicrafts and mastery skills of various information and communication technologies. This Literacy Chamber activity was intended to prove that vocational education programs need to be supported by sources derived from various literature reviews that support the implementation of the program.

In this Chamber's activities tutors used various learning strategies that make learning interesting.

Figure 4. Literacy Chamber activity

Phase II research planning meeting was then conducted followed by the preparation of a module for phase II research.

Figure 5. Research Planning Meeting Phase II

The phase II research was carried out by integrating vocational education in the form of IT training on the Package C equality program in Siliwangi Community learning Center. In this activity the residents were trained on the use of computers and the Internet to support entrepreneurship. The IT training is also a means of practicing computer applications learned and internet utilization skills as a communication medium and business data analysis tool.

Figure 6. IT Training, IT pocket activity

In the next stage, citizens were given various crafts skills based on identification of needs. The skills given at this stage were decoupage skills and crafts creations with flannel fabric.

Figure 7. Vocational Education Program in the Skills Chamber activity

Various products from the Craft Pocket are then directed to the Business Pocket by marketing the handicrafts online and through the product other channels put together by the entrepreneurship community of STKIP Siliwangi students.

Phase III research planning meeting was conducted through the Business Pocket to train citizens on marketing their products either directly or online.

On June 1 - 30, 2016 training was conducted for a vocational product training program degree that trained the learners to market the product from training in the Kriya booth. To finalize the preparation of entrepreneurship product degree on June 30, 2016, a meeting was held to discuss the product degree of this vocational training program.

Figure 9. Product marketing Preparation Meeting Entrepreneurship

This product marketing preparation meeting was held in conjunction with the entrepreneurship community and STKIP Community Learning Center Siliwangi to give descriptions of products produced by the study participants:

Data results for phase I to III was discussed and evaluated. In addition to the various developments in increasing participation and self-reliance of the learning community and nurturing learners towards the implementation of the *Rumah Paseban* model, this research also found some things that need to be considered for the development of the next *Rumah Paseban* model. These findings among the existing study residents have a variety of characteristics, which include:

a. Diversity in Ages

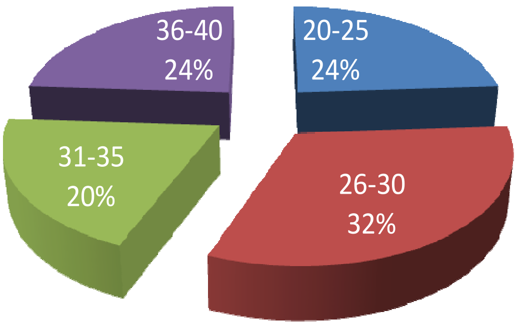

Figure 12. Age of Citizens under study

From Figure 12 it is seen that the age of studying residents ranges from 20-40 years old which is within the age of productive human beings.

b. Diversity of Educational Background

Education backgrounds

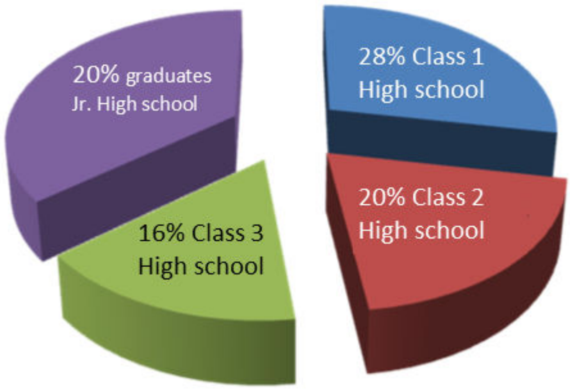

Figure 13. Educational Background Residents Learning

From Figure 13 it can be seen that the residents studying Package C are quite diverse from those who only graduated from junior high to high school level 1, 2 or 3.
The diversity of age and educational backgrounds leads to the capability of each student to learn differently, especially the speed of learning. So managers categorize and assist with special approach to every condition of studying citizen.

c. Diversity of learning activities

Learners' occupations

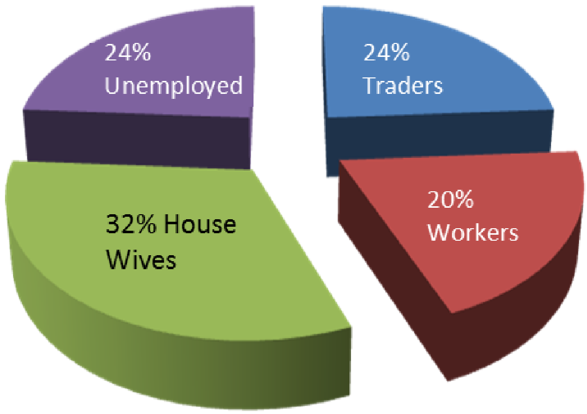

Figure 14. Citizen's learning activities

Based on the picture above, it can be seen that different learning activities for residents have different time allocation; this also affects the socio-economic condition of the learning community
Most of the learners are people in the lower middle class category. This leads to a decline in motivation to learn, because people prefer to work rather than learn.

To overcome all these obstacles, the learning in the *Rumah Paseban* Model is mostly done in open spaces to make it seem less formal, and more fun. The learning time is adjusted to the suggestions by and in agreement with the learners' leisure time, but still attention is paid to the quality and quantity of the target achievement. Delivery is done by various combinations of learning methods to accommodate the diversity of ages and educational backgrounds of learners. This is in accordance with the theory presented by Arif (1986)[5] on the theory of adult learning, based on the principle of andragogy. That in adult learning, the facilitator should be able to provide accommodation to the needs of the learning community in accordance with the learning contract undertaken. This helps adults better appreciate the learning process, because adults have had self-concept which is different from children learners.

In relation to the focus the focus of this study, findings can be described as:

3.1 Increasing Learners' Participation

The number of learners studying before the implementation of the model of the *Rumah Paseban* were 12 people consisting of 7 women, 5 men. Their participation in Equivalency education still depends on motivation by the program's manager. This shows the low interest and enthusiasm of the learning community in following the Equivalency Education Program. After the implementation of the *Rumah Paseban* model, there was an increase in the number of studying residents to 25 people consisting of 15 women and 10 men and their participation demonstrated self-awareness and interest. Increased participation of learners is shown in the following figure:

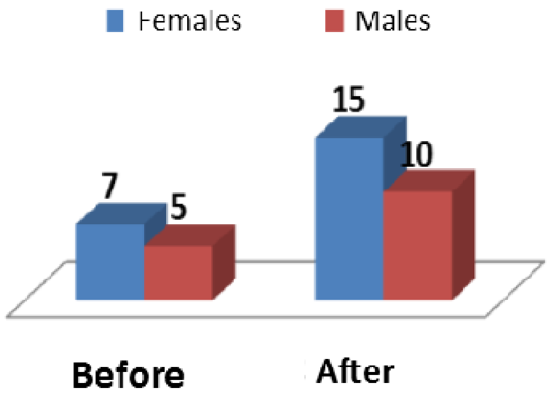

Figure 15. Increased Citizen Participation

From Figure 15, there is an increase in learners' participation shown by the increase of the number of studying citizens from 12 to 25 people; a higher increase is seen in female participants.

3.2 Response of Community Learning

To get the responses of residents learning in the *Rumah Paseban* model, observation of the learning process, interviews and dissemination of a satisfaction rating questionnaire were used. Based on the observation of the learning process, the activity and enthusiasm of the learning community showed improvement, this was indicated by the high attendance percentage of each meeting, 80% upwards in each meeting and activities in the class which included asking questions, giving opinions, and the timeliness in completing the tasks.

This result is in line with Sudjana's opinion (2001: 89)[6] that community participation can be improved if an education program is implemented in accordance with the needs of the community itself. This result also corresponds to the theory of human needs hierarchy expressed by Maslow (2003: 98)[7]. The interview was conducted to get inputs and opinions from residents learning about the implementation of the *Rumah Paseban* model. A Satisfaction rating questionnaire was used to measure the satisfaction of learners toward the *Rumah Paseban* model it was also used as a measure of the feed back of the learners towards the implementation of the Model.

In general, the respondents' response to the model's tryout indicated that 80% were satisfied with the existence of this program. This is because *Rumah Paseban* is considered an innovative program that has just been developed in education, especially non-formal education to reach all levels of society. The satisfaction of studying residents is shown in the following figure:

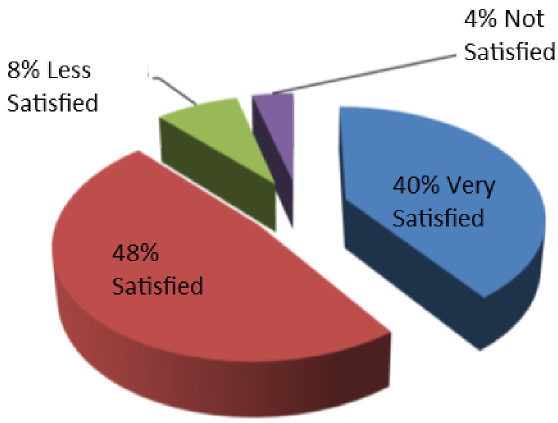

Figure 16. Citizens rating of the Learning

From Figure 16 it can be seen that in general the response of the learning community is in the satisfactory category.

3.3 Self-reliant Students

To improve the self-reliance of the studying community either in joining the equality education program and the independence of their educational funding, the entrepreneurial potential of each learning citizen is developed through the guidance in the craft booth which is done continuously starting from the monitoring of product quality, product packaging, and marketing online. In addition occasionally brought in also resource persons from undergraduate students who are members of entrepreneurship komunikats or students of S2 Out of School Education STKIP Siliwangi who already have independent business either in the business of making bags from water hyacinth, making oyster mushrooms, making snacks from cassava etc.

The independence of learners can nurtured through their entrepreneurial spirit so that they can finance their equivalency education programs independently hence ensuring their sustainability.

Based on all the above description as one of the alternative education programs, the development of the *Rumah Paseban* model seeks to improve and complement the existing equivalency education programs in various places in West Java, so as to:

a. Strengthen institutional organization of Equivalency Education Programs in West Java.
b. Developing a model for sustainable equivalence education program management that is in line with the vocational potential of the people of West Java.
c. Facilitating the people of West Java to gain access to better and sustainable education services, in accordance with the real needs felt by the community itself.
d. Helping the local government of West Java in developing a network of equivalency education programs in accordance with the vision and mission of West Java province education.

4. Conclusion

Based on the findings of this study, it can be concluded that there is a remarkable increase in participation of learners in Equivalency Education Programs. Responses of citizens studying under the implementation of the *Rumah Paseban* model are generally featuring as satisfactory. The independence of the learning community can be fostered through their entrepreneurial spirit so that they are able to finance their equality education programs independently for the sustainability of their education.

5. Acknowledgement

Thanks to BP3IPTEK Jabar which funded the *Rumah Paseban* study in 2016.

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The Implementation of ISO 9001 Certification to Improve the Competitive Advantage of Private Higher Education

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Abstract. At the 2005 World Trade Organization meeting, a General Agreement on Trade in Services was signed. The education sector was included as a part of the service business sector and Foreign Higher Education was allowed to be established in Indonesia, which raised the question: "Is the National Higher Education ready to compete with Foreign Higher Education?". This research investigated the level of improvement of the Quality Management System (QMS) implemented in a Private Higher Education that has ISO 9001 Certification. This research employed a survey method and descriptive analysis of three independent variables, namely the level of motivation of the study program to achieve ISO 9001 certification, the level of implementation of ISO 9001 Certification and the improved performance of the QMS. The findings revealed that the achievement of study program motivation and the level of implementation of ISO 9001 certification fell into “good” category (applied but not fully implemented). It indicated that the study program image, the growth of student interest (market share), the assurance quality of the academic process and the competitive advantage of the graduates could be achieved well. In addition, the performance improvement of the Study program QMS was at a high level.

1. Introduction

In the era of the global market, business competition (products and services) is getting tighter. At the 2005 World Trade Organization meeting, a General Agreement on Trade in Services was signed. The education sector was included as part of the service business sector and Foreign Higher Education was allowed to be established in Indonesia, which raised the question: "Is the National Higher education ready to compete with Foreign Higher Education?". This question was based on the assumption that the quality of the national higher education was still low, although there was a significant increase in the number of the institution. According to [1], quality is one of the important factors considered by customers in selecting goods and services. Therefore, the National Higher Education should provide excellent academic services to give higher satisfaction to stakeholders.

The Indonesian Government had reformed the management of Higher Education by stipulating a policy to guarantee the quality assurance of Higher Education where every Higher Education must conduct an external audit process by the National Accreditation Agency for Higher Education (BAN-PT, *Badan Akreditasi Nasional Perguruan Tinggi*). Quality assurance ensures that each activity is carried out based on the standards [2]. This can be achieved if there is supervision of the quality of its implementation. According to [3], supervision is conducted to reduce errors, maintain and improve the quality standards, reduce consumer complaints, enable grading output, comply with regulations, and maintain and improve the company image. However, there is another alternative, obtaining one of the International Organization for Standardization Certifications (ISO 9001). It can improve the image, market share growth, quality assurance, and competitive advantage. ISO 9001 is a Quality Management System for measuring the quality of an organization including the educational institutions ranging from elementary, secondary to tertiary level. [4] argues that ISO is a fully integrated system to improve the quality of the organization. In addition, his research found that there was a significant improvement in the quality of service systems of several educational institutions in Nepal after implementing ISO 9001:2008. This standard is essential to achieve the quality objectives aimed at facing the challenges of globalization [5]. An excellent quality will result in a good image, high growth of student interest (market share), better quality assurance of academic processes, and higher competitive advantage of the graduates.

This research was conducted in two study programs in one of the faculties in Private Higher Education in Bandung that passed the external audit process and held the ISO 9001:2008 Certification. According to [5], the acquisition of this certification indicated that the organization had conducted an internationally recognized QMS. The certification provided an academic service quality goal policy that was oriented towards students (customers), preventing nonconformities, and continuous improvement. A survey assessment was needed to find out the level of improvement of the QMS at Private Higher Education that hold ISO 9001 certification. There were previous studies conducting ISO 9001 implementation assessments in an organization. A journal from [6] presented a summary of literature studies from various sources that investigated the benefits of ISO 9001. [7] states that the implementation of ISO QMS could improve internal business performance. In addition, [8] investigated the effectiveness of organizations that adopted ISO. Boiral & Roy (2007) and Jang & Lin (2008) measured the motivation of organizations that adopted ISO.

This research was mainly based on the theory from [4], [9], [10], and [11]. The measurement of the effectiveness of the ISO 9001:2008 was adapted from the research journal conducted by [4] and [9]. In addition, the system quality measurement model was adapted from [10] and [11] research on the improvement of QMS. This research employed a survey method and descriptive analysis of three independent variables, namely the achievement of the study program's motivation to obtain ISO 9001 certification, the level of implementation of the ISO 9001 QMS, and the performance of the QMS improvement. The output of this research is expected to practically contribute to study programs to improve the quality of ongoing academic services so as to create a competitive Higher Education level.

2. Method

2.1 Target Population and Sample

The population in this research were employees, lecturers, and heads of the study programs and faculties. There were 49 respondents chosen randomly. The minimum sample size was determined based on the theory from [12], which stated that the minimum sample of descriptive research was 10% of the population.

2.2 Research Models and Variables

The research model is illustrated in Figure 2.1. This model was adapted from the information system success model DeLone and McLean [13]. This model only used three levels and six components in accordance with the problems in the object of this research.

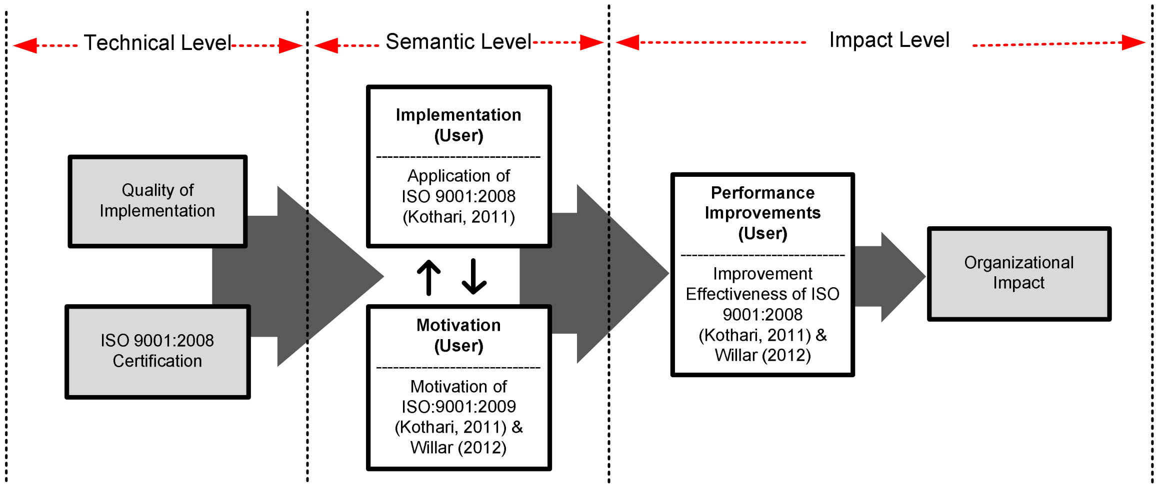

Figure 2.1 Quality Management System Improvement Research Model
Source: Modification of researchers from Jogiyanto (2014)

At the technical level, ISO 9001 Certification, as a standard of Quality Management System, was used as a reference to find out the quality of its implementation. The quality of implementation was explained in the semantic level where there were two components that were interconnected, namely the components of user motivation and user performance. Both components were used as variables to measure the success in the technical level.

At the semantic level, the first variable is the achievement of the study program's motivation to obtain ISO 9001 certification using the ISO 9001 motivational indicators from [4], which includes improvement of the organizational image, increased level of market needs (students), strengthening of QMS and integration with TQM. In addition, a number of indicators from [11] were added which included improving business performance, reducing poor quality of processes, improving markets, better QMS, fulfilling customer requirements, and company prestige. After adjustments were made, 5 variable indicators were identified (see Table 3.1). The second variable, the implementation level of ISO 9001:2008 certification, adopted 15 indicators of QMS implementation from [4] (see Table 3.1). Furthermore, the third variable, the performance improvement of the Quality Management System, used the indicators adapted from [4], including quality awareness, employee morale, team collaboration, customer satisfaction, and error level. In addition, this variable also used the indicators adapted from [11] on improving management performance, including profitability, sales growth, market share, service quality, continuous improvement, and employee satisfaction. After adjustments were made, six variable indicators were identified (see Table 3.1). Success at this last level has an impact on the total performance component (organization) of the faculty in implementing ISO 9001:2008.

2.3 *Operationalization of Variables*

There were three independent variables in this research presented in the following table.

Table 2.1 Operationalization of Variables, Indicators, and Instruments

Variables	Indicators	Instruments/Scale
1. Achievement of Study program Motivation to Obtain ISO 9001 Certification (User)	1. Image of study program 2. Student interest 3. Academic processes/services 4. Work quality performance 5. Competitiveness of graduates	Five items/Likert scale
2. Level of ISO 9001 Certification Implementation (User)	1. Management responsibility 2. Quality Management System 3. Contract Review 4. Design Control 5. Document and Data Control 6. Purchase 7. Process Control 8. Inspection of Measurement and Testing Equipment 9. Inspection and Testing 10. Process / Service Control Is Not Appropriate 11. Corrective and Corrective Actions 12. Internal Audit 13. Quality Document Control 14. Training 15. Service	Twenty-six items/ rating scale
3. Improved QMS	1. Work discipline	Six items/Likert

Performance (User)	2. Employee morale 3. Teamwork 4. Service quality 5. Do work without error 6. Communication	scale

Questionnaires were used for data collection. In the first part of the questionnaire, there were close-ended questions using a Likert scale, graded from extremely positive to extremely negative [14]. In the second part, there were close-ended questions using the rating scale, in the form of numbers 4, 3, 2, 1 and 0 interpreted qualitatively from extremely good to extremely poor.

Before data analysis, instrument validity and reliability tests were conducted. According to [14], valid and reliable instruments provided valid and reliable research results. Validity test was conducted using Product-Moment Formula:

$$r_{xy} = \frac{N\Sigma XY - \Sigma X \Sigma Y}{\sqrt{[N\Sigma X^2 - (\Sigma X)^2][N\Sigma Y^2 - (\Sigma Y)^2]}}$$

Where :
r = correlation coefficient
X = instrument score
Y = total item score
N = number of respondents

Each question item in the questionnaire was considered valid if the correlation coefficient was higher than or equal to 0.3 [14]. The reliability test was conducted using Alpha Chronbach's formula:

$$r_{11} = \frac{k}{k-1}\left[1 - \frac{\Sigma\sigma_b^2}{\sigma_t^2}\right]$$

Where:
r_{11} = instrument reliability
k = number of items
$\Sigma\sigma_b^2$ = amount of variance item
σ_t^2 = total variance

The question was considered reliable if the correlation coefficient was higher or equal to 0.7 [4]. After the instrument was declared valid and reliable, each variable was processed and analyzed. The respondent's score and ideal score (criterium) were used as the reference for the data analysis. A score of the respondent's answer for each indicator of the three variables was obtained by summing the results of the multiplication of the answer scale (4, 3, 2, 1) with the frequency of the answer. Furthermore, a score of each indicator was analyzed by determining the sum of ideal scores (criterium) for all items obtained by multiplying a score of the answer by the number of respondents. Each choice of answers, ranging from strongly agree scale (4) to strongly disagree scale (1), was multiplied by each number of respondents, to determine the score interval.

3 Finding and Discussion

3.1 Validity and Reliability Test

The results of the validity test of the three variables using Pearson product-moment are as follow:

1. The variable of level of motivation to obtain ISO 9001 certification: The results of the correlation calculation of the five items in the questionnaire indicated that the four items were included in good criteria and the lowest value was obtained by item 2 at 0.451 (≥0.3) included in acceptable criteria. Thus, it can be concluded that all items were valid.
2. The variable of level of implementation of ISO 9001 certification: The results of the correlation calculation of the 26 items in the questionnaire indicated that 23 items were included in good criteria and the lowest value was obtained by item 25 at 0.345 (≥0.3) included in acceptable criteria. Thus, it can be concluded that all items were valid

3. The variable of performance improvement of ISO 9001 Quality Management System: The results of the correlation calculation of the six items in the questionnaire indicated that all items were included in good criteria . Thus, it can be concluded that all items were valid

The result of the reliability test of the three variables using Cronbach Alpha are as follow:

1. The variable of level of motivation to obtain ISO 9001 certification: the result of correlation calculation obtained a value of 0.702 (≥0.7) included in acceptable criteria, thus the first variable was reliable.
2. The variable of level of implementation of ISO 9001 certification: the results of the correlation calculation obtained a value of 0.941 (≥0.7) included in good criteria. Thus, the second variable was reliable.
3. The variable of performance improvement of ISO 9001 Quality Management System: the results of the correlation calculation obtained a value of 0.0.918 (≥0.7) included in good criteria. Thus, the third variable was reliable.

3.2 Motivation to Obtain an ISO 9001 Certification

A score of the respondent's answer (Likert scale) and criterium for each indicator of the variable is presented in Table 3.1 and Figure 3.1.

Table 3.1 Achievement Scores of ISO 9001 Certification

No.	Indicators of Achievement of Motivation	Strongly Agree	Agree	Disagree	Strongly Disagree	Score	Proportion	Interpretation
1	Image of study program	6	32	8	3	139	70,91%	Strongly Agree
2	Student interest	10	33	4	2	149	76.02%	Strongly Agree
3	Academic processes/services	3	24	19	3	125	63.78%	Agree
4	Work quality performance	6	25	17	1	134	68.37%	Agree
5	Competitiveness of graduates	9	34	4	2	148	75.51%	Strongly Agree
	Mean					139	70.92%	Agree

The majority of the respondents answered strongly agree on indicator-2 (student interest) with a score of 149 (76.02%), indicator-5 (competitive advantage) with a score of 148 (75.51%), and indicator-1 (study program image) with a score of 139 (70.91%). Some of the respondents answered agree on indicator-4 (work quality performance) with a score of 134 (68.37%), and indicator-3 (academic service process) with a score of 125 (63.78%). The mean score was 139 (70.92%).

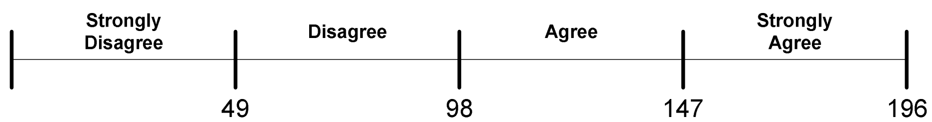

Figure 3.1 Continuum Criteria Scale (Variable-1)

Overall, the responses for the five indicators were mostly "agree" with an average score of 134.6 or 68.67%. This indicated that the level of motivation to obtain ISO 9001 certification was good.

3.3 Level of Implementation of ISO 9001 Certification

The mean score of the respondent's answer (rating scale) for each indicator is presented in Table 3.2 and interpreted qualitatively referring to Table 3.3.

Table 3.2 The Mean Score Level of Implementation of ISO 9001 Certification

No.	Implementation Level Indicator	Amount	Score	Interpretation

	Item			
1	Management Responsibility	3	67.35	Good
2	Quality Management System	1	66.84	Good
3	Contract Review	4	66.71	Good
4	Design Control	1	76.53	Good
5	Document and Data Control	1	60.71	Good
6	Purchase	1	66.84	Good
7	Process Control	2	66.08	Good
8	Inspection of Measurement and Testing Equipment	2	66.33	Good
9	Inspection and testing	2	71.43	Good
10	Process/Service Control Not Appropriate	3	71.77	Good
11	Improvement and Corrective Actions	1	64.29	Good
12	Internal Audit	2	66.84	Good
13	Quality Document Control	1	67.35	Good
14	Training	1	72.45	Good
15	Service	1	75.00	Good
	Mean		68.29	Good

Table 3.3 Interpretation of Mean Score

Score Interval	Interpretation Answers
81 – 100	Applied completely (Extremely Good)
61 – 80	Applied but not fully (Good)
41 – 60	Applied to just enough (Average)
21 – 40	Applied, but minimal (Poor)
0 – 20	Not implemented at all (Extremely Poor)

The average response for each indicator fell into 'good' category. The highest average score was indicator-4 (design control) with a score of 76.53 and the lowest average score was indicator-5 (control of documents and data) with a score of 60.71. It can be concluded that the response to 15 indicators is in 'good' category or applied but not fully implemented with an average score of 68.29.

3.4 *Performance Improvement of the ISO 9001 QMS*

Scores of the respondent's answer (Likert scale) and criterium for each indicator of the variable performance improvement of the ISO 9001 Quality Management System is presented in Table 3.4 and Figure 3.2.

Table 3.4 Performance Improvement Scores of ISO 9001 QMS

No.	Performance Improvement Indicator	Extremely High	High	Medium	Low	Extremely Low	Score
1	Work discipline	3	27	17	1	1	177
2	Employee morale	1	31	14	2	1	176
3	Teamwork	3	31	12	2	1	180
4	Service quality	2	26	19	1	1	174
5	Do work without error	1	24	16	7	1	164
6	Communication	3	31	11	2	2	178
	Mean						174.83

The score for indicator-3 (improvement in teamwork) was 180 (73.47%). The score for indicator-6 (improvement in communication) was 178 (72.65%). The score for indicator-1 (improvement in work discipline) was 177 (72.24%). The score for indicator-2 (improvement in employee morale) was 176 (71.84%). The score for indicator-4 (improvement of service quality/customer satisfaction) was 174 (71.02%), and the lowest score was indicator-5 (improvement doing work without error) with a score of 164 (66.94%).

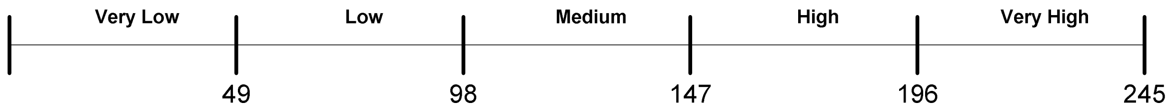

Figure 3.2 Continuum Criteria Scale (Variable-3)

The average response of the six indicators fell into the ‘high’ category with a mean score of 174.83 (71.36%). It can be concluded that the level of improvement of the Quality Management System in the study program had a high impact.

4 Conclusion

According to the findings of the research, it can be concluded that:

1. The mean score of the motivation variable indicators of the two study programs with ISO 9001 Certification was 139 (70.92%).
2. The level of implementation of ISO 9001 Certification indicators fell into the “good” category with a mean score of 68.29.
3. The impact of ISO 9001 certification on the study programs showed a high level of QMS improvement with a mean score of 174.83 (71.36%).

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Elderly Protection and Empowerment Towards Elderly Healthy, Independent, Quality, Creative and Productive

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Abstract. One indicator of development success, increasing life expectancy causes the number of elderly people (elderly) to continue to increase as well as challenges in development. In fact, the elderly cannot gain access from the results of development so that they cannot meet the needs of their lives adequately. In addition, the aging process of the population has an impact on various aspects of life, both social, economic, and health because the function of the body's organs will decrease both due to natural factors and due to illness. This article aims to implement Law No. 13 of 1998 concerning Elderly Welfare towards healthy, independent, quality, creative and productive elderly so that their welfare is realized, the maintenance of Indonesia's cultural and kinship system and closer to God Almighty are maintained. The method of implementation through the collection of secondary data from the results of activities to improve social welfare for the elderly, display, reduction and analysis of data and drawing conclusions. The realization of healthy, independent, quality, creative and productive elderly, through easy access, various social services and training.

Indonesia Economic Activity on Electronic Money: How Indonesian Economic Law Faces Current Global Development

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Abstract. Nowadays, there is a trend of cashless transaction**.** The use of cashless money itself creates its own problems, especially related to the legal problem of using e-money itself. The most visible use of e-money is the use of e-money on the toll roads. Drivers or toll roads users, with the electronic money being helped because they feel practical, but on the other hand also feel burdened because they are forced to use the e-money. The aims of this paper are to write about various problems related to the existence of e-money and its impact on the economy in Indonesia. The research method employed is normative juridical research method. The issue was basically from the fact that there was no law that regulated how to increase public trust in e-money. The novelty of this research lies in the importance of laws that have general-abstract legal norms to increase public trust in electronic money. It is expected that this research will open the reader's insight to be more aware and educated about the existence of policies concerning e-money.

Building Knowledge Sharing Behavior Based on Social Media With DIKW Model in Paguyuban Asep Dunia (PAD) .

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Abstract: Social media has led to a shift in people's behavior patterns related to culture, norms, and ethics. The large population of Indonesia with diverse cultures, races, and religious groups has a lot of potential for social changes. Almost everyone has social media's account as a tool for obtaining and utilizing various data and information to the public. This research focused on knowledge sharing behavior through the DIKW model on Paguyuban Asep Dunia (PAD), which is a social movement aimed at uniting the owner of the name "Asep" everywhere to make the friendship stronger and to actualize themselves by benefiting the society and the nation. As this community develops, social media, particularly in Facebook and WhatsApps, is not only used to bind friendship, but also affects the awareness of the micro-economic of its members in which the result initiates the formation of several economic units, for instances, *Koperasi Paguyuban Asep* (*KOPEPAD*) and *Asep Business Community (ABC)*. Although these economic units is not optimal yet, this action can be considered as an example to show that knowledge sharing behavior has positive effect to make creativity and innovation.

1. Introduction

The dynamics of people's lives change very rapidly. The role of information technology becomes a phenomenon of acculturation that drives the cultural changes. Personal freedom in conveying ideas, criticisms, suggestions, blasphemies and even false news "hoaxes" are often found every hour and day through various media. There are many differences arisen from various communities based on opinions and arguments that are believed. For example, the phenomenon of ‘viral’ emerged on social media has affected our society’s life. In understanding the terms of ‘viral’, it cannot be separated from other phenomenon occurred currently, such as the phenomenon of “Tik-Tok” in every regions, including Indonesia. This trend is followed by children and adults by making a viral short-video on social media. The conditions experienced by Indonesian people currently demand adaptive and responsible attitudes of the government. In fact, social media has changed people’s life in every social strata. In addition, the creation of knowledge is part of knowledge management (KM) study, which is a collection of processes that help, share, store, and retrieve knowledge. Knowledge is a principle factor of an organization in which it allows members to obtain and use knowledge efficiently and continuously. There are two important elements of knowledge creation, namely source of knowledge and recipient of knowledge.

This research was conceptual due to the discussion of the Data-Information-Knowledge-Wisdom (DIKW) model in KM. This model explains the role of source of knowledge to provide information to recipients of knowledge in the new knowledge creation. *World Asep Community* (PAD, *Paguyuban Asep Dunia*), is a social movement that aims at uniting the owner’s name ‘Asep’ everywhere. It was initiated by Asep Iwan Gunawan by creating a group on Facebook, namely "How Many Asep There Are in Facebook?" This community was responded positively by the owners’ name Asep on Facebook[1][2]. Today, the members of this community increase rapidly, and they are very active on social media, particularly on WhatsApp. Hence, the communication established in the community is not only used to bind friendship, but it can lead to a more serious direction, such as developing business community to help and improve the economic level of its members. Therefore, the author conducted the research entitled “Developing social media-based knowledge sharing behavior through the DIKW model on *Paguyuban Asep Dunia* (PAD)”.

2. Literature Review

2.1. Knowledge Management and Knowledge Sharing

Polanyi, first introduces the concept of tacit & explicit knowledge, and then Nonaka & Takeuchi develop a knowledge creation model with the spiral model known as Socialization of Combination Externalization & Internalization (SECI) [3]. These concepts are included inKM study. The main focus of KM is to implement the knowledge transforming process from tacit knowledge to explicit knowledge to create new knowledge[4]. In this transformation process, there is an activity of a knowledge sharing defined as an individual willingness in sharing knowledge obtained to others [3]. Hooff and Ridder, defined sharing knowledge as an individual process in sharing knowledge tacitly and explicitly. From this understanding, the implication of an individual behaviour in sharing knowledge consists of bringing and getting [5]:

a. Bringing (knowledge donating) is a behavior that provides communication of intellectual capital owned by someone to another person;
b. Getting (gathering knowledge) is a consulting behavior between one individual and another about intellectual capital.

Data considered as facts, sketches, drawings or raw materials will be information, if they are given context. Therefore, information is data with specific meaning [6]. When this information is combined with opinions, expertise, and experience, it becomes knowledge [7]. The first DIKW idea appeared in a poem entitled "The Rock" by T.S. Eliot in 1934 through three statements [8]: Where is the life we have lost in living? Where is the wisdom we have lost in knowledge? where is the knowledge we have lost in information?

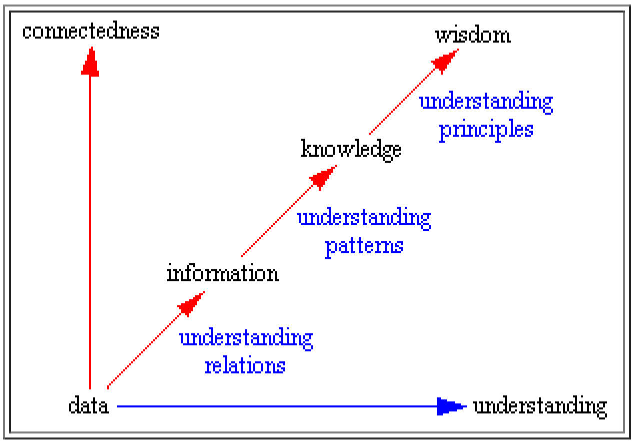

Figure 1: DIKW hierarchy (Data-Information-Knowledge-Wisdom)[6]

At present, this idea becomes the basis of the DIKW hierarchy. Zeleny maps these four elements to the hierarchy of knowledge formation, namely: know-nothing, know-what, know-how and know-why in which they have a connection between context and understanding[9],[10].

2.2. Social media

According to Kaplan and Haenlein, social media is internet-based group applications made on the Web 2.0 basis, ideology and technology, and enabling the exchange and creation of the user-generated content[11]. Social media has the following characteristics[12]:

a. The message delivered is not only for one person but for many people, for example messages via SMS or the internet
b. The message delivered is free, without having to go through a Gatekeeper
c. The message delivered tends to be fast compared to other media
d. The message recipient determines interaction time

Mayfield, describes social media as a human. Humans, who share ideas, collaborate to create creations, think, debate, find people who can be good friends, find partners, and build a community[13]. In other words, the use of social media makes us be ourselves. Social media invites anyone in participating by giving open contributions and feedback, commenting, and sharing information. In addition to the information that can be accessed rapidly, social media is known as a form of self-actualization, and personal and community branding. As the internet and mobile phone technology, including social media, grows rapidly, Facebook and Twitter access becomes easily to be carried out. Moreover, the message features, such as broadcasting and chatting, in mobile application are very helpful because these features make mobile phone's users allow exchanging messages for free due to the use of internet data by mobile phone with 3G, 4G, and WiFi. Sending message in the internet cannot be separated from the application used in mobile phone such as WhatsApp which has WhatsApp Messenger, a free-message application for smartphones that has similar function to BlackBerry Messenger (BBM)[14]. This platform allows users to send text messages, images, voice calls, video calls, documents, and locations. The convenience obtained from this platform affects the emerge of phenomenon related to spreading information in which people prefer social media to conventional mass media due to the easiness in accessing information.

*2.3. World Asep Community (*PAD, *Paguyuban Asep Dunia*)

*World Asep Community (*PAD, *Paguyuban Asep Dunia* is a social movement aimed at uniting the owners' name "Asep" everywhere to bind friendship, and actualize themselves in providing benefits for the society and the nation. PAD was originally named *Paguyuban Asep* (PA) means Asep Community. This community was initiated by Asep Iwan Gunawan by creating a group on Facebook, namely "How Many Asep There Are in Facebook?" in 2008. The responses received were very positive, especially by some of the owners' name Asep's on Facebook. Based on an initiative from Asep Kambali, a historian and founder of the Indonesian Historia Community (KHI, *Komunitas Historia Indonesia*), Asep Iwan Gunawan, Asep Bambang Fauzi, Asep RS and Asep Dudi, PA was established in Jakarta and it became a massive social movement and, concretely on August 1, 2010, this community changed its name to *Paguyuban Asep Dunia* (PAD) at Asep's Conference (KAA, *Konperensi Asep Asep*) on October 25, 2015 in Bandung. The transformation of name is expected to be able to manifest the community in becoming a large and beneficial in the society and the world. PAD is not intended to exclude people named Asep, but the founders of PAD realized that the name Asep is rarely given tochildren today. Therefore, this community expects that the name Asep can be preserved, because it is not only identical with the names of Indonesians but also shows Sundanese identity[1].

Figure 2: (PAD, *Paguyuban Asep Dunia*) logo[1]

The name "Asep" is a nickname in Sundanese derived from the word "Kasep", which means "handsome",“good-looking”, or ”cute”. The term of “Kasep” is not only associated with the good-looking, but it can also represent good-behaviour and grateful for what is given by God. Moreover, the name Asep is defined as fragrant incense given to a boy. The name Asep is derived from Sanskrit, and it can be used as the name of son, company, product, place, etc[15]. On the other hand, the name Asep is also derived from Arabic, which is from the word 'As-Saif' that means sword. Uniquely, the name Asep has abbreviations, namely: the letter "A" for religion (*agama*), the letter "S" for social, the letter "E" for economics, and the letter "P" for Preservation and Education of Art and Culture.

3. Method

This research used a descriptive method that aims at presenting a complete description/exploration and clarification of a phenomenon or social reality. It is clear to define research subject by using the question of who in obtaining the information needed. The subjects in this research were community groups in the Indonesian community, namely *Paguyuban Asep Dunia* (PAD). The data collection method in this research was as follows:

a. Observation method is conducted by observing directly the activities of PAD on social media, such as Facebook and Whatsapp.
b. Interview method is conducted through direct interviews with the respondents by chatting or talking directly.
c. Literature study method is a form of literature studies related to the research that obtained from books and the internet sources.

4. Result and discussion

As technology developed, the existence of the internet had been needed in daily life, such as social, education, business, and other activities. This advantage was taken by cheap smartphone and tablet brands to become trends. Almost all people in Indonesia had smartphone. The growth of the internet and smartphone affects social media's development. Social media were a site, where everyone allowed owning private webpage and connecting with others in same social media to share information, and communicate. If conventional media used print and broadcast media, social media used the internet. Social media invited all people to participate in giving feedback and comment, and sharing information quickly and unlimited. People could easily access and make a social media account, even they did not need a time. There were not space and time in social media, thus they can communicate anytime and anywhere. It could be denied that social media affected life on a large scale. People could be famous through social media, and vice versa.

The most popular social media used among teens were Facebook, Twitter, Path, Youtube, Instagram, Kaskus, LINE, Whatsapp, and Blackberry Messenger. Each social media had particular advantages in attracting many social media users. Social media offered many conveniences that made people enjoy spending much time in the internet. The rapid development of social media was caused by people owned their media. If conventional media, such as television, radio, or newspaper needed a large cost and workforce, social media did not have a large cost because they could be carried out easily, and just require the internet network to access. Social media users were free to give comment and share their opinions without worrying anything because they could falsify identity in the internet, especially social media. However, the falsification of identity could not be found in PAD, even this community made its members proud of owning their name to become famous in the internet and real life. As the communication of the owners' name "Asep" developed, especially on Facebook and WhatsApp, the implementation of the use of social media was not only to share various data and information, but it was also expected to increase the economic level of its members by applying their creative ideas through social media.

Therefore, the knowledge formed a knowledge pattern into several business and economic units, for instance *Cooperative of Asep Community* (KOPEPAD, *Koperasi Paguyuban Asep*) and *Asep Business Community* (ABC, *Komunitas Bisnis Asep*). Even though business and economic units were not optimal in implementing knowledge yet, this action could be considered as an example to show that knowledge sharing behaviour had positive effect to make creativity and innovation. The result of this implementation became wisdom of the principal understanding as a regulation or Standard Operational Procedure (SOP) to create the business and economic units. The following are the effect

of knowledge sharing behaviour of bringing or getting on social media with the DIKW model to create the business and economic units in *Paguyuban Asep Dunia* (PAD)
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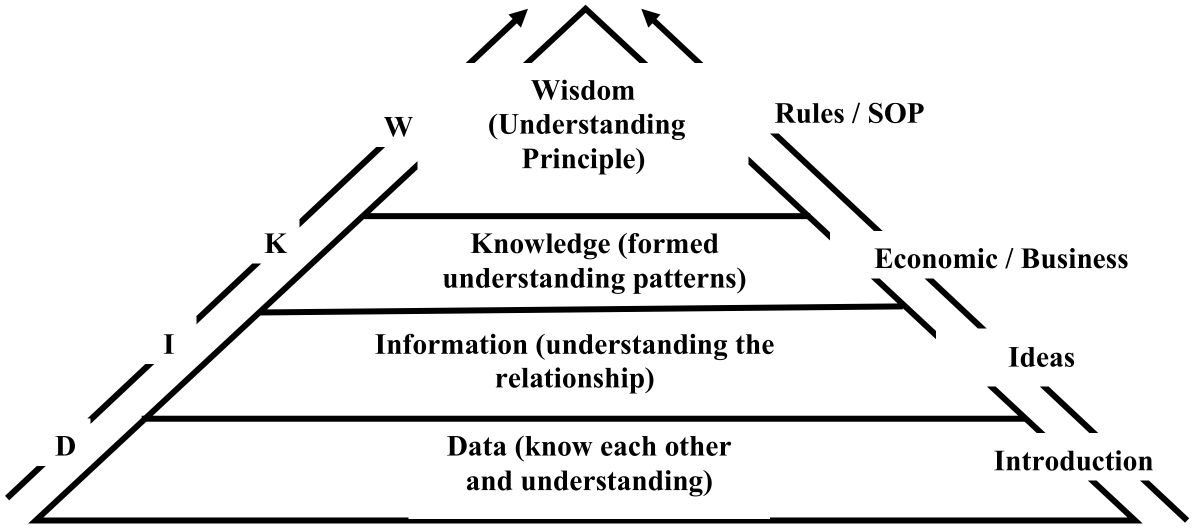

Figure 3 : DIKW model becomes a business unit / business concept of PAD

Figure 4: KOPEPAD logo[16]

Figure 5: ABC logo[17]

5. Conclusion

Knowledge sharing behavior on social media was reflection about Indonesian people both as individuals and groups. Bringing (knowledge donating) is an individual behaviour that communicates intellectual capital owned by person to others, while getting (knowledge collecting) is an individual behaviour consulting with other individual about intellectual capital owned by them. Social media are an online media that can easily access, share, and develop the contents of blogs, social networks, forums and virtual worlds. The social media had a positive effect in which it allows people to interact with many people, and bind relationships without looking at distance and time,, express themselves, and spread information quickly and cheaply. On the contrary, the media had a negative effect in which it makes people feel distant, hook the internet, cause conflict, interfere privacy and vulnerable to others. The social media existence has affected social life in society. Changes in social relationships or equilibrium of social relationship related to every aspects of the community in the society affect the social system, including values, behaviours, and characteristics among communities in the society. Positive social changes, such as accessing and obtaining information, had benefits in social and economic aspects. Whereas, negative social changes, such as the emergence of social communities on behalf of religion, tribes and existing patterns, sometimes deviate from existing norms. PAD as a community in Indonesian gives fresh air and solutions towards social changes tended to be negative, thus this community is expected to be able to provide information and benefit the society and nation of Indonesia. In associated with the DIKW model, they can create ideas in order to form economic or business units in PAD.

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The Readiness of The Cirebon City Government to Enter The Digital Economy Era in an ICT Perspective

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Abstract. The rapid globalization accompanied by democratization and the development of information and communication technology (ICT) pushes government institutions to use ICT in order to improve government public services, especially in the economic field. This research discussed the Cirebon City Government's preparation to launch the Smart City Program planned from May 2017 for facing the development of ICT, particularly in smart economic sector. The research used qualitative and quantitative approaches elaborated by SWOT analysis to measure the readiness of the Cirebon City Government to enter the digital economy era. In addition, the level of the Cirebon City Government's readiness was observed from the numbers of online shops and products managed by Cirebon citizens in online marketplace. The result showed that the Cirebon City Government and the citizens were in the early stages of entering the digital economy era in which it was proved through the existence of a basis/design of Local Regulations, community service products, and the design of the system integration of the Cirebon City that had led to the Smart City Concept.

1. Introduction

The rapid development of globalization accompanied with the development of information and communication technology (ICT) demands government participation in the digital era. The digital era has been begun through the emergence of internet networks and electronic products, for instance, computer and gadget. The challenges of the digital era have entered various fields, such as economics, defense, security, social culture, politics and information technology. The sophisticated digital technology currently makes a big difference to a country. In addition, people are more easily accessing information in many ways, and enjoying digital technology freely and in control.

Inevitably, the digital era have to be faced by the government or the citizens without even looking at their preparation. The rapid development of technology in the human life clearly must be followed by all people, and they have to master and control the technology properly and correctly in order to obtain the great benefits.

Based on the case above, The Cirebon City Government is encouraged to prepare for the digital era by developing a communication and information technology to provide easy access and improve services for the citizens. Therefore, this research aimed at measuring the level of Cirebon City and its citizens' readiness to enter and face the digital era, especially in the economic field.

2. Theoretical framework

2.1 E-government and smart city

E-government is explained as the process of using information technology as a tool to help the government system more efficiently at work [1]. E-Government operates the government system by utilizing the use of internet technology and social media as a tool, thus all government processes can be carried out quickly and efficiently, and ease the public to access information.

Based on Presidential Instruction No. 3 of 2003 concerning national policies and strategies, the development of *E-Government* is considered as solution for the application of information and communication technology in the government [2]. Neville, describes the concept of Singapore smart city, which is “being a smart city, smartly managed, is not only about information technology, or being in the vanguard of all types of applications of technology. Being smart city-state is about a total operation as a world city with all economic and social dimensions consistent, integrated, and mutually supported. In the area of economic development, the untidy residual of anachronistic agricultural activity on the island was transformed form a rather primitive, traditionally operated, labor intensive, family based horticultural system into a modern, capital intensive business venture based on FDI, almost entirely on the grounds of economic rationality consistent with achievements in the leading sector of manufacturing and financial and business services” [6].

The transformation of Cirebon City began in 2004 with the initiation of the development of e-Government of Cirebon City [3]. In 2005, there was an expansion of e-Government infrastructure by using wireless technology, and afterwards, in 2006, one-door internet access and bandwidth capacity were carried out. In 2007, the development and implementation of applications were carried out through the Intranet of City Government. In 201, the Master Plan of e-Government had been planned. In 2014, the online applications for Public Services and Information was developed and applied, and in 2017, the concept of Cirebon Smart City was finally launched.

2.2 Profile of Cirebon

Cirebon is one of the cities in the province of West Java located at 108,33^{0} East Longitude, and 6.41^{0} South Latitude on the North Coast of Java Island, the eastern part of West Java [4]. Cirebon is a strategic area in terms of transportation because it is the border between West Java and Central Java.

The Cirebon City has developed as an area that receives attention from the government since Kertajati Airports was built in Majalengka as a landing place for domestic and international flights. In addition, as result of this development, many investors are interested in investing in Cirebon City, such as hotels, shopping centers, universities, etc.

Looking at this opportunity, Cirebon City has to improve the use of internet technology, especially in information and communication. The technology is expected to facilitate the Cirebon citizens in accessing information and communication with government in Cirebon City.

In preparation for being a smart city, the Cirebon City Government has created several bases, namely as follows:

a. Decree of the Mayor of Cirebon Number 555 / Kep.88-DISHUB.INKOM / 2014 concerning the Determination of Electronic Letters (E-MAIL) the Cirebon City Government on Cirebon Official Government Domain (cirebonkota.go.id)
b. Decree of the Mayor of Cirebon Number 555.4/Kep.124-DKIS/2017 concerning the Register of Electronic Systems at the Local Government of Cirebon City
c. Decree of the Mayor of Cirebon Number 555.4/Kep.123-DKIS/2017 concerning Domain Name Officials in the Local Government of Cirebon City

2.3 Digital economy era

The digital era has been begun through the emergence of internet networks and electronic products, for instance, computer and gadget. Nowadays, the digital era affects major changes in the world. People have been facilitated in accessing information through networks that are connected to each other through the internet network [5]. The government urges to make economic development using digital technology, such as social media, online marketplaces and other media on the internet. These media are expected to improve the national and regional economy.

3. Research method

The research was conducted using a descriptive approach because this research aimed at getting a concrete and detailed description of the success of Cirebon City which was considered as preparation to be a Cirebon Smart City, including "smart economy". The method used a qualitative approach by conducting surveys on online media and website of the Cirebon City Government, and quantitative methods through web crawling to obtain real information and statistics. This research was expected to find out the readiness of the Cirebon City to enter the digital economy era.

4. Result and discussion

4.1. Cirebon's Government Service

Based on the survey result on the public services of the Cirebon City Government, especially in the field of information and communication, there was an effort to provide public services through the digital media, for example, forming an Android application developer's team called Cirebon Smart City. In addition, the Cirebon City Government had also created a website that was accessed in http://www.cirebonkota.go.id/

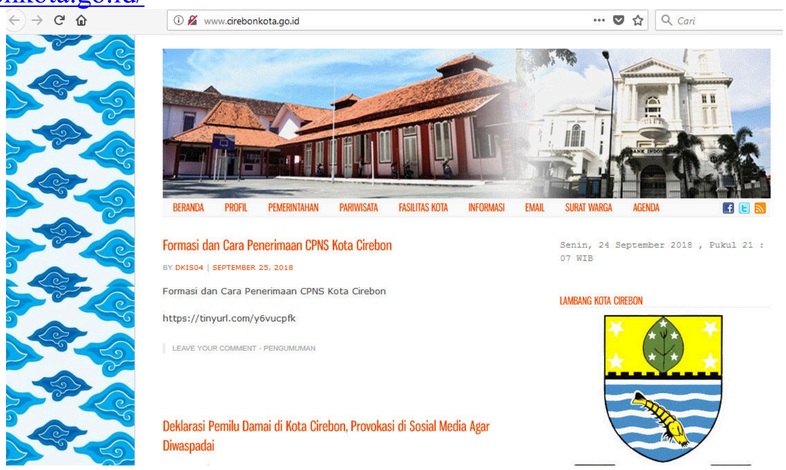

Figure 4.1 Website of Cirebon

People can access information regarding government, tourism, facilities, and even transparency of funds of the Cirebon City via the website. The website was still being used for regular update of all the latest information about the Cirebon City. This evidence was proved from the last post, 25 September 2018. Based on the statistical data "free counter", the website had been visited by 245.632 visitors.

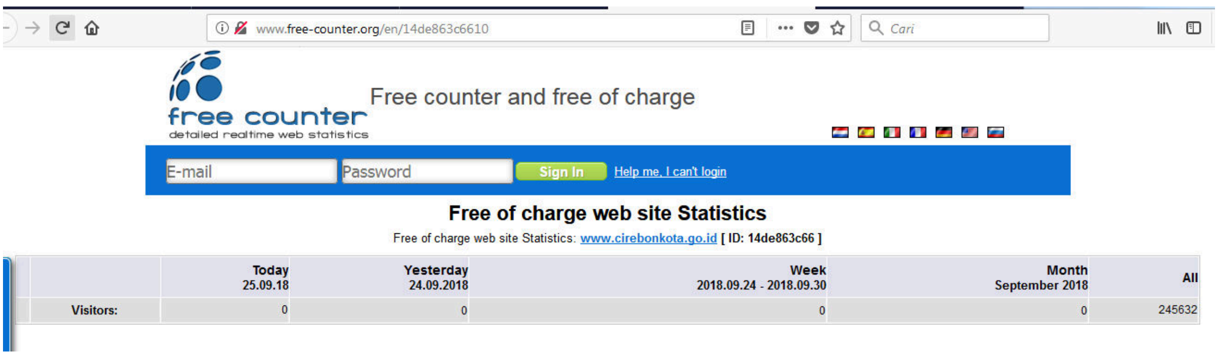

Figure 4.2 Cirebon Website Statistic Data

It showed that the Cirebon City Government had made an effort to provide the latest information to the public. In addition, the Cirebon City Government created an Android application to help citizens access services in the Cirebon City as below:

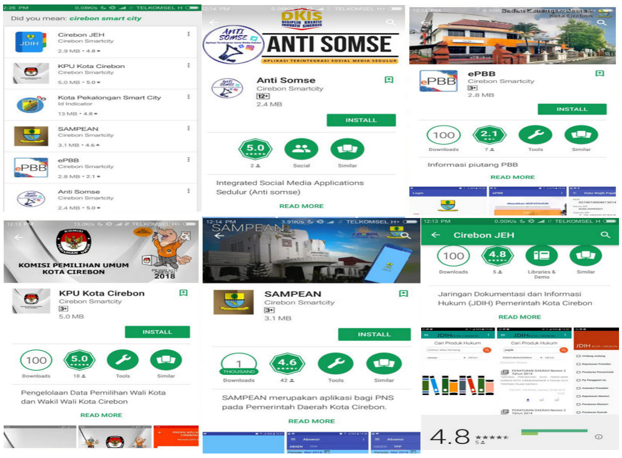

Figure 4.3 Cirebon's Android Application

Table 4.1 Application Details

Application Function	List of Applications	Description of Application
Financial Management	Management Information System for Regional Development Planning (SIMREDA – *Sistem Informasi Manajemen Perencanaan Daerah*)	Managing regional development planning data (MUSRENBANG, RPJMD, RENJA & RKPD)
	Financial Management Information System for Regions (SIMDA *Keuangan*)	Managing financial statements data (RKA, DPA, DPPA, SP2D, LRA)
	Electronic Procurement System for Goods and Services (SPSE – *Sistem Pengadaan Barang dan Jasa Secara Elektronik*)	Managing procurement for goods and services data
	Electronic System of Procurement Service for Goods and Services (SELARAS – *Sistem Elektronik Layanan Pengadaan Barang dan Jasa*)	Monitoring procurement for goods and services data
	Workgroup Information System (e-POKJA – *Sistem Informasi Kelompok Kerja*)	Managing workgroup data of the procurement service units (ULP – *Unit Layanan Pengadaan*)
	Monitoring and Evaluation System (SIMONEV – *Sistem Monitoring dan Evaluasi)*	Managing data of monitoring and evaluation of programs and activities
	Management Information System for Regional Development Budget (SIMPENDA – *Sistem Informasi Manajemen Pendapatan Daerah*)	Managing and monitoring tax data (non-PBB dan BPHTB)
	Monitoring Tax Income – *Monitoring Pendapatan Pajak* (PBB)	Monitoring data of tax income
	SIMDA-BMD	Managing asset and inventory of regional goods data
	SPTPD Online	Tax calculation that can be accessed online by the taxpayer through all channels of Bank BJB

InfoPajak	Monitoring tax income in real time based on Android application
E-BPHTB	Managing data and tax calculation of BPHTB
E-Lakip	Online accountability report of government performance

Based on the table above, the government created five applications that were distributed through *Google Playstore*, thus the citizens could access them directly. However, based on the analysis above, there were only about 100 people, who downloaded the applications, and the highest application was only 1,000 downloaders for the *"Sampean"* application. It described a lack of counseling/socialization conducted by the government to the citizen regarding the use of the application. As the result, the citizen did not know about the Cirebon City service application. In addition, lack of research on needs conducted by the Government was considered as the reason for the citizens prefer to use other services that were not products of the Cirebon City Government. Although the result had not satisfied, the appreciation had to be given for the Cirebon City government because they had tried to provide services by utilizing technology. On the other hand, there are also thirteen applications used by government employees, as in Table 4.1.

Cirebon Government had also prepared a Framework/Blueprint of Interconnection and Integration Systems in all sectors of the public services as below.

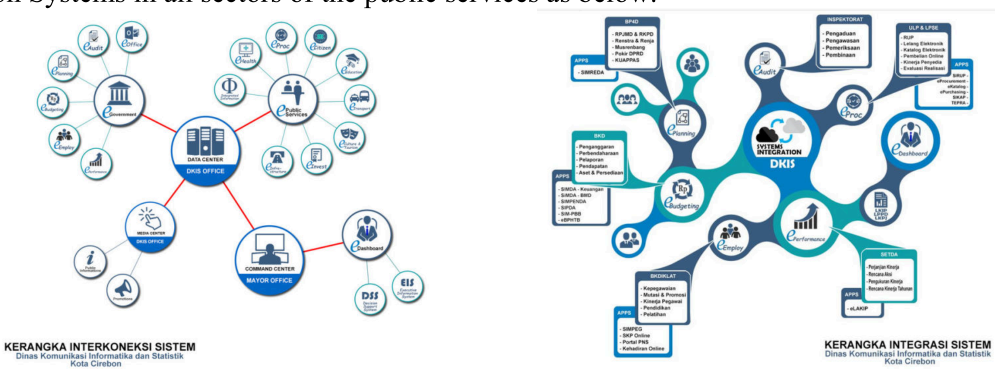

Figure 4.4 Interconnection and Integration Systems

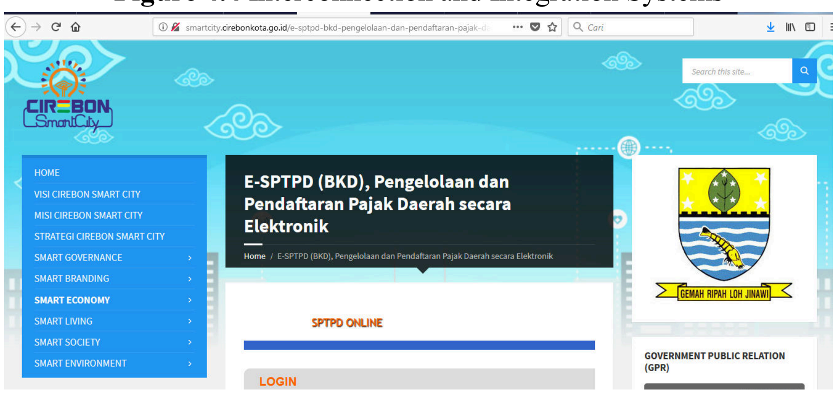

Figure 4.5 Website of Cirebon Smart City

Based on the figures above, it proved that the Cirebon City had a clear goal in designing all public services towards digital direction. In this framework, the Smart Economy aspect showed several plans, such as e-investing, e-budgeting, and some digital economic data management, for example, the management and registration of E-SPTPD regional tax (BKD).

4.2. Cirebon public readiness in facing the digital economy era

Figure 4.6 A survey data of e-commerce activities percentage in Indonesia in 2010

Figure 4.7 A survey data of website used by e-commerce in Indonesia in 2016

This research was based on the KOMINFO survey result in 2016, regarding the marketplace often used by online sellers and which products were often sold. Researchers took the marketplace, which was *Tokopedia*. The samples was obtained from the data of most-selling goods, such as women's tops, women's pants, books, video games, computers and accessories, and biscuits and cakes. Data survey result was as in Table 4.2.

Table 4.2 A data of the use of *Tokopedia* by the citizens of the Cirebon City

No	Product	Total	Total of Store
1	Women’s top (fashion)	4.783 Products	68 Stores
2	Women’s pants (fashion)	1.531 Products	56 Stores
3	Book	73 Products	4 Stores
4	Video game	0 Product	0
5	Mini PC	19 Products	10 Stores
6	Computer and laptop’s accessories	1239 Products	24 Stores
7	Biscuits and Cakes	269 Products	56 Stores

Based on the table above, the most citizens of Cirebon City had used digital internet media to make transactions. In other words, it indicated that the citizens were ready to enter the digital economy era. It could be seen from many online stores emerged in the Cirebon City, especially in fashion and cake business, in which that there were 68 fashion and 56 cake stores.

4.3. SWOT analysis (strengths, weaknesses opportunities, threats)

According to the data and information collected, the writer analyzed that the readiness of Cirebon to enter the digital economy era using a SWOT analysis.

4.3.1 Strength

a. The vision of the Office of Communication, Informatics and Statistics of the Cirebon City is "the realization of the Communication, Informatics and Statistics service that is obedient towards Friendly City of Cirebon in 2018" proved that Cirebon was serious to realize the online public services [6].
b. There were a framework design and integration of interconnection system, thus it defined that Cirebon had already a mature plan to deal with the digital era.
c. There was a legal basis, which was clearly proved by regional regulations related to the concept of the Cirebon Smart City.
d. The citizens, who had already various types of online business in the online marketplace, indicated that the citizen was ready to face the digital economy era.

4.3.2 Opportunities

a. The existence of government regulations that supported each region to prepare and face the digital era.
b. The number of online marketplaces that could be used to sell products with minimal capital because they did not have to open a physical store.
c. The most of citizens had a smartphone in which it could be opportunity for them to conduct transactions through the digital world.

4.3.3 Weakness

a. There were limited funds that affected the process of developing online services needed a gradual time.
b. There were some government public services that did not implement online system yet.
c. The information of the use of an online marketplace was not still delivered to some citizens of the Cirebon City.

4.3.4 Threats

Changes in the digital era required government consistency in carrying out these plans. Consistency was required especially when there was a change of government policy, which was likely to change the on-going program.

5. Conclusion

Based on the result obtained above, it concluded that:

1. The readiness of the Cirebon City Government to enter the digital economy era was already good enough, and was in its early stages. It was indicated from the existence of a strategic plan, interconnection framework, clear legal basis and system integration.
2. The citizens of the Cirebon City were also ready to face the digital economic era. It was indicated from the variety of products and several online businesses on tokopedia.com.
3. The readiness of the Cirebon City Government and the citizen of the Cirebon was not similar, it indicated that the services was not used optimally by the citizens, this could be affected by lack of

socialization and research on needs in which it became a reason for the citizens prefer to use other services that were not products of the Cirebon City Government.

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E-Commerce Development and Its Influence on Logistics Industries in Indonesia

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Abstract. This research was aimed at determining the changes in public spending behavior in relation to the development of e-commerce. This study assessed the changes in shopping behavior from physical stores to e-commerce and its impact on the freight forwarding industry in Indonesia. Data was collected through survey methodology by using a questionnaire as an instrument. A total of 200 respondents participated in this survey. Data was analyzed by using SPSS software. This research found that the development of e-commerce has yet to change the overall shopping behavior. People prefer to shop physically to fulfil their needs rather than online. The study also revealed that online shopping becomes popular for certain products such as clothes, cosmetics, electronics and more. The main reason of purchasing such products through online shopping is due to its affordable price, besides less time consuming. More importantly, the study showed that e-commerce potentially gives positive impact to the logistics industries through the increasing number of products being shipped as an impact of online shopping behavior.

The Dominant Factors of Customers' Buying Decision: a Case Study on Go-Ride in Bandung City

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Abstract. The development of online motorcycle taxi is very rapid. Recently, more online motorcycle taxis exist with similar quality in various services, so that the business competition is getting tighter. It requires them to keep improving the quality of service to customers, so that consumers will be more satisfied. This research aims at knowing the dominant factors that make the customers use Go-Ride services, knowing the attributes that must be improved, maintained or reduced according to the priorities set by Go-Ride. The research employed a purposive random sampling to 303 Go-Ride customers \. The data analysis method used was load factor analysis. The result showed that the lowest loading factors lied in the attribute of 'Recognizes Destination,' which was equal to 0.572. While the highest loading factors was on the reliable attribute associated with "Driver's Quick Pick Up" that was equal to 0.817.

1. Introduction

In 2010, Go-Jek was established on telephone technology basis in which a consumer can call a traditional motorcycle taxi by calling the operator of Go-Jek. The operator then sends a fleet to pick up the consumer. Although at first, it attempted to answer the consumers' difficulties, it turned out that Go-Jek could not simply overcome the problems. Consumers still have to make a phone call and pay for the phone charges.

By 2015, internet has grown rapidly in Indonesia, supported by the development of smartphone technology. Unimpededly, Go-Jek then seized the opportunities in the technology development. In January 2015, Go-Jek changed its platform into digital. Since then, Go-Jek has enlarged its market significantly, as consumers could easily access to via their smartphones.

In 2018, the number of online motorcycle drivers have exceeded over 1 million drivers. If one driver yields the revenue of 100 thousand only from Go-Ride, then it is multiplied by 1 million drivers, the revenue of one-month business will possibly reach IDR 3 trillion. Those amounts are absolutely fantastic for the business of online motorcycle taxi. In Indonesia, traffic jam becomes a huge problem that makes many people choose motorcycles. It has offered a great business opportunity for people to become ojek drivers. An *ojek* is a general public transportation that uses a base as a gathering place. However, a staying at the base is very time consuming. More than 70% work time of the motorcycle taxi drivers is just waiting for customers' order, plus getting trapped in Jakarta traffic jam. For the passengers, the efficiency of a motorcycle lies in their ability to slip through the traffic jams.

The Internet has changed the social patterns and the behavior of Indonesian society. It provides business and employment opportunities, as well as a wide range of information on economic, social, political, and cultural issues. [1]

Based on the explanation, the formulation of this research problem is the quality of service and the value of Go-Ride customers in Bandung.

2. Literature review

2.1 Mobile applications

The American Dialect Society voted "app" (noun, an abbreviated form of application, a software program for a computer or phone operating system) as 'word' of the year for 2010. It also stated that a mobile app is a software application developed specifically for small, wireless computing devices, such as smartphones and tablets, rather than desktop or laptop computers. These mobile apps are built to make things easier for the users; they have 12 different designs and colors from their website template. Moreover, they are designed for user-friendly site navigation and high-speed load time. [2]

2.2 Nature of Services

Services have the following four key distinguishing characteristics. [3]

a. Intangibility

This is the most basic and often quoted difference between goods and services. Unlike tangible goods, services cannot generally be seen, tasted, felt, heard or smelled before being consumed. The potential customer is often unable to perceive the service before (and sometimes during and after) the service delivery.

b. Inseparability

There is a marked distinction between physical goods and services in terms of the sequence of production and consumption: Whereas goods are first produced, then stored and finally sold and consumed, services are first sold, then produced and consumed simultaneously. For the production of many services (e.g. counselling, museums, hairdressing, rail travel, hotels), the customer must be physically present. Some services may be produced and delivered in circumstances where the customer's presence is optional, e.g. carpet cleaning, plumbing. Other services may rely more on written communication, e.g. distance learning course, or on technology, e.g. home banking. Whatever the nature and extent of contact, the potential for inseparability of production and consumption remains.

c. Variability (or heterogeneity)

An unavoidable consequence of simultaneous production and consumption is variability in performance of a service. The quality of the service may vary depending on who provides it, as well as when and how it is provided. One hotel provides a fast efficient service and another, a short distance away, delivers a slow, inefficient service. Within a particular hotel, one employee is courteous and helpful while another is arrogant and obstructive. Even within one employee there can be variations in performance over the course of a day.

d. Perishability

Services cannot be stored for later sales or use. Hotel rooms not occupied, airline seats not purchased and college places not filled cannot be reclaimed. As services are performances they cannot be stored. If demand far exceeds supply it cannot be met, as in manufacturing, by taking goods from a warehouse. Equally, if capacity far exceeds demand, the revenue and/or value of that service is lost.

2.3 Atribute to Service Quality

SERVQUAL was designed to measure the gap between customer expectations of services and their perceptions of the actual service delivered, based on five dimensions. Those five main aspects of service quality in services businesses were developed by Parasuranam et al., (1988: 23) are as follows [4] [5]:

1. Tangibles - the physical facilities, equipment and employee's appearance. According to Brink and Berndt (2005: 60), this dimension refers to the facilities, equipment and material which must reflect positively on the organization. Presentation is fundamental to achievement. Within online shopping, every product will be assessed through photos and reviews before an online shopper even chooses to purchase a product.
2. Responsiveness - the willingness to help and respond to customer need. Management ought to be receptive to the moving or shifting needs of their clients and giving services the consumers need. Dale, van der Wiele and van lwaarden (2007: 240) define responsiveness as the willingness to assist customers and to provide prompt service on a continuous basis. This dimension focuses on attentiveness and willingness in dealing with customer requests, queries and prompt complaint resolution.
3. Reliability - the ability to perform service dependably and accurately. Some organizations tend to oversell their services, prompting them to 'fabulous' guarantees that distort their genuine potential. The organizations must provide the client with the precise service it suggests through advertising and it must convey what is guaranteed in a particular time period set out within the specified time frame. If service delivery is done in a proper manner, it will enhance the perceived quality that the customer experiences (Brink & Berndt, 2005: 60).
4. Assurance - the ability of employees to inspire confidence and trust. Judgement of high or low service quality largely depends on how the customers perceive the actual performance based on their expectation. Quality assurance is connected to customer service and that terrible service offered to clients bring about disappointment or dissatisfaction.
5. Empathy - the extent to which caring individualized service is given. It is at times a challenge for businesses to surpass client desires and request.

2.4 Customers' buying decision

The buying decision process is the decision-making process used by consumers regarding market transactions before, during, and after the purchase of a good or service. It can be seen as a particular form of a cost–benefit analysis in the presence of multiple alternatives. [6], [7]. Consumer behavior entails "all activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioral responses that precede or follow these activities." [8] Understanding purchasing and consumption behaviour is a key challenge for marketers. Consumer behaviour, in its broadest sense, is concerned with understanding both how purchase decisions are made and how products or services are consumed or experienced. Consumers are active decision-makers. They decide what to purchase, often based on their disposable income or budget. They may change their preferences related to their budget and a range of other factors. [9], [10], [11].

3. Research method

a. This research intended to answer several objectives that being question during the research process, that is to determine dominant factor from service quality and customer value from Go-Ride customers while in Indonesia there are so many competitors doing the same strategy.
b. The research used quantitative and descriptive approach. It involved 303 respondents and the data that has been collected were analyzed with load factors as the initial goal of the study. Primary data collection using a questionnaire instrument and randomly distributed deliberately to those who have used Go-Ride.
c. The data collected were processed using SPSS 19 with load factor analysis statistical tool and completed by correlation analysis.

3.2 Validity and reliability

The validity test was done by using Product Moment correlation. The criteria of a statement item are valid, if the value of *r-count* is greater than *r-table*. *R-table* value can be known by using the formula: *r-table* (α, n-2) from Product Moment table. In this validity test, it is known that **n** is 303, and α = 5%, then: *r-table* (5%, 303-2) = 0.113. Each question item is said to be valid if r count is greater than 0.113. The obtained validity test results are:

While reliability test which was done by using Cronbach Alpha analysis technique. A questionnaire is said to reliable if the Cronbach Alpha value is greater than 0.60. Following are the obtained results of the reliability test as follows:
It can be concluded that all statements variable quality of service, and customer value is reliable, because Cronbach Alpha value was greater than 0.60.

3.3 *Statistical analysis*

Statistical analysis was important to determine the answer of the research objectives to know how the impact of service quality and customer value on Go-Ride customer behavior in Bandung. The analysis has been done by using the SPSS 19.

3.3.1 Correlation matrix

Correlation matrix is used to see the relationship pattern. The first thing to be done is to examine the significance values and search for the variables with values greater than 0.05. After that, examine the correlation coefficients for any that is greater than 0.9. If some are found, then there may be a problem arise because of the data singularity. It was found from the correlation matrix that there were no values of correlation coefficient that are greater than 0.9, so there would be no problem could arise.

Table 1. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.906
Bartlett's Test of Sphericity	Approx. Chi-Square	5807.102
	df	351
	Sig.	.000

Table 1 illustrates a number of vital elements of the output: The Kaiser-Meyer-Olkin measurement of sampling adequacy and Bartlett's test of sphericity. Barlett's test measures the null hypothesis that the original correlation matrix is an identity matrix. To make factor analysis works, there has to be some relationships between variables, and if R-matrix are an identity matrix, then all correlation coefficients will be zero. A significant test shows that the R-matrix is not an identity matrix; therefore, there are some relationships between the variables. The Barlett's test result showed that the result was highly significant ($p < 0.001$). Therefore, factor analysis is appropriate.

3.3.2 Rotated Component Matrix

Because of pages' limitation, it was unable to put some tables in this report. Then, directly move to Table 4 and explain variables respectively from Component 1 to Component 5 generated by *statistical load factor*.

Component 1

Component 1 consists of V12, V13, V14, V16, V19, V20, V24, V25, V26, and V27 variables.
Overall, component 1 can be categorized as 'Professional Performance'.

Component 2

Component 2 consists of V1, V2, V3, V4, and V5 variables.
Overall, Component 2 can be categorized as 'Flexibility and Convenience'.

Component 3
Component 3 consists of V21, V22, and V23 variables.
Overall, Component 3 can be categorized as ‘Confidence Level’.

Component 4
Component 4 consists of V11, and V18 variables.
Overall, Component 4 can be categorized as ‘Assurance’.

Component 5
Component 5 consists of V7, and V9 variables.
Overall, Component 5 can be categorized as ‘Trust and Reliable’.

It can be summarized that most dominant factors of customers’ buying decision made was their daily use of the application.
Component 1 is the most influencing factor that is labeled as ‘Professional Performance’. Component 2 has great influence for the customer to choose Go-Ride, since there are five parameters categorized as ‘Flexibility and Convenience’. Component 3 has a lower influence towards the service quality, and categorized as ‘Confidence Factor’. Component 4 has a lower influence from service quality towards Go-Ride customer, categorized as ‘Assurance’. The last component, Component 5 has an influence from service quality on customer in using Go-Ride, which is categorized as ‘Trust and Reliable’.

3.3.3 Correlation Analysis
Briefly from Table 2 can be concluded results of the analysis as follows:
Hn1. There was a positive relationship between Professional Performance (component 1) and Flexibility and Convenience (Component 2). Hn1 was accepted because there is a positive relationship which the degree was highly correlated (0.621)

Hn2. There was a positive relationship between Professional Performance (Component 1) and Confidence Level (Component 3). Hn2 was accepted because there was a positive relationship which the degree was highly correlated (0.507)

Hn3. There was a positive relationship between Professional Performance (Component 1) and Assurance (Component 4). Hn3 was accepted because there was a positive relationship which the degree was moderately correlated (0.374)

Hn4. There was a positive relationship between Professional Performance (Component 1) and Trust and Reliable (Component 5). Hn4 was accepted because there was a positive relationship which the degree was highly correlated (0.529)

Hn5. There was a positive relationship between Flexibility and Convenience (Component 2) and Confidence Level (Component 3). Hn5 was accepted because there was a positive relationship which the degree was moderately correlated (0.450)

Hn6. There was a positive relationship between Flexibility and Convenience (Component 2) and Assurance (Component 4). Hn6 was accepted because there was a positive relationship which the degree was low correlated (0.272)

Table 2. Correlation Among Variables

		Component 1	Component 2	Component 3	Component 4	Component 5
Component 1	Pearson Correlation	1	.621**	.507**	.374**	.529**
	Sig.(2-tailed)		.000	.000	.000	.000
	N	303	303	303	303	303
	Pearson	.621**	1	.450**	.272**	.524**

Component 2	Correlation					
	Sig.(2-tailed)	.000		.000	.000	.000
	N	303	303	303	303	303
Component 3	Pearson Correlation	.507**	.450**	1	.406**	.343**
	Sig.(2-tailed)	`000	`000		`000	.000
	N	303	303	303	303	303
Component 4	Pearson Correlation	.374**	.272**	.406**		.400**
	Sig.(2-tailed)	.000	.000	.000		.000
	N	303	303	303	303	303
Component 5	Pearson Correlation	.529**	.514**	.343**	.400**	
	Sig.(2-tailed)	.000	.000	.000	.000	
	N	303	303	303	303	303

Hn7. There was a positive relationship between Flexibility and Convenience (Component 2) and Trust and Reliable

Hn8. There was a positive relationship between Confidence Level (Component 3) and Assurance (Component 4). Hn8 was accepted because there was a positive relationship which the degree is moderately correlated (0.406)

Hn9. There was a positive relationship between Confidence Level (Component 3) and Trust and Reliable (Component 5). Hn9 was accepted because there was a positive relationship which the degree was moderately correlated (0.343)
Hn10. There was a positive relationship between Assurance (Component 4) and Trust and Reliable (Component

4. Conclusion

Go-Jek stands out as an answer to a very basic consumer problem, "convenience". Before the existence of Go-Jek, consumers have to wait or go to the conventional motorcycle taxi base to use motorcycle taxi. There was no other way for consumers to be able to make a direct call to the conventional motorcycles taxi. Not only for consumers, "convenience" also turns out to be a problem for the conventional motorcycle riders. They have to navigate inefficient roads to get passengers as well as destination locations desired by passengers.

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Investment Decision Making in Sharia Banking in Indonesia Using Analytical Hierarchy Process (AHP) Method

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Abstract. This research aims at obtain a picture of the decision to invest in sharia banking. A combination of qualitative and quantitative approaches was used. The qualitative approach was used to measure the comparisons between the factors that influenced the decision making and the list of references from the primary data, while the quantitative approach was used to rank the hierarchy and calculate the weight of each criterion by using the AHP method. The quantitative data were financial ratios of Non-Performing Financing, Provisioning Allowance Earning Assets, and Risk Weighted Assets. The results showed that of three sharia banks that were the samples, the priority weight value for BNI Syariah Bank was 0.51, Mandiri Syariah Bank 0.19, and BRI Syariah Bank 0.31. It can be concluded that BNI Syariah Bank had the highest priority weight value (0.51).

Looking for Alternative Online Promotion Strategy in Virtual Store-front Through Analytic Hierarchy Process

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Abstract. Technology, especially the Internet, keeps growing nowadays to offer a more convenience living. Exchanging information via Internet becomes easier and limitless. Consequently, it has been used to advance business and brings alternative promotion strategies. Previous researches in e-business less specifically concerned to promotional strategy, so that the current study aimed at exploring the implementation of analytic hierarchy process (AHP) in a virtual store-front and finding elements that support the online promotion strategy. Data in this research was gathered by the qualitative and quantitative approach. The results showed that the implementation of online promotion strategy by the company consists of web promotion with the CPC system, price discount, social networking systems, smartphone application, and group discussion. Meanwhile, the actors who involve in strategic decision making included the director, marketing manager, and IT Department. The company has been developing an online marketing strategy to increase sales, consumers' awareness, competitive advantage, and dissemination of information. The alternative strategies that could support the company's strategic actions, based on the rank order of priority, are the marketplace, search engine optimization, webvertising, and direct mail. Further, technical application for online business industries could give priority to IT skill development.

Gap Quality Analysis of Employee Attendance System Application using Technology Acceptance Model Approach and Fuzzy Method

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Abstract. The employee attendance system application in an educational institution occupies an important role in providing evaluation and improving performance in addition to being able to improve the transparency of employee and institutional relations. In its use, the employee attendance system must be able to accommodate the needs of its users, namely employees and staffing. This research evaluates user satisfaction over system applications using the Technology Acceptance Model approach. The evaluation was conducted by assessing the level of perception and satisfaction level of 40 users, in this case, employees. The research variable used is perceived usefulness, perceived ease of use (level of ease of use received), and user satisfaction (level of user satisfaction). Computing process was done by fuzzy methods. The results showed that some quality of the application could not meet the expectations of employees at this time. The only variable that met the performance and expectation was perceived ease-of-use.

1. Introduction

The importance of employee attendance system application is related to maintaining employee's discipline and also transparency. SINPEG employee's attendance application has been applied for three months in an educational institution located in Bandung City. This application is used by all employees that need to get information about their monthly accumulated attendance record and has been used effectively and intensively for months. SINPEG is a system that support the conventional system that is already existed in the institution which is called DP 3. The DP 3 is paper-based attendance management system that has eight elements to measure which are trust, obedience loyalty, responsibility, teamwork, leadership, and initiative. SINPEG is expected to be supportive paperless system that increase highly efficiency and accuracy of human resource management performance.

The quality of human resource is one of the important factors to improve productivity and organizational performance. Therefore, commitment, skill, and competency of employee are highly required. On the other hand, employees need to be motivated by rewards to be motivated by clear rewards and punishment if they are not discipline. One of the ways to indicate the commitment is the record of employees' attendance. However, the record must be transparent and clear for the employees. The quality of application is facing these two sides: clear absence calculation and clear monitoring system. This research is focused on the gap study of the application's performance based on employee's perception and expectation. The model of this gap analysis is Technology Acceptance Model, which was introduced by Davis [1]. The computational method to measure the gap is Fuzzy method.

2. Literature Review

2.1 Technology Acceptance Model (TAM)

Technology Acceptance Model (TAM) was first introduced by Fred Davis in 1986. This model was developed based on psychological theories which explained such belief, attitude, intention and behaviour relationship of technology's users [1][9]. TAM is mainly consisted of two external factors. One is called *perceived usefullness* (PU), which is defined as a probability that user perceives the technology that will enhance their job performance. The other is called *perceived ease of use*, which is defined as the degree of user's perspective that means there will be no effort in operating technology. Those two external factors will affect the attitude and behaviour.

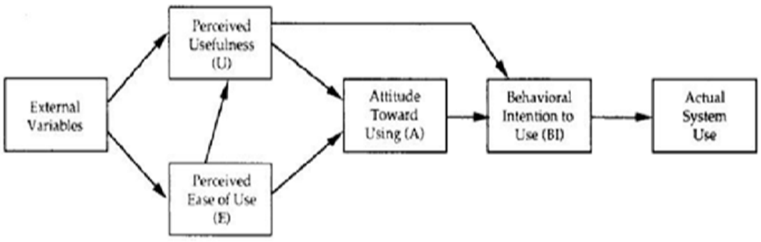


Figure 1. Fred Davis's Technology Acceptance Model [1][9]

TAM has been developed by many researches in wide variety area of technology. Long Lie [6] reviewed that the model was developed by Wixom and Todd in 2005[11], which added factors and variable control, Vekantes and Davis in 2000 that built TAM2 by adding social influences and cognitive instrumental process, and other researcher, such Taylor and Todd in 1995. Surendran [9] also reviewed some model developments which some of them are: Agarwal and Prasad in 1998 [9] modified TAM by adding the construct of compability in the TAM, Moon and Kim in 2001 added variables like experience, self-efficacy, perceived risk and social influence, etc. TAM is a model that has flexibility and is explorable in very wide range of different cases.

This research aims at analyzing the gap quality. Therefore, the model would be developed and might be integrated with quality variable which is commonly known as customer satisfaction. User perception and expectation are measured and explored in this variable. Many researchers have developed the model and integrated with quality variable. Quality has wide and various definition. Our focus is quality definition on consumer's perspective. Peter Drucker defines quality as what consumer takes out and is willing to pay for, that is not what 'supplier' puts in [10]. McGill [8] believe that satisfaction is a good measure of a system success. Both of theoritical statement draw a conclusion that the quality can be assumed as customer or user satisfaction.

The perspective used in this definition is assumed to be fit with psychological approach as the origin of TAM. Satisfaction might be a good measurement of quality as Ive's definition [8] that user satisfaction is user's trust if the system meets their information requirements. Some of the researches showed that there were significant correlation between TAM variables and customer satisfaction variables. Here are some of them.

1) Hou et al. [3] studied on spa industry customer showed that TAM gave a significant effect on the physical and spiritual health satisfaction. The research framework showed that TAM variables, such as perceived usefulness, perceived ease of use, customer partisipation, and behavior affected customer satisfaction.
2) Ohk et al. [7] explored the effects of perceived usefullness, perceived ease of use, ease to navigation, and interactivity, on the satisfaction in mobile application. The findings of

this research gave clear explanation that technology acceptance influenced the mobile application user satisfaction and their continous intention.

3) Singh [8] found out some models that correlated linearly between variables in TAM that were represented by *perceived usefulness and perceived ease of use* and user satisfaction which are current satisfaction and perceived satisfaction with presence of user participation.

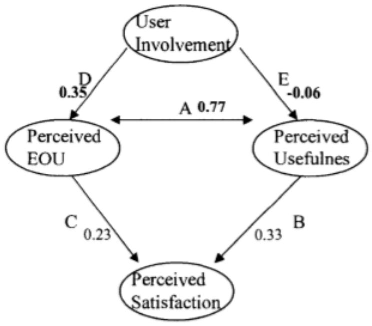
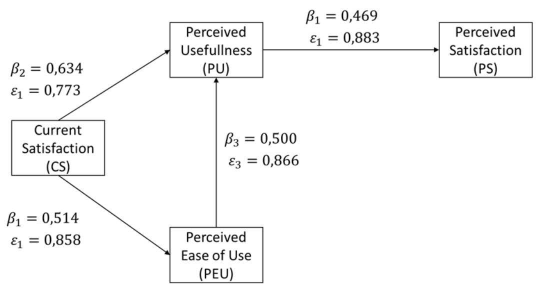


Figure 2. One of Singh's finding: TAM's two main variables and user satisfaction (Singh. 2005)

Wixom B H, Todd P A [11] investigated models of technology acceptance by exploring the influence system quality to user satisfaction. Our last research, Indrayani and Suwarman [4], explored the expectation model of quality using TAM. This research showed that certain linear relationship between TAM and user satisfaction. Investigation took educational institution attendance system gave clear explanation that *perceived ease of use* influence indirectly to user satisfaction through intervening variables *perceived usefulness.*



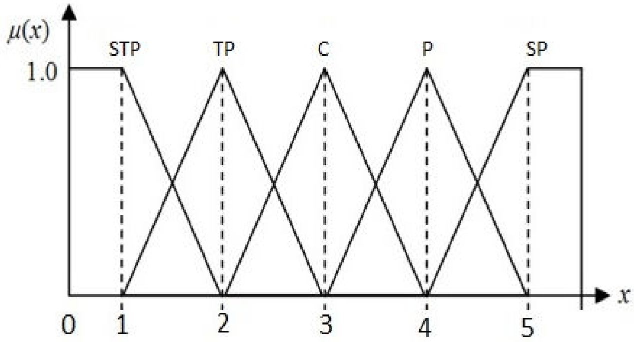
3.

Figure 3. TAM and quality model in expectation of employee on attendance application system [4]

The temporary conclusion was TAM variables had significance correlation with quality variables which were represented by user satisfaction. In this research, those three main variables were investigated by many researchers: perceived usefulness, perceived ease of use and user satisfaction.

2.2 Fuzzy Methods

Fuzzy Methods was first introduced by Lotfi A Zadeh in 1965 [5]. Fuzzy logic is logic of fuzzyness, which found in someone perception. Fuzzy logic can be used in subjective judgemental such as someone who measure written velocity of the very slow, too slow, average, fast and too fast. Fuzzy logic helps us identifying how this value has some proportion in different judgement, how big the 'fast' is and the 'very fast' is. Fuzzy logic can be applied in systems with uncertainty or imprecisely. This logic were developed based on human language. The principle of logic can be found in fuzzy set theory. Membership value of fuzzy set is the main characteristics of fuzzy logic which has range 0 to 1 [5]. Integration Fuzzy-TAM initiate with formulate the membership function and triangular fuzzy number to measure user perception and expectation, and calculate the gap of quality.



4.
Figure 4. Triangular fuzzy numberto measure perception and expectation [5]

Perception and expectation data were collected by questionnaire. Then mean operational variable-i which has criteria-j was calculated. After that, the maximum number (b_i), minimum number (c_i), and median number (a_i) for each criteria in sample size of every criteria and variable n_{ij} could be determined.

$$\textit{Minimum number (c)} = \frac{c_{i1} * n_1 + c_{i1} * n_2 + c_{i2} * n_3 + \ldots\ldots c_{i(k-1)} * n_k}{n_1 + n_2 + n_3 + \ldots.. nk} \qquad (1)$$

$$\textit{Median number (a)} = \frac{a_{i1} * n_1 + a_{i2} * n_2 + a_{i3} * n_3 + \ldots\ldots a_{ik} * n_k}{n_1 + n_2 + n_3 + \ldots.. n_k} \qquad (2)$$

$$\textit{Maximum number (b)} = \frac{b_{i2} * n_1 + b_{i3} * n_2 + \ldots\ldots b_{ik} * n_{i(k-1)} + b_{ik} * n_k}{n_1 + n_2 + n_3 + \ldots.. n_{(k-1)} + n_{jk}} \qquad (3)$$

Last steps is defuzzification step that calculate the mean of every criteria:

$$\mu = \frac{(a+b+c)}{3} \qquad (4)$$

3. Methodology

This research's interpretation on the quality construct variables has similarity to Singh's findings [8]. This research constructed quality variables into user perception of quality and user expectation to quality. Both (perception and expectation) were explored in two main TAM variables: *perceived usefulness (PU)* and *perceived ease of user (PEU)* and the quality variables which is indicated by *user satisfaction* (US). Then, the gap between perception and expectation was measured to see current quality.

In this research, some hypothesis were formulated based on variables identified empirically from the last researches. According to Singh's works, current satisfaction might have correlation linearly with expected satisfaction, and so do all the variables on both measurement; perception and expectation. The research have to investigate the correlation in the first step to ensure that expected variables and perception variables are independent or dependent. If both are independent, next step is gap analysis. Otherwise, the research will continue the path analysis by involving all variables of perception and expectation models. Gap analysis of last possible research scenario might be unclear because the dependecies of all variables. Gap analysis will be done by applying fuzzy method which result will be presented in cartesian graphic.

The Hypothesis of the research are:

H1: All expectation and perception variables are positive correlated

H2: There are significant gap between user perception and expectation

The variables that are investigated in the research are listed in table below.

Table 1. Research variables and items of questionnaire

Construct Variables	Definition	Items	Scale of Perception	Scale of Expectation
PU: Perceived of Usefulness	probability that user perceive the technology will enhance their job performance (Davis, 1989)	PU1: the application will assist employee to get attendance information in very short time		
		PU2: the application improves attendance information delivery		
		PU3: the application assist to calculate attendance in detail faster		
		PU4: the application saves time to get attendace information in detail		
		PU5: the application is usefull for my task		
PEU: Perceived Ease of Use	degree of user's perspective that he operates the technology in free of effort (Davis, 1989)	PEU1: the application is easy to be learned		
		PEU2: no effort to access the information i need by using this application	1= extreemly disagree	1= extreemly unexpected
		PEU3: the application gives clear information	2= disagree	2= unexpected
		PEU4: the application is flexible to use	3=neutral	3=neutral
		PEU5: all the features in application are easy to be used	4=agree 5=extreemly agree	4=expected 5=extreemly expected
US :User Satisfaction	users beleive the system meets their information requirements (Ives, 1983 on Singh 2005)	US1: overall i am satisfied to use the application		
		US2: i feel confident to use the application		
		US3: I beleive that I always get easiness to get attendance information in detail by using the application		
		US4: I beleive I am provided quick calculation of my attendance by using all procedures in the application		
		US5: I beleive the application increase the transparent information of Departement of Human Resource		

Gap analysis was calculated by fuzzy logic. First, defining triangular fuzzy number based on Likert scale used in this research. Hence, Figure 4 can be applied to define triangular fuzzy number. Table 2 and 3 are triangular fuzzy number for perception and expectation criterias for fuzzy set value 0 to 1.

Table 2. Triangular Fuzzy Number for perception criterias. EDA = Extreemly Disagree; DA= Disagree; N=Neutral; A =Agree; EA = Extreemly Agree

		EDA	DA	N	A	EA
minimum number	c	1	1	2	3	4
maximum number	b	2	3	4	5	5
median number	a	1	2	3	4	5

Table 3. Triangular Fuzzy Number for perception criterias. EUE = Extreemly Unexpected; UE= Unexpected; N=Neutral; E =Expected; EE = Extreemly Expected

		EUE	UE	N	E	EE
minimum number	c	1	1	2	3	4
maximum number	b	2	3	4	5	5
medium number	a	1	2	3	4	5

Calculation of TFN applied the equation (1), (2) and (3) and defuzzification applied the equation (4). Gap will be calculated the differences mean of defuzzification in equation 4 between perception number and expectation number. The gap result also will be presented in graphic. The research involved 40 respondent which is user of the application. This size is total employee in research object (educational institution).

4. Result and Discussion

From the result of questionnaires that was spread to the respondents, we tested the validity of questionnaire items using SPSS version 24 based on value of r product moment.

Table 4. Validity test of perception variables

Variables of user perceptions	calculated r	Valid if calculated r>rtable(rtab=0,312) in 5% significance error
PU1	0.416	valid
PU2	0.534	valid
PU3	0.749	valid
PU4	0.730	valid
PU5	0.723	valid
PEU1	0.644	valid
PEU2	0.459	valid
PEU3	0.476	valid
PEU4	0.445	valid
PEU5	0.597	valid
US1	0.595	valid
US2	0.581	valid
US3	0.564	valid
US4	0.628	valid
US5	0.592	Valid

The validity test of perception variables shows that at 5% significance error, all the items are valid. The value of all calculated r correlation are > 0.312. The cronbach alpha also measured by SPSS that was found the value was 0.900 which meant all the items reliable (>0.6) to represent the variable.

Table 5. Validity test of expectation variables

Variables of user expectations	calculated r	Valid if calculated r>rtable(rtab=0.312) in 5% significance error
PU1	0.432	valid
PU2	0.376	valid
PU3	0.460	valid
PU4	0.774	valid
PU5	0.628	valid
PEU1	0.787	valid
PEU2	0.757	valid
PEU3	0.633	valid
PEU4	0.616	valid
PEU5	0,555	valid
US1	0.781	valid
US2	0.614	valid
US3	0.864	valid
US4	0.510	valid
US5	0.552	valid

The validity test of perception variables shows that at 5% significance error, all the items are valid. The value of all calculated r correlation are > 0.312. The cronbach alpha also measured by SPSS that was found the value was 0.915 which meant all the items reliable (>0.6) to represent the variable. Independency test were tested by correlation test based on Spearman-rho method by using SPSS version 24. The yellow cells in the table below, shows that no significance correlation between expectation and perception. The white cells shows that all variables in each categories (perceptions and expectation) have certain correlations, which fit to theoritical model. By this results, the research can be continued to the gap analysis using fuzzy method. The first hypothesis are rejected or all of perception and expected variables are independent (not correlated).

Table 6. Correlation test of all variables perception and expectation. The method that was applied in this test is spearman rho. The correlation is indicated and significant at the 0.01 level (2-tailed) by three stars upscript.

			perception PU	perception PEU	perception US	Expectation PU	Expectation PEU	Expectation US
Spearman's rho	perception PU	Correlation Coefficient	1,000	,623**	,720**	0,200	0,218	0,223
		Sig. (2-tailed)		0,000	0,000	0,217	0,177	0,167
		N	40	40	40	40	40	40
	perception PEU	Correlation Coefficient	,623**	1,000	,597**	0,072	-0,029	-0,109
		Sig. (2-tailed)	0,000		0,000	0,657	0,858	0,501
		N	40	40	40	40	40	40
	perception US	Correlation Coefficient	,720**	,597**	1,000	0,190	0,200	0,200
		Sig. (2-tailed)	0,000	0,000		0,239	0,216	0,216
		N	40	40	40	40	40	40

By using equation (1), (2), (3) and (4) and the fuzzy number that was defined earlier (table 2 and table 3), we can calculate the TFN and defuzzification belows for perception items and expectation items of each variables.

Table 7. TFN and defuzzification result of perception items

Criteria	TFN			*Deffuzification*	Rank
	c	a	b		
PU1	3.30	4.28	4.78	4.12	3
PU2	3.15	4.05	4.63	3.94	1
PU3	3.28	4.23	4.73	4.08	2
PU4	3.20	4.15	4.73	4.03	4
PU5	2.90	3.88	4.63	3.80	5

Criteria	TFN			*Deffuzification*	Rank
	c	a	b		
PEU1	3.20	4.15	4.73	4.03	4
PEU2	3.25	4.25	4.83	4.11	2
PEU3	3.25	4.25	4.88	4.13	1
PEU4	3.08	4.08	4.80	3.98	5
PEU5	3.15	4.15	4.83	4.04	3

Criteria	TFN			*Deffuzification*	Rank
	c	a	b		
US1	3.05	4.03	4.70	3.93	4
US2	3.05	4.05	4.75	3.95	5
US3	3.20	4.18	4.78	4.05	3
US4	3.23	4.18	4.73	4.04	2
US5	3.33	4.28	4.75	4.12	1

The result on Table 7 shows that the application performed highly in improving attendance information delivery, clear information, and transparency information. Lowest performance was showed by the overall of usefull, flexibility, and ability to give confidence to the users. The following table is the result of TFN and defuzzification of expectation items.

Table 8. TFN and defuzzification result of expectation items

Criteria	TFN			*Deffuzification*	Rank
	c	a	b		
PU1	3.53	4.53	4.95	4.33	2
PU2	3.23	4.18	4.80	4.07	4
PU3	3.53	4.53	4.98	4.34	1
PU4	3.33	4.30	4.88	4.17	3

PU5	3.03	4.03	4.73	3.93	5

Criteria	**TFN**			***Deffuzification***	**Rank**
	c	a	b		
PEU1	3.13	4.10	4.80	4.01	3
PEU2	3.18	4.15	4.83	4.05	2
PEU3	3.03	3.98	4.70	3.90	4
PEU4	3.00	3.95	4.65	3.87	5
PEU5	3.35	4.35	4.95	4.22	1

Criteria	**TFN**			***Deffuzification***	**Rank**
	c	a	b		
US1	3.05	4.03	4.75	3.94	5
US2	3.05	4.00	4.65	3.90	4
US3	3.25	4.23	4.83	4.10	3
US4	3.33	4.30	4.85	4.16	2
US5	3.30	4.25	4.78	4.11	1

The result shows that most of the users expect the application ability to assist in calculate number of attendance in detail and faster, easy to use, and increase transparent record or information. Lowest priority of quality intention were found in overall useful for employee's task, flexibility, and overall satisfaction to use.

Defuzzification results of fuzzy score for perception and expectation items. The differences of both is gap between actual performance and expected performance. Table 9 presents that PU and US did not meet the expected quality, but the PEU did.

Table 9. Gap between items in perception and expectation variables

items	Perception	Expectation	GAP		
	Perceived Usefullness				
PU1	4,12	4,33	-0,22		
PU2	3,94	4,07	-0,13		
PU3	4,08	4,34	-0,27		
PU4	4,03	4,17	-0,14	mean of PU	
PU5	3,80	3,93	-0,13	perception	expectation
Total	19,96	20,83	-0,88	3,99	4,17
	Perceived Ease of Use				
PEU1	4,03	4,01	0,02		
PEU2	4,11	4,05	0,06		
PEU3	4,13	3,90	0,23		
PEU4	3,98	3,87	0,12	mean of PEU	
PEU5	4,04	4,22	-0,17	perception	expectation
Total	20,28	20,04	0,24	4,06	4,01
	User Satisfaction				
US1	3,93	3,94	-0,02		
US2	3,95	3,90	0,05		
US3	4,05	4,10	-0,05		
US4	4,04	4,16	-0,12	mean of US	
US5	4,12	4,11	0,01	perception	expectation
Total	20,08	20,21	-0,13	4,02	4,04

All performance of *perceived usefullness* showed were below expectation. The overall easiness was also the same. User satisfaction showed that only quality of transparency was higher and it met the expected quality.

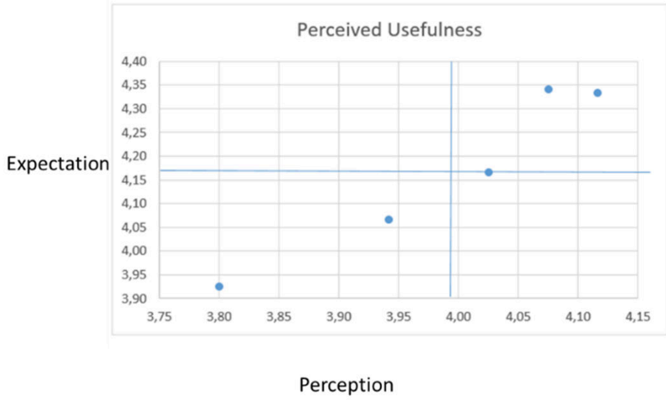


Figure 5. The position of perfomance and expected quality of perceived usefulness

The vertical blue lines represents of average value of perception and the horizontal one is average value of expectation. The result showed that two variables were in low performance and low expected quality, two variables wee in high performance and high expected quality, and one variable is in high performance and average expected quality.

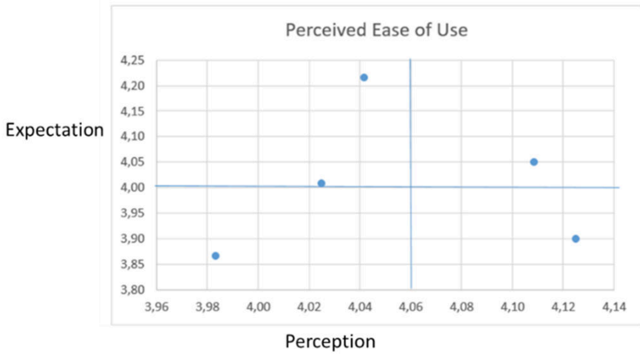


Figure 6. The position of performance and expected quality of perceived ease of use

Position quality in PEU must be focused on two variables which its performance were below than performance average. They represented the easiness to use and easiness to be learned.

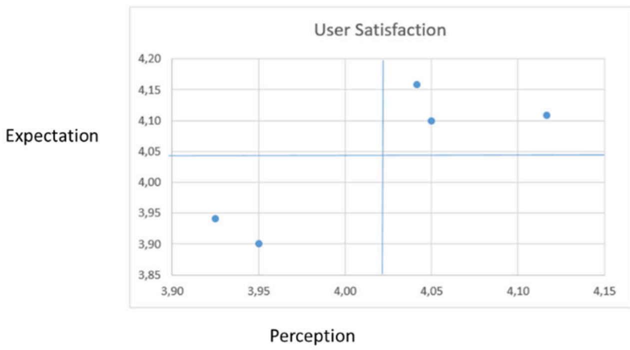


Figure 7 The position of performance and expected quality of perceived of use

Figure 7 presents that all performance and expected quality are in the same range. Two of them were below performance and expected average quality, and three others were above them. The all gap analysis show that some of the second hypothesis are rejected.

5. Conclusion

The research results some points as the following below:

1. Performance and expected quality were independent, this means that employee expectation of quality were not be influenced by recent application performance.
2. Perceived of usefulness and user satisfaction did notmeet the quality, but perceive ease of use did.
3. *Easiness to use* application and easiness to learn how to use were major concern of the application improvement.

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The Design of RFID-based Parking System to Reduce Company's Operating Costs

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Abstract. The study was aimed to design a vehicle parking information system, which uses Radio-Frequency Identification (RFID) cards. The study was done in three stages, which are identifying requirement plan, design workshop, and implementation. Through this research, a parking information system using RFID cards was resulted. With this information system, the parking process can be simplified and incoming and outgoing process of vehicles can be accelerated. The issues such the damage of the parking tickets can be solved, and payment system can be done in effective and efficient manners. Finally, it benefits the companies through reduction of company's operating costs.

Social Media Content Marketing Strategy of Infobdg in Online Media Business Competition in Bandung City

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Abstract. In the era of marketing 4.0, which combines online and offline interactions between companies and customers, social media content marketing (SMCM) is considered to be a powerful marketing strategy. SMCM is a communication strategy that develop the trustworthiness through sharing knowledge and opinions to gain loyal followers. This paper aimed at understanding the segmentation strategy, the message strategy and the SMCM strategy used by Infobdg in facing the online media business competition in Bandung. This research employed qualitative method and the technique of data collection included observation, interview, and research documentation. This research found that the segmentation strategy of Infobdg was determined by geography, demographic and psychology. Furthermore, there were three types of message strategy used by Infobdg including rational appeals, emotional appeals, and moral appeals. Furthermore, the SMCM strategy of Infobdg included content, customers engagement, and goals.

1. Introduction

Indonesia is a developing country that is moving towards a digital economy. According to the Organization for Economic Cooperation and Development, digital innovation is claimed to be able to bring the world closer to sustainable prosperity. This is in accordance with the Marketing 4.0, which is a marketing approach that combines online and offline interactions between companies and customers. It integrates between style and substance that not only focuses in good branding, but also promotes relevant and up-to-date content (marketeers.com).

Based on a survey conducted by Nielsen Consumer Media View in 11 Indonesian cities, television penetration rate was 96%, followed by outdoor media (53%), internet (44%), radio (37%), newspapers (7%), and tabloids and magazines (3%). The fact that the internet was a medium with a high penetration rate indicated that Indonesians were increasingly fond of accessing various content through digital media. According to APJII data in 2012, the number of internet users in Bandung reached 579.000 people, and this number was still growing every year. This was one of the motives for the growth of various digital mass media in Bandung based on social media, such as @Infobdg, @Infobandung, @Infobandungraya, @Explorebandung, @bdgsociety, etc.

Infobdg is an online-based mass media, which was established on January 3, 2010. The media facilitated people from the difficulty of finding information about the events, traffic, weather, discounts, tourism, culinary and other information about Bandung. It was born from twitter. Good responses from Bandung citizen kept Infobdg growing, as indicated by the growing number of followers. On the Twitter

@infobdg account, the average followers growth rate was 1.042 per day and 21.260 per month. Recently, Infobdg has 2.49 M followers on twitter, 580 K followers on Instagram, and 22 K followers on Facebook. The growing number of followers provided Infobdg higher accountability to be the media partner and the main promotional media for businesses in Bandung through social media and website.

The light and easy-to-understand content in Infobdg was packaged attractively with photos, videos, and sentences. This made it as one of the favorite digital social media in Bandung's as indicated by the amount of its followers on Twitter, Instagram, and Facebook, which exceeded their competitors. However the competition in the online media business in Bandung was increasingly fierce, this encouraged the Infobdg team to develop a social media content marketing strategy.

2. Research Method

This research entitled "Social Media Content Marketing Strategy of Infobdg in Online Media Business Competition in Bandung" employed qualitative methods - case studies with constructivism paradigm. The methods was employed because this research focused on the SMCM strategy used by Infobdg in its marketing communication. This research required observation and objectivity in collecting the data in the field and stating that reality exists in various forms of mental construction based on social experience, local and specific to individuals, groups, and the Infobdg company itself.

The informants in this research were determined using purposive sampling. According to Sugiyono, purposive sampling is a technique for determining samples with certain considerations [1]. The steps of data collection included limiting the scope of the research, collecting information through observation, structural and non-structural interviews, documentation, visual materials, and designing protocols for recording information [2].

The data analysis method in this research referred to [3], which was known as interactive analysis that consisted of several steps: data reduction, data presentation, drawing conclusions and verification.

3. Result and Discussion

Based on the results of interviews, observations, and documentation on SMCM strategy, there were some findings analyzed in this research. First, market segmentation is a strategy designed to allocate the marketing resources to defined segments. According to Tjiptono and Chandra, the main purpose of segmentation, targeting, and positioning is to position a brand in the minds of consumers in such a way that the brand has a sustainable competitive advantage [4]. SMCM of Infobdg media was designed in detail by the Infobdg team, which consisted of editor, copy writer, admin and also marketing communication manager. The initial stage of designing strategy was to determine the followers of Infobdg. The first process of developing an effective SMCM was determining the target audience, because this step influenced the decision about what, how, when, where, and to whom the message should be delivered. Target audiences were determined based on Infobdg followers' segmentation, this could be seen from the analytical data on Twitter, Instagram, and Facebook accounts of Infobdg. The segmentation variables were determined as follows:

1. Geographic: this segmentation was used to classify the markets by location, such as country, province, city, or environment. According to the geographical segmentation data, Infobdg followers were from Bandung, Jakarta, Cimahi, and Tangerang and approximately 51% followers of Infobdg came from Bandung.
2. Demographic: this segmentation was used to categorize the followers based on such variables as: age, family size, life cycle, gender, income, occupation, religion, race, nationality, and social class. Based on the demographic data, most of Infobdg followers were 18-34 years old with 55% male and 45% female.
3. Psychological: in this segment, the followers were categorized based on their lifestyle and personality. Based on the interests analytic audiences, 87% preferred tourism and general info, 87% were into culinary news and general info, 75% enjoyed business and news, 73% preferred music, 69% choosed comedy, 68% liked politics and current event, 61 % enjoyed sporting events, and 58%

preferred tech news. Based on the analysis data for each content, the content that contained city information such as '*sim keliling'* and *'samsat keliling'* was most preferred by followers.

Based on the results of interview with Infobdg, it can be concluded that the selection of this segment was based on three aspects, namely geographical, demographical and psychological segmentations. Secondly, according to [5], psychologists put forward five main steps in composing messages, or also called motivated sequences that were first introduced by Alan H. Monroe at the end of 1930, namely attention, need, satisfaction, visualization, and action. If the message used aimed at influencing others, then the first step to be taken for actions to take place was taking attention followed by raising the need, giving instructions on how to satisfy it, and describing the advantages and disadvantages. The following is the motivated sequence used by Infobdg:

1. Getting attention by posting unusual content, such as new tourist attractions, and breaking news about Bandung
2. Providing needs: Based on the results of interview and data analysis from Infobdg, it was found that Infobdg followers prefered information about culinary, the latest tourism destinations, crime news, traffic information, and city information, such as *'sim keliling'* and *'samsat keliling'*.
3. Providing satisfication: The followers' satisfaction was gained when the admin of Infobdg could always provide fast response to the follower's request, give up to date information, post photos of instagramable tourism destinations, post the news twice a day, and provide traffic information update.
4. Visualization media chosen by Infobdg were photos, videos, posters or vectors for #*plisatulah*, anniversaries, and thematic days
5. Action: When followers were satisfied with the content presented by Infobdg, they took some actions such as retweeting, reposting, commenting, mentioning their friends, and liking the content.

The following is the design of messages closely related to the four main issues that are interrelated:

1. Message content: It is related with what messages to be conveyed that involves three unique selling propositions (USP) offered to audiences consisted of rational, emotional, and moral appeal. At this message strategy stage, the message conveyed by Infobdg was that this company, through SMCM, wanted to attract young people by informing the news objectively accompanied by photos or videos. According to Infobdg's editor, "no picture is hoax". Thus, every post on the Infobdg social media account always included photos or videos.

   The emotional attraction was developed by creating content for game, quiz and giveaway posted every important day, such as Infobdg's birthday, Independents Days, Ramadhan, and The New Year. This could strengthen the emotional bond between Infobdg and followers. The moral appeal was established by showing Infobdg's concern for the surrounding conditions, such as posting the missing people or, when there was flood in Baleendah, Infobdg invited their followers and all Bandung citizen through all social media accounts to collect used clothes.

2. Message structure: It is associated with how to convey the message logically related to the conclusion drawing, one-sided arguments vs. two-sided arguments, and the order of the message presentation. One-sided arguments is a form of message presentation that solely emphasizes the product excellence. Two-sided arguments mentions product excellence and weakness. Infobdg delivered its message using two-sided arguments, so that the content seemed objective and impartial. In the content posted, the copywriter and admin often gave questions, such as "Which one do you prefer?". It made the content seem objective and facilitate two-way communication.

3. Message source: It is related to the subject delivering the message, especially regarding the credibility of message delivery. Attractive or popular message sources tend to reach greater attention and memory than ordinary people. The credibility of the message source is influenced by three factors namely expertise, trustworthiness, and likability. Expertise refers to the special knowledge

that the communicator has to support and underlie the claims, trustworthiness is audience perceptions of message objectivity and honesty. Likability describes the attractiveness of the message source. At this stage, the copywriter of Infobdg delivered the message from the resource person, which was then repackaged in an interesting content using effective language and then posted by the admin. Admin had expertise credibility in the point of view of the followers, because Admin had special knowledge about Bandung. The followers also had the credibility of trustworthiness for their community because friends were considered to have an objective and honest nature in conveying the message. Finally, the content had the credibility of likability because the message conveyed was interesting.

Third, recently, social media people are used to connect and share information with their friends. According to [6], social media is associated with a self-generated and authentic conversation between people about a particular subject of mutual interest, built on thoughts and experiences of the participants involved in the conversation. Social media cannot function without having a good content. According to Content Marketing Institute, content marketing is a strategic marketing approach that focuses on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly-defined audience to gain profit [7].

Content marketing, as stated by Joe Pulizzi, is creating content which has value to attract and bind consumers, which eventually encourage the consumers to trade. In addition, contents should be created consistently so that they can influence consumers as a whole [8].

According to Rancati Elisa and Niccolo Gordini [9], there are three characteristics of content marketing:

1. Content, created should possess some factors that make consumers like them. Interesting, educative, and consistent content and the company image are factors to be considered in making company's contents. Infobdg used photo, video and poster or image content to inform the news and advertisements. Their content contained information about traffic conditions, events, information on discounts and promos held by industries in Bandung, economic, social and educational news, weather, job vacancies in Bandung, tourism destinations, and culinary information in Bandung. They tried to be up-to-date with the latest information. The information was posted on www.infobdg.com and buzzered via the Infobdg's media social account, such as twitter @infobdg, Instagram @infobdgcom, and Facebook Infobdg. The information provided by Infobdg could attract the attention of followers and educated them, as evidenced by the number of engagement, likes, comments, and retweets made by the followers of Infobdg on each of its posts.
2. Consumers engagement is the process of creating values in the contents. The internet technology makes consumers easier to gain information and express their ideas, which make both consumers and companies easier to connect. Through content marketing, consumers are connected more to the company. Strauss and Frost (2012) stated that engagement means having connection with someone emotionally and cognitively. In accordance with Strauss and Frost, in this case, the netizen should be involved on Infobdg's content such as by reposting information that includes the the *netizen* account as the source. The admin should answer the question from the netizen and repost their questions if the admin couldnt answer it. In line with the marketing 4.0 concept, even though we live in the digital era, online and offline activities should be balanced. Infobdg invited the netizen to follow the events created by Infobdg, such as *Ngamplag, Gugah Enjing*, and BDG Beauty every month. This aimed at developing emotional and cognitive relationships that ultimately arised brand awareness.
3. Goals, the use of content marketing encourages companies to achieve goals such as brand-awareness, consumers' engagement, and customer relation maintenance. In accordance with Elisa and Gordini's opinion(), the purpose of the content created by the Infobdg team was to get brand awareness. When the *netizen* needed information about Bandung, the first thing crossed in their mind wass to open a website, twitter, Instagram and Facebook accounts of Infobdg. They hoped that their websites and social media accounts can fulfill all information needed around Bandung. "Remember Bandung, Remember Infobdg", said Infobdg's admin.

4. Conclusion

The social media content marketing strategy conducted by Infobdg was sufficient. First, Infobdg monitored the audience segmentation every month through social media analytics. The segmentation strategy used by Infobdg were geographical segmentation of Bandung, demographic segmentation resulted in information that the *netizen* were aged 18-34 years with 55% male and 45% female, and psychological segmentation , which revealed that 87% of *netizen* preferred tourism and general information content.

Second, the message strategy used by Infobdg were three unique selling propositions (USP) including rational appeals, emotional appeals, and moral appeals. Then, Infobdg used SMCM by providing information about traffic, events, discounts, economic news, social and education, weather, job vacancies, tourism destination, and culinary in Bandung. Their light content was decorated with photos, videos, and posters. Infobdg's developed the content engagement by involving the netizen on its content in order to get brand awareness. Thus, when the *netizen* needed information about Bandung, the first thing crossed in their mind was to open a website, Twitter, Instagram, and Facebook accounts of Infobdg.

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The Latest Presentation Date formula of Documentary Credit Subject to UCPDC-ICC Publication No. 600

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Abstract. This research was conducted to easily determine the Latest Presentation Date in the Documentary Credit that has not been written. Based on this issue, this research seeks to create a formula, using qualitative descrptive method. When determining the Latest Presentation Date, Shipment Date (Sd), Period for Presentation (PfP), Time (t) and The Latest Presentation Date (LPD) should be shall not exceed the Expiry Date (ED), as has been regulate in UCPDC 600 Article 6 paragraph e, Hence, there are six formulas that are found to simplify exporter state the Latest Presentation Date (LPD). The exporter should understand the latest presentation date otherwise it will be considered into the major discrepancy that will impact to his export transaction not being paid. The Importer, however, should approve the discrepancy to enable the exporter receives payment less deduction value.

Legal Protection for Bitcoin Users in E-commerce Transactions

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Abstract. E-commerce in the internet is growing rapidly, ranging from e-banking, pay pal, to virtual currencies, like Bitcoin. Bitcoin transactions are considered very profitable; therefore, it can be considered as a transaction method. However, in some countries, bitcoin has not gained legality, and it triggers Bitcoin users to get legal protection in transactions. Similarly, in Indonesia, any transactions using bitcoin are increasing well, but there has not been any legality. Even from the officials of Bank Indonesia prohibits the use of Bitcoin with the consideration that it is not a legal currency or payment instrument in Indonesia. The issues that arise are identified as follows; what legal aspects can be used as the basis for bitcoin users in e-commerce transactions and what is the role of the state in providing legal protection for bitcoin users. The method used is normative juridical which means testing the existing legislation associated with the discussion of legal protection of Bitcoin users in e-commerce transactions and analyzed juridically qualitative. The conclusion is that the legal basis used in the use of Bitcoin as an e-commerce transaction is considered private law because it involves relationships between individuals and public law because it involves the role of the state. The role of the state in providing legal protection to their citizens is an obligation.

1. Introduction

Globalization of the technology is developing rapidly in society, nation and state. The presence of technology has brought about a major change in economy, especially in transactions, thus conventional transactions have begun to be abandoned and switched to electronic transactions or e-commerce. E-commerce (electronic commerce) is a form or model of contemporary trade that deserves to be referred to as the pioneer of trade development in the 21st century. The issue of globalization, the century of high-technology information and developments that change lives, especially in economics that has an uncontrollable impact because it offers efficiency, effectiveness and convenience and other benefits that cannot be obtained in conventional trade-based on conventional-traditional practices and devices. This tool is used in transactions or electronic commerce/e-commerce through Electronic Data Interchange (EDI), telex, fax, Electronic Fund Transfer (EFT), and internet. One of the electronic transactions or trade that has taken world's attention is trading through internet, new payment methods that are no longer paperless. Starting from e-banking, internet banking, paypal, to virtual currencies like Bitcoin. Bitcoin is referred as cryptocurrency, which is a form of payment instrument that uses cryptography or a special security algorithm to control the management and manufacture of Bitcoin. Bitcoin is used in several countries such as the United States, Germany, Japan, New Zealand, Finland, South Korea, China, Hong Kong, Denmark, Russia, Taiwan, and also in Asia such as Singapore, Bangladesh, Thailand and including Indonesia. This is even more interesting because it offers a new concept of payment without relying on the trust of each bank or decentralization [5].

As the use of Bitcoin as payment keeps increasing, users' concern on making every transaction is increasing as well because there is no regulation about Bitcoin. Therefore, for those who use bitcoin, the protection for them is still weak as there is no legality. Moreover, these transaction activities only involve programmer, Bitcoin users with computer network without any interference from the government or the central bank, it has been also reaffirmed by the prohibition to use Bitcoin, including Indonesia. The purpose of writing this paper is intended to provide an understanding and description of whether the rules free about Bitcoin can fully function the private law, public law and state administration law as protection for Bitcoin users. How the state overcomes the problems that arise as a result of the transaction of bitcoins as payment, it relates to the obligation to citizens, because it can pose a threat to country's economy.

2. Theoritical Framework

Some literature research that analyzes Bitcoin is used as a source of literature and theory in the writing of this paper.

2.1. Bitcoin description

Satoshi Nakamoto, in a paper written in November 2008, entitled "Bitcoin: A Peer-to-Peer Electronic Cash System", explains the system and way Bitcoin works as a peer-to-peer online electronic payment [6]. With that system, Bitcoin allows one to transfer directly without third party intermediaries or any financial institution. The online payment will be able to minimize all possible errors and security risks, including minimizing double transactions. To proceed that, it can only be done with a peer-to-peer system that is equipped with a digital signature, a transaction time recorder that has been changed with a hash, thus that it cannot be changed and many other cryptographies used in it.

Bitcoin has two functions. First, as a digital currency, means that bitcoin is a legitimate payment tool [7]. Second, Bitcoin, according to Hayek, is described as "private currency": that is, "the currency provided by private companies aims to confront government's monopoly on the money supply" [6]. Conventional financial actors, such as central banks or government agencies, who are not involved with Bitcoin transactions [7]. As a result, there are only a few legal regulations or supervision of the use of Bitcoin. The interaction between Bitcoin from providers to the user is controlled entirely by the user. Hayek argues that conventionally supported currencies are vulnerable to various weaknesses, vulnerability to inflation and politics [6]. According to Hayek's suggestion, private currency is more stable than conventional currencies because they do not have the same weakness.

2.2 The legal relationship of bitcoin users in e-commerce

As stated in the function of bitcoin that transactions are conducted by peer-to-peer, which is decentralized. Bitcoin consists of three parts; block chain, mining network, and wallet. Block chain is a list of every bitcoin transaction that is carried out, the block chain records all transactions and is a proof of each transaction. This block chain has no manager, both individuals and organizations, but it is hold by every computer that mines Bitcoin. People who mine Bitcoin (miners) are people who maintain old transactions and ensure new transactions are recorded. Wallet is a part of Bitcoin that is always known by users. Actually, the wallet does not store Bitcoin but only stores the private key which allows the owner to add transactions to the block chain in an address in the form of a public key. Bitcoin is only stored as a transaction record in the block chain. Bitcoin security comes mostly from hashing, its function is to link one block to another block in the block chain. Each block stores the previous hash block, and the block hash value is now (which also needs to be changed in the next block, etc.) everyone can check that no transaction has ever changed the hash value because if it is done, the next hash value will be affected and no longer linked. Legal actions carried out will be featured in private law, the legal relationship is only binding on the parties involved in Bitcoin transactions.

2.3 Bitcoin regulation and legal protection

Legal protection is a subjective right that must be possessed by legal subjects. E-commerce activities that use Bitcoin as a payment tool have involved parties, including the bitcoin users. In order for his actions to be protected there should be a legal instrument. However, in reality, there are no specific arrangements. Some countries are trying to anticipate Bitcoin users, as the following:

The Japanese Financial Services Agency (FSA) analyzes technology and develops clear and fair legislation to regulate virtual currency exchange. Bitcoin exchange is a good way for the adoption of bitcoin and the future of virtual currencies. The setting agenda is a good thing in building trust in Bitcoin, so the world can understand, accept Bitcoin and other digital currencies. This FSA regulation successfully revealed 669 Suspicious Financial Transaction Reports (STRs), the result showed that the crypto was represented only 0.16% of money laundering activity and Japan planned to bring it to G 20 meeting to start making efforts to combat cryptocurrency, but G 20 refused because the cryptocurrency is still less than 1% of the world economy.

Europe, France and the German Finance Minister have agreed to start general oppression in digital currency market, as the cryptocurrency ban is inevitable, as stated by Marcon and Merkel, which is about dissatisfaction with Bitcoin, while other EU governments continue to reject the boom. One of the keys is to control currencies and taxes. If the cryptocurrency disrupts a decentralized regime, it is considered as a real threat to sovereignty. Therefore, the government will response in seeing the non-controlled than technological evolution. The European Union previously proposed to impose a cryptocurrency market as a security threat related to money laundering and terrorists. The French and German Finance Ministers will submit a joint proposal to regulate the bitcoin cryptocurrency at the next G20 summit. However, the President of the European Central Bank issued a statement about cryptocurrency, that the ECB does not have the power to ban or regulate Bitcoin. At ECB, we follow this evolution, but this technology is not firm to be considered in ECB monetary policy or as a payment system.

Singapore's Deputy Prime Minister and Chair of the Singapore Monetary Authority (MAS), stressed that MAS, Singapore's financial regulator and the Central Bank, would not distinguish transactions conducted in fiat and cryptocurrency in an effort to enforce Singapore Anti-Money Laundering (AML) law. In addition, all financial institutions will be subjected to the same rules. The MAS Chairman also stated that the Department of Commercial Affairs would be empowered to investigate and solve cases related to money laundering and terrorism financing. Furthermore, regulation of virtual currency transactions can pose challenges that are not related to currency circulation monitoring.

Although they do not recognize bitcoin as a payment, China recognizes that digital currency cannot be avoided and is in no hurry to regulate cryptocurrency, according to the Central Bank Governor, People's Bank of China (PBoC). The use of Bitcoin in Indonesia, in fact, does not have a clear legal status, even Bank Indonesia issued a statement that cryptocurrency is illegal as money or as a payment, with the consideration that it does not fulfill the characteristics of money. The legal consideration refers to Law Number 7 of 2011 concerning Currency; state that every citizen must use rupiah in each transaction; PBI No 17/3/PBI/2015, that all transactions in Indonesia must use Rupiah; PBI No. 18/40/PBI 2016, prohibition of making payment transactions with virtual currency; PBI No. 19/12/PBI, that the implementation of Tek Fin is prohibited from doing SP activities with virtual currency. Based on the results of literature review relating to transactions using Bitcoin, some countries do not issue any regulations on bitcoin.

3 Method

Literature survey method employed in this research includes books, journals and regulations which are related to the topics discussed. Furthermore, library data were analyzed descriptively and qualitatively.

4 Discussion

4.2 The functions of private law, public law and state administrative law in the setting of Bitcoin as a tool of payment

Based on an inventory of literature data, both from literature in the form of books and journals, and also several regulations related to transactions, it was found that the payment system is a form of the Central Bank's duty to maintain economic stability. Singapore, several countries in Europe, China and Indonesia as samples for analysis. These countries determine their respective policies, including not officially regulating transactions using virtual currencies. The Central Bank of Indonesia regulates the payment system including payment instruments, banking procedures and also the interbank fund transfer system used in the payment process. The Central Bank has a power to consider bitcoin as a legal payment instrument in online transactions [8]. In the regulation, central bank does not regulate transactions using virtual money, but the realization of the practice of using virtual money in the form of bitcoin that has mostly been done in economic life, resulting in a legal vacuum (*rechts vacuum*). Private law, public law, and state administrative law must be functioned according to their needs. The use of Bitcoin in transactions that are decentralized, only involves peer-to-peer, it means that there is a legal relationship between parties involved.

In fact, based on inventory and observation through literature in several countries, the Bitcoin as a tool of payment has not been specifically regulated. On the other hand, Bitcoin settings are a problem and are always debated by the digital currency industry. This regulatory problem is important because bitcoin transaction activities involve technology. Technologically, Bitcoin has unique features, so it has the potential to cause impacts and disruption to various industries and institutions. As stated in the literature review, Bitcoin transactions involve three items; miners, wallets and blockchain, all of these are digital devices. Resolving this problem can be through the domain of private law because it involves the parties; public law can also be involved in this problem if it is related to economic stability; State administration law is also important to consider the framework of control, although the use of Bitcoin does not involve institutions formed by the state.

4.2. The role of the state in providing legal protection

The use of Bitcoin as a payment instrument based on regulations has not been specifically regulated due to various state policy considerations, such as European Central Bank, The Bank insists that as long as the use of Bitcoin does not cause economic stability, considering the regulation that have not met requiement must be prioritized, even though it is digital industry, the rules of one element must be omitted quickly. Indonesia has different considerations, that bitcoin as a virtual currency is not a tool of financing, even the Central Bank of Indonesia prohibits the use of bitcoin. However, in reality, it seems to allow Bitcoin users to make transactions. Considering the situation and conditions of the use of bitcoin and the availability of regulations to rule bitcoin has not been realized, Central Bank is the closest party. The Central Bank has duties and obligations, even supervision to maintain economic stability in their respective countries.

5. Conclusion

To occupy legal vacuum for electronic transactions using Bitcoin payment instruments, private legal and criminal law tools can be used as an alternative to resolve problems. The role of the state, especially the Central Bank, is a special institution that has responsibility as one of the obligations of the state in providing legal protection to its citizens.

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The Implementation of Audit towards Destination to Tourists' Safety, Security and Comfort

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Abstract. Tourists must be sure about their safety and security during travelling to all destinations in Indonesia. By providing comfort and satisfaction, tourists will have memorable experiences, which in line with their expectation, when they return to their homeland. Tourists' safety and security are major factors and they become the responsibility of destination management which consists of local and central government, businessman and stakeholder as well as local community. Recently, there have been accidents caused by negligence or natural disaster that suddenly come unexpectedly. Those events threat tourists' safety and security. Therefore, tourism activity audit needs to be conducted holistically and continuously by tourism manager. Methodology: This study used qualitative research method. Conclusion: The implementation of audit periodically towards destination's characteristic has not been conducted to anticipate probabilities of accidents or unexpected disasters. Audit can adapt to supervision and evaluation process towards nature's condition and destination's characteristic as well as to ensure that the whole tourists' travelling can run well.

1. Introduction

Tourist destinations and tourist objects are a tour series that conducted by everyone or a group of people who will have holiday to fill their leisure time with various visits and leisure activities in the destination. Travelling has been a basic need recently. It is a need that must be fulfilled by everyone [4]. Leisure time and leisure activities become major needs for everyone. Every time they do travelling, it is expected to be able to give impression and moment as well as impressive experience (Memorable Tourism Experience/MTE). Safety, security and comfort will be the major factors for tourists during their tour series to destination until they return to their homeland. The factor of safety, security and comfort are implication responsibility from the tourism managers which are local and central government, businessman, stakeholder and community. The study mentioned that "*thinking paradigm orientates to community; development and service are based to community, happiness index of a country become parameter of success that leads its community to a safe, peaceful and prosperous life*"[4].

The holistic involvement of all elements in tourism activity is our responsibility. Those cases will give quality description and manager image, especially tourism image in Indonesia. Surely, during tour series, people hope sparing from unexpected things and they become motivation and courage to welcome the future day. Indonesia has beautiful nature resources, variety of cultures and abundant of human resources which is not invincible by neighboring countries. Yet, actually, tourism in Indonesia is still less competitive than Singapore, Malaysia, Thailand and even Vietnam [5]. Based on assessment of Travel and Tourism Competitiveness Index (TTCI) 2017, data was officially issued by World Economic Forum in 6 April 2017. Indonesia's position was at the rank 70th in 2013 and became at the rank 50th in 2015. In 2017, Indonesia's competitiveness index shot up 8, to rank 42 out of 141 countries calibrated by TTCI WEF.

Table 1.1 Summary of Travel & Tourism Competitiveness Index Ranking 2017

The Travel & Tourism Competitiveness Index Ranking 2017			
Country	Rank	Score	Change since 2015
Spain	1	5.43	0
Switzerland	10	4.94	-4
China	15	4.72	2
Malaysia	26	4.50	-1
Thailand	34	4.38	1
Indonesia	**42**	**4.16**	**8**
Saudi Arabia	63	3.82	1

Source: TTCR,World Economic Forum, 2017

From some phenomenon, weaknesses, which still happens, relates to safety and security, like the event of landslide of several cliffs of Sedudo in East Java (2015). Landslide coral cliffs at Sadranan Beach, Gunung Kidul Yogyakarta (2015) and Curug Cigandi in Garut (2017), and the last is the accident at Tanjakan Emen which leads to Lembang Bandung that took dozens of victims. Based on those events, a question appeared of how far is the supervision and responsibility of tourism manager towards tourists' safety, security and comfort.

2. Theoretical Review

2.1 Structure and Element as Tourism Power

The whole activities related to tourism and it is multidimensional as well as multidisciplinary. The presence of tourism as a form of people and need, its activity causes interaction process among tourists and local community, fellow travelers, government, businessman and stakeholder [20]. Tourism activities are complex. They consist of many components with the interrelated elements with one another and form a structure. **Structure** is a construction composed by a number of related components. Those relations form a network that is called system; **system** is a relation network between a component and an element [3]. Structure and tourism system are the whole activities. It is started from traveling activity of a tourist and includes five sub elements or components such as: 1) Tourist is a human element who is a person who does traveling. 2) Traveler-generating region is a geographical element which is a place where a tourist starts and ends his tour. 3) Transit route is a geographical element which is a place where the main tour takes place. 4) Tourist destination as a geographical element is the main place visited by tourist. 5) Tourist industry as an organizational element is a set of organization which runs in tourism business, cooperate in tourism marketing to provide goods, service and tourism facility [6]. Each of sub system and element inside has a relation and an interrelation in and out as a structure.

The five sub-elements of tourism complete each other and it is an activity wheel of tourism that is started from the point of traveler-generating region, a series of tour to destination. Next, a tourist conducts a tour series and goes back to the point of traveler-generating region. Holistically, those tour series must provide satisfaction to tourists that include safety, security and comfort. Other elements that complete tourists' tour activity are means and infrastructure as well as facility that can ensure need and services well. Overall, it can ensure tourists' safety, security and comfort during conducting a tour series to destination until tourists get back to generating region. Means and infrastructure are important factors which are very supported to the growth of tourism industry. It can support a tourist attraction in a destination to attract tourists, so it creates tourists' satisfaction [17].

2.2 Audit of Destinations and Tourist Objects

Based on an economic point of view, tourism activity occurs because of: first, there is a demand from tourists to fulfill one of basic need that is traveling; second, there is a supply of manager as a tour in the form of complete tour packages includes transportation, accommodation and meals, until arriving at the tourism destination and also going back to the tourist-generating regions. Demand and supply are two terms which influence each other. It is a market mechanism between a prospective buyer and a seller of a product. When visiting tourist destination, tourists expect to get memorable experiences that are safety, security and comfort, so demand and supply become parts of determining factors of up and down of demand and supply. A new product has a price if it is needed and its product has limited stock and things which determine low and high of the price are demand and supply [18]. If demand and supply can keep balancing so it needs supervision and evaluation (audit) towards wheel of tourism activity. Holistically and continuously, Indonesia has a high bargaining power towards destination and object compared to other countries.

The word of audit is often used to supervision process and evaluation of economic activity to ensure the appropriateness of assignment and criterion that has been determined by standard operational procedure (SOP). According to Sukrisno, audit is "*examination conducted critically and systematically by independent parties towards financial statements that has been arranged by management also accounting record and its supporting proves with the purpose is to provide opinion about reasonableness of the financial statements*". Audit can be applied in supervision and evaluation process by independent parties in case of government in linear or intersectoral, stakeholders and also community who has linkages with characteristic of those tourist destinations. It is expected that the whole of tour series and tourists' activities in destination and tourist object can run well. Audit or supervision and evaluation must be done periodically and continuously to ensure safety, security, and to provide comfort and satisfaction to tourists.

The implementation of audit towards street and bridge condition is conducted by public work (PU), weather condition by Meteorology Climatology and Geophysics Council (BMKG) and the condition of region geographically is under supervision of Geological and Geography Agency. Relating to river condition is supervised by River Authority Agency as well as involving local community who cares to natural signs surrounding the environment. Based on the audit result from independent towards fifth of tourism elements become recommendation or consideration for tourism manager in accompanying tourists until reaching their destinations. Conducting the previous audit system to anticipate the possibilities of less fun events can be avoided as early as possible. Accident and disaster events can be caused by the first is human error, which is professionalism and responsibility feeling of human resources in doing the task. The second is audit to the condition of natural and regional geographically like the condition of street, downhill road and sharp incline, sharp turns and weather condition as long as tourists travel to destinations. Third, audit towards transportation condition (land, water, air), the appropriateness or not transportation to tourists. According to Manggala et al., (2015), "traffic accident occurs is caused by some factors, like human error, condition of street geometric, vehicles error, and condition of surrounding environment". Fourth, audit to accessibility, attraction and amenity (3A).

Fifth, audit to hygiene and environment sanitation of tourist object and facility of food and beverage for tourists. Sixth, audit to characteristic of tourist object is object and natural tourism area, cultural tourism and man-made tourism. The accident happened in tourist destination can cause loss both material and immaterial to manager and visitor who becomes the victim. The loss of immaterial in a long period is sustainability of tourist attraction to re-recover the positive images so visitors will forget about the events that ever happened [19]. If there are uncanny things for tourists, disaster and others, the problem core must be investigated seriously and thoroughly and a strict sanction should be given. Government's non-compliance towards violations can cause errors that occur whenever and wherever and it will happen to tourists. Some of obstacle factors in supervision of tourists destination are local regulation, supporting fund for the improvement of minimum facilities and infrastructure, lack of professional human resources, especially in the field of supervision and community who is less concern in maintaining tourism environment [11]. Those cases can emerge negative image. It will decrease the negative image and tourism image nationally and internationally.

2.3 Tourists' Safety, Security, and Comfort.

UU No. 10 Tahun 2009 about Tourism Chapter VII of rights, obligation and prohibition, article of 20 and 21 mentions that every tourist has a right to get: a) accurate information about tourist attraction; b) tourist service depends on standard; c) legal protection and security; d) health service; e) privacy protection; and f) assurance protection to tourist activities that has high risk. Tourists with physically limitation, children, and elderly have rights to get specific facility depends on their necessities [20]. Based on tourists' rights and reinforced by law of Consumer Protection Republic of Indonesia No 8 of 1999, it is explained that to improve prestige and dignity of customer, it needs to improve customer's awareness, knowledge, care, ability and independence to protect himself and also to cultivate a responsible attitude of businessman; customer protection is any effort that ensures the legal certainty to provide customer's protection [21]. The conclusion from article 20 and 21 and law of customer protection that it has been clear that every tourist as a customer has a right to get safety, security and comfort during their tour series and tourist activities until they come back safely to their generating region.

Safety is a safe condition or someone's condition or a group of people to get prosperity and happiness, while security is a safe condition or tranquility of a person or a group of people in order to avoid from dangerous risk that emerges from tourists' arrival through entrance both in terminal, airport and port. During conducting tour series to destination and tourist objects until coming back to the generating region, accident can be interpreted as unplanned events of whatever its forms. Traffic accident can be caused by human factors, like vehicles, street condition, and street environment [15]. Security is consideration factor of tourists in deciding to visit tourist destination or a country. It is secured if those countries have a stable political system, well maintained, low crime rates and good health care standard. The factor of safety and security without any worries will provide a sense of comfort to tourist during a trip, stay and get to destination. Safety and security are absolute requirement for tourism industry so tourists can hold vacation in comfort and quietly. The study of Khalik, mentions that "The low raises community understanding of factors that affect comfort and safety as a factor of environmental aspects of parking management and environmental hygiene, factors of economic activity and the street vendors aspects transportation service providers as well as factors in the aspect of tourism access roads were damaged". Those factors become the obstacle of developing tourism in Indonesia and it still loses competition with neighboring countries such as Singapore, Malaysia, Thailand, and even Vietnam.

3. Methods

This study used qualitative research method with the reason that the research problem was a complex problem which related to humanities social. The approach used multidisciplinary, by ignoring some disciplines to review audit towards the five sub elements and elements as well as tourism elements. It was included that facilities and infrastructures as well as tourism facility can reveal the symptoms and those social facts. Analytical descriptive method was used by explaining and analyzing so the object and data obtained during research was able to be interpreted and explained maximally.

4. Result and Discussion

4.1 The Characteristic of Nature Destinations and Tourist Objects

Indonesia's area consists of five big islands and thousands small islands which unfold from Sabang to Merauke, and it is 14th largest order worldwide. Geographically, the location of Indonesia is between in two oceans, Hindia and Pacific and also is flanked by two continents, Asia and Australia.

Indonesia's mainland region consists of highlands, lowlands and mountains, while the waters area consists of rivers, lakes, seas, swamps, straits and oceans [1]. "Indonesia is located in Indo-Australia and Eurasia slabs, Indonesia is prone to some kinds of natural disaster like volcanic eruption and earthquake that is often followed by tsunami. Natural disaster can be happened anytime and anywhere, not except in areas that becomes tourist destination"[8]. Land and water area owned by Indonesia provides appearance and different natural characteristic, so it is natural wealth that becomes a potential tourist attraction.

Characteristic potential of accidents and disasters will be vary depend on each of natural characteristic. Indonesia has abundant of tourism resources which consist of human resources, natural resources, cultural resources and special interest resources. Characteristics of natural destination and tourist objects in each region have different characteristics that determined by those geographic and topographic of region. To implement audit to destination and tourist objects, tools must be used which adjusted to the condition of destination characteristic and the characteristic of tourist objects. Like Bandung, geomorphologically, is similar to a large bowl, located in a valley surrounded by mountains, cool air with curved road contours, with incline and downhill roads. Physically, the landscape of Bandung and its surrounding area is the Bandung-shaped basin of elliptical or elongated from east southeast to west northwest [7].

Natural characteristic of Bandung becomes a different characteristic and uniqueness, cool air and it has many mountains and canyons, so Bandung becomes natural and special interest resources. A narrow winding road with incline and downhill roads requires a high skill and concentration for drivers as well as good condition of vehicles. Indonesia has tourist destinations spreading in 34 provinces with natural condition and different geographic. Means or tools used to audit destination and tourist objects must be adjusted to natural characteristic and tourist objects owned by each destination or those regions. The difference of natural characteristic and tourist objects will differ risk potential among one place to another so it demands tourism manager to do risk estimation in depth [19].

4.2 Evaluation of Accidents and Disasters in Tourist Destinations

Safety and security become major factors for tourists. Sometimes accidents or disasters happen because the first factor is human error; the second is natural condition and the region geographically; the third is the condition of transportation (land, sea, and air); the fourth is accessibility, attraction and amenity (3A); and the fifth is hygiene and environmental sanitation of tourist objects and food and beverages facility for tourists. From the data of research result, an audit, which is supervision and evaluation periodically by independent party, had not been implied. It means that before the accidents and disasters happened, an audit had to be done by independent party which is central and local government in a linear and an intersectoral way. It involves businessman and stakeholder including community who has correlation to those five potential factors cause and accidents or disasters that possibly happen in the destination. In general, it is commonly to do an investigation and to report suggestions conducted by National Commision of Safety Transportation (KNKT) (National Commision of Safety Transportation of Ministry of Transportation of Indonesia Republic, 2012) if an accident or a disaster happened. The study of Wicaksono, human is the major factor cause the accident happened (66,89%). Less anticipation derived from drivers' behavior that often caused the accident happened (72,45%), environment, vehicle, and street condition. Natural phenomenon is caused by human's action, like flash floods suddenly can drag the passing by vehicles (Ciwidey, 2017., Cicaheun, 2018, Bogor 2018), the avalanche of Dua Warna waterfall cliffs in Sibolangit North Sumatera (2016) which scowled dozens of victims.

The events of bridge breaking due to overload and hit by flash floods or due to age, like bridge breaking to deer park in Bogor (2017). Those accidents were caused by carelessness and inadequate facilities as well as not maximum supervision. The study of Yudistira et al., (2012) "The cause of this accident can occur due to various things such as: (1) natural disaster; (2) tourism place management; (3) visitors; and (4) third party crime. These four things can have the relationship directly for the accident happen to tourists". From the data of research result explained that audit had not been implied, which was supervision and evaluation periodically by independent party. It means that audit must be implemented before the accident or disaster happened [19]. Audit must be done by independent party which is central and local government in a linear and intersectoral way. It involves businessman and stakeholder including community who has correlation to the five potential of causing factors of accidents and disasters that possibly happened in the destination. The explicit action by the authorities' party against the violence of tourists' safety and security had not been taken firmly and seriously. The key of success of a tourism activity should notice safety and security [9].

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5. Conclusion

Indonesia has various kinds of natural beauty with its geographic characteristic and different natural topography so it becomes uniqueness of every tourism destination. It also becomes wealth and abundant tourism resources. Furthermore, Safety and security of tourist becomes the major factors to provide comfortable feeling for tourists during conducting travel series until reaching to destination and coming back to their generating region.

The implementation of audit periodically towards destination's characteristic has not been conducted yet to anticipate probabilities of accidents or unexpected disasters. Audit can adapt to supervision and evaluation process towards natural condition and destination characteristic as well as to ensure and to recommend the whole tourist travelling so it can run well.

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The City Branding Component of Lampung Province Indonesia: *Nemui-Nyimah* and Banana Chips

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Abstract. This article discusses personal and product branding, with the purpose of establishing their relationship with the people of Lampung. In this study, personal branding involves the characteristics of the culture and personality of Lampung people, while product branding is associated with their most common food. The research uses constructivist paradigms, qualitative approaches and ethnographic studies of public relations. This research found that (1) a friendly and open character (*nemui-nyimah*) is a personality brand of Lampung people. This brand is well managed through personal branding activities. (2) Product branding was in the form of food products, banana chips, and these branding products were developed and maintained by introducing various innovations. The product was made in many varieties of banana flavour, the newest being banana flavoured potato chips. These differentiations became a pattern of customer service or customer relations in the social media (CRM) of Lampung people. Products branding in the form of banana chips, and personal branding in the form of falasafah in the form of community life namely Nemui Nyimah, are aspects or components in building city branding in Lampung. City branding as a distinctive feature of Lampung which is known by the general public.

1. Introduction

Personal branding relates to anything attached to an individual's personality. It entails marketing the appearance of someone as a characteristic [1] and involves credibility. Personal branding reflects the characteristics that are intended to be shown to the target group [2]. Brooks & Anumudu, Gehl, Lair, Sullivan & Cheney, Khedher, Kleppinger & Cain, Peters, Rampersad, Shepherd, as cited in Johnson & College, n.d, personal branding is the practice of marketing yourself to society. It is a reflection of people's skills, abilities and lifestyle [3]. Gehl, Hearn, Peters, as cited in [4] developing personal branding is an ongoing process that involves interaction with others in face-to-face communication and media use.

The term 'personal branding' comes from the word *brand* and branding. Branding can be equated with labelling, which has the power to help sales. Brand concept refers to the company that produces the product. The American Marketing Association (AMA) [5] states that brands are names, terms, signs, symbols or designs, or any combination of these. A brand is also a perceived impression in the minds of consumers of a product or service. Kapferer, as cited in [5], states that a brand can be shaped, real or intangible. It is defined as a name, terminology, logo, symbol or design made to mark or identify products offered to consumers [6]. A product's brand reflects the concept and value offered to the public and also represents the lifestyle and social status of certain groups of people.

Brand a city must not only be in accordance with the concept of marketing, but it also has certain characteristics. City branding is an effort to build a city identity [7]. Barbero and Sandulli, as cited in, state that brand as identity includes an analysis of appearance, personality, humanity and style [8]. Marconi, as cited in [6], also explains that a brand is a combination of image, reputation and performance. Kavaratzis, as cited in [5], identifies that a brand has three important concepts related to identity, image and communication. Brands can be brand names, symbols, logos and product images. All of these brands can be tangible and intangible. [9]. Brand identity is related to brand positioning and brand image. Moreover, the meaning of branding is the effort to convey product information to the public. Ashworth, as cited in [5], identifies brand identity as part of the brand component. Branding is an effort to attract public interest; to build the image of a nation branding efforts need to include personal branding, product branding, and corporate branding [10]. Branding means the effort to introduce the concept of established products and is part of marketing activities [9].

It aims to provide information about product brands, develop brand awareness and create a sense of closeness with consumers [11]. Branding can also be interpreted as an attempt to create different association patterns in order to increase brand appeal and the sales of services, goods or products. The branding context of this article is personal branding, which is associated with the label and characteristics of the Lampung people. Lebel, the people of Lampung are known for being friendly. The characteristics or personality of the Lampung community is influenced by the customs and values of local wisdom of the local community. Another type of branding associated with product branding is in the form of typical Lampung food which is known by the public universally. Managing personal branding and product branding requires media engagement as a strategy, which is related to the message and the type of media that will be used as branding tools.

To discover and understand about Lampung personal and product branding, an attempt has been made to offer questions to informan. These are open questions related to the label or personal character and products of Lampung. Based on the discussion above, this article focuses on studying and explaining personal branding, product branding and media, as the process of building city branding. The aspects explored are components that support the branding process, including branding products and personal branding of the Lampung community. The study will hopefully be able to make contributions to cultural studies employing the public relations theory approach (culture public relations); notably, the development of Lampung's city brand concepts. Thus, these findings could serve as one indicator of Indonesia's national branding in the eyes of the world.

2. Research methods

This research involves the culture and public relations fields, so the method used is ethnographic public relations. It is used from an epistimological aspect, whose aims are to answer the research questions. Ethnographic studies of public relations focus on communication behaviour to build relationships. As mentioned previously, ethnographic public relations is a method that focuses on cultural studies with a public relations theory approach [12]. It emphasizes the communication planning component in planning public activities aimed at gaining support and building relationships.

The unit of analysis for ethnographic studies in public relations consists of Insights, Strategic Programs, Implementation Programs, Action and Reputation. The public relations entography analysis unit is also called the IPPAR model term. [12]. The analysis unit can also be referred to as a communication planning component. Insight is the initial stage in mapping and understanding the background situation of the activity. This aims to establish public settings as goals and activity objectives. The next stage establishes a strategic plan that describes the types of activities, themes, message content, messaging strategies, media, and final objectives to be achieved after the activities have been carried out. The final stage is the implementation of the activities that aim to measure public assessment. This can be achieved through the evaluation of activities so that response and public support are established as a benchmark of reputation.

Table 1. IPPAR Model: Public Relations Ethnographic Data Analysis Formula

IPPAR	Definition	Explanation
I – Insight	1. With regard to situational analysis, data collection is linked to cultural activities. 2. Time and place of cultural activity taking place, psychological situation of conversation, target of activity, audience. 3. Referring to the parties involved in cultural activities.	1. Situation analysis deals with the preparation of each cultural activity. 2. Emphasize the physical and psychological situation, place, audience or related parties in cultural activities. For example, discussions on deliberations of consensus, customary consensus are different from daily chats, ranging from time settings, places and parties involved in the activities.
P – Program Strategic	1. Relate to the types of activities, themes, cultural messages to be delivered. 2. Refer to the shape of the message with regard to the word used, how it is used. 3. The content of the message relates to the relationship between what is said and the topic of the conversation.	1. Cultural activities affect the activity strategy of the type, form and content of the message. 2. For example the ceremony of wedding ceremony, of course, different content of the message and the topic of conversation with ordinary conversation.
P – Program Implementation	1. With regard to the implementation of cultural activities. 2. Refers to the tone, manner, and spirit in which a message is delivered. 3. Refers to the language path used and also refers to the speech code used. 4. Refers to the norms or rules of interaction and also refers to the interpretation of speech from the other person. 5. Refers to the type of delivery form.	1. Gladly, seriously, briefly, arrogantly, mockingly and so forth. Or it can be shown also with gestures and gestures. 2. Line of writing, spoken, through telegraph or telephone, language, dialect, framework or register. 3. Related to how to interrupt, how to ask questions, and so on. 4. Narrative; poetry, proverbs, prayers, and so forth.
A – Action	1. Public perception audit. 2. Assessment, public response.	1. Public assessment of cultural activities in the form of cultural imagery of established cultural relations.
R – Reputation	1. Public trust and support are linked to a set of images of cultural relations.	1. The end result of cultural activities is to build public support so as to build a pattern of cultural relations.

Source: [13]

Ethnographic public relations are used in the epistemological aspect because the ontology of the message studied relates to the cultural behaviour and the value of the life philosophy of Lampung society. Besides, the axiology of this study aims to build communication patterns and relationships among Lampung community groups in managing personal and product branding. The behaviour in question is typical behaviour and occurs repeatedly. Ethnographic public relations as a study require certain data collection techniques, including a review of documentation, such as written historical documents. Interviews were conducted by involving the Lampung community, with the researcher involved as a participant observer. Methodological qualitative research requires the researcher to be inside, not outside, the problem [14]. Direct involvement is expected to intersubjectively rediscover the findings on branding characteristics, including personal and product branding. Branding activity aims to understand the city identity, and to encourage the building of a Lampung brand image and reputation.

3. Results and discussion

3.1 Nemui-Nyimah as Lampung personal branding

From the field survey data referring to the values of the life philosophy of the Lampung people, the informants mentioned that these had become guidelines for behaviour in society. The famous philosophy ie *nemui-nyimah* (friendliness and openness). The Lampung people are considered as people who can accept different backgrounds, which is is proven by the many ethnic groups who live and have settled in the area. Lampung is called a miniature Indonesia, because the province represents a multicultural area. As many as 75% of the population are non-indigenous or immigrant, with just 25% indigenous [15]. These findings are also reinforced by the data and history of Lampung becoming one of the transmigration sites. Since the Dutch colonial era, the province has been promoted as a fertile area, with a friendly and open society [16]. The Dutch campaign aimed to attract people to the open agricultural land in Lampung. The Netherlands, with its political interests, intended to absorb all the riches of the natural resources, such as black pepper, by utilizing the labour of the people who came from outside the region.

The value of local wisdom, being friendly and open (*nemui-nyimah*), has become the personal branding of Lampung society. This branding asserts that Lampung is a multicultural area based on harmonious relationships, with internal relationships between tribe members and external ones between tribes. These relationships are built on a sense of trust and openness. There is no prejudice, stereotyping or ethnocentrism, which can be the dark side of a multicultural society. This has been avoided because the tribes chave managed to negotiate any differences through a friendly and open philosophy of life. The success of the Lampung community in managing life in a multicultural society can be measured by the slogan created by the Lampung government, *Sai Bumi Khua Jukhai* (one earth for two doors) [17]. The first door is for indigenous people, and the second door is for non-indigenous ones. In the context of customs, the door consists of Lampung people with Saibatin and Pepadun tribes, who live side by side, without differences between races.

Nemui-Nyimah has become one of Lampung's personal branding image. In addition, there are also other values of its philosophy of life, such as *juluk-adok* (greeting), *sakai-sambayan* (please-help), *nengah-nyampokh* (able to socialize), and *piil-pusenggikhi* (self-esteem). The five values of the philosophy of life that are most widely applied in the daily life of the people of Lampung are meeting (friendly and open attitude). Open attitude or the occurrence of negotiations, meaning that people have freedom in differing opinions, including accepting the presence of different communities. Lampung is a province that is ethnically diverse so that there are many tribes in Lampung, such as the Sundanese, Javanese, Balinese, and others.

The community is trying to build a brand and to introduce the characteristics of Lampung society as ones that accept differences, and show kindness and openness to any differences, including different ethnicities. Evidence of openness is found in the marriage process. The Lampung people practise cultural integration through inter-ethnic marriage, which has proven to be effective in establishing cultural acculturation for both parties.

Table 2. Five personal branding categories of Lampung society

Categories of Philosophy of Life	Meaning
Nemui-Nyimah	Lampung people uphold the values of friendliness and openness to anyone. They are ready to accept any differences.
Juluk-Adok	Each individual has a special greeting derived from the custom system. Greetings (*adok*) are for every married member, and follow the path of parents who have accepted the child's son-in-law.
Sakai-Sambayan	Love-help. The people of Lampung are known as individuals who have generous characteristics, and who help each other.
Nengah-Nyampokh	Easy to interact with anyone because it has an open personality. In addition, Nengah Nyampokh is also interpreted as a person who has confidence.
Piil-Pusenggikhi	Cultural values related to the life principles of indigenous peoples of Lampung are by maintaining self-esteem. Indigenous tribes consist of Saibatin and Pepadun tribes.

The results of this study found that the personal branding of the Lampung community was always managed on the basis of local wisdom values, such as being friendly and open (*nemui-nyimah*). The results of this study also show that there are three things that need to be considered when managing personal branding: credibility, sense of responsibility, and openness. Credibility encourages the birth of a reputation. Reputation is a set of images [10] and a public long-term assessment or track record [18]. The ability of Lampung people to display a friendly and open nature also becomes part of the form of social responsibility and openness, both of which are very helpful in the process of managing personal branding. If Malaysia is known for its multi ethnic community [10], then so is Lampung. Personal branding is an effort to introduce identity [2]; the people of Lampung, through their philosophy of *nemui-nyimah*, have become part of the management of identity that intends to be built and introduced to the community universally.

Managing personal branding can be done through evaluation activities. These activities aim to provide assessment and feedback on the behaviour of Lampung people; their friendliness and openness have become crystallized and seen as their identity. Evaluation includes the credibility of the communicators, their personality, clothing and appearance. It is a form of control over the characteristics, which typically in Lampung society always uphold the values of local wisdom. Friendly and open values (*nemui-nyimah*) are part of the Lampung people’s life philosophy.

3.2 Banana chips as Lampung products branding

Typical Lampung food that is very popular in the community is banana chips. Food or snacks made from fresh bananas were the main choice of the informants. From the survey results and interviews, they admit that Lampung is identical to the banana flavored with chocolate and the taste of coffee which is known to be crunchy and savory. These findings are also reinforced by Lampung's fertile geographical conditions, which demographically support the farmers’ livelihoods. Among the agricultural products of Lampung are bananas. It is the province which supplies the most bananas to Java island. Based on the results of the survey there are five food products typical of the Lampung region, namely banana chips, coffee, *sekhuit iwa, kemplang, tempoyak.*

Table 3. Five categories of Lampung product branding

Type of product	Product specifications
Keripik Pisang	Snacks made from fresh *ambon* and *kepok* banana. They consist of original flavours, strawberries, cheese, chocolate and the latest flavour of coffee.
Kopi Lampung	A beverage consisting of robusta coffee, *tubruk* coffee and *luwak* coffee.
Sekhuwit Iwa	Side dishes consisting of fresh fish; a kind of *baung* fish. *Sekhuit* consists of two types; wet and dry.
Kemplang	A kind of cracker that has a taste of mackerel. These crackers are small and large, with companion chips in the form of chilli.
Tempoyak	A sauce made from durian. It is produced by fermentation processes between durian flesh and salt.

Types of famous product branding in Lampung consist of banana chips, coffee, sekhuwit iwa, kemplang and tempoyak, with banana chips the most famous of these. Banana chips have become an indicator that the public is universally aware and has accepted that Lampung is a banana chip production area. Brand management is considered by consumers as an integral and valuable part of food products [11]. This is conducted in an effort to distinguish them from other products offered on the market from the competition. Efforts to manage the product branding of banana chips are recognized through product planning, which includes the types of bananas, flavours, prices and packaging of chips to be produced. Product or program planning includes insight, strategic programs, implementation programs, action and reputation. Insight is an early stage of communication planning, which aims to identify and define the background of product creation. It is also needed to reinforce the consumer target and determines the target market, so many companies implement market targeting [19]. In marketing, the seller's target distinguishes between major market segments and supporting segments. Insight is also called the stage of situation analysis; it is the first step in data extraction as an effort to manage branding [2].

The findings of the research show that in managing banana chips products, the people of Lampung apply a program strategy in the form of communication planning. This finding is in line with the opinion of Wilcox and Cameron [2], mention the term 'program planning'. In this section the purpose, type of activities, objectives, message contents, strategies, and tactics are determined. Kotler, as cited in [19], mentions that communication planning in business sciences aims to establish three main business planning steps: (1) packaging, (2) price and (3) flavour. It is acknowledged that current banana chips taste different, ranging from the original flavours that offer the natural flavour of fresh bananas; strawberry, which offers a sweet banana flavour with fresh strawberries; chocolate flavor; and coffee flavour. The innovation of coffee flavoured banana chips is one of product differentiation. This differentiation is a new market breakthrough and is also needed as a strategy to maintain banana chips at the centre of many types of culinary cultural tourism products. Differentiation is a strategy to maintain the product by adding or modifying it [20]. The product innovation of coffee flavour banana chips is a collaborative effort of two natural potentials that exist in Lampung: the province is known to be rich in spices, and banana producers are also known as coffee producers. Even the best coffee has been exported to foreign countries.

3.3 Customer relationships in social media (CRM); the media strategy of personal and product branding

Establishing coffee flavoured banana chips as a new variant was of course decided through product planning. Beside data analysis or data collection, when conducting communications planning in product design, at the beginning strategic plans must also be made [21]. This stage aims to set the target market, price, packaging and taste and is therefore the basis for the production process. Another part of the strategic program is to develop the media as a means of socialization or promotion. Communication and action strategies are steps in determining the type of media that will be used as a means of delivering products to consumers. Regarding communication strategies, the branding of products is achieved through various mass media. These media as a brand imaging tool also include internet-based media technologies such as websites, Youtube and social media. This is in line with the expert opinion that the use of social media aims to manage product branding [22].

Internet-based media are also referred to as new media [23]. They also encourage media convergence between conventional media and contemporary internet-based technology. Digital media technology was born in the era of globalization through online technology, namely technology that has the characteristics of communication without direct physical encounters. This online technology-based media is like social media. [18]. The presence of this technology encourages more practical and efficient work. Social media can also be used as a strategy for managing customer relationships, which is known as Customer Relations in Social Media (CRM) [22]. Similarly, the management of banana chips as a branding of Lampung products, always uses social media such as corporate websites as a strategy to build relationships with consumers.The existence of fast and simple media can be used as a supporting tool in building relationships between producers and consumers. This relationship reflects the existence of consumer trust and support to produce a brand image and the reputation of Lampung's typical food product, namely banana chips.

3.4 Patterns of managing product branding and city branding

Product branding can be achieved through innovation, by making product differentiation. This has a positive impact on consumers' decisions to buy product [24]. Differentiation is the act of designing a series of meaningful differences to distinguish a company's offering from that of a competitor. For physical products, companies can distinguish these from several aspects, such as product excellence or special packaging, taste or price; location; durability; comfort; service and so on. In addition to product differentiation, the ability of human resources, including service, also needs to be considered. Differentiation becomes an offer because of the background of business competition. It is made repeatedly and is a characteristic of managing banana chip products. The success or evolution of a brand can increase a product's prestige and value and also to some extent meet the psychological needs of consumers [11].

The pattern of branding product management through product differentiation is expected to maintain the existence of banana chips as a hallmark of Lampung food. Differentiation has always been a solution because it is believed to be the right approach to building product branding. Branding is an ongoing effort, with the aim of introducing products and brands [14]. It is also intended to build public awareness by encouraging interest, curiosity, self-confidence and community support. Branding in an effort to attract public interest [5]. Differentiation is intended to maintain the existence of the product by providing information about the latest banana chips products. This is in line with Popa's statement that branding is an activity that aims to provide information about brand products [11]. Based on the results of the study, producers of banana chips also differentiate as an effort to maintain the product brand. For example, last year, a producer of banana chips in Lampung introduced a new taste of banana chips, namely the taste of coffee. The introduction of the product is intended to introduce the concept of new products or established products. This is in line with Kavaratzis & Ashworth's statement that building a strong brand is a long-term commitment [25]. Similarly, branding products such as banana chips, from the beginning of the manufacture of banana chips, manufacturers always maintain the brand through service and product quality. These efforts can be said to be successful because until now the most famous and identical branding of Lampung products are banana chips.

Personal branding management patterns in the form of Lampung community characteristics and branding products of banana chips are expected to strengthen Lampung's identity or city branding. The identity of a city rich in cultural tourism in the form of friendly community services. Services in the form of easy access to get information about tourism, for example culinary tourism. Mohamad mentioned about service management with the term Corporate Identity Management (CIM) [26]. Managing identity requires the right communication strategy; these strategies include managing messages and conveying information through the right media. City branding is a managerial procedure that offers a different identity, providing cities with opportunities to appear different, positive and distinguishable from other competitors [27]. Similarly, the Lampung city trademark is also supported by personal branding in the form of a friendly and open public attitude towards others. This friendly attitude is the character of the people of Lampung who are known as Nemui-Nyimah. This encourages people to go to Lampung as a holiday destination in the form of culinary culture tourism. Among the tourist areas visited are food centres that offer various banana flavoured products. In addition, tourists also feel comfortable with the service, which is friendly and reflects Lampung's personal branding.

4. Conclusion

Personal branding as a feature of the Lampung community is managed by maintaining credibility, personality and appearance. Personal branding in question is the attitude of the Lampung people who are friendly and open (*nemui-nyimah*). The same thing was done when managing branding products in the form of banana chips. Personal branding and branding products are very strong in the community. Even branding and personal branding products are believed to be a city branding component of Lampung.

The strategy to manage personal and product branding is conducted by involving the use of media branding. The media are not limited to conventional types, but those based on digital technology. Media such as social media are very helpful for the management of Lampung city branding. City branding is built on the identity of a friendly and open personal branding (*nemui-nyimah*), and creative product branding in form of cultural and culinary tourism based on various banana flavours. Social media involvement is expected to build relationships with consumers; this is called Customer Relationships in the Social Media (CRM).

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Eviews Analysis; Determinan Tourism, Restaurant and Hotel Company's Soundness and Performance

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Abstract. The purpose of this study is to examine the partial or simultaneous effect between Firm's Size (Size), Asset Growth (AGR), BI Interest Rate (IIR), Inflation (INF), Company's Soundness (CR) and Company's Performance (ROA). The populations in this study are all companies incorporated in tourism, restaurant and hotel company's listed on the Indonesia Stock Exchange from 2013 until 2017. The samples in this study were 15 companies incorporated in tourism, restaurant and hotel company's in accordance with the established criteria. Regression analysis was performed based on panel data analysis results. This study summarizes some of the following: The Firm Size (SIZE) has a negative and significant effect on Company's Soundness (CR), Asset Growth (AGR) has a positive and not significant effect on Company's Soundness (CR), BI Interest Rate (IIR) has a positive and significant effect on Company's Soundness (CR), Inflation (INF) has a positive and significant effect on Company's Soundness (CR) (5) SIZE, AGR, IIR and INF simultaneously have a positive and significant effect on Company's Soundness (CR) and able to explain Company's Soundness variables of 0.834760 or 83.48 percent, The Firm Size (SIZE) has a negative and not significant effect on Company's Performance (ROA), Asset Growth (AGR) has a positive and significant effect on Company's Performance (ROA), BI Interest Rate (IIR) partially has a negative and not significant effect on Company's Performance (ROA), Inflation (INF) partially has a negative and not significant effect on Company's Performance (ROA) and SIZE, AGR, IIR and INF has a positive and significant effect on Company's Performance (ROA) of tourism, restaurant and hotel company's in Indonesia at the period of 2013-2017 and able to explain company's performance of tourism, restaurant and hotel company's in Indonesia at the period of 2013-2017 is 0.730629 or 73.06 percent.

1. Introduction

Tourism, restaurant and hotel industry that has the potential to be developed to play an active role in improving the economy and prosperity of the Indonesian people, this industry has a major influence on the smooth running of economic activities that can provide state acceptance in foreign exchange, field creation in the formal and informal sectors.

In achieving maximum profits, company companies must carry out various activities or activities during a certain period, in general, periods that occur at least once. Company profits are generally used by companies by using return on assets. Return on assets are the company's ability to generate profits from assets used. The greater the level of return on assets, the more efficient the company is in using its operations and ensuring the ongoing life of the company. [1]

The rapid growth of the economy will cause a lot of increasingly tight business competition. Companies must be able to maintain the existence of their business to stay alive, let alone the condition of the Indonesian economy is now increasingly uncertain. So on the other hand investors must be careful in investing capital. To attract investors in investing capital, the company must also pay attention to the progress and growth of its business, thus promising future profits [2]

The purpose of the establishment of a company is to maintain the continuity of its business, earn profits and to expand its business, it will lead to the goal of improving the welfare of its shareholders.

In general, each company has a different purpose, the Company's Perpormance and Company's soundness. [3]

Performance is a function of an organization's ability to acquire and manage resources in several different ways to develop competitive advantage. The relationship between the elements that make up the financial statements can be shown by the financial ratios. Financial ratios are tools used to compare figures derived from the results of a comparison of one financial statement post with other financial posts that have a relevant and significant relationship. [4]

2. Literature Review

Company’s performance

Company’s performance is the company's ability to generate profits. Profit is often a measure of company performance, where when a company has a high profit means it can be concluded that the company's performance is good and vice versa. High profitability makes the company able to fund its operations with funds from internal funds company, then the company does not require funds from debt. The bigger a company, the tendency to use external funds is also greater. This is because large companies have large financing needs and one of the alternative fulfillment of financing by using external funds that is by using debt. The company prefers to use external funds to meet funding needs as it is judged to be insufficient internal funds for its operations According to [5]

Company's Soundness

Company's Soundness in this study is proxied by a liquidity ratio which is a ratio that shows the relationship between cash and current assets of a company and its current liabilities. The company’s Soundness that is commonly used is the current ratio. According to [6], [17], the liquidity ratio is a ratio that describes the company's ability to meet short-term obligations. According to [23], liquidity is a description of a company's ability to meet its short-term obligations financially and on time so that liquidity is often referred to as short term liquidty. In measuring the company's liquidity, the research uses the current ratio.

Firm Size

The size of a company is one of the factors that companies use to determine how much capital structure policy in meeting the large assets of a company. If the company gets bigger then the bigger fund will be issued, either from debt policy or own capital in maintaining or developing company. [22]

Asset Growth

Growth is an indicator for an advanced company or an enterprise that is in an industry that the growth rate has a high capital must provide sufficient to the company. company that of growth is slowly [20].

BI Interest Rate

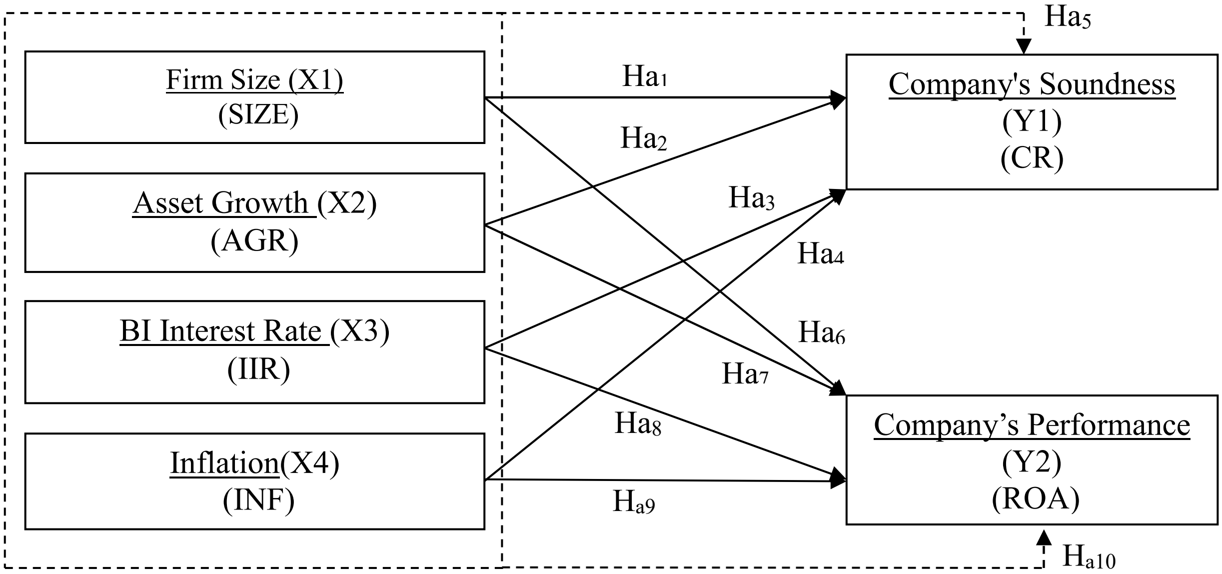
According to the 2009 Indonesian Economic Report, the BI rate is an interest rate that reflects monetary policy in response to the prospect of achieving the future inflation target, through the management of money market liquidity (SBI and PUAB). The operational objectives of monetary policy are reflected in the development of the Overnight Interbank Money Market (PUAB O / N) interest rate. The movement in the interbank rate is expected to be followed by developments in deposit rates, and in turn bank lending rates. [19]

Inflation

In the book [25] , the increase in public prices or inflation (P) is caused by three factors, namely the money supply (M), speed circulation of money (V), and the amount of goods traded (T). According to him inflation is the process of increasing the prices of general goods that apply in the economy. This does not mean that the prices of various kinds of goods increase by a percentage the same one.

1. Mild inflation (less than 10% per year)
2. Medium inflation (between 10% to 30% per year)
3. Heavy inflation (between 30% to 100% per year)
4. Hyperinflation (more than 100% per year).

Research Model



Research Hypothesis

Hypothesis (Ha_1)	:	The influence of Firm Size (SIZE) on Company's Soundness (CR)
Hypothesis (Ha_2)	:	The influence of Asset Growth (AGR) on Company's Soundness (CR)
Hypothesis (Ha_3)	:	The influence of BI Interest Rate (IIR) on Company's Soundness (CR)
Hypothesis (Ha_4)	:	The influence of Inflation (INF) on Company's Soundness (CR)
Hypothesis (Ha_5)	:	The influence of SIZE, AGR, IIR and INF on Company's Soundness (CR)
Hypothesis (Ha_6)	:	The influence of Firm Size (SIZE) on Company's Performance (ROA)
Hypothesis (Ha_7)	:	The influence of Asset Growth (AGR) on Company's Performance (ROA)
Hypothesis (Ha_8)	:	The influence of BI Interest Rate (IIR) on Company's Performance (ROA)
Hypothesis (Ha_9)	:	The influence of Inflation (INF) on Company's Performance (ROA)
Hypothesis (Ha_{10})	:	The influence of SIZE, AGR, IIR and INF on Company's Performance (ROA)

3. Metodologi

This type of research uses a quantitative approach with each variable or between variables based on quantitative measurement scale. [1]

Data collection techniques used are documentation techniques, this documentation technique where researchers collect quantitative data obtained through non-participant observation or obtained indirectly, that is by collecting, recording and reviewing secondary data in the form of corporate financial statements incorporated in the of tourism, restaurant and hotel company's in Indonesia at the period of 2013-2017. [1] [1]

Number of Sample Based on Sampling Criteria

No	*Sample Characteristic*	*Sample Size*

1.	The number of population is a company engaged in the Tourism, Restaurant and Hotel Company's index listing in idx period of 2013-2017	21
2	The company incorporated in the Tourism, Restaurant and Hotel Company's does not publish its financial statements and publish its full financial statements during the period 2013-2017.	(6)
	Last Sample Size	15
	Observation Year 5	5
	Observation Amount	75

Research Sample :

No.	*Code*	*Tourism, Restaurant and Hotel Company In Indonesia*
1	BAYU	PT Bayu Buana Tbk.
2	FAST	PT Fast Food Indonesia Tbk.
3	HOME	PT. Hotel Mandarine Regency Tbk
4	ICON	PT Island Concepts Indonesia Tbk.
5	INPP	PT Indonesian Paradise Property Tbk.
6	JIHD	PT Jakarta International Hotels & Dev. Tbk.
7	JSPT	PT Jakarta Setiabudi Internasional Tbk.
8	MAMI	PT Mas Murni Indonesia Tbk.
9	MNCL	PT MNC Land Tbk
10	PANR	PT Panorama Sentrawisata Tbk
11	PDES	PT. Destinasi Tirta Nusantara Tbk
12	PGLI	PT Pembangunan Graha Lestari Indah Tbk
13	PJAA	PT Pembangunan Jaya Ancol Tbk
14	PNSE	PT Pudjiadi & Sons Tbk
15	PTSP	PT Pioneerindo Gourmet International Tbk

Operationalization of Variable :

Variable	***Proxy***	***Measurement***	***Scale***
Company's Soundness (Y1)	CR	$CR = \frac{\text{Current Asset}}{\text{Current Liability}}$	Ratio
Company's Performance (Y2)	ROA	$ROA = \frac{\text{Total Revenue}}{\text{Total Asset}}$	Ratio
Firm's Size (X1)	SIZE	Firm's Size = Ln. (Total Asset)	Ratio
Asset Growth (X2)	AGR	$AGR = \frac{TA_t - TA_{t-1}}{TA_{t-1}}$	Ratio
BI Interest Rate (X3)	IIR	BI Rate	%
Inflation((X4)	INF	Inflation	%

The method of data analysis conducted in this research was using regression analysis method of panel data. To determine one of the three panel regression approaches to be used are Ordinary Least Square (OLS) or Common Effect Model, Fixed Effect Model, Random Effect Model, thereby Chow test and Hausman test were performed. To process the secondary data obtained, the researchers use statistical software applications assistance programs such as *MS.Exel 2010* that cover the creation of tables and graphs for descriptive analysis. While the data processing activities with *EVIEWS version 10.0* is used to assist in analyzing the data used in performing the test multiple linear regression analysis of panel data. [1]

4. Result And Discussion

Result

Factors that affect Financial's Performance consists of internal and external factors of the company associated with Firm's Size (Size), Asset Growth (AGR), BI Interest Rate (IIR), Inflation (INF), Company's Soundness (CR) and Company's Performance (ROA).

1. Descriptive

A description of statistics the factors that determinan tourism, restaurant and hotel company's soundness and performance In Indonesia at the period of 2013 – 2017 of each variable used in the, shown in: [1]

	CR	ROA	SIZE	AGR	IIR	INF
Mean	175.8932	3.614137	23.52527	9.514331	6.036000	6.554000
Median	150.3800	3.347300	24.50800	5.550400	5.900000	8.360000
Maximum	687.2000	12.72000	27.65900	65.46630	7.060000	8.380000
Minimum	73.13000	-0.537100	17.83300	-10.86420	4.500000	3.350000
Std. Dev.	110.0913	2.856630	2.886809	12.54340	0.907125	2.263532
Skewness	2.316103	0.874394	-0.360295	2.046432	-0.566801	-0.462339
Kurtosis	9.546936	3.462156	1.744026	8.341897	2.137258	1.284000
Jarque-Bera	200.9991	10.22453	6.552253	141.5231	6.341800	11.87402
Probability	0.000000	0.006022	0.037774	0.000000	0.041966	0.002640
Sum	13191.99	271.0603	1764.395	713.5748	452.7000	491.5500
Sum Sq. Dev.	896886.8	603.8648	616.6913	11642.93	60.89280	379.1448
Observations	75	75	75	75	75	75
Cross sections	15	15	15	15	15	15

2. Determinant Company's Soundness.

Based on testing of paired data regression model against the third panel, the conclusions are as follows:

No	*Methods*	*Testing*	*Result*
1.	Uji Chow-Test	common effect vs fixed effect	fixed effect
2.	Langrage Multiplier (LM-test)	common effect vs random effect	random effect
3.	Haustman Test	fixed effect vs random effect	fixed effect

Estimation of Partial Panel Data Regression Model (*T Test*) and Simultaneous (*Test F*) *Fixed Effects Model* with *White-Test*. As follows:

Dependent Variable: CR?

Method: Pooled EGLS (Cross-section weights)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2196.819	318.4023	6.899507	0.0000
SIZE?	-89.13412	14.03602	-6.350383	0.0000
AGR?	0.651283	0.345217	1.886589	0.0644
IIR?	14.54219	3.408177	4.266853	0.0001
INF?	-2.743582	1.087504	-2.522826	0.0145
Fixed Effects (Cross)				
_BAYU--C	228.5806			
_FAST--C	-295.6156			
_HOME--C	-29.48994			
_ICON--C	171.9696			
_INPP--C	236.3508			

_JIHD--C	-292.6181
_JSPT--C	-247.4914
_MAMI--C	30.42621
_MNCL--C	560.4584
_PANR--C	-344.5550
_PDES--C	70.93885
_PGLI--C	21.25891
_PJAA--C	257.7243
_PNSE--C	154.9342
_PTSP--C	-522.8719

Weighted Statistics

R-squared	0.834760	Mean dependent var	408.3406
Adjusted R-squared	0.781647	S.D. dependent var	260.6653
S.E. of regression	72.61600	Sum squared resid	295292.7
F-statistic	15.71670	Durbin-Watson stat	1.590350
Prob(F-statistic)	0.000000		

Estimation Regression Data Panel Result for Fixed Effect as follow :

Model	*Adjusted R^2*	*Prob. (F-stat.) $\alpha - 0,05$*	*Probabilitas $\alpha - 0,05$*	
Fixed Effect	0.781647	0.0000	SIZE	Significant
			AGR	Not Significant
			IIR	Significant
			INF	Significant

3. Determinant Company's Performance

Based on testing of paired data regression model against the third panel, the conclusions are as follows:

No	*Methods*	*Testing*	*Result*
1.	Uji Chow-Test	common effect vs fixed effect	fixed effect
2.	Langrage Multiplier (LM-test)	common effect vs random effect	random effect
3.	Haustman Test	fixed effect vs random effect	fixed effect

Estimation of Partial Panel Data Regression Model (*T Test*) and Simultaneous (*Test F*) *Fixed Effects Model* with *White-Test*. As follows:

Dependent Variable: ROA?
Method: Pooled EGLS (Cross-section weights)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.889770	10.04246	0.486910	0.6282
SIZE?	-0.000592	0.445418	-0.001329	0.9989
AGR?	0.025538	0.013332	1.915450	0.0405
IIR?	-0.161115	0.202404	-0.796006	0.4294
INF?	-0.076930	0.070604	-1.089595	0.2806
Fixed Effects (Cross)				
_BAYU--C	1.087533			
_FAST--C	0.696273			
_HOME--C	-3.234862			
_ICON--C	-1.852986			
_INPP--C	-1.828146			

_JIHD--C	-0.634362
_JSPT--C	2.364218
_MAMI--C	-2.403570
_MNCL--C	2.518464
_PANR--C	-1.499228
_PDES--C	0.554263
_PGLI--C	-1.661457
_PJAA--C	3.306861
_PNSE--C	1.787088
_PTSP--C	0.799912

Weighted Statistics

R-squared	0.730629	Mean dependent var	4.259042
Adjusted R-squared	0.644045	S.D. dependent var	2.781601
S.E. of regression	2.213963	Sum squared resid	274.4914
F-statistic	8.438417	Durbin-Watson stat	1.788778
Prob(F-statistic)	0.000000		

Estimation Regression Data Panel Result for Fixed Effect as follow :

Model	*Adjusted R^2*	*Prob. (F-stat.) α – 0,05*	*Probabilitas α – 0,05*	
Fixed Effect	0.644045	0.0000	SIZE	Not Significant
			AGR	Significant
			IIR	Not Significant
			INF	Not Significant

4. Determinant Of Company's Soundness and Company's Performance: Hybrid Analysis

The table below describes the combined two models the regression data panel, on the first model, explains determinants Firm's Size (Size), Asset Growth (AGR), BI Interest Rate (IIR), Inflation (INF) simultaneously effect significantly to Company's Soundness (CR) and Financial's Performance (ROA) of tourism, restaurant and hotel company's soundness and performance In Indonesia at the period of 2013 – 2017 areas follows:

Determinant of Company's Soundness and Company's Performance

Independent Variable	***Model 1 Determinant of Company's Soundness***			***Model 2 Determinant of Company's Performance:***		
	Koefisien Regresi	***Prob.***	***Sign./Not Sign.***	***Koefisien Regresi***	***Prob.***	***Sign./Not Sign.***
SIZE	-89.13412	0.0000	Significant	-0.000592	0.9989	Not Sign.
AGR	0.651283	0.0644	Not Sign.	0.025538	0.0405	Significant
IIR	14.54219	0.0001	Significant	-0.161115	0.4294	Not Sign.
INF	-2.743582	0.0145	Significant.	-0.076930	0.2806	Not Sign.

5. Conclusion & Suggestion

Conclusion

1. Firm Size partially has a negative and significant effect on Company's Soundness.
2. Asset Growth partially has a positive and not significant effect on Company's Soundness
3. Indonesian Interest Rate partially has a positive and significant effect on Company's Soundness.
4. Inflation partially has a negative and significant effect on Company's Soundness.

5. SIZE, AGR, IIR and INF simultaneously proved to be positive and significant effect on Company's Soundness, and able to explain Company's Soundness variables of 0.834760 or 83.48 percent while the remaining 16.52 % (100% - 83.48 %) affected by other variables that are not covered in this research. The dominant variable or the highest dominance of the Company's Soundness variables are SIZE of 89.13412. The non dominant variable or the lowest dominance to the Company's Soundness variable is AGR amounting 0.651283. Companies that have the highest rate of change of sensitivity simultaneously or partially to Company's Soundness are PT MNC Land Tbk (MNCL) a constant value of 560.4584 and the Company having the smallest change of sensitivity to Company's Soundness is PT Pioneerindo Gourmet International Tbk (PTSP) with a constant value of -522.8719.
6. Firm Size partially has a negative and not significant effect on Company's Performance.
7. Asset Growth partially has a positive and significant effect on Company's Performance..
8. Indonesian Interest Rate partially has a negative and not significant effect on Company's Performance.
9. Inflation partially has a negative and not significant effect on Company's Performance.
10. SIZE, AGR, IIR and INF simultaneously has a positive and significant effect on Company's Performance, and able to explain the Company's Performance variable of 0.730629 or 73.06 percent while the remaining 26.94 % (100%-73.06%) is influenced by other variables that are not tested in this research. The dominant variable or the highest dominance on the company's performance variable is IIR of 0.161115, the non dominant variable or the lowest dominance on the company's performance variable is the SIZE of 0.000592. Companies that have the highest rate of change of sensitivity simultaneously or partially to the Company's Performance of the largest companies are PT Pembangunan Jaya Ancol Tbk (PJAA) with the constant value of 3.306861. The Company that has the smallest change of sensitivity to the Company's Performance is PT. Hotel Mandarine Regency Tbk (HOME) with a constant value of -3.234862.

Suggestion

1. To improve the tourism, restaurant and hotel company's soundness, partially is reducing the Firm Size, increasing the BI Interest Rate, and reducing the Inflation.
2. Management policies in improving tourism, restaurant and hotel company's soundness simultaneous must pay attention to internal and external factors (Firm Size, Asset Growth, BI Interest Rate, and Inflation).
3. To improve tourism, restaurant and hotel company's performance it must increase asset growth.
4. Management policies in improving tourism, restaurant and hotel company's performance soundness simultaneous must pay attention to internal and external factors (Firm Size, Asset Growth, BI Interest Rate, and Inflation).

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Entrepreneurship and Creative Partnership in Cultural Heritage Management on the Development of National Medicine Patent: a Contribution to the Current Public Health Issue

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Abstract. Statistical data from the Ministry of Law and Human Rights of Indonesia reveals an irony in which the domestic patent registration in 2016 was only 1.440, compared to 7.766 registered foreign patents in the same year. Moreover, 96% of medicine patents in Indonesia are for foreign products. As a mega-diversity nation, Indonesia possesses abundant ingredients for medicine. A lot of the ingredients are used for herbal or alternative medicine. Nevertheless, the number of national medicine patents is still not increasing. On the contrary, developed countries with their advanced technology aggressively register their medicine patents. This research aims to identify the collective action theory in the development of national medicine patent in its relation to the current issues such as public health and technology sharing based on mutual benefit. The results showed that collective action had an important role in managing cultural heritage in the form of genetic resources and knowledge of traditional medicine. This research also found that the collaboration of the hexa-helix in developing entrepreneurship and partnership significantly increase national medicine patents.

The Influence of Culture on the Shift of Household Shopping Behavior Pattern from Traditional Markets to Modern Markets in Makassar Indonesia

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Abstract. This study was motivated by the phenomenon of the recent rapid growth of modern shopping centers that led to a shift in behavior pattern of household shopping previously done in traditional markets and then switched to the modern markets. There are many factors that influence the behavior pattern, one of them is the cultural factor which influences the shift in shopping behavior. This study aims to describe and analyze how the cultural aspect that is deeply rooted in the local community which actually still has behavior patterns of traditional cultural behavior mixing with the modern, causes household shopping behavior pattern in the traditional market then experienced a shift to the modern market. The research used survey method with 257 respondents chosen with accidental respondent method. The collected data then analyzed using *Structural Equation Modeling* (SEM) model with the assistance of AMOS Software Version 18.0. The result of the research indicates that culture has positive and significant influence on the shift of household shopping behavior pattern in the city of Makassar. Cultural factor has great contribution that can influence the attitude of someone in shopping. Customer's behavior in choosing their very basic needs such as staple commodities especially in religious holidays in Makassar is a habit, and the belief to shop in traditional markets that are considered able to meet all their needs then changed and shifted to the modern markets. Customers choose to shift to the modern market because the comfortable market condition and the large amount of goods needed with price certainty.

1. Introduction

The history of marketing began from the evolving economic history until the emergence of mass production concept, which then mass production was considered disregarding target market and thus less effective in stricter competition and the alteration of customers' preferences. This paradigm shift is one of the example of changes in the marketing caused by changes in other aspects like technology, politics, ecology, economy, and social. Barker stated that the paradigm shift is a necessity, which was in line with the stance of Lewis, Ranis, and Todaro (1969) who declared the theory of *economic dualism* which classified economy into two sectors, which are traditional and modern sectors.

Traditional marketing program was considered a failure for the inability to respond to the changes in necessities and not in accordance with *customer focused marketing* (Chaston, 1993). Failure in the past became a lesson for future improvements. Thus, traditional marketing system was replaced by customer engineering system, which is a system focused on customer, integrated and based on measurements designed to increase marketing efficiency (Frigstad, 1995). That system measures and monitors the fluctuation in order to raise marketing efficiency.

For the last 10 years, drastic increase in retail business happened all over Asia, supported by investments of new retailers, the number of modern stores have grown more than 16.000 stores a year resulting in the rise from 50.000 to 220.000 stores today. The highest customer shift was almost 2% a year recorded in North Asia, led by China and modern market increased by 3%. Chinese and Korean markets are the most fluctuate. China contributes more than 100.000 new stores or more than 60% of new stores investments, equals to 1000% increases over a period of 10 years. While in Korea the rise was extremely fast which Hypermarket acquired about 31% of trading stocks, on the other hand traditional market faced decline of 5% per year or more than 50.000 stores decrease over a decade. Both in China and Korea, according to [1], a customer only visits traditional market 2 or 3 times a week.

Indonesia is the second most developing market in Asia, with annual stock changes about 1.6%. The fastest developing retail in Indonesia are *Giant, Indomart* and *Alfamart.*

The most visible impact from economic crisis to shopping behavior is the increase of focus to all market values. Majority of customers stated that promotion is very important in Vietnam, India, China, and Malaysia. While in Indonesia, rather than promotion they would rather to prefer choosing based on the brands. Traditional markets will still be an important retail market in developing countries [1].

Modern market share growth per year assumed to be linear which means in 2011 modern market share will increase 23.6% and so on. Inu Machfud (2008) in “BMI Research”, 2008, explained that to many local and multinational marketers from FMCG (*Fast Moving Consumer Goods*), modern market is the second target of market penetration. First target still focuses on traditional market. AC Nielsen (2010) also further stated that despite the growth of modern market, as in 2008, Indonesia’s modern market held 36.5% while traditional market held 63.5%. In 2009 it changed to 38.2% and 61.8% respectively.

In Indonesia, regulation for retail control is Government Regulation Number 112 of 2007 and in Makassar, Regional Regulation Number 15 of 2009. Considering that traditional market is a medium to build and develop small and medium enterprises, Makassar’s Local Government decided to protect and empower traditional market while adjusting modern market so both markets can synergize and grow together despite the increasing growth of modern market.

From the descriptions above, several factors that initiated this research were shown, which are:1) Paradigm shift from outdated to newer things 2) Government Regulation Number 112 of 2007 about retail and Regional Regulation Number 15 of 2009 about traditional market 3) lifestyle changes 4) Shopping behavior shifts 5) There hasn’t been empirical research about Household Shopping Behavior from Traditional to Modern Market in Makassar.

2. Research Methodology

2.1 Research Design

This research was performed to retail customers who shop in traditional and modern market. The research began with a study of literature and past surveys concerning the behaviors and trends of retail customers in Asia, Indonesia, and Makassar. From the data obtained, research was done by grasping on retail customers’ perception in Makassar in which the research became problem solving research and explanatory research.

The main instrument in the data collection is a list of questions arranged by theoretical concept about *Culture and Shifting*

Theoretical concepts above then processed and enumerated, then compiled into a questionnaire. Questionnaire was made with closed questions or statements using likert scale with category from lowest 1 to 5.

2.2 Research Location

This research was performed in 5 districts of Makassar which are Panakukkang, Tamalanrea, Rappocini, Tamalate, and Mamajang.

2.3 Required Data Types

Types of data required consist of primary and secondary data. Secondary data includes shophouses, stores, kiosks, lods, and street vendors' data in the form of customers' quantity who shop in certain period of time.

Primary data collected is in the form of *crossectional data. Crossectional data* in the form of snapshot data about retail customers' perception in Makassar is prioritized in order to grasp the factors influencing the shift of customers' shopping behavior from traditional to modern market.

2.4 Population, Sample, and Sampling Method

Research respondents are retail customers in Makassar. Those chosen are adults above 18 years old with Identification Card. In other words, those who can already make their own decision.

The sample size is expected to represent the real population like other experts have stated; Gozali (2005) said that the most common method in measuring *structural equation model* (SEM) is using estimation model *Maximum Likelihood* (ML) with 100 as minimum sample. In this reasearch, the number of sample is 257 thus fulfilling the requirements.

2.5 Validity and Reliability Test

2.5.1 Validity Test

As for the formula being used to count correlation between each statements with total score is by using the following *correlation product moment* formula :

$$r = \frac{n(\sum XY) - (\sum X \sum Y)}{\sqrt{\left[n\sum X^2 - (\sum X)^2\right]\left[n\sum Y^2 - (\sum Y)^2\right]}}$$

n = number of respondents
X = statement score
Y = total score

2.5.2 Reliability Test

Another argument proposed by Gozali (2005) for reliability test using SEM stated that reliability is the measure of internal consistency from derivative variable that shows the degree of those variables indicating common derivative variable. There are 2 methods possible, which are *composite (construct) reliability* and *variance extracted. Cut-off value* from *construct reliability* is 0,7 minimum, while *cut-off value* for *variance extracted* is 0,50 minimum

Composite reliability acquired with the following formula:

$$\textbf{\textit{Construct Reliability}} = \frac{\left(\Sigma Std\_Loading\right)^2)}{\left(\Sigma Std\_Loading\right)^2 + \Sigma \varepsilon j}$$

~ *Standardized loading* directly obtained from *standardized loading* for each indicators.

~ εj is measurement *error* = 1-(*standardized loading*) ^{2}

Variance extracted shows the number of variances from indicator extracted by developed derivative variable. High value of variance extracted shows that indicators have represent developed derivative variable well. The formula to measure the value of variance extracted is as the following:

$$\textbf{\textit{Variance extracted}} = \frac{\Sigma Std\_loading^2}{\Sigma Std\_loading^2 + \Sigma \varepsilon j}$$

2.6 Analysis Method

Analysis method which is compatible is the (*Structural Equation Model*) or SEM which allows researchers to test the relationship between complex variables to gain the full picture of the model's entirety, SEM can be used to test simultaneously (Bollen, 1989. Gozali and Fuad, 2005).

The purpose of this research is to prove and analyze the influence of exogenous variable to endogenous variable. Those influences are so complex where there are independent, intermediary, and dependent variables. Therefore, the analysis tool used in hypothesis verification is SEM (*Structural Equation Modeling*) with the assistance of AMOS program.

2.7 Matching Test

The structural equation modeling (SEM) of a statistic software AMOS used in the model and hypothesis testing. AMOS causal model shows the measurement and structural problems, and is used to analyze and test the hypothesis model. The steps performed in the SEM testing are described below:

1. The development of theoretical model
2. The development of flowcharts (path diagram)
3. Flowcharts conversion into structural equation and measurement model.
4. Selecting the input matrix and estimation model
5. The possibility of the emergence of identification problem

2.8 Definition of Operational Variable

Culture (X) refers to the culture of the customer in terms of the culture is able to reflect and influence shopping behaviors. This variable serves as an exogenous variable and the antecedent variables of this research design.

Shifting (Y). Shifting, in this research was utilized as an output factor that describes the shift in shopping behavior of customers, who had been shopping at traditional market into modern market.

3. Research Results

3.1 Descriptive Statistic Analysis

Male respondents were only 78 people (30.40%) while female were 179 people (69.60%). Most of the respondents were between 22-35 years old at 96 people (37,40 %), while those between 36-49 years old at 89 people (34,60%), for 50-63 years old at 92 people (28%). Thus the respondents were within the productive age at 22-63 years old.

3.2 Culture Variable

The three indicators used to measure (culture) in general is relatively good, with the average value of 4.13 (good category). Habit indicator (X.1) answer modus on agreed category with a score of 4 as many as 145 people or 56.42% of respondents, Belief (X.2) answer modus on agreed category with a score of 4 is 168 people or 65.37% of respondents., for indicators of social class (X.3) answer modus on agreed category with a score of 4 is 148 people or 57.59%.

Belief indicator (X.2) with a mean of 3.95 and an indicator of social class (X.3) with a mean of 4.07 is smaller than the average variable 4.13. This may reflect that the Belief factor, in relation to impulse of shopping on the religious holidays is not a prominent factor in the formation of culture variable because the culture of shopping's potential shift in spending patterns from traditional market to modern market is not determined by the religious holidays. Similarly, the indicator of social class (X.3) in association with the high or low social class in society is not a determining factor in the shift of shopping patterns from traditional to modern market.

3.3 Shifting Variabel

This variable shows three indicators used to measure the shifting variable in general is relatively good, with a mean variable of 4.22 (good category). Volume of purchased goods (Y.1) in agreed category with a score of 4 as many as 206 people or 80.16% and frequent shopping (Y.2) as many as 155 people or 60.31%.

Shopping time (Y.3) is appreciated well by the respondents shown in answer modus on agreed category with a score of 4 as many as 158 people or 61.48%. Based on the descriptive statistic analysis it appears that there are two items that are below the mean variable value which are the Volume of purchased goods (Y.1) of 4.07 and shopping time (Y.3) of 4.19 of the mean variable 4.22.

4. Research Results Discussion

4.1 The influence of Culture on The Shifting of Household Shopping Pattern from Traditional to Modern Market

Culture has significant influence on the shift of shopping patterns from traditional markets to Modern markets with P = 0.006 <0.05 with a coefficient value of 0.280. This coefficient shows that the better the culture the greater the shift. Theoretically, culture is the most basic determinant of desire and behavior [2], being the strongest and most influential factor in customer behavior, cognition and affection [3]. Shifting patterns of customer shopping from traditional markets to modern markets is also influenced by external and internal factors [4]. [6] which include culture, social class, social groups, reference groups and families. Strengthened also by the results of the research of Loudon and [7] which stated that there is a strong influence of culture and cultural values held by customers in making purchases.

Therefore, the results of this study are in line with the theory of [2] and [3], which found that cultural factors positively and significantly influence the shift in household shopping patterns from traditional markets to modern markets. This can be seen from the results of the analysis in the testing of the influence of culture on the shift in household shopping patterns from traditional markets to modern markets.

Thus, the hypothesis which stated that cultural factors have a positive and significant influence on the shift of household shopping patterns from traditional markets to modern markets is proven. The results of this study provide an illustration that the cultural environment which includes indicators of habits, belief/religion and social class of society has a significant influence on the shift in household shopping patterns from traditional markets to modern markets in Makassar, South Sulawesi

The results of this study are also in line with the results of [8] study, which found that external environmental factors consisting of: culture, social, family, friends and internal factors consisting of: lifestyle, purchasing power and career goals influence the shift of household shopping patterns from traditional markets to modern markets in Makassar, South Sulawesi.

Based on the description above, this study provides an illustration that from several indicators of habits, beliefs and social classes contribute greatly to the shift in household shopping patterns from traditional markets to modern markets. This shows that shopping, recreations, and vacations are a regular practice of the Makassar community. Strong belief in the religious holidays also made customers to choose to shift to the modern market because of the comfortable market conditions that customers need when they want to purchase many types of shopping necessities. Whereas social class or social strata illustrates that eastern communities, especially Makassar, still prioritize prestige or high appreciation as a measure of social class. By shopping in the modern market with all the advantages, the location, the atmosphere of the shop and the service and the type of goods provided are apparent signs of the social strata.

5. Conclusion and Research Implication

5.1 Conclusion

Culture positively and significantly influences the shift of shopping behavior from traditional market to modern market.

5.2 Research Implication

1. Implied that there's a tendency in urban populace to shift shopping to modern market based on factors that form behavior which then internalized into self-conception and becoming an experience to customer based on their perception on traditional and modern market. Thus, the future direction of marketing strategy is expected to touch the psychological aspect of customers.
2. The development of marketing strategy must pay attention to targeted market segment. Thus, it has to be noted that customer will behave based on their perspective and perception on an object which formed from cultural, social, personal factors and goods condition, which in this case regarding the choice to shop in traditional or modern market
3. There's a need for subsequent researches to reform the current model.
4. Satisfied customers will spread their experience and motivate others to shop as well.
5. Developers of both traditional and modern market need to understand customer's personal factor, especially ones that determine perspective. Because factors that determines perspective may lead to a decision to whether to shop in traditional or modern market.

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Increasing the Productivity of Mendong Handycraft as a Part of the Creative Economy in the Globalization Era

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Abstract. In the workplace it contributes to the regional economy and enhances community empowerment through handicrafts in Sleman Yogyakarta. Creation which is part of the process of increasing the productivity of Mendong crafts through IKK can improve the local economy. This craft has special characteristics in accordance with local characteristics and regional cultural reflection. This study used descriptive qualitative method. Several years of decline in crafting due to lack of guidance and creativity from the design and marketing system, this researcher aims to explore the potential and creativity of the Mendong design by applying technology to increase the impact on the regional economy through interviews and literature studies to help improve the productivity of Mendong.

1. Introduction

The establishment of poverty alleviation programs is in line with the government's commitment to realize the Millennium Development Goals. Therefore, the implementation of this program is carried out so that various government policies and programs can directly push the bottom layer [1]. This means that the implementation of the program is not only directed to increase income through various opportunities to get out of the poverty cycle and develop small handicraft [2] industries (IKK), in essence building systems that have life force and are able to develop independently and community structures. At present various efforts to improve productivity, micro, small and medium entreprises including small handicraft industries (IKK) are increasingly important in supporting poverty alleviation and unemployment programs in Indonesia.

The theoretical industry problem is part of a system that deals with the wider community [2], saying that the problem of IKK attention directly and indirectly must be approached in terms of employee and environmental management. These problems form the basis of the purpose of this study, where this research becomes data and history that can be used as a reference for the development of Handicraft Mendong in Sleman Yogyakarta. For the international community, this research can also be a reference or reference for further research. By applying technology in marketing and design systems , handicraft works can grow and become a source of life for local people. Mendong's craft is a labor-intensive creative economy that has an impact on the welfare of the local community.

The decline in productivity that has been recognized in recent years can increase again if there is support from marketing and an adequate capital system [3]. This study aims to increase productivity through design and technology innovation so that improving product quality and sales that are expected to improve problems can be overcome properly to support the creative economy in Indonesia,

2. Theoritical Framework

Culture is something that is very basic in human life so that with the culture of society it can easily adapt to its environment. Based on habits that shape certain people's behavior, culture also includes certain ethics, philosophy and universal values of society. One of them is Mendong handicraft as an industry that reflects local cultur involving many factors both art and business as part of the creative economy and cultural heritage in Sleman Yogyakarta [2] needs to be developed to be flexible with the situation in the era of globalization. Increased productivity can support poverty alleviation for the welfare of local communities. Based on data obtained from the history of the development of

Mendong craft starting in 1940, brought by 2 traders from Tasikmalaya from Sumbawa Island, then on December 20, 1968, Dwiyanto, a businessman from the local area through UMKM, processed it into finished goods made from Mendong, on in 2009 began to develop various products, which initially only made mats, in 2016 Mendong was developed into finished goods products (bags, wallets, capes, mats etc.), especially those based in Plembun Village, Minggir, Sleman Yogyakarta and subsequently, there were problems in marketing in 2018, which resulted in a decrease in the productivity of Mendong (Fimbristylis Globulosa) is one type of plant that lives in sufficient wafery swamps, this type of grass grows 70-100 cm and is a plant not found outside Sleman Yogyakarta [4] .

Mendong plants are cultivated and processed with a drying system then leveled before being used as material for the production of finished goods. At present it is necessary to pay attention to the marketing system by applying technology so that it can compete with similar business groups.[5] stated that problems related to small industries and handicrafts both directly and indirectly must be approached in employee management items and the environment describes like an endless circle with the following order ;

1. Suppliers are narrow, purchasing power is low
2. Competition from capital / modern companies
3. Dependence on local wholesalers
4. The possibility of getting insufficient credit
5. The minimum role of production equipment in accordance with the business situation
6. Domicile in rural areas
7. The possibility of education is insufficient
8. Lack of councelling efforts and coaching guided by problems
9. Local cultural situation

The above problem is the purpose of this study where this research will be the reference of data reference for further research after complete quesionnaire data. Research purposes for this paper to describes the factors that influence the increase in productivity of Mendong craft and explore the creative potential of Mendong craftsmen in which one of the solutions in increasing the productivity of Mendong crafts is by marketing and designing system products by applying technology to compete in the era of globalization.

3. Research Methods

1. This study uses qualitative methods with surveys and direct interviews, small questionnaires are represented randomly in 5 hamlets of Mendong craftsmen, each of them has 10 respondents.
2. Research place in the village of Plembun, Minggir, Sleman Yogyakarta in January 2018 and processed in March 2018.

Table 1. Instrument Research

Materials and Products before	Product Development Results	Instrument
The process of processing raw materials into mendong to produce finished goods	Final type product innovation	Mendong craft equipment
Forms and creations of raw materials	Final results Finished goods (bags, wallets, hats, sandals and more)	tissue color, glue and beads
Application of technology in market design and development	Aplikasi Teknologi dalam sistem pemasaran dan desain produk yang masih relevan secara efektif dan efisien.	Adoption and other uses

4. Result and Discussion

In recent years the number of Mendong craftsmen has diminished in part because of limited capita! and creations therefore the ease of loan capital is needed by craftsmen [1]. The application of information technology is needed in order to increase the number of sales and product design innovations With the development of Mendong craftsmen will have an impact on the progress of local culture [6], where culture is something that is very basic instrument life, this is intended to make people easily adapt to their culture and environment Culture will shape certain people's behavior Handicrafts as a cultural industry involve many factors both in art and business and have an impact on the creative economy [2], as cultural heritage that needs to be preserved and needs to be developed more flexibly along with the development of the situation and time, as a competitive advantage in business is the need to implement technology in the marketing system and design innovation to support the creative economy in the era of globalization [6].

Continuous guidance for craftsmen is needed to convince craftsmen in business competition in the era of globalization. The local government of Sleman, Yogyakarta, is now through UMKM, which continues to promote Mendong and marketing systems. By looking at the history of the glory of the Mendong plant (FimbristyiisGlobulosa), starting in 1940 began with bringing mendongpalnts from Sumbawa Island to Java by 20 trom traders, Patuatu, Tasikmalaya named Oneng and H. Maksum. Where Mendong Is a type of grass that lives in many water swamps, Mendong before knitting it must be dried by the sun and flattened 4 millimeters wide. Wooden crafts have now been developed in 5 hamlets (ParakanKulon, Krisik, Plembun, Badn, Minggir) in Sleman Yogyakarta.

Among the 5 hamlets, only the hamlet that is still able to survive to produce Mendong craft according to the order and only 8 Mendong craftsmen are still active in production and the number of Mendong farmers decreases because all the harvest products have not been absorbed due to limitations in the marketing system. [7] 3-4 months and this research provides information in the development of the creative economy, because sales are still relatively cheap there for further development is not easy, it requires capital support and technology and marketing to improve the creative economy of the globalization era [1]. I will finish my research to become a journal based on questionnaire data, as the key to the success of Mendong's current craft is being able to innovate according to consumer demand and the latest fashion! design [4], because in this era plastic can replace almost all household appliances and others, so this is a challenge to encourage craftsmen if they do not innovate by applying technology both in the production process and marketing system, in fact Mendong is a natural material that is environmentally friendly, and cultural heritage because it needs to be preserved.

Various efforts have been made to keep the Mendong handicraft business growing and developing because this greatly supports the improvement of the welfare of the local community [6]. In order to survive in business competition in this era, it is necessary to process Mendong so that raw materials are more quality, so that craftsmen pay attention to the quality of raw materials, as well as modern models or designs.

5. Conclution

1. Decreasing the number of craftsmen because they do not use information technology in their marketing systems and traditional design development.
2. Requires continued mentoring and training in terms of capital and design creativity.
3. Instruments and tools needed to be able to compete in business in order to survive in the era of globalization.
4. This study provides information and input in improving the creative economy in Sleman Yogyakarta.

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Hazard Identification, Risk Assessment and Risk Control in Chemical Industry

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Abstract. This study was aimed at identifying hazards through risk assessment and risk control by using HIRARC method in the warehouse of Company XYZ (a pharmaceutical company). Data was collected through direct observations, documentations, and interviews. The study found that Company XYZ identified 104 hazards in the year 2017, which were caused by poor working environment, worker attitudes, manual work, tools and machinery. This study revealed 57% of the total risks fall in medium category, 38% high, 5% low, and none of them are categorized under extreme risk. To control the risk, the company has been taking proactive actions through the elimination of risks, engineering, administration and Personal Protective Equipment (PPE).

1. Introduction

Almost all human activities may cause hazards, and it may happen anywhere. Especially at work, hazards are frequently caused by several factors, such as human negligence, unapplied procedures, unsupported equipment, human fatigue, and poor supervision [1]–[3]. When a hazard is occurring, which is commonly referred to as an accident, it may cause risks borne by humans, not only small risks but also high risks of death. Furthermore, an accident may incur high costs to the company, which ultimately give negative consequences to the company's profits [1], [3]–[6]. Some of the common approaches to minimize the risk are through hazard identification, risk assessment, and risks control based on the Occupational Safety and Health (OSH) rules and regulations [7], [8].

The work accidents in Indonesia showed a fairly high number [9]. According to the study conducted by International Labor Organization (ILO), out of 53 countries, Indonesia was ranked 52nd with poor OSH management [10], [11], [11]. The Social Security Administrator (Badan Penyelenggara Jaminan Sosial-BPJS) of Indonesia recorded that the number of occupational accidents in Indonesia tends to increase from time to time. A total of 123 thousand cases of workplace accidents were recorded throughout 2017 with the total insurance claim value of Rp 971 billion. Approximately, at the national level, there was a20% increment in the number of accidents compared to 2016. Especially in Jakarta, the increment was also very significant; up to 10 percent in 2017 [12], [13].

Work accidents may occur due to several factors, such as human error, incorrect device operation, lack of supervision as well as poor working condition. One of the industries with high risk of work accidents is the pharmaceutical industry [12]. This is because certain companies deal with very dangerous chemicals and equipment that may endanger to workers, especially in warehouse operations.

Warehouse is a vital element in a supply-chain [14], because it holds various company assets, raw materials, semi-finished goods (work in process), spare parts, finished goods, chemicals, etc. These assets have to be maintained properly to increase warehouse productivity [14], which in turn could increase company's productivity. Increasing warehousing productivity greatly depends on skills of workers and work situation [14].

Safety and security issues for the facilities in a warehouse include conveyors, material treatment through manual, fire safety, chemical exposure, lockout/tagout, use of forklifts [2], [10], [15], housekeeping, air emissions, noise and ergonomics [15], [16]. Some of the factors also frequently diminish the safety level of warehouse, which may affect safety workers and materials. Among of the factors are bad/damaged pallet conditions, irregular shelves' dimensions, non-compliant spaces, shelves load limits, distance between shelves, and less sturdy shelf support [17]. Exposure of awkward postures and repetitive motions for pro-longed periods may lead to a variety of potential injuries and disorders of musculoskeletal tissues and/or peripheral nerves [1], [3]. Improper removal method can cause sprains and hand injuries. Workers' injuries and property damages do not only increase the company's operational costs (e.g., medical expenses, operational costs, compensations to the society and individuals, etc.), but it also harms its business reputation and decreases its market share [16]. Therefore, OSH is critical to be considered by everyone while working in warehouse areas. Consequently, company losses from various aspects (cost, time, injury, and productivity) could be minimized [17], [18].

Company XYZ (a pharmaceutical company) concerns about the issues related to OSH, especially related to warehousing activities. The purpose of this study is to identify, assess, and provide suggestions related to OSH and risks in the warehouse of Company XYZ by using Hazard Identification Risk Assessment and Risk control (HIRARC) method [7], [10], [15]. This research may benefit companies, managers, and practitioners on the method of how to minimize hazards, especially in a chemical warehouse.

2. Methods

This study applied HIRARC method, consisting of a series of OSH practices including identification of hazards, estimating of risks, and determining of control measures [15]. Risk assessment is aimed at identifying potential hazards while controlling risk in process, operations or activities at an acceptable level. Through the risk assessment, the likelihood of occurrence (L), and hazard severity (S) or consequence (C) were assessed. The likelihood of occurrence shows how possible the accident occurred, while the severity or consequence shows how severe the impact of the accident. The values of likelihood and severity will be used to determine risk rating or risk level [15].

In the risk-management standard AS/NZS 4360, risk is defined as the chance of something happening that will have the negative impact on the target, measured by the law of cause and effect. Risk is measured based on likelihood and consequence. The stages of the HIRARC in the context of warehouse are: identifying the workgroup in the warehouse, identifying hazards and risks that may occur, recording the frequency of hazards and risks, determining the likelihood level, determining the consequences' level, calculating the risk score, and determining the risk level.

3. Result

3.1 Identify activities in the warehouse

Activities in the warehouse are grouped into eight categories as shown in Table 1.

Table 1. Group of activities in the warehouse

No	Activities	Personal Protective Equipment used
1.	Incoming	Helmet and safety shoes
2.	Forklift	Helmet, body harness, and safety shoes
3.	Raw material Staging	Helmet, mask, back support, rubber gloves, and safety shoes
4.	Primary Container Material Staging	Helmet, back support, and safety shoes
5.	Secondary Packing Material Staging	Helmet and safety shoes
6.	Production Results Receipt Slip	Helmet and safety shoes
7.	Outgoing	Helmet and safety shoes
8.	Reject	Helmet, mask, cloth gloves, and safety shoes

3.2 Identification of Hazards and Risks

Hazards were identified for all the eight warehouse activities exhibited in Table 1 through direct field observations and interviews. Potential hazards and risks were identified, and records of hazards and risks identified in Year 2017 were also collected. Table 2 shows the examples of potential hazards and risks identified at the warehouse for the incoming process with loading and unloading activities.

Table 2. Hazards and risks identification of warehouse incoming process

Job Activity	Hazards	Risks
Loading and unloading of goods in the unloading area	Struck down by falling items	Bruises
	Pinched by goods	Sprained/dislocation, bruised
	Sliced by sharp objects	Wound
	Body movement errors	Backpain
	Foot is run over by hand pallet	Bruises
	Slip	Bruises
	Stumble	Bruises
	Items damaged/broken	Material loss
	Fatigue	Dehydration

3.3 Frequency of Hazards and Risks

Based on the 2017 records, the frequencies of each hazard and risk were counted. Statistics of hazard occurrences and risks in the year 2017 are presented in Table 3.

Table 3. Statistics of hazard occurances and risks in the warehouse incoming process in year 2017

Job Activity	Hazards	Risks	Frequency	Risk handling
		Incoming Process		
Loading and unloading goods in the unloading area	Struck down by falling items	Bruises	11	Need first aid
	Pinched by goods	Sprained/dislocation, bruised	12	Need first aid
	Sliced by sharp objects	Wound	12	Need first aid
	Body movement errors	Back pain	22	Rest, drink water
	Foot is run over by hand pallet	Bruises	11	Need medical treatment
	Slip	Bruises	21	Need first aid
	Stumble	Bruises	25	Need first aid
	Items damaged/broken	Material loss	18	No victims
	Fatigue	Dehydration	16	Drink water immediately.

3.4 Determining likelihood and consequences levels

Frequency data was used as a basis to determine the likelihood criteria (L), while handling of hazards was used as a basis to determine the severity criteria (Consequences-C). The criteria of determining the likelihood and consequences levels are presented in Tabe 4 and Table 5, respectively.

Table 4. Criteria of likelihood level

Likelihood Level	Frequency
1	0 – 5
2	6 – 10

3	11 – 15
4	16 – 20
5	21 – 25

Table 5. Criteria of consequence level

Level	Criteria	Explanation
1	Insignificant	No injuries, small financial losses
2	Minor	First aid, on-site handling, and medium financial losses
3	Moderate	Requires medical treatment, handling on-site with outside helps, large financial losses
4	Major	Severe injury, loss of production ability, handling outside the area without negative effects, large financial losses
5	Catastrophic	Death, poisoning out of the area with disturbing effects, large financial losses

3.5 Determining risk level

Risks were assessed based on multiplication of the ranking of likelihood and severity of consequences. Mathematically, it was quantified based on the formula: Risk level = Likelihood × Consequences. As a guideline, a risk matrix is presented in Table 6. Table 7 shows an example of risk level assessment results for warehouse incoming activities.

Table 6. Risk Matrix

Likelihood	*Consequence*				
	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

Risk level	Risk score = *Likelihood* × *Consequences*
Extreme	Cannot accept risk, stop activities
high	Need to implement risk control
medium	Requires risk control
Low	Control measures may be needed

Table 7. Risk assessment results for warehouse incoming process

Job Activity	Hazard Identification	Risk	L	C	Risk level
Loading and unloading goods in the unloading area	Struck down by falling items	Bruises	3	2	6 (medium)
	Pinched by goods	Sprained/dislocation, bruised	3	2	6 (medium)
	Sliced by sharp objects	Wound	3	2	6 (medium)
	Body movement errors	Back pain	4	2	8 (high)
	Foot is run over by hand pallet	Bruises	3	3	9 (high)
	Slip	Bruises	5	2	10 (high)
	Stumble	Bruises	5	2	10 (high)
	Items damaged/broken	Material loss	4	1	4 (medium)
	Fatigue	Dehydration	4	1	4 (medium)

By applying the same procedure, the risk level assessment results for all the warehouse activities are presented in Table 8.

Table 8. Risk assessment results for all warehouse activities

No	Proses	Risk Level				PPE used
		Low	Medium	High	Extreme	
1	Incoming	1	9	7	0	Helmet and safety shoes
2	Forklift	0	2	3	0	Helmet, body harness and safety shoes
3	Raw material Staging	2	6	8	0	Helmet, mask, back support, rubber gloves, and safety shoes
4	Primary Container Material Staging	1	6	5	0	Helmet, back support, and safety shoes
5	Secondary Packing Material Staging	0	9	3	0	Helmet and safety shoes
6	Production Results Receipt Slip	1	14	4	0	Helmet and safety shoes
7	Outgoing	0	9	7	0	Helmet and safety shoes
8	Reject	0	4	3	0	Helmet, mask, cloth gloves and safety shoes
	Frequency	5	59	40	0	104
	Percentage of risk	5	57	38		

Based on Table 8, the frequency of risk level for all the warehouse activities is exhibited in Figure 1. Low risks are encountered in the process of incoming, staging of raw materials, primary packing material staging and production results acceptance slip, with a total low risk of 5%. In this case, control measures are required. Medium and risks were found in all the warehouse activities, with total incidence for medium and high risks are 57% and 38%, respectively. The medium risks require risk control, while the high risks need to implement risk control. No extreme risk encountered. Table 8 shows that the most common medium risks' occurrence were in the process of production results receipt slip, whereas the highest risks are encountered in the process of staging raw materials.

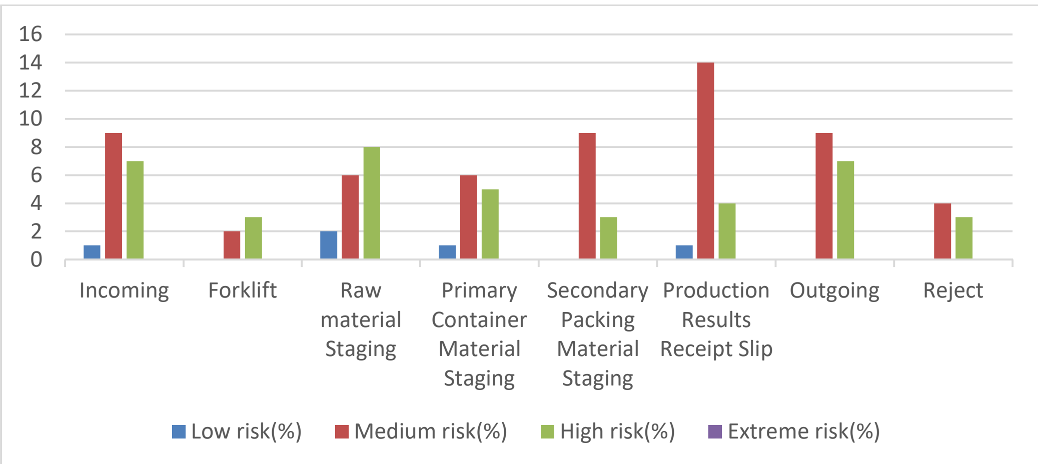

Figure 1. Frequency of risk level for each activity in the warehouse

This study revealed that the potential hazards in the warehouse under study is still high. Therefore, it is necessary to improve the warehouse operations system by applying the OSH program appropriately. The result of this study is in line with the study conducted by [19] who addressed that risk assessment using the HIRARC method is effective to deal with potential hazards or risks due to workplace accidents.

This study benefits managers, practitioners, and other related parties who deal with warehouse activities. This study can be used as a reference on how to apply HIRARC method to identify hazards that may occur and their risk level. Therefo2re, corrective actions can be taken appropriately.

4. Conclusions and Recommendations

The above data analysis and discussion lead to the following conclusions:

1. A total of 104 hazards were identified in 2017 at Company XYZ. The hazards were caused by poor work environment, employee attitudes, and lack of manual work, tools and machinery.
2. The study revealed three types of risks; medium risk (57%), high risk (38%), and low risk (5%), without any extreme risk.
3. Risk could be controlled by way of elimination, engineering, administration and PPE.

This study proposed the following suggestions in order to be able to improve occupational safety and health:

1. In order to avoid accidents, the company should prioritize the safety factors by applying the occupational safety SOP and paying attention to the use of PPE that has been provided by the company.
2. Risk assessment process should be carried out by experienced, competent personnel in assessing the level of consequences. Thus, the assessment results become more accurate.
3. In controlling the risks, safety officers should take preventive and corrective actions against the workers who do not comply with the work safety requirements.

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The Economic Empowerment of Child Labour in Family Business at Cibaduyut Footwear Industry

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Abstract. Child laborer tend to have high hazards and risks especially when they grind and glue a sole to the upper part of the shoe. Shoemaking remains to be a hazardous work for children and adults as long as chemical-based solvents are used. To overcome these problems, the government of the Republic of Indonesia launched a program by giving some aids to the parents of the child laborer to run their small business so that their children can stop working at the shoemaking industry. This research aims at analyzing the economic empowerment of parents who employed their children in the online business industry at Cibaduyut footwear industry and use a qualitative approach with a triangulation of data collected. The research informants were the child laborer, parents who employed their children, footwear craftsmen, and the Head of Industry and Trade Agency. The results of this research showed that economic empowerment in child laborer's parents was still in low level and they could not market their shoes properly as a product of their small business. In this context, they need both training and workshop in social entrepreneurship and online business method in order to promote their product.

The Contribution of Socio-economic Institution of Citarum Community to The spring conservation effort

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Abstract. This research aims at discovering the current condition of the spring, knowing the contribution of socio-economic institution of local communities in the conservation of springs, and exploring alternative solutions. The research method used was qualitative-verification through phenomenological approach that was intended to discover and reveal meanings beyond the facts. The findings show that spring condition of Citarum upstream was not affected by the season, socio-economic institution contributed to springs conservation by conducting three specific zones around Situ Cisanti (green zone, cultivation zone, and interaction zones), and the well-behaviour implementation to environment (though no formal procedure is established yet).The role of socio-economic institution, in this sense, is inseparable from religious system of Sundanese who hold the inherited phrase, namely "*leuweung ruksak, cai beak, manusa balangsak*". This means that forests and springs must be maintained; otherwise, humans will obtain bad consequences. Furthermore, there is a folklore maintained by the local community, to protect the nature, saying that for those who damage the environment of Situ Cisanti and Gunung Wayang will obtain bad life. Ecological wisdom in utilizing nature is absolutely necessary for sustainable water resources. The findings are expected to provide insights for stakeholders, especially ABCGM ~ (Academic, Business, Community, Government, and Media).

1. Introduction

Humans are very dependent on environment and ecosystem. In general, ecosystem provides four main aspects in humans' life, namely providing humans' needs, regulating, supporting, and servicing cultural interests [1]. Therefore, humans have influence on and are influenced by ecosystem. Culture is a blueprint and an important aspect for humans in interacting reciprocally with the environment to create sustainable life. Local knowledge in managing the environment has decreased gradually. In fact, ecological wisdoms have not been transferred on to younger generations. The media for values internalization that lives in society is renowned as socio-economic institution.

The dynamics of socio-economic institution greatly affect the prevailing local wisdom. Local wisdom is an adaptation strategy that emerges from the community to respond to socio-economic problems related to people's lives. This local wisdom is initiated by the interaction between the community and its environment. The definition of socio-economic institution is not much different from what is called by social institution, organization, or community institution. The term refers to element of governing people's behaviour [2], define social institutions as the set of norms of all levels that revolve around a basic need in people's lives. Moreover [3], states that social institution is a tradition in human life that is formed by combining humanitarian reactions to the challenges and dynamics of the environment. It is then supported by the basic value of life [4], explains that socio-economic institution is a system of behaviour and relationship that focuses on activities to meet the complex needs in people's lives.

Based on the respective definitions, it is clearly stated that three main things in a socio-economic institution, namely human (as subject), activity carried out to meet the needs, and institution (as object and norm that govern the activity). Therefore, socio-economic institution is now considered as a reflection of a set of rules that are guided by culture regulating the community's needs.

1.1. Local wisdom

Local wisdom is a collection of knowledge and ways of thinking that are rooted in the culture of a human group which is the result of observations over a long period of time [5]. In general, local wisdom is manifested in its own way that is unique in certain cultural norms, rituals, and traditions [6], states that the forms of local wisdom in the community are regarded with values, norms, beliefs, and special rules. Local wisdom functions for conservation, human resource development, cultural and scientific development, belief, literature and abstinence. Meanwhile, in maintaining local wisdom to sustain in current era, it is necessary to consider the upcoming challenges. The challenges for local wisdom, according to [7], are population growth, modern technology and culture, large capital, poverty and inequality, and the difficulty of society in fulfilling basic needs which causes social problems in the exploitation of natural resources.

The Law Number 32 of 2009 concerning Environmental Protection and Management defines local wisdom as local knowledge, intelligence, and policy. In more precise concept, local wisdom can be conceptualized as the noble values that apply in the life system of society used to protect and manage the environment in a sustainable manner. Therefore, spring conservation is closely related to the concept as the people believe that it is an ultimate gift from God to humans' life. Water and local wisdom are valuable assets that need to be preserved. Moreover, there is a tendency for the decreasing availability of water, but the need of water is increasing.

1.2. Environmental ethics

Human perspective in exploiting nature will determine the treatment of nature [8], believes that environment has mutual influence for human in which humans ecologically are part of environment. The sustainability of humans' lives are dependent on their needs. It means that humans is strongly influenced by environmental components as a place of life, it requires harmony between humans and environment.

These environmental problems are usually initiated by extreme practices of exploiting natural resources, without considering the capacity of resources. To pursue prosperity, natural resources are seen as factors of production to realize economic development goals without pay attention to its negative impacts. In implementing economic development [9], states that there are nine principles of environmental ethics to use, namely respect for nature, responsible to nature, cosmic solidarity, care for nature, no harm, living in harmony with nature, justice, democracy, and moral integrity. The principles of environmental ethics will guide humans to understand the importance of nature for them. Humans also need to respect the nature by maintaining their environment, including water resources. The availability of water resources is increasingly limited, as some places are categorized in critical condition. This is caused by various factors such as pollution, deforestation, and agricultural activities that put aside environmental sustainability and changes in the function of the catchment area.

2. Methods

This research used a qualitative-verification method by using phenomenological approach to discover meaning beyond the facts [10]. The data were collected by using triangulation techniques from five informants with different backgrounds. This research was conducted in natural setting. Therefore, qualitative research is also called as naturalistic research [11]. Natural object refers to an object that develops as it is, not manipulated by researchers, and the presence of researcher does not really affect the dynamics of the object. In fact, researcher is involved in the community (research subject) to obtain the data [12].

3. General Description of Research Site

Situ Cisanti is located in the up-stream of Citarum (the slope of Gunung Wayang). Formally, it is in Tarumajaya, Kertasari, Bandung, and West Java Province. The average daily temperature ranges from 12^0C - 25^0C with the dominant plants are tea, quinine, coffee, horticulture, pine, patchouli and eucalyptus. The livelihoods of the population are mostly in the agricultural field. The residents are mostly rural farming communities who are living in the area of Situ Cisanti as they are really dependent on it for daily water consumption.

The majority of local residents are *Urang* Sunda (Sundanese people) and they use Sundanese (Sundanese language) in daily conversation.. Sundanese people, according to [13], belong to the Late Malay group with Mongololoid and Malay-minded traits, who see themselves and others as important one, and God as the sole ruler and later all creatures will be back to Him. In Sundanese, the concept is stated by phrase "*mulih ka jati, mulang ka asal*". The Sundanese people always put their focus on water as a source of life, in their consciousness, therefore spring (in Sundanese, it is called as *cinyusu* or *hulu cai*) conservation has been familiar for them.Outpouring of water from *cinyusu* is usually accommodated in a lake (or *situ*) which can then be used to meet the needs of drinking water, households, fish ponds, and irrigation for the surrounding rice fields.

Situ Cisanti, covering an area of 10 hectares on the slope of *Gunung Wayang*, holds water from seven springs, namely *Pangsiraman, Cikolebere, Cikawantang, Cikahuripan, Cisadana, Cihaniwung*, and *Cisanti*. The water flows through the Citarum for 269 kilometers, starting from upstream in Tarumajaya, Kertasari, the slope of *Gunung Wayang* to *Pantai Muara Merdeka,* Muara Gembong, Bekasi [14]. Based on recent facts, river pollution from Cisanti to Muara Gembong has been continue occuring for decades without any solutions [14]. Actually, the quality of water from seven springs is excellent. However, the pollution destroys its quality supported by four problems; (1) only about 700 meters out of Cisanti, Citarum has been used as a place to dispose of cow manure [14], (2) Citarum becomes the conversion of land into seasonal crops, such as vegetables, (3) after 20 km, precisely in Majalaya, there are textile industry centres that have industrial waste (solid colour, strong odour, and high temperature and acidity), and (4) after 60 km, precisely in Dayeuhkolot until Soreang, the industrial waste is added by domestic waste from dense settlements and shipping waste from Bandung. All these problems contribute to the severe pollution along Citarum.

Citarum plays an important role in providing a source of drinking water for 25.000.000 residents of West Java and DKI Jakarta. It also supplies electricity for Java and Bali (half of the Indonesian population). As the largest and longest river in West Java, before flowing into the Java Sea, it is used for Hydroelectric Power Centre (PLTA, *Pembangkit Listrik Tenaga Air*) in Saguling Reservoir (capacity of 700-1.400 MW), Cirata Reservoir (1.008 MW), and Jatiluhur Reservoir (187 MW). In addition, Citarumis also used by the centre of freshwater aquaculture through floating nets in Saguling, Cirata, and Jatiluhur. Citarum is a water source for 420.000 hectares of agricultural land in Bandung Regency, Bandung City, West Bandung Regency, Cianjur Regency, Purwakarta Regency, Karawang Regency, Subang Regency, and Indramayu Regency. Ironically, Citarum now is dealing with chronic pollution and flooding.

4. Results and discussion

Forests at Gunung Wayang are categorized as protected forests, production forests, and limited production forests as stated in the Minister of Forestry Decree Number 195 of 2003 concerning the Appointment of Forest Areas in the West Java Province. The dependence of the community around the forest area is very high towards nature [15]. Looking at the conditions along the current Citarum, it can be seen that environmental ethics has not been fully realized by the people who live along the Citarum.

Urang Sunda, in the past, were very aware of spatial planning for daily life, as stated in *Sang hyang Siksakandang Karesian* [16]. There are some suggestions in exploiting natural resources wisely. In the literature, there are 19 categories of land that must be avoided called "*kotoran bumi* (earth droppings)". The categories consist of *sarongge* land (haunted place), *lemah sahar* (anger land), *sema* (grave), *catang ronggeng* (steep slope land), *garenggengan* (the soil surface is dry, but below is muddy), *dangdang wariyan* (sunken land which is often inundated), *lemah aki* (steep barren land), *kebakan badak* (pools including large ponds), *hunyur* (small hills), *pitunahan celeng* (piglets place), *kalomberan* (drainage ditch), and *jarian* (garbage dumps).

The spatial management still exist in society, even though it is getting faded. People implement their local spatial management based on five zones, arable land for farming, prohibited land in the form of forest land with sacred *karomah* (ancient) graves , reserved land in the form of reserve land for immigrants, covered land in the form of forest land for ecological interests, and reserved land for agricultural land expansion. As in Kampung Naga Tasikmalaya, the area is traditionally divided into three zones, namely the sacred area (where sacred forests are conserved by custom), clean area or residential area, and dirty area (bathing place, washing place, garden ponds, and livestock pens) [17]. The *Kasepuhan Cibedug* community, Sukabumi, has seven zones of land, namely *leuweung titipan* (safekeeping jungle), *leuweung kolot* (old jungle), *leuweung cadangan* (reserved jungle), *komplek karamat* (sacred site), *walungan* (river), springs, and others [18]. The community around *Situ Cisanti* generally still obeys in zoning distribution around Situ Cisanti, namely green zone, cultivation zone, and interaction zone. The community is still keeping the Sundanese phrase "*leuweung ruksak, cai beak, manusa balangsak*" (forest is damaged, water is depleted, human is miserable).

The damages of water resources lead to ecological disasters, such as floods, landslides, and droughts that often occur due to disruption of the hydrological system. Moreover, it is also caused by deforestation and proliferation of the function of gardens into commercial gardens, such as: vegetable gardens. The destruction of natural resources can weaken the farming and economic efforts of the rural community itself. Therefore, conservation of springs should be revived by implementing local ecological knowledge. Meanwhile, in maintaining local ecological wisdom, it is also necessary to consider the upcoming challenges. According to [19], the challenge of local wisdom is population growth, modern technology and culture, large capital, poverty and inequality, and difficulties in fulfilling basic needs.

The Citarum spring has close relationship with the history of Prabu Siliwangi (the king of Padjajaran). As places of Prabu Siliwangi, Gunung Wayang and Situ Cisanti reflect their own beauty. The Dutch Colonial Government also promoted the natural beauty around South Bandung in its Tourism Promotion in 1912. In this place, apple and cotton grow well here and the hotels make the area around Pangalenganbecome famous [20]. It is written in the Travel Guide book in *Wewengkon* (area) Pangalengan about Nyi Anah's journey in the form of *Pupuh* (Sundanese ancient song)and folklore regarding Cisanti and Gunung Wayang. The people are familiar with the story of *Sasakala Cisanti* it is about Gagak Taruna who fell in love with Puteri Langka Ratna Ningrum (the daughter of Pangeran Jaga Lawang who livedat the summit of Gunung Wayang). However, he then also loved Nyi Kantri Manik, finally the marriage foundered and he died in the upstream of Citarum) This story has become an urban legend for the people in the South Bandung area. They believe in the story.In a full moon night, the faint sound of the gamelan (music instrument of Sundanese) can frequently be heard from the top of *Gunung Wayang*. It signifies that the *nayaga* (people who play gamelan) are still carrying out the procession of welcoming the marriage to the groom, Gagak Taruna. There is also smoke in Wayang Mountain billowing in layers, it means that the bride's family is cooking.

Cisanti will be maintained, when the surrounding area is also maintained. The existence of several activities and rituals carried out by Pilgrims at Pangsiraman Springs until now are preserved. The rituals are *wudhu diri* (self-ablution) meaningcleansing oneself from filth and sin, *Tawassulan* (getting closer to God by praying for the ancestors), *Ngabungbang* (self-ablution which is only done on the night of 12 *Robiul Awal*), *Ngumbah Pusaka* or washing sacred objects, *Nadran* (spreading flowers in *Pangsiraman* Springs and *Situ Cisanti* as a form of respect for nature).

There are some wise words in Cisanti area. The words are *tong ngomong sompral (*do not say arrogant*), tong ngotoran cai (do not* pollute the water*), tong nuar tangkal (*do not cut trees*), tong make syal warna beureum (*do not use a red scarf*), and tong ka jero leuweung mun teu jeung kuncen (*do not go into the forest without *kuncen* or guard officer*).*

In addition to some rituals and advices in *Situ Cisanti*, the surrounding community is also using the land according to the Sundanese proverb that has 12 types of intelligence thinking about the advice of spatial planning. It is to preserve the environment.There is close relationship between the message of *karuhun* (ancestors) and the conditions in *Situ Cisanti* environment. Of 12 *karuhun* messages, there are six preservation meanings that applied in *Situ Cisanti* area.First, *Gunung Kaian* means that the area must be planted with trees. *Gunung Wayang t*herein must always be green meaning that it must be planted with trees because it is a water absorption region of Situ Cisanti. To anticipate this, the people use the elephant grass buffer so that the farmers will see the border of the land. Second, *Pasir Talunan* means that hills must also be planted. Third, *Situ Pulasaraeun* means that the lake must always be maintained. Fourth, *Legok Balongan* means that if there is a sunken place and near or above the spring, it is necessary to make a pond. Fifth, *Cinyusu Rumatan* means that the existence of the spring must have been guarded by the existence of the Situ cisantifolklore stated that the spring isguarded by a "watchman" named Nyi Kantri Manik. Sixth, *Lembur Uruseun* means that the village must be taken care of and arranged. The existing village must be arranged and made as a comfortable place.

The implicit meaning of all these messages is governance and spatial alignment with the surrounding environment. Based on the message of *karuhun* , the form of local wisdom in the Situ Cisanti Region has its own meaning in preserving the environment and the surrounding area. The form of local wisdom is very relevant to local advice, especially in relation to maintaining the sustainability of springs. The existence of a *pamali,* a sign made of stone as a boundary for something that is prohibited, is an effort to preserve the springs. The people also obey to the zoning division around Situ Cisanti, namely the green zone, cultivation zone, and interaction zone.

5. Conclusion

Situ Cisanti, as the water source, plays an important role. However, the findings show that the condition of the spring in upstream of Citarum – Gunung Wayang slope - is generally not affected by the season. It is rather influenced by the contribution of socio-economic institutions that support the conservation of springs.

The contribution is implemented in the use of zoning division; green zone, cultivation zone, and interaction zone. It is relevant to Sundanese phrase "*leuweung ruksak, cai beak, manusa balangsak*" (forest is damaged, water is depleted, human is miserable). Forests and springs must be maintained, otherwise, humans will feel the consequences. The contribution of socio-economic institutions was realized through folklore which was brought to life by the local community as a safeguard, including the figure of Situ Cisanti guard, Nyi Kantri Manik, and the figure of Gagak Taruna. If people try to damage the environment of Situ Cisanti and Gunung Wayang, you will regret it later. Then, the activities, rituals, and advices are still implemented by *Kuncen* Cisanti to the pilgrims who visit the Pangsiraman Spring.

Local ecological wisdom in exploiting natural resource is needed so that the wealth of water resources, especially for the existence of a spring, can be sustained. It is crucial for local community to deal with visitors; it is renowned by AGIL. It is a fact that the system of Sundanese relationship is changing as the consequence of religious education, formal education, market economy, morals and, government policies[1].

To be sustainable, it can be conducted through public announcement and enculturation. Government, through the Ministry of Environment, has launced a program called Spring Protection Program (PERMATA, *Program Perlindugan Mata Air*). It is a joint program in spring conservation.There is also a collaborative action between Ministry of Disadvantaged and Transmigration Villages (*Kemendesa PDTT, Kementrian Desa Tertinggal dan Transmigrasi*), Ministry of Tourism (*Kemenpar, Kementrian Pariwisata*), and Ministry of Cooperatives and Small and Medium Enterprises (*Kemenkop UKM, Kementrian Koperasi dan Usaha Kecil Menengah*). Springs conservation along the Citarum is necessary, therefore, it requires full involvement of stakeholders who meet the pentahelix model, namely the government as a regulator, academics as designers, media as catalysts, and business practitioner as locomotive transformation (in terms of tourism), and communities as accelerators.

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Strengthening of Human Resources Based on Local Strength Through Current Mushroom Culture from Waste Processing Results Citarum River, West Java Province

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Abstract. This study aims to improve local strength-based human resources (HR) in the Citarum River Basin, namely Cihampelas Village, West Bandung. This research is based on the problems in the area such as the community only as a garbage collector and waste processing has not been maximized and is based on the potential that exists in the Cihampelas Village such as the social aspects of the community which has a strong value of mutual cooperation and ecologically many local strengths such as waste organic and inorganic. Oyster mushroom cultivation is one of the efforts to improve the quality of human resources by processing water hyacinth waste as baglog and briquettes used as fuel. The research method used in this research is qualitative and the instruments used for this research are interviews, observations, and documentation. The results of this study obtained a profile of the people who have the value of mutual cooperation and lack of understanding of the processing of waste, especially water hyacinth for the cultivation of oyster mushrooms, after the training began to maximize waste management using water hyacinth waste for baglog and steaming fuel, and the emergence of attitude creativity, discipline and responsibility in developing the economy.

1. Introduction

Increasing human resources (HR) is currently the focus of government attention. Increased human resources are considered important because natural resources (SDA) are abundant when there are human resources that are less productive, so that these natural resources cannot be utilized optimally. Increased human resources can be done through various ways, either through formal, non-formal or informal education..

The importance of increasing human human resources goes from the problems that arise in Indonesia such as the number of unemployed, low income per capita society and there are indications that the utilization of natural resources in Indonesia is not optimal. These problems are in line with what was stated by the Central Statistics Agency of the Republic of Indonesia (2015), namely the number of unemployed Indonesians in 2015 reached 114.6 million people. located at 3,600 US dollars. The per capita income figure is still lagging behind neighboring countries, such as Singapore and Malaysia, which respectively reach 52,900 and 9,300 US dollars. The above problems when left unchecked will be a protracted problem and will have an impact on other fields. One effort to improve human resources can be done through training on understanding the use of natural resources or local wisdom in the surrounding environment.

In this study, human resource improvement was carried out through training in utilizing local potential in the Citarum river environment. Local potential used in this research is the condition of the citarum river which is the mouth of waste disposal and the habits of the community in utilizing the waste. The target community groups in Strengthening Local Strength Based Human Resources through Oyster Mushroom Cultivation from the Results of Citarum River Waste Processing in West Java Province is located in RT 04 RW 06 Cihampelas Village, Cihampelas District, West Bandung Regency, West Java Province. The target community in RT 04 has a total of 112 households.

Improving the quality of Human Resources in the Village of Cihampelas Kec. Cihampelas Kab. West Bandung is based on several factors: Quantitatively the portraits and profiles of the target communities described in the table above show that most of the target people work as traders, laborers, builders, and do not work. This proves that the potential of the target community groups to strengthen local strength-based human resources through the development of creative industries in cultivating Citarum River oyster mushrooms in West Java Province has excellent value potential. Physically the target community groups are very deficient in terms of infrastructure and facilities for the development of creative industries cultivating oyster mushrooms from the results of this waste processing. While socially, the creative industrial activities of the cultivation of oyster mushrooms are well known in the target group and outside the target group area and the community still has a close tradition of mutual cooperation.

The aim of this program is to improve the ability of the community to process waste in the cultivation of better oyster mushrooms in Cihampelas Village, Cihampelas District, West Bandung Regency, West Java Province. Specifically, the objectives of this program are, the establishment of waste sorting and processing facilities especially from water hyacinth for use in the cultivation of oyster mushrooms which are more representative in order to increase mushroom production, both in quantity and quality for the development of the people of West Java, the availability of all sorting support devices. and adequate waste processing that can be used as a place of learning for the people of West Java, and the availability of additional waste production materials that can be used to make baglog (mushroom planting media) or fuel which is then used for the cultivation of oyster mushrooms that are better in quantity and quality to meet the needs of the market around Bandung Barat and West Java Regencies widely.

2. Theoretical Review

2.1. Improving Human Resources

Human resources (HR) are the basic capital in national development, therefore the quality of human resources needs to be developed and directed so that they can achieve the expected development goals. Human resources can actually be seen from two aspects, namely, the first aspect of quantity includes the amount of human resources available in an area or place. Second, the quality aspect includes the ability of human resources both physically and non-physically and mentally in carrying out development. From this concept, it can be understood that the large quantity of human resources without adequate quality support will become the overall development burden of society..

Planning in the development of human resources is a systematic process used to predict future demand and supply of human resources. With the existence of measurable human resource planning, it is expected to be able to estimate the number and type of labor needed in each period so that it can assist the human resources in developing recruitment, selection, education and training planning. "Human resource planning is the process of analyzing and identifying the availability and needs of human resources so that the organization can achieve its goals", Mathis and Jackson and Sikula [1], [2]. George Milkovich and Nystrom [3] suggested that human resource planning is defined as the process of determining human resource needs and facilitating those needs so that their implementation is in line with existing plans.

Benefits of human resource development planning will provide positive values for a society. But planning alone cannot build the program as a whole, but there needs to be a balance between the human resource planning function and other functions so that the goal is achieved as a whole. In particular, states that the type of human resource development is divided into two, namely, first, informal development, namely personnel for their own desires and efforts to train and develop themselves by studying literature books or other sources relevant to the work or his position and human resource development [4]. Second, the process of resource development is formally, namely employees assigned by agencies or institutions to attend education and training, both carried out by companies and organized by training institutions. This formal development is carried out because of the demands of the work or because of current or future needs. HR development is formally carried out through higher education programs and other training programs that are in line with the needs of employee career development..

2.2. Local Strength

Local strength in this research is the availability of natural resources both biological and non-biological as well as local wisdom in Cihampelas Village, Cihampelas District, West Bandung Regency. Local wisdom is a norm, rule or custom that applies to a place that emerges from a long period together between the community and its environment and is able to overcome various problems that arise in its life [5].

Local strength in the area of Cihampelas Village, Cihampelas District, West Bandung Regency, namely the existence of the Citarum River, in which very much organic or inorganic waste and local wisdom in the Village are the habits of the villagers in taking fish in the Citarum river environment and picking up garbage in the river so that there is an assumption that the citarum river is a place to find food or livelihood for some residents there. Thus, Citarum is considered to be a potential source of life for the community around Cihampelas Village, Cihampelas District, West Bandung Regency.

2.3. *Oyster Mushroom Cultivation*

Oyster mushroom cultivation is currently the type of business that is in demand by most citizens in Indonesia. This is due to the cultivation of oyster mushrooms suitable in environments with weather, such as in Indonesia, especially the mountains, does not require extensive land, and the age of harvest is relatively fast and easy in marketing. Oyster mushrooms are called because the shape of the canopy (hood) resembles a semicircular white oyster skin. In oyster mushroom cultivation, of course there are things that must be considered such as making kumbung, planting media, maintenance and harvesting. The hardest part is making baglog or planting media that has been inoculated with fungus seeds, this is because the failure rate is very high. The two main activities in the cultivation of oyster mushrooms are making the planting medium and inoculating the fungus seeds into the growing medium and growing the mycelium into a fruiting body.

The room where mushroom cultivation or better known as kumbung is a mushroom cultivation room as a place to store the planting medium so that the growth of fungi can grow well and produce fresh mushrooms with high quality and economic value (both in terms of weight and shape). Kumbung is better made from ingredients that are easily found in the environment around the place where the cultivation is carried out. This is done in order to save more on the process of making the kumbung, for example from bamboo materials for poles (construction), while the walls can use gedek (woven bamboo) and the roof uses tiles from clay. Roof cover using clay tile so that the room remains moist. Making the lower floor is plastered only on the road section to make it easier for the maintenance and harvesting process, but on the shelf part of the plant let the ground partially or even partially use sand.

Selection of planting media for cultivation of oyster mushroom cultivation must be thoroughly prepared. In this study the making of planting media is using pots made from water hyacinth waste. In the process of making planting media, it is necessary to ensure that the water hyacinth to be woven is completely sterile. In addition to water hyacinth as a pot medium, other media are sawdust, bran, and lime. After all the ingredients are available, ingredients such as saw powder, bran and lime are stirred evenly, sterilized by steaming and the last is put into the planting medium in the form of a pot of water hyacinth plait, p. The last process is the selection of fungus seeds that are good to plant. The thing to consider in choosing a good oyster mushroom seed is to avoid buying large amounts of seeds, pay attention to the expiration date, pay attention to the value of the Biological Efficiency Ratio (BER), open the cover and look for the best seed provider.

The treatment of oyster mushroom cultivation requires proper handling, so that it can develop in accordance with expectations. This will affect the quantity of oyster mushroom products produced by farmers, and in turn will have an impact on increasing farmers' income. In other cases the treatment of oyster mushrooms is easily difficult. This is because oyster mushrooms are a strong fungus against various disease attacks that might interfere with the cultivation process itself. However, erroneous handling, especially in air circulation, excessive humidity or excessive sunlight will affect the quality of oyster mushroom products produced later when harvesting is carried out.

In the business world of planting oyster mushrooms, there are several things that need to be considered, one of them is the process of harvesting good oyster mushrooms. What kind of harvest can be called a successful / fair / many harvest. In the process of harvesting oyster mushrooms, there are several things that must be considered, including the tools and materials for harvesting.

2.4. Increasing HR through Cultivation of Local Strength-Based Oyster Mushrooms

In this study, efforts to improve human resources were carried out through the cultivation of oyster mushrooms based on Local Strength. The local power referred to in this study is the availability of natural resources and local wisdom such as the habits of residents in taking waste and other things in the Citarum river in the village of Cihampelas, Kec. Cihampelas kab. West Bandung.

Oyster mushroom cultivation conducted in this study is the cultivation of oyster mushrooms that utilize citarum river waste waste, namely water hyacinth plants. This large water hyacinth plant is used as a planting medium as baglog and fuel in steaming oyster mushroom planting media. The use of water hyacinth in the making of baglog and fuel media is explained to the community through counseling to the community in the village of Cihampelas so that the community can be maximized in utilizing the water hyacinth waste. Other benefits besides this, people who will do the cultivation of oyster mushrooms can save more money in the burning process and making baglog which usually uses plastic media.

3. Research Methods

The research approach used is a qualitative research approach. This is because in this study it is expected to show the quality of community life development in full in the context of community capacity building in Bangkit Bersama Cooperative, Cihampelas Village, Cihampelas District, West Bandung Regency. In addition, this is expected to be a tool to be able to understand new concepts and theories in the context of the cultural settings of the people under study, especially those relating to the context of life and cultural characteristics of the communities around the Bangkit Bersama Cooperative.

The instruments used in this study are interview guidelines that are used to analyze the problems and attitudes of some respondents who are participants in the life skills skills management program, observations are used to understand the trends and attitudinal patterns shown by the community / participants in the community empowerment program in development of program management life skills related to the skills built by this training, and documentation studies are carried out to find supporting data in skills programs related to improving the quality of life of the community carried out by the Bangkit Bersama Cooperative in order to utilize environmental potential based on the period of development carried out.

Data analysis techniques are used, in accordance with the opinion of Miles analysis activities consist of three activities that occur simultaneously, namely data reduction, data presentation and conclusion drawing/ verification [6]. Occurring simultaneously means data reduction, data presentation and conclusions / verification as something that is interconnected with each other so that it becomes a cycle and interaction at the time before, during and after collecting data in parallel form that builds a general insight called analysis [7]. In this study data analysis techniques carried out included transcripts from interviews, data reduction, analysis, data interpretation and triangulation. From the results of data collection obtained, the research conclusions can be drawn. The interviews were conducted with the participants of the activities involved in the community empowerment program around the Citarum river area. Of the 30 participants, a sample of 10 respondents was taken. Whereas for the observation itself carried out continuously by involving the researcher itself as the main instrument of research.

4. Result and Discussion

4.1. Result

This research was developed based on the collaboration carried out with the Bangkit Bersama cooperative. This cooperative was founded in 2009 by Indra Darmawan, 11 years since he started the waste management business. When the initial members were established, only 20 people and now has grown to 100 people. The work area for waste management is carried out in three villages, namely Cipatik Village, Citapen Village and Cihampelas Village. All three are in Cihampelas Subdistrict. Within one month, the total waste collected through scavengers reaches 80 tons or an average of 2-3 tons of plastic waste per day. But not all can be processed, especially styrofoam and aluminum foil. Besides managing waste, this cooperative also manages water hyacinth plants. Based on the research activities obtained the following description:

First, Profile of human resources strengthening in Cihampelas Village, Kec. Cihampelas Kab. West Bandung, namely the geographical condition of the village in the citarum river flow, the presence of local strength in the form of natural resources that are still abundant in the citarum river flow such as the growth of various plants, one of which is water hyacinth, the amount of inorganic waste, the condition of people who have strong mutual cooperation. and waste processing habits that have become hereditary professions.

Second, Before being given training, there are still a lot of garbage collectors who only take garbage and sell it directly to collectors so that the economic value obtained is still low.Third, After being given training, it was shown that the community, especially those who were members of the Bangkit Bersama Cooperative, showed changes in attitude in waste management, which initially only took and sold garbage to the collectors to be able to process waste, one of which used it in the cultivation of oyster mushrooms, so that the economic value obtained by the community is increasing.

Fourth, A change in attitude towards the people of Cihampelas Village, Cihampelas, West Bandung includes a more creative attitude in processing waste, especially using it in the cultivation of oyster mushrooms and the emergence of new entrepreneurial desires, one of which is the cultivation of oyster mushrooms. This affects the economic level of the community, which initially has not been maximally maximized.

4.2. Discussion

Based on the results of the research carried out, it can be obtained several research subjects as follows:

4.2.1. Profile of Local Strength Based Human Resources Strengthening through Waste Management and Oyster Mushroom Cultivation.

Strengthening human resources based on local strength is one of the main objectives in development development which is included in Sustainable Development Goal's. Local power is not only in the form of social resources, but with the addition of ecological resources. Provides a definition of ecological development [8]. According to him, development affects and is influenced by the environment. The interaction between the development of human resources or the potential of other living creatures and the environment forms an ecological system called ecosystem. Waste processing and mushroom cultivation is one of the efforts to exploit the ecological potential in improving the quality of life that is a challenge for today's community development. With this development, it becomes one of the ways to build and increase the economic capacity of the community to grow and develop for the better, so that it can encourage the strengthening of personal capacity and social competencies in Cihampelas Village, Cihampelas District, West Bandung Regency.

This is shown by the increasing number of Bangkit Bersama Cooperatives members who at the beginning of the establishment only numbered 8 people now become 120 people and show the existence of a greater and more advanced strength character for people's lives after becoming a member of the cooperative.

4.2.2. Improvement of Local Strength-Based Human Resources Ability through Processing Waste in Cultivating Oyster Mushrooms before Training

Improving the capacity of human resources before the training was given has not shown significant changes in the capacity of community life. This can be seen from the economic conditions of the people who are still experiencing obstacles, where people still depend their lives on collecting garbage directly from the Citarum river. And only sold in complete physical form, has not undergone a process of processing, people still have difficulty in building the quality of the products produced, people do not know mushroom cultivation, and water hyacinth is just thrown away along the watershed. Therefore, the economic value of people's lives is still one of the obstacles that make people's lives still unable to develop independently.

4.2.3. Improvement of Local Strength-based HR Capabilities Through Processing Waste in Cultivating Oyster Mushrooms After Training

Human resource capacity building Better waste processing is done by optimizing derivative products from waste management so as to be able to bring huge economic benefits to the implementers, members and the surrounding community. The cultivation of oyster mushrooms by utilizing the potential generated from water hyacinth waste is one of the solutions to improve the quality of community life, especially for scavengers. Now besides earning income from scavenging also earns income from the sale of its own production mushrooms. Independence also began to be developed, where the existing staff focused on their respective fields. So that it can be more utilized to make the budget and time more efficient to achieve the goals of cooperatives and capital for production. The use of woven water hyacinth as a medium of media (baglog) cultivation of mushroom plants is one in efficiency while prioritizing ecological approaches that complement each other. Not by using plastic which will only add to the existing problems. In addition, the use of briquettes from water hyacinth as a fuel in the sterilization process in preparation of planting media for oyster mushrooms is also a distinct advantage that is expected to increase budget efficiency in the process of cultivating oyster mushrooms.

4.2.4. Changes in Community Attitudes in the Community Environment Target of Local Strength Based Human Resource Ability Improvement Program through Waste Management in Oyster Mushroom Cultivation

Changes in the attitudes of the community in the vicinity of the Bangkit Bersama Cooperative seem to change significantly, so it can initiate various activities with events from inside and outside the island of Java, as well as inviting several university components to be able to provide support in the form of training activities, mentoring and coaching to improve the quality of community life itself. This change in attitude can be seen from the emergence of discipline, determination and responsibility in managing some of the ecological potential found in Cihampelas Village, Cihampelas District, West Bandung Regency. The processing of ecological potential such as the processing of local strength used is processing water hyacinth as a baglog of herbal medicine and eceng is used as briquettes when steaming the planting media of oyster mushrooms and delta citarum river deposits become the favorite agricultural area during the dry season.

5. Conclusion

Based on the data from the research that has been carried out, it can be concluded several things, including the following: *First,* profile of human resources strengthening in Cihampelas Village, Kec. Cihampelas Kab. West Bandung, namely the geographical condition of the village in the citarum river flow, the presence of local strength in the form of natural resources that are still abundant in the citarum river flow such as the growth of various plants, one of which is water hyacinth, the amount of inorganic waste, the condition of people who have strong mutual cooperation. and waste processing habits that have become hereditary professions. *Second,* before being given training, there are still many people who collect garbage that only picks up trash and immediately sells it to collectors so that the economic value obtained is still low.

Third, after being given training, it was shown that the community, especially those who were members of the Bangkit Bersama Cooperative, showed changes in attitude in waste management, which initially only took and sold garbage to the collectors to be able to process waste, one of which used it in the cultivation of oyster mushrooms, so that the economic value obtained by the community is increasing.

Fourth, a change in attitude towards the people of Cihampelas Village, Kec. Cihampelas Kab. West Bandung includes a more creative attitude in processing waste, especially using it in the cultivation of oyster mushrooms and the emergence of new entrepreneurial desires, one of which is the cultivation of oyster mushrooms. This affects the economic level of the community, which initially has not been maximally maximized.

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The Effect of Perceived Value and Social-psychology on Shopping Decisions using Credit Card

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Abstract. Credit card users in Indonesia have continued to rapidly increase. This raises a variety of social problems, because credit card users can have a psychological influence on the people around them. Intention to do or not to do a certain behaviour is influenced by three things, which are attitude, subjective norms, and behavioural control. Behavioural control has a positive effect on non-compliance behaviour. In addition, the perceived value of a credit card is also an important factor in determining the intention to use a credit card. The purpose of this research is to determine the effect of perceived value and social-psychology on shopping decisions based on the intention of using a credit card. The research method employed is quantitative research, the data collection techniques is in the form of questionnaires, and the analysis method used is descriptive and verification analysis using a Structural Equation Modeling (SEM) model based on variants or components, which is PLS (Partial Least Square). The results showed that perceived value and social psychology variables had a positive and significant effect on the intention to use a credit card with coefficient values of 0.25 and 0.23 respectively. While the influence of the intention to use a credit card on the shopping behaviour using a credit card showed 0.09 coefficients, meaning that the intention to use a credit card had a positive and significant influence on the shopping decision behaviour in using a credit card.

1. Introduction

Since its first launch in Indonesia, credit cards have received positive reactions from the public. The number of credit cards in Indonesia and the number of its users have always experienced a rapid increase from year to year. One factor that triggers the growth of credit card use or products is the market share of the credit card itself. The growth of the credit card business is supported by the number of supermarkets and small shops that accept credit cards as an alternative means of payment in cash.

Some researchers have a concern that in shopping decision behaviour, the tendency of someone to buy something because they have a credit card is in relation to compulsive behaviour, which in turn leads to overspending. Compulsive behaviour itself is an unplanned purchase, which is done without much consideration, only driven by mood, impulsiveness. [7] The increase in credit card users raises social problems, where credit card users can influence the psychological state of other individuals around them. These social and psychological factors also trigger people to use credit cards.

To discover the shopping behaviour using a credit card, this research uses the concept of intention to use a credit card. Intention to do or not to do a certain behaviour is influenced by three basic things, which are attitude toward behaviour, social influence called subjective norms, and perceived behavioural control. The second factor that forms the intention is subjective norms, which is perceptions held by individuals regarding social influence in shaping a certain behaviour [1] [2]

Another factor that influences purchasing decisions through intentions or behaviour is behavioural control. Behavioural control can directly and indirectly affect behaviour. Direct influence will arise if there is an actual control that is outside the individual's will. Research on the effect of behavioural control on intention has been carried out, that behavioural control had a positive effect on non-compliance behaviour. [8] [3]

Furthermore, the perceived value of credit cards is also an important factor in determining the intention or desire to use a credit card. Since several studies have suggested that this aspect of security and privacy affects consumer behaviour, the perceived value variable can be included in variables that determine the intention to use a credit card. In addition, this research also uses the concept of "social and psychology" in explaining the factors that influence the intention to use a credit card. Some indicators to explain the concept of "social psychology" is self-esteem, which is the feelings that individuals have regarding self-esteem, acceptance, and a sense of respect for themselves. Based on the phenomenon that occurred, the authors are interested in conducting research on the aspects of perceived value and social psychology in relation to shopping behaviour using credit cards.

2. Research Method

This research is an economics research in the field of marketing management science that focuses on behaviour. The unit of analysis in this research is the behaviour of using credit cards, while the unit of observation is the credit card owner who uses a credit card. The method used in this research is quantitative approach, and based on the level of explanation, this research is categorized as a case study. The formation of the model in the conceptual framework of this research is to answer the research problem that has been explored into three problem formulations, which were tested using SEM analysis method with Partial Least Square approach with the XL Stat 2014 program.

The data collection method used in this research is a closed questionnaire method. The scale used in the questionnaire is a Likert scale with a standard scale of 1 to 5. The population of this research is active credit card users in three of the largest banks in Indonesia in 2015 issuing credit card. This research employed accidental sampling method. The determination of sample size in this research is using the Taro Yamane formula [5]. Based on the determination of the sample size with the Yamane approach, obtained a minimum sample of 178 respondents.

Descriptive analysis is carried out by referring to each indicator in the variable under study. While the verification research used quantitative analysis using a structural equation model (SEM) based on variants or components, which is PLS (Partial Least Square) to verify the relationship between variables. The path diagram used in this research is Second Order Partial Least Square.

Hypotheses

H_1: Perceived value and social-psychology have a positive and significant effect on the intention to use a credit card

H_2: Intention to use a credit card has a positive and significant effect on shopping decision behaviour using a credit card.

H_3: Perceived value and social-psychology affect the intention to use a credit card and the implications for shopping decision behaviour using a credit card.

3. Findings and Discussion

3.1 Findings

1. R2 in variable Y ex 0.06 with p value of <0.01. This showed that perceived value and social-psychology had a positive and significant influence on the intention to use a credit card with a

value of 0.06. That means H1 is accepted, meaning that perceived value and social-psychology had a positive and significant influence on the intention to use a credit card.

2. The coefficient value for the influence of intention to use a credit card towards the shopping behaviour using a credit card was 0.09 with p value = 0.03. This showed that the intention to use a credit card had a significant and positive influence of 0.09 on the shopping behaviour using a credit card. That means H2 is accepted, meaning that the intention to use a credit card had a positive and significant effect on the shopping behaviour using a credit card.
3. R2 on the Z variable was 0.12 with p value = 0.03 which showed that perceived value, social-psychology, and intention to use a credit card had a positive and significant effect on shopping behaviour using a credit card with a value of 0.12. That means, H3 was accepted, meaning that perceived value and social-psychology affected the intention to use a credit card and the implications for shopping decision behaviour using a credit card.

3.2 Discussion

3.2.1 The influence of perceived value and social-psychology on the intention to use a credit card

The test results using warpPLS 5.0 software showed that perceived value and social-psychology had a positive effect on the intention to use a credit card. Intention generally grows because of the encouragement or factors around it. It is in line with the intention of using a credit card. Perceived value is one of the factors that can grow a customer's intention to use a credit card. A consumer will buy a product if the product is considered profitable. While social-psychology is a social and psychological condition of a consumer in using a product. A customer in using a credit card is strongly influenced by his or her social and psychological conditions. The level of confidence and feeling will be respected if using a credit card will encourage these customers to have the intention of using a credit card.

3.2.2 The influence of the intention to use a credit card towards shopping behaviour in using a credit card

The test results using warp PLS 5.0 software showed that the intention to use a credit card had a positive effect on the shopping behaviour in using a credit card. These results mean that the higher a customer's intention to use a credit card, the higher the shopping behaviour will be with a credit card. If a customer starts to want to meet the needs and feels good about using a credit card, then the customer tends to use the credit card to fulfil his or her wishes. Other factors also arise from the surrounding social environment. The social environment such as family, friends, co-workers who support ownership of a credit card, will encourage the emergence of a desire to shop using a credit card.

3.2.3 The influence of perceived value and social-psychology on the intention to use a credit card and its implications for shopping behaviour using a credit card

The test results using warp PLS 5.0 showed that the intention to use a credit card was indeed influenced by perceived value and social-psychology. Customers who feel that a credit card has benefits will feel the intention to use a credit card. The aspect of perceived value is not only the usefulness and benefits of ownership of a credit card but also about the credibility and ease of operating the credit card. If the customers feel that they get credibility and security in using a credit card, the intention to use a credit card will appear.

The next factor that can influence the intention to use a credit card is social-psychology, namely social and psychological factors that can affect a customer's intention to use a credit card. The social environment such as family, friends, colleagues, and others that support the use of credit cards will trigger the growth of a customer's intention to use a credit card. In addition, the psychological state of a customer such as a feeling of confidence and respect if he or she is using a credit card will encourage the customer to use a credit card.

In addition, customers who use a credit card feel more confident and feel respected so it is more convenient to do shopping behaviour with a credit card. Then, customers who feel that they can control themselves when shopping with a credit card will tend to use the credit card to transact when shopping. It is different with customers who feel unable to control themselves in using a credit card. They will tend to avoid using a credit card when shopping. So, the point is, the perceived value and social-psychology greatly affect the intention to use a credit card and those variables will impact on customer's shopping behaviour using a credit card. If the perceived value and social-psychology of a credit card user are uncontrolled, the user will tend to overspending.

4. Conclusion

From the explanation of the results and discussion above, it can be concluded that the perceived value variable had a positive influence on the intention to use a credit card with a coefficient of 0.25 and the p value condition of <0.01, so it meets the requirements of the fit model where $p <0.05$. It means that the perceived value was significant towards the intention to use a credit card. The influence of social-psychology variable on the intention to use a credit card showed the coefficient number of 0.23 and p value of <0.01. It means that social-psychology had a positive and significant influence on the intention to use a credit card with the coefficient number of 0.23. The influence of the intention to use a credit card towards shopping behaviour using a credit card showed the coefficient number of 0.09 and p value = 0.03. It means that the intention to use a credit card had a positive and significant influence on shopping behaviour using a credit card that was equal to 0.09.

Based on the aforementioned findings, it is suggested that the government, as a policy maker, must pay greater attention in controlling the use of credit cards in the community so as not to cause noise that can adversely affect the country's economy; banking institutions, as credit card providers, must be more selective in giving credit cards to the public; and society, as credit card users, must be more careful in using credit cards, especially in shopping to avoid overspending.

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Leadership Style in Indonesia: Does National Culture Effect It?

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Abstract. Although leadership traits are similar across countries, the style of leadership differs. Much research has been done regarding leadership style, but no one has discussed the Indonesian national culture influences on effective leadership style in Indonesia. The behavior of leadership develops through adaptation with the context and culture of the community. Understanding the effect of culture on leadership behavior will provide insight on effective leadership. This study aims to analyze the influence of Indonesia's national culture to effective styles of leadership within Indonesian organization. A review of literature was conducted to determine the key concepts of national culture and connect them with leadership styles. Our study argues, from the five types of leadership style, the most effective style of leadership for Indonesian culture is consultative leadership. This style includes communicating transparently with the staff, building a team, and involving staff in decision making. This research is useful to assist enterprise leaders to understand the culture of Indonesia and adjust leadership style appropriate to the nation culture.

1. Introduction

Culture is knowledge generated from experience and social behavior [1]. Culture can also be defined as a collective mental program which distinct a person from a certain group [2], [3]. Each group member shares and internalizes their social values and norms creating their unique group social values and norms. Therefore, how the member acts, especially under social pressure, is dependent upon their culture. Leadership is the central activity in a group and company, with the top leader as a figure that ensures the company reaches its goal. Company leaders consist of individuals that cooperate to move to the same direction and resolve company workload. Every company needs a leader, because the company leader has much task. Besides regulate and stir the company to reach its goal, leader takes on the responsibility of employees. The leader has to understand the behavior and character of every employee, which is not an easy task considering the number of employee in a company. Leaders have to be aware of this situation to reach the company's goal. Great skilled leaders are those that can make this happen [4].

The role of the leader is important because of the high interaction between employee and their leader. When the employee finds a problem, they will ask their leader. Inadequate leadership causes inadequate leader-employee relationship, and employee will lose their guidance, disrupting the company's performance. Managers from different countries have a different way of understanding effective leadership. Until now, there is only a few studies about the relationship between national culture and leadership [5]. Therefore, this study is important to provide insight on influence of national culture to leadership style.

2. Research Methods

Literature research is used as method of study. Existing literatures are analysed to understand key concepts in the nation's culture and leadership style. Conceptual connections are developed relating national culture with effective leadership style.

3. Theoritical Framework

3.1 National Culture

Culture is knowledge generated from experience and social behavior [1]. Culture can also be defined as a collective mental program which distinct a person from a certain group [2], [3]. Each group member shares and internalizes their social values and norms creating their unique group social values and norms. Therefore, how the member acts, especially under social pressure, is dependent upon their culture. Knowledge about culture helps us to interact and communicate with other people.

Culture is generated from people's norms, values, and believes [6]. Culture is defined as a common process to share how to think, feel, act, share social environment, use technology, and experience the same history, language, and origin. Culture for people is as important as water for a fish, which a fish has just realized the importance of water after being out of the water. Thus, culture can keep people breathe and alive [7].

There are different perceptions of national culture which makes different framework and dimension, including: Hofstede dimension, Trompenaars dimension, and Hall dimension. However, all of these dimensions have the same point: first, people are exposed to culture since a young age through social behavior, rules, and law; second, culture has different layers from individual to community. Understanding about culture is important for organization development.

A common way to understand the influence of culture in organizational behavior is by using Hofstede framework, which comprehensively includes the dimensions of national culture [8]. This framework is implemented by numerous studies to analyze the influence of national culture on management. Hofstede's framework provides brief explanation from concepts to the measurement of variables. Hofstede Framework describes 4 dimensions of culture [2]: 1) Power Distance Index. 2) Individualism. 3) Masculinity. 4) Uncertainty Avoidance Index.

3.1.1 Power Distance Index

PDI (Power Distance Index) is a step about power in organization. How low the power of institution or organization member can be accepted. At this point, institution or organization members have variable power. This describes a difference (more versus less) that is described from the low point. The community level difference is ratified by the leader and the follower.

The Indonesian community model, in many Hofstede culture perspectives, has a high power distance. That means Indonesian has hierarchical order in which person with high or low status feels comfortable with their condition and perceive it as a natural process. The leader has a right as a leader and the subordinate accepts the condition. The leader-subordinate relationship is similar with a parent-child relationship. The subordinate follow a vertical relationship with the leader by thinking the leader as their parent and positioned themselves as a child. Work relationship between the leader and the subordinate is not only about professionality, but also about good manners. For the subordinate, they feel calm in conducting their work because they have the sense of security that their leader will bear responsibilities. As for the leaders, their subordinates is a policy support, and has reliable loyalty [9].

3.1.2 Individualism

IDV (Individualism) is the opposite of collectivism. In collectivism, individuals are attached to their group so the cohesiveness is high. But in individualism, the connection between individuals seems lost and emphasizes individual's moral worth instead.

In a collective culture, a person will learn to prioritize group goals over individual goals. In this kind of culture, a compromise is highly appreciated. It's not common for people to have a different opinion from the general view point. Holding on to personal opinion is uncommon and viewed as inappropriate. In Indonesia, deliberations are held to align common aspiration. In workplace, creating a good relationship between superiors, subordinates, and colleagues is essential before engaging in a job. The job of an employee is not to only focus on work, but also paying attention to non-technical matters outside of work, such as maintaining group harmony, not being too assertive, and integrating oneself to the bigger part of the group [9].

Pointing out a mistake is a good thing, but it is considered offensive when done in public. In fact, being considerate of other's feeling is more important than telling the truth. The strong value of not hurting others has a negative side to it, especially in Javanese culture, as indirect answers and communication can perceived as lying. Pastor van Lith, a Catholic missionary who is also known as an expert in Javanese's language and philosophy, straightened the negative outlook by saying, "Westerners can't understand Javanese's custom. Westerners' children are taught to not lie when Javanese's children are taught to be sensitive of others" [9].

Discussion about collectivist-individualist in Indonesia cannot be separated from the strong concept of gotong royong (mutual aid). In this concept, human is perceived as a social being who are dependent upon other human beings, especially family, to survive. This way of thinking provides a feeling of security in the society. However, there is also a negative effect, as gotong royong concept forces responsibility to maintain one's relationship with another, caring for their needs and problems, especially to one's own relatives. This kinship system is also brought into workplace, possibly closing career opportunities for others who do not have connection to superiors, even though they produce better achievements [9].

3.1.3 Masculinity

MAS (Masculinity) is the opposite of femininity. Masculinity means the dominant values in society is assertiveness, prioritizing ambition and competitiveness. In general, it can be said that society puts emphasis on success, money, and wealth. On the other hand, femininity means the society's culture emphasize quality, harmony, and tranquility of life, family, and concern for the weak.

High perception level of masculinity aspect shows cultural shift that leads to masculine priority such as assertiveness, money, wealth, and success. The change in masculinity dimension score is an effect of materialistic culture caused by expensive life demands [9].

3.1.4 Uncertainty Avoidance Index

UAI (Uncertainty Avoidance Index) is a measure for tolerance of ambiguity and uncertainty. A nations who are categorized as having a strong uncertainty avoidance is indicated by busy, restless, emotional, aggressive, and active society. Whilst nations categorized as having a weak uncertainty avoidance are indicated by passive, easy-going, idle, controlled, and lazy society. Society with strong uncertainty avoidance maintains their time as if it is more important than maintaining life itself. Uncertainty avoider society will try to eliminate any possibilities which may result to unexpected outcome by adopting strict rules. While less uncertainty avoider society are more willing to accept any unexpected outcome. According to Islam, the major religion in Indonesia, people must believe in providence of God as one of the pillars of faith. With this concept, success and failure is not solely due to human efforts, but there is also a stronger element beyond human powers, that is the power of God. The belief in the providence of God may be an important factor in facing uncertainty, namely, resignation to the unpleasant or distressing situations [9].

The crisis that hit the Indonesian since 1998, election conflicts in some areas, floods, and natural disasters that often befall Indonesian turned out to have no effect on the anxiety level of the people. This score describes an extraordinary level of resignation even in poor condition. The strong values of religion (Islam) may be an important reason why Indonesia's uncertainty avoidance score is quite low [9].

Theoretically, low uncertainty avoidance is characterized by risk-taker employees who prefer challenging task and have motivation to pursue higher career. In nations with high uncertainty avoidance such as America and Japan, employees seem busy, restless, emotional, aggressive, and active. In Indonesia where uncertainty avoidance is low, employees are expected to like both risks and challenges of work, but what often happens is the negative trait of laziness [9].

4 Result and Discussion

4.1 Leadership

The quick and constant changes lead to an increasingly dynamic business world, that demands a wide range of innovation and changes within the organization, in order to survive in a competitive environment. Companies / organizations require leaders to confront the status quo, to create a vision of the future, to inspire members of the organization, and to direct them to be able to achieve that vision. Leadership is the ability to influence a group to achieve a vision or a series of goals [10]. Organizations needs good and proper leadership to achieve optimal effectiveness.

All leaders from effective groups have four main characteristics [11]. First, they provide guidance for the people they lead. This means that they can remind their followers about important things and guide them to realize that what they do can make a difference. Second, leaders foster trust. Third, leaders encourage people to act and to take risk. They are proactive and dare to fail in order to succeed. Last, they give hope. With real or symbolic way, they emphasize that success can be achieved.

There are five types of leadership style: participative, consultative, consensus, democratic, and autocratic. Participative leadership is the type of leadership that actively include feedbacks from staff and distribute authority in decision-making to some of the staff [12]. This kind of leadership enables an increase in employees' performance, better organization result, higher employee engagement, improved succession planning, and enhanced work efficiency.

Consultative leadership involves discussion with staff before the leader makes a decision [13]. This leadership style can also increase participation and sense of belonging to the decision that has been made. Leaders with consultative leadership style do not only give much guidance, but also support to their subordinates. Oversight and direction is done by the leaders, so subordinates can complete their tasks. A direct indicator of consultative leadership style is the perception of employee about their leaders. Consensus leadership style engages stakeholders within the organization to discuss problems and to arrive at a consensus, after which the leader will make the final decision [13].

Democratic leadership style gives workers a voice in decisions making. This style builds workers' flexibility and responsibility, giving a sense of ownership to the decisions taken, which in turn increase motivation [11]. Autocratic leadership style is a leadership style that only involves the leader in decision making. This style is well-known for its lack of consultation or agreement with the staff, reducing empowerment, but efficient because of rapid implementation [14].

4.2 National Culture Influences to Leadership

The main principle of effective leadership is thinking according with organization's mission, defining and enforcing them, clearly and conspicuously [15]. Asian companies tend to be more bureaucratic, hierarchic, centralized in decision making, and driven by wisdom [16]. This is due to a large power distance in Asian countries. Leadership tends to be based on position, authority, and seniority. Asian companies often rely on people rather than rule, so leaders dominate the organization.

Leadership influences organization performance in the Middle East and US [17], in the US people-oriented leadership (tolerance) is correlated to leadership effectiveness, unlike in the Middle East where task-oriented leadership (initial structure) is related to leadership effectiveness. This research is relevant with Indonesia, because power distance in Middle Eastern countries are similar to Indonesia.

Indonesia's *Gotong Royong* (mutual cooperation) culture causes leaders to be more likely to succeed if they consult with their superiors and give guidance to subordinates. Meetings are held to consult with executive seniors, discussions and exchange of ideas are conducted between employees and management, feedbacks from subordinates are accepted, before the senior leader makes the final decision. This provides opportunity for staffs to brainstorm the problem in a group discussion, before final decision is made by senior manager. Although the decision making process takes longer time, but all parties feel they have taken part in the decision, so that it could be executed together. Managers needs to engage with their staff to understand the latest situation before they make an important decision, as staffs will gladly execute these decisions if they understood the reasons behind them.

Autocratic leadership style reduces the effectiveness of a leader in Indonesia. Even though the decision-making process is much faster, the staffs execute the decision half-heartedly. Leadership characteristics such as charisma, integrity, diplomacy, administration skill, the capability to inspire, and future orientation are needed for effective leadership. Managers with less experience tend to use the autocratic approach. This approach results in low level teamwork and the difficulties to achieve the desired results.

Building a team suits the collectivist culture of Indonesia. Leaders who build a team within their organization, as a basis to establish a working relationship, will have a better level of cooperation from their staff, so their leadership will be more effective. To build a team, communication skills is needed to contact supervisors, colleagues, and subordinates. Managers who practice strong communication skills in their jobs have advantages compared to less skilled managers.

Managers who understand their staffs, will make a successful team. Knowing the staffs, recognizing their potential and ability will make them feel more appreciated, more accepted as a part of the team, hence it will build more effective team to achieve goals.

5. Conclusion

Consultative leadership style is the most effective leadership style in Indonesia. Communicating transparently with the staff, building the team, and involving staff in decision making will improve managers' leadership effectively in Indonesia.

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Organizational Culture, Leadership, Organizational Commitment and Work Engagement of Local Government Employees

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Abstract. The main topic of this research was the influence of Organizational Culture and Leadership toward Work Engagement through Organizational Commitment of local government employees. The population of the research was the local government employees in Riau Province. In general, this research aimed at reviewing, assessing, and recognizing how the influence of Organizational Culture and Leadership toward Work Engagement through Organizational Commitment of local government employees. The local government employees were considered still not able to achieve the objectives proclaimed in the Act of Republic of Indonesia number 43 of 1999 regarding the principles of local government employee. Research method used descriptive-verification method. Tool of hypothesis test used Structural Equation Model (SEM), whereas data processing used AMOS program. The result showed that Organizational Culture and Leadership did not significantly influence Work Engagement through Organizational Commitment. Therefore, Organizational Commitment variable could not be used as intervening variable in increasing Work Engagement by using Organizational Culture and Leadership through Organizational Commitment from provincial government of Riau Islands. It is suggested for further research to examine other variables that can increase the Work Engagement of employee, especially local government employees and study more deeply about each of the variables studied.

1. Introduction

Government employees play a key role in organizing the government and development to achieve the national objectives. Since the importance of the role of local government employees in achieving the objectives of the state, it is necessary that they should carry out the national objectives with high commitment and good employment involvement. However, currently, local government employees have no high commitment and good Work Engagement. Winarandu and Marlini [1] mention that the low performance of local government employees in achieving organizational goals is due to a factor of personality, Leadership, team, work system, and quality. Work Engagement also affects the performance and good Work Engagement that is influenced by Leadership factors.

Based on a survey conducted by Watson Wyatt in Hornstein & Luss [2], prominent human resource consultant, entitled "Work Indonesia 2004/2005", Indonesia's Commitment Index showed only 57%, seven points lower than Asia Pacific. It means that employee loyalty levels in Indonesia were around the lowest in the Asia Pacific region. This result would affect the low level of local government employee's involvement in the region in achieving the organizational goals as aspired in the Act of Republic of Indonesia Number 5 Year 2014 about the State Civil Apparatus that regulates the duties and responsibilities of employees.

Bass and Avolio [3] and Schein [4] suggest that a leader forms the Organizational Culture and is in turn shaped by the resulting Organizational Culture. This demonstrates the significant role of a leader in shaping the Organizational Culture and commitment within his or her agency that will influence the Work Engagement of local government employees. Based on the aforementioned description it is then deemed necessary to conduct a research on Organizational Culture, Leadership, Work Engagement, and Organizational Commitment of local government employees.

2. Literature review

2.1. Organizational Culture

The term Organizational Culture is generally accepted as meaning, belief, and understanding of how certain groups regard their problems, practices, and goals [5]. In relation to the Organizational Culture of local government employees, it can be attributed to Claver's [6] opinion on the culture of public organization that determines the orientation of public service of traditional internal bureaucratic culture.

Organizational Culture at least plays three important roles, first, provide an identity for its members, second, increase commitment to the vision and mission of the organization, and third, strengthen the standards of behaviour. When an Organizational Culture is strongly attached, each member will feel that they are part of the organization. Being part of the organization will strengthen the commitment to the vision and mission of the organization. Organizational Culture will also direct the behavior of members. Organizational Culture gives significant influence to individual and organizational processes [7].

Robbins [8] explains that Organizational Culture is a value system held and carried out by members, so that it can distinguish the organization with other organizations. The value system is built by seven characteristics as essence of Organizational Culture. The seven characteristics that become dimensions of Organizational Culture are: innovation and risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, and stability.

2.2. Leadership

Leadership is the process of guiding and directing the people’s behaviour in the work environment” [9] (Nelson, 2000, p. 384). Leadership is also a set of traits and skills but not limited to the following:

1. Exemplary professional behaviour;
2. Good judgment;
3. Effective communication skills;
4. Strategic thinking;
5. Effective listening skills;
6. Collaborative management skills;
7. Empathy;
8. Wisdom decision making;
9. Reliability and follow-up, and
10. Trust.

The theory of nature assumes that the leader was born, not made [10]. Typical characteristics related to leader effectiveness include: high energy levels, physical appearance, independence, and firmness. This theory seeks to take a personality-based approach to choose effective leaders. Although the universal list of qualities possessed by successful leaders is still available, Lussier and Achua [11] offer nine characteristics of effective leaders based on empirical studies. The nine characteristics are dominance, high energy, confidence, control, stability, integrity, intelligence, flexibility, and sensitivity towards others [12].

2.3. Organizational Commitment

Commitment is an important thing in all organizations as it relates to the sustainability of an organization [13]. The competitiveness of an organization is influenced by employees' commitment to organizational goals and working as effective team members. It is no longer enough to have employees who come to work faithfully every day and do their work independently. In the current development, workers should think like entrepreneurs while working the way must be part of the organization.

Organizational Commitment is the feeling of a person related to continuing its relationship with the organization, acceptance of organizational values and goals, and a willingness to help the organization achieve its goals and values. Miner [14] considers this type of commitment as a presence to stay with the organization.

Organizational Commitment, according to Meyer and Allen [15], is divided into three components; namely

1. Affective components related to emotional, employee identification, and involvement.
2. The normative component is the employees' feelings about the obligations they must give to the organization.
3. The continuance component means a component based on the employees' perception of the disadvantages will be encountered if they leave the organization.

2.4. Work Engagement

Many studies have been conducted on Work Engagement, but there has not been a consistent and universal definition for this term [16]. Robertson & Markwick [17] define Work Engagement as the ability that enables individuals to entirely self-engage in the work by enhancing self-efficacy and positively impacting the health of employees who will increase employee support for the organization. Work Engagement, as said by Baumruk and Gorman [18], consistently shows three common behaviors that indicate an improvement in organizational performance:

1. Say - employee support for organizations to communicate smoothly among colleagues, and to refer to potential employees and customers;
2. Stay - employees have a fervent desire to be members of an organization despite having opportunities to work elsewhere;
3. Strive - employees give extra time, effort, and initiative to contribute to the success of the business.

Based on the description of the research, there is a connection between one variable to another one that affect the Work Engagement of local government employees of Riau Islands province. This connection then formulates the following hypothesis:

1. Organizational Culture significantly influences Work Engagement
2. Leadership significantly influences Organizational Commitment
3. Organizational Commitment significantly influences Work Engagement
4. Organizational Culture significantly influenced Work Engagement
5. Leadership significantly influences Work Engagement, and Organizational Culture and Leadership influence Work Engagement through Organizational Commitment

From the theory and hypothesis above, it can be concluded the conceptual model outline as graphic below.

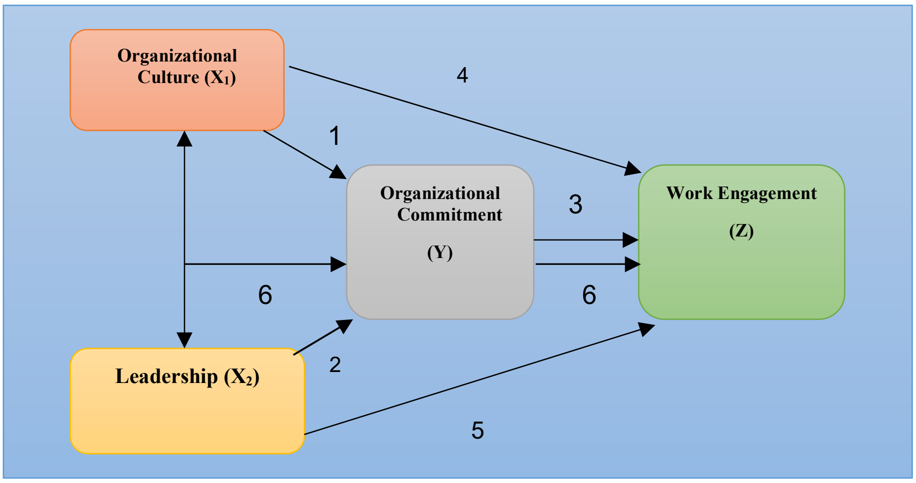

Figure 1. Conceptual Model Outline

3. Method

The method of this research was descriptive and verification. Nasution [19] says that descriptive research method is a general term that includes classification analysis, investigation with survey techniques, interviews, observation, and descriptive implementation that also included analysis and interpretation of the data. Meanwhile, the verification research basically wants to test the truth of a hypothesis implemented through data collection in the field [20]. The descriptive verification research method was used to describe the actual location in the field and then verify it to get answers to the hypotheses that have been previously stated.

3.1. Sample determination

Sample determination was used to determine sample criteria for Structural Equation Modelling (SEM) techniques. According to Solimun [21], several guidelines for determining the sample size for SEM are given as follows:

a. Around 5 to 10 times the number of parameters in the model.
b. It is equal to 5 to 10 times the number of manifest variables (indicators) of the entire latent variables. Based on the information above, the number of samples used was obtained from 57 indicators multiplied by 4 variables. Then, the number of samples used was 228.

3.2. Descriptive analysis method

Descriptive analysis was used primarily to obtain a description of the level of Organizational Culture, Leadership, Organizational Commitment, and Work Engagement of Local Government Employees in Riau Islands Province. To determine the level of Organizational Culture, Leadership, Organizational Commitment, and Work Engagement of employees in Regional Governments in Riau Islands Province were classified into several categories: very high, high, high enough, low, and very low in accordance with the classification criteria stated by Arikunto [22] and Umar [23] whose scores range from Organizational Culture, Leadership, Organizational Commitment, and Work Engagement.

3.3. Validity analysis using SEM

Data analysis method was used to process research results to obtain a conclusion. By looking at the theoretical framework, this research used quantitative analysis using SEM (Structural Equation Modeling) model with AMOS program. SEM was used because SEM allowed simultaneous analysis of all variables in the model instead of separately [24] [25]. For searching mediation or intervening variable, to examine the differential performance of mediation testing approaches within an actual latent variable of SEM framework. SEM is the best method for testing indirect effects without causing bias in data processing. This is based on the research conducted by Shrout & Bolger [26], Cheung & Lau [27], Preacher & Hayes [28], Taylor, MacKinnon, & Tein [28] and Hayes & Scharkow, [30]. In using validity analysis with SEM, there are several steps namely, validity test, reliability test, and structural equation modelling.

4. Discussion

After obtaining the results from descriptive analysis, the verification analysis was done. In the verification research, to test hypotheses based on the results of statistical calculations, the verification analysis used SEM model. The SEM testing was conducted through 2 stages, namely structural model measurement and test model tests, which would be examined by the validity, reliability, average variance extract, normality, and goodness of fit.

4.1. Measurement model test

Measurement model test is to examine the relationship between indicators and latent variables. Combining the structural and measurement model testing allows researchers to test measurement error as an integral part of SEM and perform factor analysis along with testing hypotheses.

4.2. Preparation of path diagram

Based on the theoretical review in the previous chapter, a path diagram would be drawn on the influence of Organizational Culture and Leadership on Organizational Commitment and its implications for the Work Engagement of local government employees in Riau Islands Province. The following is the diagram model result in this research;

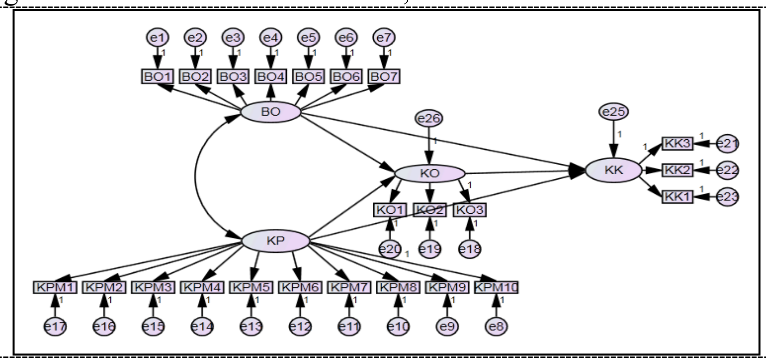

Figure 2. Research diagram model

4.3. Validity test, reliability test, and average variance extract

Validity test is used to measure the valid or not of a questionnaire. A questionnaire is said to be valid if the questions are able to reveal something that will be measured by the questionnaire. If the loading factor is > 0.50, it can be said to be valid [31]. The following are the results of the validity test with confirmatory factor analysis (CFA) on the four variables in this research. The result in this test will be occurred in evaluation of structural model.

4.4. Normality test

Normality test is conducted by calculating multivariate distribution, in which this testing is conducted by calculating multivariate c.r (critical ratio) values. Normality test is categorized as normal data if the critical ratio must meet the requirements of -2.58 < c.r <2.58 [32]. Based on data processing, it was found that all indicators have a c.r value below 2.58, so it can be concluded that all indicators in all three constructs can be declared normal distribution.

4.5. *Evaluation of structural model*

Structural model is a relationship between independent and dependent latent variables (variables that cannot be measured directly and require several indicators to measure them) [33]. The results of structural model test can be seen from the figure below:

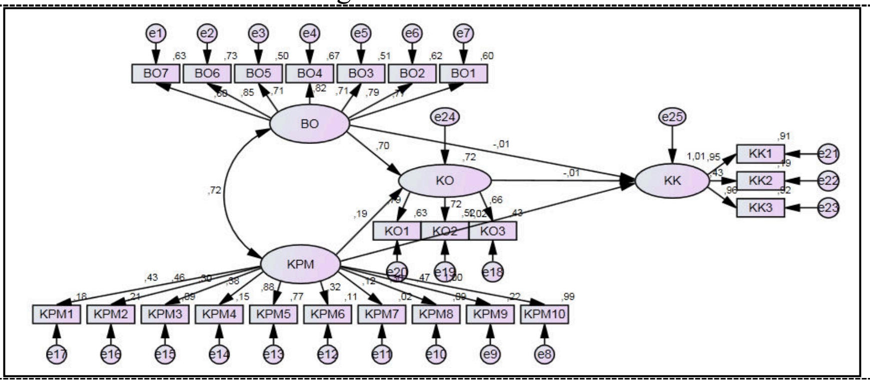

Figure 3. Initial model structure diagram

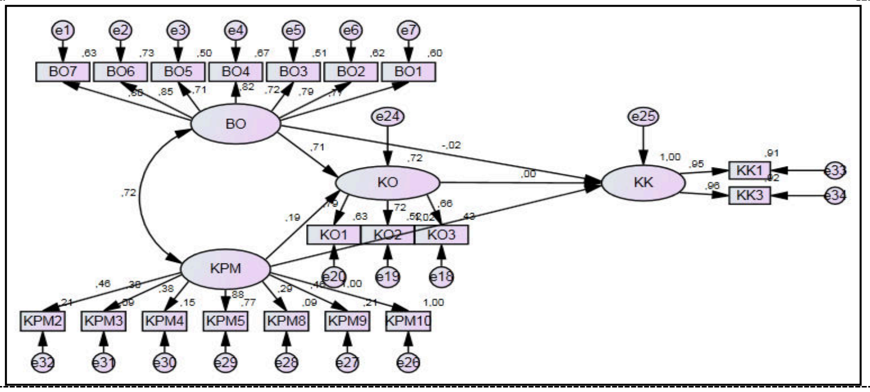

Figure 4. Model evaluation structure diagram

Based on the evaluation results, the construct model of Organizational Culture is innovation and risk taking (BO1), attention to detail (BO2), outcome orientation (BO3), people orientation (BO4), team orientation (BO5) aggressiveness (BO6), and stability (BO7). Furthermore, the Leadership construct is emotional stability (KPM2), knowledge about human reaction (KPM3), honesty (KPM4), objective (KPM5), teaching ability (KPM8), social skills (KPM9) and technical skills or managerial skills (KPM10). The commitment construct is affective commitment (KO1), continuous commitment (KO2), and normative commitment (KO3). The construct of Work Engagement is seen from the communication (KK1) and seen from their wishes (KK3).

4.6. *Match test (goodness of fit)*

Match test is intended to evaluate in general the degree of compatibility or Goodness of Fit (GOF) between data and model. Based on the results of the fitness test (goodness of fit) above, the results obtained that all tests were in bad conditions because the results were in a state of close fit.

4.7. *Structural model test*

After the measurement model was carried out, a structural test would then be tested. Structural testing in this research is to examine the effect of each latent variable among testing hypotheses.

Table 1. Hypothesis Testing

Structural			Estimate	S.E.	C.R.	P	Label	Conclusion	
									(a)
OCM	<---	OCL	0.647	0.095	6.811	***	par_10	Sig. Influence	(b)
OCM	<---	LDR	0.340	0.145	2.345	0.019	par_11	Sig. Influence	(c)
WEN	<---	OCM	-0.001	0.022	-0.027	0.978	par_12	Non Sig. Influence	(d)
WEN	<---	OCL	-0.009	0.019	-0.468	0.640	par_13	Non Sig. Influence	(e)
WEN	<---	LDR	0.973	0.030	32.303	***	par_14	Sig. Influence	(f)

5. Conclusion

The followings are several conclusions that can be drawn from this research:

1. Organizational Culture significantly influenced Work Engagement
2. Leadership significantly influenced Organizational Commitment
3. Organizational Commitment did not significantly influence Work Engagement
4. Organizational Culture did not significantly influence Work Engagement
5. Leadership significantly influenced Work Engagement
6. Organizational Culture and Leadership did not significantly influence Work Engagement through Organizational Commitment.

This is evidenced by the absence of significant influence between Organizational Culture on Organizational Commitment and Leadership on Work Engagement. For a variable that became an intervening variable, then in testing with SEM, it is necessary to have a significant influence from all independent variables and intervene on the dependent variable and the independent variables on the intervening variables. In this research, it was proven that there was no influence of Organizational Culture on Organizational Commitment and Leadership on Work Engagement.

This research provides a novelty in terms of knowing whether there is an influence from Organizational Culture and Leadership on Work Engagement through Organizational Commitment. This research shows that Organizational Commitment could not be an intervening variable in increasing Work Engagement using Organizational Culture and Leadership. This research also gave results that based on the diagram structure evaluation model, there were several dimensions that were not in accordance with the variable. Therefore, for further research, it is recommended to use a variable which is proven to be related to the relevant variables and ignore the dimensions that are not related.

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The Influence of Community Empowerment to Support Sustainable Tourism Development: Evidence from Homestay in Tanjung Lesung

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Abstract. This research discuss the influence of community empowerment in homestay to support sustainable tourism development in Tanjung Lesung. It aim to analyse to what extent community empowerment will influence the sustainable tourism development and develop strategies to improve it. The data was collected by quantitative approach which the questionnaires were distributed to twenty five homestay owners. In-depth interview was conducted with three homestay owners and three homestay guests to gain internal and external analysis as supportive information. Simple Linear Regression was used to analyze the influence of the community empowerment. Based on the findings, community empowerment in homestay has significant influence towards sustainable tourism development in Tanjung Lesung by fifty seven point seven percent. Based on in-depth interview, the homestay owners were positively respond and support the topic and the implication, and the guests were expecting the improvement and development of homestays and tourism in Tanjung Lesung.

e-Marketing for Improving the Competitiveness of Traditional markets in Bandung

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Abstract. The existence of traditional markets in Bandung has a strategic role in improving the economy of the community. The rapid market changes, such as the increasing number of markets and modern stores, consumer behavior, and technology, contribute in increasing the competitiveness of traditional markets, especially in Bandung. Based on the results of a Focus Group Discussion (FGD), some adaptation to these market changes through market management, support of the government policies, revitalization, and other supporting aspects are essential in enhancing the competitiveness of traditional markets. Market management requires improvements, especially in relation to market facilities and infrastructure, also professional management to keep abreast of the changing consumer preferences. The current market revitalization model has not provided a positive impact on enhancing the market competitiveness. Revitalization is not limited to the improvement of modern buildings or market buildings, but also the use of technology, specifically digital-based management to keep the managers well-informed about existing markets, social and economic revitalization. Moreover, there should be support integrated in the elements of the market management itself, such as the personnel, funds, facilities and infrastructure, technology, and government policies.

Critical Success Factors for Financial Technology Startup Company

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Abstract. This study aims to sort out the critical success factors for financial technology company in Indonesia which consists of customer experience, technological and internet development, organizational culture, funding and government regulations. The research approach used in this study is descriptive analysis with qualitative research types. The data used is primary data by conducting interview directly with fintech company. Based on the results of the study, the most important factor chosen by informants are funding and the second is the development of technology and the internet. Following toward these two factors is customer experience factors, organizational culture and government regulations were also found in this study.

1. Introduction

In the past two decades, Indonesia's financial industry has shifted along with rapid growth and technological development. From traditional (bank driven) financial systems, to financial (consumer driven) technology, allowing more players to emerge in the Indonesian financial sector. The Fintech Indonesia Association (IFA), which was founded in 2015, is able to map more than 120 current fintech players).

The development of technology and the increasing use of smartphones has led to the emergence of start-up companies engaged in financial technology. The results of a survey published by the Indonesian Internet Service Providers Association (APJII) in 2016 internet users in Indonesia exceeded one hundred million users or more precisely 132.7 million users. 51.8% are male and 48.2% are female, with a regional spread of 56% of users are from the island of Java with 24 million internet users in the age range of 25-29 years.

In other data, it is stated that Indonesia is one of the 25 countries with the highest ranking internet in 2013-2018. Indonesia ranks 6th behind developed countries like America, Brazil, China, India and Japan. This shows that in terms of numbers, the use of digital technology in Indonesia is very large, even more in other countries in ASEAN, and has changed people's behavior in various aspects of life, (online e-commerce), digital social interaction, electronic books , electronic newspapers, public transportation (taxis and motorcycle taxis), support services and financial technology.

Table 1. List of The Top 25 Countries of Internet Users 2013-2018 (in millions of people)

No	Countries	2013	2014	2015	2016	2017	2018
1	China	620.7	643.6	669.8	700.1	736.2	777.0
2	United States	246.0	252.9	259.3	264.9	269.7	274.1
3	India	167.2	215.6	252.3	283.8	313.8	346.3
4	Brazil	99.2	107.7	113.7	119.8	123.3	125.9
5	Japan	100.0	102.1	103.6	104.5	105.0	105.4
6	Indonesia	72.8	83.7	93.4	102.8	112.6	123.0
7	Russia	77.5	82.9	87.3	91.4	94.3	96.6

8	Germany	59.5	61.6	62.2	62.5	62.7	62.7
9	Mexico	53.1	59.4	65.1	70.7	75.7	80.4
10	Nigeria	51.8	57.7	63.2	69.1	76.2	84.3
11	United Kingdom	48.8	50.1	51.3	52.4	53.4	54.3
12	France	48.8	49.7	50.5	51.2	51.9	52.5
13	Phillipines	42.3	48.0	53.7	59.1	64.5	69.3
14	Turkey	36.6	41.0	44.7	47.7	50.7	53.5
15	Vietnam	36.6	40.5	44.4	48.2	52.1	55.8
16	Rep. Korea	40.1	40.4	40.6	40.7	40.9	41.0
17	Egypt	34.1	36.0	38.3	40.9	43.9	47.4
18	Italy	34.5	35.8	36.2	37.2	37.5	37.7
19	Spain	30.5	31.6	32.3	33.0	33.5	33.9
20	Canada	27.7	28.3	28.8	29.4	29.9	30.4
21	Argentina	25.0	27.1	29.0	29.8	30.5	31.1
22	Colombia	24.2	26.5	28.6	29.4	30.5	31.3
23	Thailand	22.7	24.3	26.0	27.6	29.1	30.6
24	Poland	22.6	22.9	23.3	23.7	24.0	24.3
25	South Africa	20.1	22.7	25.0	27.2	29.2	30.9
	Total Users	2692.9	2892.7	3072.6	3246.3	3419.9	3600.2

In addition, investment in financial technology companies grown by 201% globally in 2014, compared to a 63% growth in overall venture capital investment. It is confirmed that, this sector is a hot issue. The expectation of starting a new digital in the financial industry continues to swell, with the amount of money flowing into first-round investments grown by 48%. The huge amount of investment in this new type of financial also has reached fantastic numbers. Global investment in technology finance companies tripled to $ 12.21 billion in 2014, clearly signaling that the digital revolution had arrived in the financial services sector. It is still uncertain whether this is more of a challenge or opportunity for the old players in this industry, but established financial service players are starting to take bold steps to engage with new innovations.

Actually financial technology is not a new phenomenon, starting from 1800 telegraph type technology has emerged in the world, until the 1900s automatic teller machines, credit cards, online shopping, until the first capital market system was present in the world, even the most e-commerce world-famous was born at this time namely the Alibaba company owned by famous Chinese businessman, Jack Ma. In the 2000s the development of financial technology was increasingly more mushrooming and more sophisticated. The 2000s is a season of financial technology like Apple Pay which was established in 2014 to Samsung Pay in 2015.

Financial technology is divided into 3 groups, namely Fintech 2.0, Fintech 2.5 and the last Fintech 3.0. Fintech 2.0 includes digital banking, insuretech, fintech in capital markets, venture capital and online financing. Examples of fintech 2.0 are e-banking, e-insurance, e-stock, and e-insurance. Whereas for Fintech 3.0 are independent technology companies and startups, for example P2P lending, crowd funding and so on. If there are several companies that cover both of them, the company enters the Fintech 2.5 category.

Currently Indonesia's financial technology is growing to Fintech 3.0 where many independent technology companies (start up) enter the market, because many new players joined the Indonesian Fintech Association finally created in September 2015, the goal is to become a reliable partner to realize the fintech ecosystem Indonesia from Indonesian companies for Indonesian people.

The Indonesian government has also intensified the vision of Indonesia's digital economy. In line with the Indonesian government, the Financial Services Authority (OJK) also has prepared 3 Indonesian Financial Services Sector Master Plans namely, as contributives, optimizing the role of the financial services sector and supporting the acceleration of national economic growth. Secondly stable, maintaining financial system stability as a system of foundation for sustainable development. Thirdly, inclusive, open financial access so as to improve the welfare of the community.

The Financial Services Authority (OJK) also captures the role of fintech for Indonesia, namely to promote equal distribution of population welfare, in order to fulfill domestic financing needs which is still very large, encourage distribution of national financing which is still uneven across 17,000 islands, increase financial inclusion and encourage export capabilities of SMEs which is still low.

Based on the things described above the authors are interested in conducting research on the critical success factors for financial technology in Indonesia. The Purpose of this research is for ranking several factors based on Indonesia circumstances. For support this research we used a direct interview method to the financial technology company with expectation they can describe more about what factor which really affect in their company.

2. Method

The type of research is descriptive research with a case study approach according to Sekaran and Bougie. Descriptive research aims to knowing, understanding, and describing characteristics of humans, events, or the situation that is the focus of the research, added a qualitative method is a naturalistic research method with researchers as key instruments by using data theft techniques are carried out in triangulation (combined) and the results of the research give meaning depth.

2.1. Iteration Process

Iteration is a process or method that is used repeatedly in solving a problem. There are three steps that is used in iteration process for this research, the steps as follows :

1) Systematic literature study based on the journal publication and conference proceedings.
2) Grouping 27 critical success factors of financial technology in Indonesia obtained from the first phase iteration. These factors analyzed more deeply at paperwork, if there is a similarity of meaning then grouped into in one factor.
3) The third iteration is carried out ranking and grouping 27 determinants that obtained from second iteration into 5 clusters of critical success factors for financial technology development

2.2. Stages of Research

In this study several stages were carried out, namely as follows:

1) Preliminary study
   As an initial step, researchers conducted preliminary studies to find phenomenon that occur in the reality, then look for gaps that occur. The phenomenon that occurs is the development of financial technology in various parts of the world, including Indonesia. In the literature study there are many factors that can determine the success of financial technology development. Researchers grouped the factors of the development of financial technology in a company based on the 5 literature obtained in literature studies.
2) Social situation
   The social situation chosen by researchers is 3 Indonesian companies with different types of business. These companies are Taralite, Futuready and KUDO.
3) Determine the subject
   At this stage, researchers determine employees in each social situation to become informants. Informants are CEOs, CFOs, head of marketing department and head of IT department.
4) Interview (in-depth interview)

The next stage is to conduct interviews with subjects that have been determined in the previous stage. Researchers conducted semi-structured interviews based on indicators that have been derived from the derivative of the variable dimensions of critical success factors.

Table 2. Encoding in Qualitative Analysis

Criteria	SoE Score
There is no evidence that strengthens the existence of determinants in the development of financial technology in Indonesia	0
Factors are mentioned explicitly but in passing or implicitly not discussed in detail	1
Factors are explained by clear identification or more than one paragraph transcript of the interview	2
The evidence provided strengthens the determinants of the development of financial technology in Indonesia, as explained in detail and respondents emphasize these factors	3

Source : Seddon (2010)

5) Record the results of the interview
The results of the interviews that have been carried out in the previous phase are changed to a format that is easier for researchers to check and analyze. Recording the results of this interview can be done by coding, description, or reflection of the description as an interpretation of the initial stages of the research results.
6) Data analysis
At this stage, data analysis of the results of interviews was conducted using the Miles and Huberman (1994) model in Sekaran and Bougie (2013). Where activities in qualitative data analysis are carried out interactively and last until the data is saturated.
7) Formulation of research results
In the last stage of this study, the researchers formulated in the form of a description of the results of data analysis and combined other evidence such as from the source document, photo, supporting interview which was explained with the theories used.

3. Results

Here are the 3 fintech companies that we selected as research subjects :

3.1. Taralite

One of the most fintech business categories echoing in the digital landscape of the homeland is peer-to-peer lending, with a variety of service specifications presented, this business provides integrated solutions for borrowing funds. If you look at the current demographic, between one player and another player who is very distinguished is the target market segmentation of the several peer-to-peer lending services that are increasingly existing today there is Taralite.

Based on interview Taralite shows that customer experience will be one of the most important factors for the development of financial technology in Indonesia. Taralite also proved itself to be the best in its partnership. Taralite received the highest rating in both Tokopedia and Lazada (e-Commerce platform) as their partnership to sell products. Taralite informant said that Taralite agrees with customer experience factors, proven customer experience can make financial technology engaged in lending, if an online merchant gets a fast and precise loan experience, they will be satisfied and return to using Taralite products and advance Taralite's customer business. Taralite believes that technological developments bring people easier to use lending facilities, because they no longer have to come to the service provider office. Through taralite all the required requirements are filled out, and submitted through an online process. Taralite no longer conducts face-to-face as is usually done by conventional lending services. Prospective borrowers who will be granted the petition will also make payments online, namely by bank transfer. Money sent by Taralite will also be submitted via bank transfer.

For the problem of data security and challenges in Indonesia, Taralite does 3 things, namely Identify, Capacity, and Character. These three things will be considered by Taralite to be willing or not to lend funds to prospective customers. Since April 2015, Taralite has built its own credit algorithm which is intended to properly assess who the prospective customers will be served or rejected, to avoid possible defaults. The algorithm data set is to consider the length of time the merchant is located on the Taralite partnership site and the market reputation obtained by the prospective customer. Taralite also has a minimum income limit for loans at Taralite

Currently the number of employees at Taralite is 50 people. Taralite also does not hold special office hours, all based on responsibility for the work of each employee. If something has to be done, Taralite employees can be in the office even at dawn, which is usually done by IT employees. The problem of pension freedom is also very felt and in accordance with existing theories, that employees can retire or find other jobs if it is not appropriate. This is in line with the theory that working in a financial technology company allows us to get the freedom of retirement. Taralite also does not include a definite working period on their employment contract. If there are employees who want to stop, Taralite recommends to inform them in advance so that the replacement work will be found by the relevant team. To complete and run a business model like the one above, Taralite gets funding from 2 important investors. SBI group from Japan and the latest is J-Trust Bank, but for the nominal, the informant from Taralite cannot say at this time. Funding is an important factor for financial technology in Indonesia and Taralite informants agree on this because according to him there is no business that can be run without adequate funding.

Taralite based on registered sign number S-622 / NB.111 / 2017 starting from July 21, 2017 has been officially registered with the Financial Services Authority in Indonesia (OJK). This shows that Taralite is a fintech company that cares and agrees that government regulations are one of the determining factors for the success of financial technology in Indonesia. The non-conformity felt by Taralite is only about the limitation of the minimum amount of money that can be left for one family, this is felt to limit Taralie's customers to buy Taralite products. In addition to these problems Taralite claimed to be able to adjust to the regulations set by the Indonesian Government.

3.2. PT. Futuready Insurance Broker (FUTUREADY)

Futuready Insurance Brokers are online retail insurance brokers registered and supervised by the Financial Services Authority (OJK) with license number No. KEP-518 / NB1 / 2015. Futuready is an insurance broker with the first digital focus in Indonesia. This allows customers to research / compare, purchase and manage insurance online. Thus all the problems and difficulties that have been experienced by customers to get insurance can be solved by the ease of getting insurance online: Anywhere and anytime. This is what distinguishes Futuready Insurance Brokers from existing financial services, namely Futuready Insurance Brokers maximizing the power of the internet.

Futuready, according to informants, made use of the situation where insurance brokers in Indonesia only focus on a large scale, according to Futuready, this is one of the opportunities that can be used considering that there is an opportunity seen by Futuready from people in Indonesia who actually want to buy insurance products but still have not found an agent that suits him. This is where Futuready then takes over by offering insurance products with just a touch of smartphone. Through its vision "Promotes financial inclusion and insurance penetration in Indonesia by providing consultation and easier access to insurance products." Futuready Insurance Broker employees run it with a suitable mission to help Indonesia understand insurance and provide easier access to better insurance products.

Like Taralite, Futuready also has pension and flexible hour freedom. Futurady also does not place employees in accordance with their disciplines but emphasizes the responsibility and passion of the employee. Therefore, Futuready's informants agreed that one of the factors that led to financial technology developing in Indonesia was the organizational culture factor. Futuready is a start up controlled by AEGON group. Many company rules and policies are taken based on AEGON's decisions. One of them is about funding. All Futuready funding sources come from AEGON group whose Asian region is in Hong Kong. Futuready Insurance Brokers are online retail insurance brokers registered and supervised by the Financial Services Authority (OJK) with license number No. KEP-518 / NB1 / 2015. This makes Futuready a company that adheres to government regulations.

The constraints experienced by Futuready for government regulations are only a matter of regulation that requires physical servers to store data which according to regulations must feel in Indonesia. This is a bit of a pain for Futuready because there is more sophisticated technology that Futuready can use than having to place a physical server in Indonesia. However, Futuready continued to follow and comply with the regulations set by the OJK.

3.3. PT. Kudo Teknologi Indonesia (KUDO)

Founded in July 2014 by a team of experienced global technology & management consultants such as Apple & The Boston Consulting Group, Kudo develops practical solutions for the marketplace & payment ecosystem in Indonesia. Kudo makes it easy for Indonesian people to make e-commerce purchases for those who do not have access or do not want to make transactions online. Through Kudo, they can transact online in cash. In collaboration with various e-commerce companies, Kudo offers up to millions of products.

In December 2014 Kudo launched the Kudo application which was installed specifically on a 10 inch tablet with the concept of B2B cooperation. Kudobox is placed in several public places such as malls, mini markets and offices. Then in January 2015, Kudo launched the Kudo Application installed on a 7-inch tablet with an individual agency concept. Individuals registered as Kudo agents sell using the tablet.

After launching the next Kudobox 1 and Kudobox 2 in March 2016, through the mobile app, Kudo was able to increase the number of customers and Kudo Agents without any territorial restrictions. Lastly in May 2016, Kudo launched the Kudo web app. Through the Kudo web app everyone can become an agent, and sell using a laptop / PC without having to install the Kudo application. Kudo, which is a financial technology payment field, carries the principle of O2O, which is online to offline, where the intention is that online sellers can market their products to offline customers through Kudo agents. This helps those who have 3 problems to shop online, namely the lack of bank accounts, lack of credit cards and contracting a trash issue. According to the informant, therefore Kudo believes that customer experience is an important factor in the success of financial technology in Indonesia.

The technology used by agent Kudo is made in such a way that it can still be used even if it is on 2G networks and even in places where the internet infrastructure is still weak. This technology makes Kudo different and becomes one of the targets of their target customers, those who have not been technologically savvy and are in small areas in Indonesia. For this reason, Kudo informants believed that the factors of technological and internet development were factors that led to the development of financial technology in Indonesia.

Kudo believes that employees who are happy and love their work can bring the company in a better direction. Therefore, kudoplex, which is an office of kudo employees working in the village, is as comfortable as possible to make employees increase their capacity. Because Grab has been acquired, all Kudo funding is now covered by Grab. Grab Management is a unity with Kudo management. For certain funds, when the acquisition of information cannot provide an answer. Kudo is not yet registered with OJK, but until now it turns out the process is ongoing. There were several obstacles experienced by Kudo which almost covered the registration process to OJK. These factors are not from funding problems, but the informants also cannot inform the problem of what is experienced by Kudo, which is almost the registration process to OJK.

4. Discussion

The success of the development of financial technology in Indonesia has a critical succes factors as explained in the previous section. Table 3 presents a summary of the determinants of the development of financial technology in Indonesia

Table 3. Critical Succes Factors Based on Interview Conducted

No	CSF	Taralite	Futuready	Kudo
Customer Experience				
1	Making the Customer as the Foundation of What the Company Does			
2	Customer experience			
3	Loss of trust in traditional financial services.			
The Development of Internet and Technology				
4	Technology is the main factor			
5	Digitalization			
6	Digital Literacy from Customer			
7	*Big Data*			
8	Millennials are very familiar with the Internet			
9	Broad Spread of the Internet, Social Media and Smartphones			
10	The infrastructures of industries			
Organization Culture				
11	Guaranteeing Implementation Pragmatics			
12	Overcoming Relevant Disorders			
13	High performance in culture			
14	Decision based on Data			
15	Create an Ecosystem			
16	*Zero Waste*			
17	Scalability			
18	The Challenge of Status Quo			
19	Freedom of retirement			
20	Talent scouting and management			
Funding				
21	There is a gap in SME Funding			
22	*Self Directed Investor*			
23	New funding sources			
Government Regulations				
24	Difference Policy Support			
25	Proportion of Appropriate Regulations			
26	Satisfaction to the Government			
27	Regulatory Framework			

Explanation :

	Factors Found in Social Situations
	Factors Found Slightly in Social Situations
	Factors Not Found in Social Situations

The following are indicators that show factors classified into 3 parts as above:

1) Factors Found in Social Situations
   Factors are classified as "Factors Found in Social Situations" if in the interview process, information provides documentary evidence and mentions it more than or equal to 3 lines of interview transcript.
2) Factors Found Slightly in Social Situations
   Factors classified as "Factors Found Slightly in Social Situations " if in the interview process, the informant only mentions implicitly and not more than 2 lines of interview transcript
3) Factors Not Found in Social Situations
   Factors are classified as "Factors Not Found in Social Situations" if in the interview process, the informant does not imply and also rejects or denies the statement given by the author.

From the results of interviews conducted on Taralite 20 indicators were found in social situations, 5 indicators were found only slightly and the remaining 2 indicators were not found in social situations. Whereas for Futuready 23 indicators were found in the social situation, 3 indicators were found only slightly and the remaining 1 indicators were not found in social situations, and for Kudo 19 indicators were found in the social situation, 6 indicators were found only slightly and the remaining 2 indicators were not found in social situations. Customer experience can make financial technology in Indonesia grow, because Taralite for instance as a financial technology engaged in lending sector believes that if a merchant gets a fast and precise lending experience, they will be satisfied and re-use Taralite products and advance Taralite's customer as a business. Customers must be a concern for all that fintech companies do, from market research to product delivery. All steps taken must be in line with the customer.

Technology development have made it easier for people to use lending facilities, because they no longer need to come to the lending office. Through technology, all required requirements are filled in, and submitted through an online process. Fintech is changing the world through agile platforms and new technologies. Companies must acquire new capabilities and technology and need to invest in promising technology. Fintech companies believe that employees who are happy and love their work can bring the company in a better direction. For example kudoplex which is a kudo employee office building is designed as comfortably as possible to make employees increase their capacity.

Funding is an important factor for financial technology in Indonesia and fintech companies are aware of this, because according to them there is no business that can be run without adequate funding. Some companies consider that government regulations have not fully supported the development of fintech. There are still some limitations in terms of capital that must be owned, loan distribution etc. But in general the government rules become a clear legal aspect.

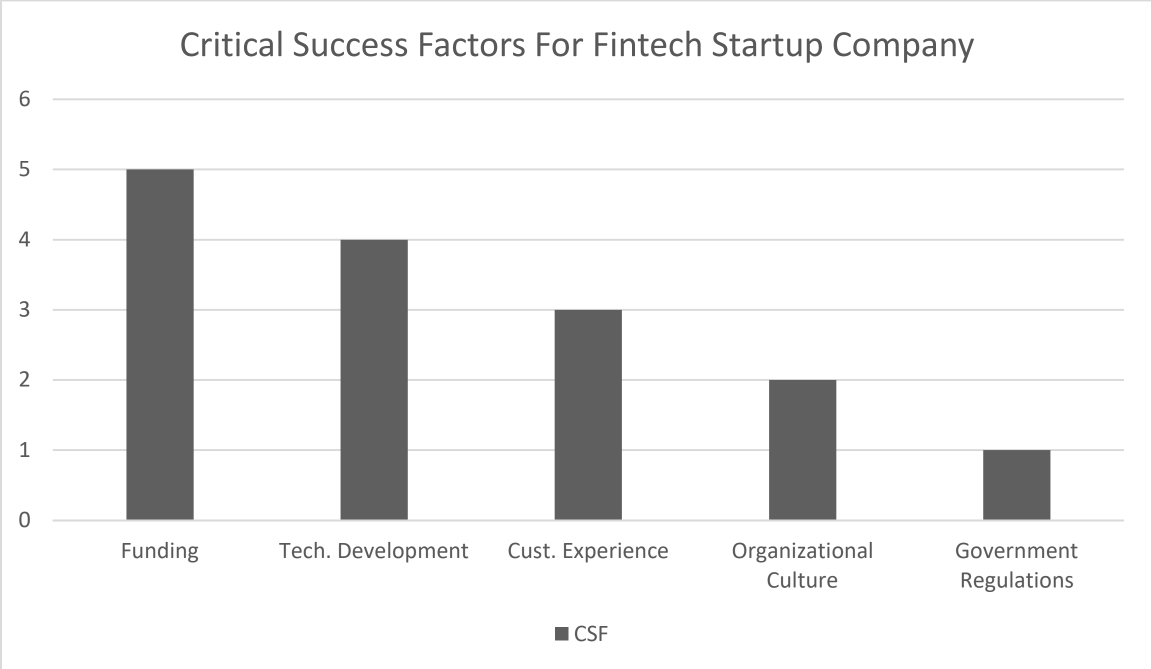

Figure 1. The Most Critical Success Factors

5. Conclusions

According to the data that has been conveyed, customer experience, technological development, organizational culture, funding and government regulations became critical success factors for fintech company, and the most critical success factors for financial technology startup company in Indonesia are funding, technological development, customer experience and then followed by organizational culture and government regulations.

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Potential and Constraints in The Business Development of Woven Sticks Handicrafts in Ciamis Regency during The Digital Economy Era

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Abstract. The purpose of this research was to determine the potential and constraints of the sticks woven handicraft industry, particularly with regard to the marketing of handicraft products. This qualitative research discovered that sticks woven handicraft products were relatively durable and potential to be marketed off line and on line. However, in spite of the online marketing, manual marketing models was still difficult to be implemented because the selling price was still determined by the dealers. The handicraft entrepreneurs could not negotiate with these dealers who were also capital providers for their business. Therefore, the results of field observations indicated that there was a need to develop the production of sticks woven handicraft products through digital marketing. This marketing method was expected to be able to boost the number of buyers because the online marketing system could bring potential buyers from both local and foreign countries. One of the ways to develop the marketing of weaving handicrafts is through business cooperation between entrepreneurs as producers and village-owned enterprises (BUMDes, *Badan Usaha Milik Desa*) in Cibadak village as marketers.

1. Introduction

Ciamis Regency is an area that has the largest planting area of coconut trees in East Priangan. Coconut trees are one of the natural resources that roots, stems, and leaves are beneficial to humans. Through human creativity in this area, coconut trees can be processed and become income so that it can become a business opportunity that has the potential to generate substantial profits. Original products or derivative products of coconut trees (consisting of stems, roots, fruit, leaves and sticks) have been used by humans for a long time, including: wood, fresh coconut water, coconut oil, coconut milk, broomsticks, doormats, nata de coco, galendo, decoration for traditional events and others. Various uses and benefits of the coconut tree create business opportunities that have great potential to support the economy and welfare of the community living in Ciamis Regency [1].

The following discussion focuses on the sticks woven handicraft industry. It is the business of making various household items such as a plate, a fruit basket, a lampshade, a pencil holder and others that are woven from sticks. This business was initiated by the creative idea of one of the residents of Cibadak village, Banjarsari sub-district, called Mr. Kinkin. He saw that the coconut plantation that was abundant in the area around his residence had the potential to be useful and had economic value. Mr. Kinkin then had an idea to create product made from the sticks, one part of the coconut tree. People usually used sticks as brooms by collecting a number of sticks tied with ropes to sweep the yard. But, in the hands of Mr. Kinkin, sticks can be created in such a way that they can be woven into plates or other woven craft forms. Pa Kinkin's handicraft products were originally only marketed in limited circles. However, it turned out that the community unexpectedly welcomes this woven handicraft product enthusiastically. Finally, Mr. Kinkin invited the surrounding community, especially unemployed mothers and teenagers, to make woven crafts in the form of stick plates to be marketed. In the beginning, many people refused to participate in making stick woven plate products because they felt less skilled at weaving the sticks into plates. However, Mr. Kinkin patiently guided the people in his neighbourhood and finally the community began learning weaving sticks and, in a relatively short time, became skilled in making stick plates. [2] At present, weaving business, especially in the form of plates of various sizes, is occupied by the community in Wanayasa village and makes the area a weaving centre. This woven craft business is very potential and can even be developed, considering that the economic benefits can support the economy of the community in Wanayasa village, Cibadak, Ciamis Regency. In addition, this business can become an icon of Ciamis Regency as one of the regions that have the largest coconut plantation area in East Priangan [3] However, in fact, the woven weaving business is facing the following problems: [2]

1.1 Business capital

Recently, the business capital of the woven craft entrepreneurs was financed by the dealers. In this case, the order and payment to the manufacturer was based on the price determined by the dealer. Therefore, the producers were dependent to dealers in terms of product sales. If the dealer did not make any order, many of the products were not sold. When there were orders from individuals, they often requested payment in advance so that the order could be completed immediately. They could not afford to buy raw materials with their own money since they had no capital for business. They did not borrow money from the bank because they could not pay the instalments and interest. In addition, they did not understand the procedure for borrowing money from the bank. This made them unwilling to open a bank account. In fact, if there were transactions that use bank payments, they usually asked the Chief for help because they could not handle it themselves.

1.2 Unstable product price

The price of woven handicraft products from time to time was relatively unstable. The purchase price was determined by the dealer. If there were many requests, the price determined could cover the operational costs. However, if the demand decreased, the prices would also drop, so that it could only cover the operational costs, especially paying the workers who also came from the neighbourhood.

1.3 Other area claims for woven craft products

The distance from Ciamis to Tasikmalaya is approximately 70 km, where Tasikmalaya district has been known as a place where people can produce various handicrafts such as mendong mats, painting wooden umbrellas, embroidery fabrics, mendong woven bags and others. The woven handicraft products that were originally produced by craftsmen from Cibadak village were also sold in Tasikmalaya at the rest area in Rajapolah district where there were shops for souvenirs. Thus, many people believed that woven stick products were originally from the Tasikmalaya region. According to Cibadak village officials, it was very detrimental to the craftsmen from Cibadak village.

1.4 Limited ability to expand the marketing.

The marketing targets of woven handicraft products, especially those in the form of dishes, were culinary entrepreneurs, catering and general consumers. Target market areas included Bandung, Jakarta, Tasikmalaya, and Lampung. Product marketing was still limited because the crafters had not been able to market their product independently. Technical assistance and attention from the local government were still limited. The promotion was still very limited and relied solely on the role of government officials through exhibitions on certain events such as exhibitions on the commemoration of the Republic of Indonesia's Independence Day or Anniversary of Ciamis Regency. Marketing offers or promotions had not utilized the social media or online media due to the limitations of the entrepreneurs in mastering technology communication.

1.5 Legal protection of the products

In general, weaving handicraft entrepreneurs did not understand their rights, especially concerning the importance of intellectual property rights of these products.

Based on the research background, the research problems are formulated as follows:

1. What are the potentials and constraints faced by woven craft entrepreneurs in running their business?
2. What efforts can be made so that the subject of capital in the woven craft business does not depend on the dealer?

3. What efforts can be made so that woven handicraft entrepreneurs can understand the copyright of woven stick products?
4. How can efforts be made to expand the marketing of the woven craft products?

The purpose of this research is to:
1. Investigating the potential and constraints faced by woven weaving business operators
2. Finding out the efforts that can be done in the capital sector in the woven *lidi* craft business
3. Formulating efforts that can be done so that the plate weaving businessman can understand about IPR woven plate stick products
4. Developing efforts that can be done to expand the marketing of woven craft products.

2. Research method

This research used qualitative research method, namely a method that essentially observes people in their environment to study certain people so that data can be collected (1996: 5)

2.1 The scope of research

This research examined the existence and activities of woven handicraft business that include the potential and obstacles faced by entrepreneurs in running the business

2.2 Data Source

1. Six entrepreneurs of woven handicraft business
2. The Chief of Cibadak and 2 officials of Cibadak village

2.3 Data collection methods

Data collection was conducted by:
1. Interview with six woven handicraft entrepreneurs and interview with the Cibadak village head and Cibadak village officials
2. Field observations around the production area
3. Field documentation which includes the condition of the production site and the woven stick production process, starting from the initial stage to completion

2.4 Data analysis

Data analysis in this research referred to the analysis of the Miles and Huberman model which stated that activities in qualitative data analysis are carried out interactively and take place continuously so that the data is saturated (Sugiyono, 2017, p 246-252). The stages of data analysis were: 1) Data reduction. 2) Data presentation, 3) Data verification

2.5 Research Implications

The results of this research were expected to be able to provide input and advice to woven handicraft entrepreneurs and the village owned enterprises (BUMDes, *Badan Usaha Milik Desa*) in Cibadak village in order to develop the marketing of woven handicrafts production that eventually increase the income for both parties in accordance with the agreement of business cooperation among the parties concerned

3. Findings and discussion

There were several potentials of the woven handicraft business including the relatively high availability of raw materials and labour and the desire of entrepreneurs to continue this business. However, there were a number of constraint factors, which include limited capital, lack of ownership of product copyrights, limitations of manual marketing and on-line marketing and limited knowledge of entrepreneurs about the application of online marketing.

In the case of financing for business capital, the entrepreneurs needed the support from a third party such as a cooperative or financing institution that would not burden them in the procedure of repaying their loans. In various references related to small businesses, capital is indeed a factor that often become a constraint for the development of small businesses. In terms of financing, although it was actually provided by banks, entrepreneurs generally did not understand banking procedures because they did not have knowledge about the procedures for borrowing money from banks. They were scared and did not have the confidence to deal with the bank. Psychologically, the existence of financial institutions that can cooperate with these entrepreneurs should understand their psychological conditions.

Intellectual property rights are property in the form of rights that have legal protection, meaning that other people are prohibited from using that right without permission from the owner's permission. This is related to intellectual activities based on creative and thinking activities in the form of expression, creation and discovery in the field of technology and services. In addition, another definition of intellectual property rights is "the rights arising from the ability to think that produces a product or process that is useful to humans" (Sari & Simangunsong, 2007, p. 112).

In our country, the legal regulation of intellectual property rights on brands is found in Law No. 15/2001, Law Number 14 of 2001 concerning Patents, and Law Number 19 of 2002 concerning Copyright. The product from the woven handicraft business is a product that needs to be preserved by the craftsmen, because it is important for the producers not to be treated arbitrarily by other parties who want to utilize and gain unilateral profits from the product. This ignorance factor is indeed reasonable, because most of the education handicraft entrepreneurs were relatively low and most worked concurrently as farmers, so they did not understand the importance of a brand that should be embedded in the products they produced. For future development, entrepreneurs are recommended to start taking care of intellectual property rights from product creation by registering trademark creations of woven handicraft products to the Law and Human Rights Office.

The discussion on product marketing will be related to the community groups that are the target of the product buyer. This buyer group is called the market segment. When planning the results of a product, it is necessary to calculate an estimate of the size of the segment that will be the target of the sale. If there are not enough target buyers in a targeted market, it is necessary to consider about the possibility of entering the other market arena. In this case, developing a number of alternative marketing plans can be chosen, such as: opening new markets for existing products, opening new markets for new products, or opening existing markets for new products (Nitisusastro, 2009, p. 99). Whichever alternative will be chosen requires planning. The preparation of the plan itself requires information that is supportive so that planning can be done on target. Therefore information about markets related to products, competitor products, groups of buyers, newcomers, number of business people, ways of promotion carried out as well as other things that are considered necessary, are important to be collected by woven craftsmen in a systematic and sustainable manner (ibid).In connection with the development of the product marketing model that currently has occurred, it is necessary to take into account also about the promotion opportunities of new models that can be done with online methods such as online sales which are now increasingly widespread. The development of increasingly sophisticated information technology in fact can greatly help facilitate a producer to introduce and promote his products in an increasingly easy way as long as he is able to keep up with the development of communication technology itself. In order for online marketing to take place, an effective online marketing strategy is needed so that SMEs are more advanced and successful. Referring to HeroSoftMedia Digital Marketing Agency, by Ika Nur Solechah, it was revealed that effective marketing strategies for small and medium businesses are: 1) Entrepreneurs are required to have a virtual store, either their own or through an intermediary. To get visitors who become potential customers, apply online marketing strategies at the next points. 2) Entrepreneurs can use Facebook as an advertising medium. In this case Facebook can be used as advertising media because its users have reached 88 million users and have provided many tools that can facilitate ad performance. 3) Entrepreneurs can use Blogging or website content, where this blogging method is commonly used as a place of promotion. SMEs can create a blog that contains a full explanation of SME products. 4) Entrepreneurs can run email marketing, namely arranging several ways or tricks that can attract potential customers. 5) Entrepreneurs can use advertising provider sites, such as Instagram ads, Facebook ads, Google Adwords, Search Engine Optimization (SEO) or other advertising providers

The effort to develop marketing of woven handicraft products through business cooperation is an opportunity that can be done by employers considering the limited ability of entrepreneurs in mastering communication technology. Therefore, the development of marketing of these woven handicraft products is difficult to be done by entrepreneurs themselves. The way that can be done is to do business cooperation with the village owned enterprise (BUMDes, *Badan Usaha Milik Desa*) in Cibadak village, so that they get direct encouragement from the Cibadak village for more optimal marketing development efforts. BUMDes can be a business partner for woven craft entrepreneurs for off line marketing and online marketing. For example, in off line marketing, BUMDes can create a showroom to display woven handicraft products. Furthermore, in online marketing, BUMDes can employ someone who understands the rules in online marketing methods so that woven handicraft products can be marketed through the internet. In this way, each party involved in a business partnership can carry out their respective activities in accordance with the capacity and capability of their business fields.

4. Conclusion

Based on the findings, it can be concluded that the woven handicraft business had the potential to be developed even bigger, because entrepreneurs were still willing to maintain their business and raw materials were not difficult to obtain. However, there were a number of obstacles to be resolved by the entrepreneurs, such as limited business capital, product copyright and limited marketing of products. These constraints, basically, can be resolved through business cooperation with the village-owned enterprises (BUMDes, *Badan Usaha Milik Desa*) in Cibadak village. Business cooperation between entrepreneurs and BUMDes can open business development opportunities in terms of capital and product marketing expansion. Thus, each party can synergize in the development where the entrepreneurs in the capacity as producers and BUMDes as capital providers and product marketers.

5. Recommendation

The results of the research can be a recommendation for the Cibadak village, in this case the village chief and management of the BUMDes in Cibadak village, so that the findings of the research can be applied as a form of village government service to community members to support business development.

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The Analysis of The Performance Management Approaches on The Effectiveness of Hospital Patient Services in Tasikmalaya and Banjar Cities

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Abstract. This study aims to examine how the performance management approach and the extent of its influence on the effectiveness of inpatient services in the general hospitals of Tasikmalaya City and Banjar City. This research is focused on the type of quantitative research and refers to the theory of a performance management approach which has three components, namely an actor-based performance management approach, a behavior-based performance management approach, and an results-based performance management approach. This study uses an explanatory survey. The population and sample of this study are employees in the general hospital of Tasikmalaya City and Banjar City. Sampling technique uses proportional random sampling with 122 respondents. Primary data is obtained through questionnaires designed according to the needs of research and observation. Secondary data is obtained through documentation studies. The results of this study indicate that the performance management approach has a significant influence on the effectiveness of inpatient services at the General Hospital of Tasikmalaya City and Banjar City. On the other hand, the behavior-based performance management approach has an insignificant influence on the effectiveness of inpatient services at the General Hospital of Tasikmalaya City and Banjar. The actor-based management approach at the General Hospital of Tasikmalaya City and Banjar City shows the power displayed by employees or medical personnel, where medical personnel are able to display ways and strategies in the communication process with all of their subordinates, especially helping to provide services which is more effective in all patients. The Strength at the Public Hospital, among others; appearance, discipline and obedience to the rules, willingness and ability to learn, collaboration ability and teamwork, and high work loyalty. That power can change and give a significant influence on the effectiveness of the service. The results of the research have an impact on the working climate of the General Hospital, especially the ongoing communication process carried out by employees with their direct superiors more relying on the actor-based management approach and results-based management approach at the General Hospital. Therefore, the performance management approach is considered to be able to contribute and be applied in the Public Hospital of Tasikmalaya and Banjar Cities.

1. Introduction

Public Hospital as a regional device organization plays a very strategic role in order to improve the effectiveness of inpatient services. In carrying out this strategic role, the General Hospital organization is equipped with a number of instruments that are able to regulate how to protect hospitals as regional organizations that provide inpatient services effectively. This means the need for a communication process carried out by the leaders at the General Hospital continuously in partnership between employees and their direct superiors. Likewise, the good and bad service of inpatients to the community, especially medical personnel who are directly related to this task, whose representation is found in the organization of inpatient services such as the Public Hospital of Tasikmalaya and Banjar City.

The Public Hospitals of Tasikmalaya and Banjar Cities are located as regional technical institutions carrying out activities related to the effectiveness of inpatient services. Both public hospitals are regional technical institutions that try to increase the effectiveness of inpatient services and as the leading institutions owned by the regions that serve directly the needs of the community for maximum inpatient services. Regional public hospitals as spearheads and implementers of various activities related to inpatient services, in practice using various performance management approaches. The reality that exists in both regional public hospitals, can be said to be an institution that must play a better role because it is the only choice to obtain effective patient care.

The object in this study is the Tasikmalaya Public Hospital and Banjar Public Hospital with the target being inpatients for the following reasons; service to inpatients is relatively longer and the impression felt by the patient in terms of serving them is more felt by the patient themselves so that they can assess more objectively in terms of their services. In addition to serving inpatients, various complex and unique facilities and infrastructure and service facilities are needed according to the patient's own condition. Services to the inpatients have the opportunity to create independence and be more professional in matters concerning service quality.

Researcher found various phenomena from various events, documents and reports on the effectiveness of the inpatient services provided by the Tasikmalaya and Banjar Public hospitals. Here are some symptoms of the problem;1) In dealing with prospective inpatients not in accordance with medical service standards so that it does not support the improvement and maintenance of the quality of hospital services, this condition occurs and is experienced by those two hospitals. 2) In the B rank qualification for serving inpatients in the case of typhoid fever patients who need to be treated, it still does not meet the minimum service standards. Whereas in the minimum service standards listed; medical staff therapy for typhoid fever patients through a low-fiber, claromfenicol, antipyretic diet, but in fact patients with intestinal bleeding still occur.

From a brief description of the effectiveness of early-stay patient services provided by the Tasikmalaya and Banjar Public Hospitals, the question arises that the approaches to communication processes carried out by the leaders in the General Hospital are continuously needed in pa

rtnership between employees and their immediate superiors conducted by those two Public Hospitals.Based on the results obtained from the initial research, it was seen that there were various symptoms that were suspected to be the cause of the weakening of the approach to communication processes as follows: the use of the minimum standard medical service book has not been used as a model for performance management to provide services at the Tasikmalaya and Banjar Public Hospitals. Other problems related to the lack of resources are seen from the quality and quantity as well as various equipment and financial needed in handling patients in an emergency, such as human resources of medical personnel or doctors with certain types of expertise. These conditions indicate work procedures and division of work that have not been applied by individual doctors or midwives, the rules are violated, and have not carefully reviewed the work rules, even though these factors determine the implementation of the effectiveness of the inpatient care services in the hospital. To investigate further, factual conventions of the performance management approach in The Tasikmalaya and Banjar public hospitals, several things need to be questioned, namely the analysis of the performance management approach on the effectiveness of inpatient services.

2. Theoretical Study Framework.

Performance management is oriented towards creating relationships and ensuring effective communication and ensuring effective communication. Performance management focuses on what organizations, managers and workers need to succeed. Therefore that is the center of attention rather than performance management, namely how performance is managed to achieve success. Even confirmed by [1] that performance management is a communication process that is carried out continuously in partnership between employees and their direct superiors. The statement shows that the communication process includes the interests of building clear expectations and understanding of the work to be carried out. Performance management is essentially related to the ongoing communication process carried out by partnerships between workers and direct supervisors who create hope.

Performance management is directly related to humans in organizations, this is because humans are the most important resource in an organization. In operating the organization, every human who has different behaviors and thoughts will also lead to differences in performance. Therefore, it is necessary to plan, organize, direct and review employee performance. Performance Management can be considered as a systematic process whereby the organization engages its employees in achieving its mission and organizational goals. Many studies show that there is a close correlation between effective performance management and the achievement of organizational goals. Therefore Armstrong (2004: 29) asserts that performance management as a means to obtain such results from organizations, teams and individuals by understanding and managing performance in a standard objective framework.

Performance Management is an activity to ensure an organizational goal which has been achieved consistently in effective and efficient ways. Performance management can focus on the performance of an organization, department, employee, or even the process of making products or services and also in other areas. Schwarz (1999) states. Performance management is a management style which is basically open communication between managers and employees which involves achieving goals from managers to employees and vice versa from employees to managers, as well as performance appraisals. [2] focuses more on strategic and integrated approaches to convey sustainable success to the organization by improving the performance of employees who work in it and by developing the ability of individual teams and contributors.

In contrast to his opinion, [3] stated that performance management is continuous communication and is carried out in partnership between an employee and his immediate supervisor. This process involves building clear expectations and understanding of the work to be done. Whereas [4] also emphasizes more on the driving forces behind all organizational decisions, work efforts and resource allocation. Minimum Service Standards for Regional Hospitals are the organization of hospital management, medical, support and nursing services both inpatient and outpatient services which must be held at a minimum by the hospital. Minimum service standards of the Regional Public Hospital in the service of minimal activities that are mandatory in inpatient medical services include indicators namely the availability of inpatient services for poor patients, class III hospitalization, and supporting services consisting of laboratories and blood banks, inpatient nutrition. Likewise, the effectiveness of inpatient services at Public Hospital organizations has public responsibility, this is in accordance with the Indonesian Hospital Code of Ethics in [5] which states that; "The hospital must be honest and open, sensitive to community suggestions and criticisms and try to reach its services outside the hospital". Then in one of the Guidelines on Ethical Conduct and Relationship for Health Care Institutions (ECHCI) or the Health Service Ethics Conduct Guide compiled by The American Hospital Association in [5], states that; has been regulated the principles of how a hospital should behave in terms of medical services, economic activities, and its responsibilities to the community and the environment, as well as health service institutions always behave ethically (not just according to the law) that is community-oriented.

Public Hospital Responsibility is very basic if the hospital aims to provide assistance to patients or customers who need it, this has been proven by prioritizing the public responsibilities of public hospitals in various ways including consideration of the quality of inpatient and outpatient services. Even Queen Elizabeth Hospital Hongkong in [5] has a Civic responsibilities in the Code of Ethics Professionals, explained that: Responsibility to the community is to provide hospital services to the general public under any circumstances, to support and participate in activities related to improving the health and welfare of the community, maintaining political neutrality, forbidden to provide misleading explanations, or deceiving the public and forbidden to do publications about someone.

The public responsibility of public hospitals in Indonesia has been outlined in the code of ethics of Indonesian public hospitals, which in essence is the obligation of hospitals to the community and the environment, hospitals must be honest and open, sensitive to the public's complaints and criticisms and strive to reach out to hospitals as well as hospitals in carrying out their operational responsibility to the environment so that there is no pollution that is detrimental to the community. Therefore, the code of ethics for inpatient care must be translated into noble values which are stated and devoted to the community in the form of clear statements of public responsibility for the implementation of services and easily understood by the wider community.

The concept of inpatient services in public hospitals is also described by the National Health Service in [6] stating that; "Clinical governance is an NHS frame work through which organizations are accountable for continuously improving the quality of their services and safeguarding the high standards of care by creating an environment in which clinical care will flourish." The concept of clinical governance includes a relatively new concept in the organization of public hospitals which is focused on eliminating weaknesses related to the quality of clinical care that includes medical, nursing, and nursing care by other health workers. Basically, clinical governance is part of corporate governance in hospitals which is the main basis of policy in providing health services to inpatients and outpatients. Even by The British Association of Medical Managers in Adhitama (2006: 72) added that; The implementation of clinical governance in hospitals is intended to guarantee; in order to establish a system that is able to monitor the quality of clinical practice and ensure that it remains on its tracks and functions perfectly, an assessment of clinical practice is carried out and thus to improve it, so that practitioners of clinical practice meet the standards of the national professional body.

In the implementation of clinical governance in public hospitals must pay attention to three main areas in hospital management, namely the area of nonclinical management, the area of financial management and special management in the clinical field. National Health Service in [6] adds that; The concept of Clinical governance in public hospitals, especially in the field of clinical management, includes: providing direct clinical care to inpatients consisting of: medical care (primary, secondary, and tertiary), nursing care, midwifery care, medical rehabilitation care, and other medical care, Hospital and professional leaders who provide clinical care together are basically responsible for ensuring clinical governance.

In understanding performance management that affects service effectiveness, it will be more focused on aspects of approaches to performance management, there are at least three dimensions that focus on actors or employees, their behavior or processes, and results. They are linked to each other and cannot be separated in a performance management system. Therefore, the performance management approach model is more concerned with aspects of the actor-focused work management, performance management focuses on behavior and results.

3. Method

In this study, primary and secondary data are used. Some work data, work reports, work plans, quantitative data from various literature, work documents and various other media that are also needed and support the analysis. This study uses several analytical methods for the purposes of research. To answer the problem in the formulation of the problem used path analysis method or *t* test, then carried out an in-depth study based on the assessment analysis and analysis of the effect of the performance management approach on the effectiveness of the inpatient services. After the figures are generated from the data processing, then it is continued by using collaboration analysis by giving an estimation of the variables and dimensions analyzed.

Data collection techniques used in the field include; observation by recording various events or events related to aspects of the management approach to performance and effectiveness of inpatient care services, in-depth interviews were associated with management approaches in the behavioral and employee aspects, as well as distributing questionnaires to respondents in both public hospitals.

4. Research Results and Analysis.

The Tasikmalaya Public Hospital strives continuously to realize its goals through various steps to increase and equalize services both medical services and medical support services and other supporting services. All of these are sub-systems of the hospital service system whose existence is inseparable from one another. Likewise the hospital service system is an integral part that is inseparable from the overall service system and is influenced by various factors, including; rate of population growth, geographical location, socio-economic community and the development of science and technology including technological advances in the health sector.

Banjar Public Hospital is an organization that is organic because a high percentage of its employees includes professionals, its complex, labor intensive, multidisciplinary and an important network of health services, loaded with tasks, burdens, problems and hopes that depend on it . Therefore, the constancy of the Banjar Public Hospital forces leaders or managers to examine environmental factors that can actually suppress and greatly affect the survival of the hospital, the ability to analyze critical environmental factors can provide useful input for making decisions needed for developing organization in accordance with the demands of the times.

Banjar Public Hospital is a hospital owned by the Government of Banjar City in the province of West Java with a status of Class B. Banjar Public Hospital carries out effective health care efforts by prioritizing healing efforts, recovery that is carried out in a harmonious, integrated manner with efforts to improve services and prevention and implement referrals and have the following functions; provide medical services, medical and non-medical support services, nursing services and care, referral services, education and training, research and development, and general and financial administration services. In general, the services provided by the Banjar Public Hospital are prioritized for increasing the needs felt by the community in general, and specifically the internal services of all personnel of the public hospital itself.

Then in the analysis of the dimensions of the performance management approach (X) to the effectiveness of inpatient services (Y) in the Tasikmalaya and Banjar Public Hospitals are based on several stages clearly. After the analysis is done through statistical calculations, then the percentage value obtained from the dimension of the approach is employee-focused performance management (X1) on the effectiveness of inpatient services at the Tasikmalaya and Banjar Public Hospitals. The result shows the path coefficient value that the direct influence of the dimension of the employee-focused management approach works on the effectiveness of inpatient services at the Tasikmalaya and Banjar Public Hospital by 16 percent, meaning that the effort to manage the dimension of the approach of employee-focused performance management at the Regional Public Hospital has been accompanied the ability to channel every employee's ability to provide inpatient services well, every message or information can be received by all employees in a clear and objective manner, and every employee's actions are consistent and easy to carry out.

Analysis of the dimension of the performance management approach (X) on the effectiveness of inpatient services through its relationship with resources in the Tasikmalaya and Banjar Hospital of 4.96 percent meaning that the percentage value indicates that the effort to apply performance management pressure to the service of hospitalized patients at the Tasikmalaya and Banjar Hospitals is quite good, and the contents of the message are received clearly and each order is adjusted to the interests of inpatient services. To meet the demands of channeling a good, clear and command-based approach, the ability of individual health workers is needed to work carefully, skillfully and quickly, especially in serving inpatients. Health workers as staff try to serve inpatients at the Tasikmalaya Public Hospital according to the authority that exists in their duties and responsibilities, facilities used in serving inpatients, as well as being able to manage information or messages related to inpatient services.

Analysis of the dimensions of the performance management approach on the effectiveness of inpatient services through its relationship to behavior in the Regional Public Hospital by 1.66 percent meaning that the percentage value shows that the effort to display the behavior of nature provides inpatient services has not been accompanied by mutual understanding, all health workers do not receive any messages or information on inpatient services, and have not been accompanied by clear and consistent leadership orders for the implementation of inpatient services at the Tasikmalaya and Banjar Public Hospital. Behavior is good and mutual understanding among health workers as health policy executing officials is less successful because it has not been supported by the attitude of executing officials as civil servants which is ready and trying to implement health policies especially in inpatient services.

Analysis of the dimensions of the performance management approach on the effectiveness of inpatient services through its relationship to work outcomes in the Tasikmalaya and Banjar Hospitals by 4.59 percent, meaning that the percentage value indicates that the effort to implement a performance management approach, especially inpatient services, executives can receive it, and Consistent and clear.The orders carried out in accordance with health policies on inpatient services, it turns out that it is good because it has been accompanied by a structure or chart of relationships and cooperation between work units as executors at the Tasikmalaya and Banjar Public Hospitals. In addition, it is also emphasized on the application of operational standards for the treatment of inpatients as well as trying to disseminate the responsibilities of health workers in the care of inpatients to be ready to complete tasks and activities and work as a whole in the Tasikmalaya and Banjar Hospitals.

Analysis of the dimensions of the performance management approach on the effectiveness of inpatient services at the Tasikmalaya and Banjar Hospital by 27.21 percent meaning that the percentage value indicates that the analysis of the dimension of performance management affects the effectiveness of inpatient services in the Tasikmalaya and Banjar Hospital through behavior, employees and results work.

To find out the meaningless or meaningful differences of the two hospitals, the Tasikmalaya and Banjar Hospitals relate to variables that cover various dimensions which include various indicators for each of them can be seen from the results of respondents' answers. The results of the calculation show that the performance management approach (X) which covers the dimensions of the behavioral, employee and results approach in the Tasikmalaya and Banjar Public Hospital is meaningless differences or there are differences that are not real or considered to be no difference or considered the same, because the *chi square* value is smaller than the value table of *chi square* (2 = 0.28 <2 table = 4.30), meaning that H_0 is accepted and H_1 is rejected meaning there is no significant difference. Overall the performance management approach variable (X) which consists of behavioral subvariables (X_1), employee (X_2), results (X_3), shows that there are significant differences for both hospitals, namely the Tasikmalaya and Banjar Public Hospitals. This is because the result of calculating the *chi square* value is greater than the table value of *chi square* (2 = 40.33> 2 $_{table}$ = 7.81), meaning that H_0 is accepted and H_1 is rejected meaning there is no significant difference. Thus the overall difference in the performance management approach is caused more by a significant difference in the behavioral conditions or behavior of the two hospitals, namely the Tasikmalaya and Banjar Public Hospital, compared to these employees and the results of their work in each hospital.

Thought of Modification Development of The Performance Management Model At The Operation Level .

Based on the results of the analysis of the dimensions of the performance management approach through behavioral and employee dimensions, , the results of the effectiveness of inpatient services in the Tasikmalaya Public Hospital only amounted to 58.10 percent. This means that there are other factors that are not examined such as agreement factors and leadership abilities, as well as factors outside the hospital such as the economic environment, social environment and others, but affect the effectiveness of inpatient services at the Regional Public Hospital by 41.90 percent. Likewise, the results of dimension of the employee-focused performance management through behavior, employees, and the results of the effectiveness of inpatient services in the Banjar Public Hospital by 72.00 percent. This means that there are other factors not examined such as; agreement factors and leadership abilities, as well as factors outside the hospital such as the economic, social environment and others, but affects the effectiveness of inpatient services at the Tasikmalaya and Banjar Hospitals at 28 percent. From the percentage analysis at the two hospitals, it was shown that for the conditions in those two public hospital it turned out that the agreement factor and leadership ability of the executing officials in this case, the director and the deputy directors who applied the performance management approach had a significant influence.

The agreement or commitment of the officials who implement the management approach in the two public hospital, both from the leaders and executing officials who implement performance management sensitivity, are at least influenced by three aspects, among others; strong trust in the goals of the organization and its values, willingness to provide energy in the name of the organization, and a strong desire to remain a member. Even [7] states that organizational commitment is a state of strong desire by members of the organization to voluntarily improve themselves in an organization and strive for the interests of the organization.

Organizational commitment includes its components according to [7] must be considered carefully that is affective commitment which involves feelings of belonging and involvement in the organization, continuance commitment which means a commitment dimension on the basis of costs that will be borne by the employee if leaving the organization, and normative commitment involving the feeling of employees to live in an organization. The statement became the rationale for researchers to develop a modification proposal on the modern theory of performance management approaches, especially behavior and outcomes at operational level, which found various obstacles that needed immediate thinking and resolution in accordance with conditions in the field.

The leadership skills of the executing officials who implement the performance management approach in the Regional Public Hospital of Tasikmalaya and Banjar City are very important and needed to balance the influence of environmental change and various stakeholders, including from specialist doctors, nurses, general practitioners and others . In this situation the leaders and executing officials who carry out the health policies in both regional hospitals must be able to create the identity of the regional public hospital and build values for all stakeholders. Then [7] states that: "leaders who give direction that pay attention to three things, namely understanding and interpreting events outside the hospital, focusing on the future and being able to translate vision into action, leadership building organization means referring to the process, actions and activities that create value for hospitals, and leaders must be meaningful means that they are trustworthy and able to communicate well ".

Then the organization of the two public hospitals was one of the devices in the region, this meant that the organization of those two public hospital had the responsibility to carry out the duties of the bureaucracy properly. The statement shows that for this purpose, it is very important that the leadership role in the bureaucracy of those two public hospitals as the regional apparatus, and it is the leadership that will maintain so that the principles that have been placed in the organization are held firmly by bureaucratic actors or executing officials. With good leadership, the principle of carrying out activities is held firmly, will lead to confidence in the achievement of clear objectives before the executing officials (bureaucratic actors) in the two public hospitals. Because this principle shows them to carry out these activities. This leadership shapes the attitude so that it aligns the values possessed by each executing official (bureaucratic actor) or personal value with the principles of the two public hospital organizations, so that with the alignment between individual values and principles that must be held will create a strong impulse for all executing officials who implement health policies, including activities related to inpatient health services that will be more effective.

This sense of kinship will easily overcome the emergence of disturbances due to the unresolved chain of activities from the overall activities of the officials who implement health policies in the two public hospital. In those two public hospital bureaucracies with good leadership will be a synergistic system that is strong in its entire which is a coveted performance management approach. Even more specifically the leadership ability of the executing officials who carry out health policies in the two public hospital bureaucracies is a form of goal oriented leadership that influences and shapes policy actors (executing officials) in the Tasikmalaya Public Hospital. Banjar Public Hospital is to behave consistently towards the fulfillment of the public interest.

Thus the importance of a performance management approach that applies behavior, employees and results in the Tasikmalaya and Banjar Public Hospitals, so that at this stage it is in need of the existence and role of the executing officials who carry out and prioritize leadership and its capabilities so that "goal- oriented leadership" supports Inpatient services to be more effective in the two public hospitals.

5. Recommendations.

In the analysis of performance management approaches, it turns out that the dimensions of behavior, employee, and results together have a significant effect on the effectiveness of inpatient services in the Tasikmalaya and Banjar Public Hospitals meaning that simultaneous dimensions of behavior, employee, and result contribute to the effectiveness of inpatient services in the Public Hospital of Tasikmalaya and Banjar Cities.

Behavioral dimensions significantly influence the effectiveness of inpatient services in the Public Hospital of Tasikmalaya and Banjar Cities meaning that the dimensions of behavior contribute significantly to the effectiveness of inpatient services in those two public hospitals.

The results dimension has a significant effect on the effectiveness of inpatient services in the Public Hospital of Tasikmalaya and Banjar Cities meaning that the results provide a significant contribution to the effectiveness of inpatient services in those two public Hospitals .

This condition is also confirmed by the results of different behavioral tests which include agreement and understanding which are indicating a significant difference in the public hospital of Tasikmalaya and Banjar Cities. Thus the occurrence of overall differences in the performance management approach is caused more by the existence of significant differences in the behavioral conditions of the two hospitals, compared to employees and the results that exist in each of these hospitals.

The theory of performance management approaches proposed by Amrtrong includes behavior, employee and results. Associated with the performance management approach was so urgent to add a leadership approach by executing officials. In this case the director and the deputy directors in the public hospital of Tasikmalaya and Banjar Cities. This leadership approach is a goal -oriented leadership that is the form of leadership that crucial goal- oriented leadership influences and shapes executing officials, in this case, the directors and deputy directors in the Tasikmalaya and Banjar Public Hospitals who carry out various performance management approaches to behave consistently towards the fulfillment of the interests of inpatient services, especially and generally for health of the community.

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Value of Social Responsibility to Green Customer

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Abstract. This study aims to analyze the correlation of social responsibility and green marketing awareness is conducted by company and its impact to customer purchasing behavior. This experimental research is done by survey to customer at Supermarket which is about 100 customers in Bandung City. Data is obtained by questionnaire and data is processed by multiple regression analysis and also hypothesis test to emphasize research result. Research finding is stated that purchase intention of environmental friendly product at Supermarket can be controlled by green marketing awareness. Other strategies like social responsibility is done by Supermarket and it does not impact well to customer purchase intention for environmental friendly product. Company in determining marketing strategy depends on the final destination that wants to be achieved. Social responsibility cannot be marketing strategy because company's necessity is assumed commonly by customer.

1. Introduction

Today, customer behavior is getting change [1]. More uniqueness of customer's demand for the expected of product or service. It is demanded to company to know customer's intention for product and service offered. The behavior becomes attention recently is customer behavior on environmental friendly product, it is commonly called "green consumerism" [2]. Green consumerism is customer behavior that conducts the selection and product or service usage which has caring to environment. Customer behavior for environmental friendly product has been developed and known by company. It seems from company's strategy that also takes the environmental issue [3]. By the expectation of product and service offered can be accepted by customer and it gives more values for company with putting forward to the environmental issue [4].

Environmental friendly product or eco-friendly product is product produced without chemical material and it does not harmful to environment also it is healthy if it is consumed [5]. Marketing for eco-friendly product cannot be conducted commonly, it needs additional value for strategy created [6]. It is common called in strategy-environmental based. Marketing strategy meant is "green marketing strategy" [7]. Marketing strategy-environmental based is done by company today, it is truly not separated from marketing strategy generally which is product, price, place and promotion [8]. From each strategies above, it is involved environmental friendly issue so company sometimes gives a name with green product, green price, green place and green promotion [9].

However, it is same with marketing strategy in general, company is not often wrong in implementing green marketing strategy [10]. So it impacts to marketing performance achieved that is not optimum [7]. Green marketing is done by company, it is intended to get attention from customer behavior which is green marketing awareness [9]. In which customer is caring more to company that prioritized to marketing-environmental based. Finally, benefit obtained by company through customer purchase intention for environmental friendly product [10].

Relating to environment, nowadays company has also strategy-environmental based that is common called by corporate social responsibility program (CSR) [11]. This activity is surely conducted by company because it is one of company's obligation to environment [12]. Social responsibility is often conducted to get good image from customer in company finally [13]. Social responsibility seems to be familiar with green marketing strategy because it relates to environment. But it is not depends on natural environment, it is on human environment or social activity for surrounding community [13]. However, some companies have been used social responsibility that focuses on environmental sustainability [14]. Like creating sustainability of a nature with social responsibility implementation [15] in order to give comfortability to society and their environment. It is in line with one of the main objectives of green marketing strategy, which is sustainability of natural living and better human [16].

In previous study, it has been known that customer behavior seems to be influenced by the case that is conducted by company, which is one of them social responsibility [17]. So that it becomes one of company reasons to keep doing social responsibility as activity part of company. Because company stands with the main objective, is providing the offering to customer’s needs [18].

Reviewing from the phenomenon of green marketing awareness and social responsibility is conducted by company so this study focuses on the impact of green marketing awareness and social responsibility to customer behavior on environmental friendly product. It is issued by the phenomenon for environmental friendly product in Indonesia, particularly in West Java Province. In which customer purchase intention on environmental friendly product which is still low of organic product [19] [20]. So company is assumed to need to evaluate strategy conducted is green marketing awareness and social responsibility as part of strategy in facing global warming issue.

2. Literature Review

2.1 Green Marketing Awareness

Green marketing develops in company today as the impact of customer behavior who cares to environment [2]. Green marketing awareness is the next session from green marketing [19]. Where it is customer behavior who cares to marketing strategy of environmental based [10]. Those behaviors have the impact on customer’s preference in doing the selection on environmental friendly product that is offered by trader [21]. Finally, customer green awareness has many impacts to several customer behaviors with many actions such as consumption pattern on environmental friendly product and sensitivity on ecological [8].

Green marketing awareness is commonly called with green awareness. Theoretically, it is stated that “green awareness is based on recognizing and recalling the brand as a green brand as a result of the green activities and associations” [21] It can be explained that green awareness is depended on customer’s opinion for environmental friendly image of company with all of activities. This point of view becomes important because it relates to customer trust on product offered by company and the most important of customer intention in selecting product offered by trader [22]. Customer assesses product and service is not only on its quality but other elements that becomes attention is the impact of product on environment [23]. Relating to environmental friendly product, customer realizes that it has more expensive price than conventional product [24]. Sometimes it burdens to customer, however if this product dominates in the market, obviously it is more competitive price and it is not stated to be more expensive [25].

The case also attaches on environmental friendly product is company image that markets it [26]. In which it is assumed to need by company as trader in providing its best image as company which is care to environment [22]. Reviewing from several studies of green awareness, it seems that green awareness can be assessed. In evaluating green awareness, customer does evaluation for some considerations such as care of environment, care of healthy product, care of price, and care of environmental image [8].

2.2 Social Responsibility

It is not often to review company reputation that is conducted by stakeholders which depends on social responsibility done [27]. It explains the importance of social responsibility activity in improving company performance. Social responsibility is an activity done by company in surrounding environment by observing the environmental sustainability both its nature and human [13]. Company does social responsibility that has led to environmental sustainability [13], it seems from appreciation for the implementation of company social responsibility that also puts forwards to environmental sustainability [28]. So company image is more improving for customer relates to environment [29].

The final result of social responsibility can also give customer trust for product or service offered by company [30]. Because of image formed to company is general assessed by customer.

Other things that relate to social responsibility is company reputation [29]. In which it is stated that company is the more reputable if it seems from social responsibility done [31]. Besides that, in assessing company reputation, it is stated that social responsibility is as the measurement [32]. Social responsibility is sometimes equalized with corporate social responsibility (CSR) [33]. However, it is surely having distinction for both of them, where social responsibility only relates to social activity that is conducted by company without the elements of company's interest [34].

Company which sells environmental friendly products like organic product by Supermarket [4], it has obviously done social responsibility. The final result of social responsibility implementation is the formation of better customer interest for product offered by Supermarket [19]. In reviewing of social responsibility, it can be conducted by the dimension like supporting to healthy product, supporting to company's obligation to environment, and supporting the standard of customer's need for environmental friendly product [35]. Company is established to fulfill stakeholders' need, one of them are customer [11], so customer assumes that company needs to encourage customer's needs for product that is safely consumed [29]. Besides that, customer also assumes that company establishes to pay attention to its environment [36], it depends on both from natural side or human surrounding side. If all of these are conducted by company through social responsibility, so it can be stated that company establishes to fulfill the standard of customer's intention as stakeholders [37].

2.3 Green Purchase Intention

Customer intention is one of company objectives in offering product and service [34]. So company is sometimes by its marketing strategy created to improve customer intention [29]. Purchase intention of customer is part of customer behavior science [38]. Those behaviors can be formed from several company strategies, one of them is green marketing awareness [22] and social responsibility [39].

Purchase intention itself is defined as "the expectance and probability of buying a new product given a reference price in a time-specific frame" [40]. This opinion ensures that purchase intention is the expectation and possibility from customer for product assessed will be selected or purchased. If it is connected with the meaning of "green", so green purchase intention relates to customer's possibility to buy product that has oriented to be friendly and it impacts good to environment. Today, the study of green purchase intention becomes important in some literatures [41]. Trader pays attention to customer behavior for environmental friendly product, that finally it develops customer purchase intention [42]. Environmental friendly product has different characteristic from conventional product, one of them are because of the higher price [43]. It becomes the obstacle in the formation of customer purchase intention [44]. So the value of environmental friendly product needs to be improved, in order it can press the perception that burden customer about the problem of price. It can be assessed from the attribute of environmental friendly product where it has characteristic that distinguish to conventional product, which is safe to be consumed and safe for environment. So trader puts forward the environmental issue through marketing strategy to control customer purchase intention [45]. Besides that, company also keeps improving the image as company which is care of environment by implementation of social responsibility [46].

In evaluating green purchase intention, it can done by some evaluations such as customer intention to do eco-friendly product purchasing, willing to pay more expensive for eco-friendly product, select eco-friendly product to be consumed, will do eco-friendly product purchasing in the next day and willing to recommend to other people [44].

3. Research Methods

This study was included into experimental research with the research variable for green marketing awareness, social responsibility and green purchase intention. In data collection, quantitative was conducted through questionnaire that spreads to customer who had experience in visiting Supermarket. In which those Supermarkets had been conducted green marketing and social responsibility. There were 100 customers who selected randomly in a week at Supermarket in Bandung City.

Questionnaire was created using Likert approach through the determining answer like 1 for "strongly disagree" until 7 for "strongly agree". The question in questionnaire based on indicator related to the previous scientifically research. Here were the measurement used for each research variables.

3.1. Green Marketing Awareness [8]

a. Care of environment
b. Care of healthy product
c. Care of product price
d. Care of environmental image

3.2. Social Responsibility [37]

a. Support for healthy product creation
b. Support for company's obligation for environment
c. Support for standard of customer's needs on environmental friendly product

3.3. Green Purchase Intention [44]

a. Intention to buy
b. Willing to pay more
c. Willing to select eco-friendly product
d. Willing to do purchase in the next day
e. Willing to recommend to others

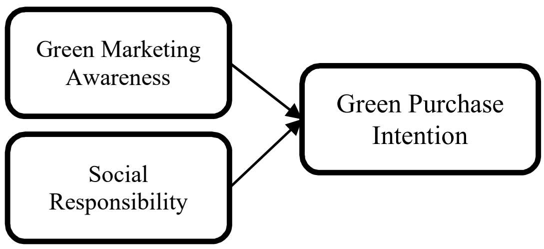

Figure 1. Research Paradigm

According to research paradigm, it was determined research hypothesis test by t value test. Here was hypothesis test that would be conducted. Hypothesis 1. Green Marketing Awareness had positive influence on the green purchase intention. Hypothesis 2. Social responsibility had positive influence on the green purchase intention.

4. Results and Discussion

4.1 Results

The study is conducted to Supermarket's customer in Bandung City is about 100 customers. Customer is selected who knows organic product as one of eco-friendly products. Data of questionnaire result is processed to know the correlation between variable through SPSS smart tools. Here is data processing result on Table 1 and Table 2, by model finding on Picture 2.

Table 1. Model of Summary

R		R Square	Adjusted R Square	Std. Error of the Estimate
.432[a]		.187	.170	2.75073

Table 2. The Value of Path Coefficients

Hypothesis	Path Coefficients	t-value	Results
GA → PI	0.408	4.451	Significant
SR → PI	-0.143	-1.567	Non-Significant

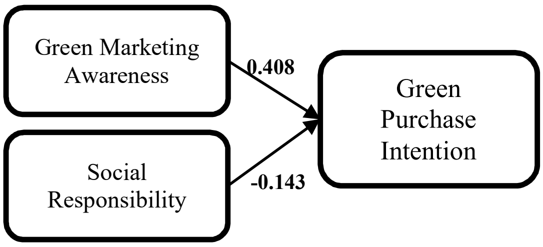

Figure 2. Research Model

Based on research finding is known that there is positive correlation of green marketing awareness on green purchase intention and the negative correlation of social responsibility on green purchase intention. Hypothesis test is conducted to confirm the result (Table 2), where it is known that only green marketing awareness which is stated significantly to correlate to green purchase intention.

4.2 The Ability of Green Marketing Awareness Improves to Green Purchase Intention

Reviewing of research finding result is known that there is correlation of green marketing awareness on green purchase intention. If it is confirmed by hypothesis test (Table 2), it seems that green marketing awareness can improve to green purchase intention, because it is stated significantly. It marks that customer who cares of environmental friendly product can be controlled if company notices to marketing strategy that takes the environmental issues. So customer care is improved and it provides positive perception to company which is Supermarket as the seller of eco-friendly products.

Customer care is surely assessed from several things like care of environment, care of healthy product, care of product's price, and care of environmental image [8]. Care of environment can be evaluated from the way of customer's point of view that assumed good for all of marketing activities which leads to environmental sustainability [47]. So company's commitment becomes a bet as the impact of the previous green marketing implementation [48]. The higher of company's commitment to environment, the better it is assessed by customer [49]. Customer who cares of environment, it is surely in line with consumption pattern [50]. In which it is more prefer to consume the healthy product both for human and environment. So company is assumed need to notice marketing strategy with products offered and it is in line with customer's expectation [7].

In green marketing awareness, customer also evaluates the level of price that is determined for eco-friendly product [8]. Eco-friendly product has more expensive price than conventional product [24]. It demands to company's care by delivering marketing strategy that encourages the price image of eco-friendly product as premium product not expensive product. Other strategies that must be noticed is imaging of caring to environment [24]. Because obviously, company's image can support customer's opinion on eco-friendly product that is offered by company [51].

Reviewing from some dimensions of green marketing awareness, it seems to support on the improvement of green purchase intention. It is in line with the previous research finding [8], mentioned that customer purchase intention on environmental friendly product can be improved by company's attention on green marketing strategy that leads to customer care. However, it needs company's commitment where green marketing strategy created is in line with product offering that focuses on environmental friendly [7].

4.3 The Value of Social Responsibility to Customer Behavior

Customer behavior has been explained today to become company attention [1]. So company keeps trying to its marketing strategy that is in line with customer's intention and expectation [52]. Relating to environmental issue, company also does social responsibility that aims to improve company's image for the responsibility to environmental sustainability [53]. The activity is conducted by company on social responsibility is not only focuses on nature as environment, but also on human or other charity activities [54]. It is driven by the expectation is to get a good image from the intended customer.

However, social responsibility seems to have no significant impact to customer behavior and it is in line with research finding (Picture 2). In which the correlation value of social responsibility on green purchase intention is very low and it is inversely proportional (-0.143). It marks that whatever activities conducted in social responsibility program, it will not be able to improve customer intention on product or service offered by company. Remember that social responsibility only impacts on company's image [52], not on customer behavior that relates to purchase intention. In social responsibility, customer evaluates company's encouragement on the healthy product creation, support of company's obligation for environment and support for customer's standard on environmental friendly products [37]. Actually, Supermarket that sells eco-friendly products has been implemented social responsibility. It is known based on interview result and some events stated in mass media in Indonesia [28]. However, those cases cannot change actually to customer's opinion that relates to purchase intention. So it is assumed that social responsibility has the value for company image that assumed by customer, it is not for customer's intention in having environmental friendly product offered.

The fact of problem has been explained before, it is known that green marketing awareness can surely improve customer purchase intention for environmental friendly product. So it can be concluded that green marketing awareness and social responsibility have one of the same objectives, which is environmental sustainability, but it impacts different on customer behavior. It means that this study becomes input for company before it formulates the right target of marketing strategy.

5 Conclussions

Based on research objectives, this study reviews the value of green marketing awareness and social responsibility on customer green purchase intention. Second, those marketing strategies are surely having benefit to change customer behavior for eco-friendly products. However, both of them are having the distinction of result objectives where green marketing awareness can improve green purchase intention. While social responsibility cannot change green purchase intention. The value of social responsibility is assumed to relate to company image by customer; it is not related to customer behavior that relates to eco-friendly products selection.

The study focuses on customer behavior research for the impact of green marketing strategy. But customer behavior for eco-friendly product is surely can be changed from several things, such as green brand image and green advertising. So it becomes suggestion for the next research in observing customer behavior on environmental friendly products. At least, this study is useful in facing global warming issues through the study that takes environmental issue to customer behavior in Indonesia.

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The Effect of Organizational Culture, Ethical Orientation, Strategic Orientation, and Strategy Implementation on Financial Performance in Manufacturing Companies: a Research on Food and Beverage Manufacturing Companies in Indonesia

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Abstract. This research aims to obtain empirical evidence about organizational culture, ethical orientation, strategic orientation, and strategy implementation effect on manufacturing companies' financial performance. The results are expected to contribute to the development of management accounting, strategic management, and business ethics. In addition, companies and practitioners can utilize the provided information in choosing a strategic orientation and implementation to improve the company's financial performance. The research was conducted on food and beverage companies registered at GAPMMI. The method used was the census method, a type of descriptive verification research. Furthermore, the hypothesis is tested by using Structural Equation Modeling. The first hypothesis testing results showed that there was a simultaneous effect of organizational culture and ethical orientation on strategic orientation. The second hypothesis testing proved that strategic orientation had a positive effect on strategy implementation. Moreover, the third hypothesis testing proved that there was an effect of organizational culture and ethical orientation on financial performance. The fourth hypothesis testing proved that strategic orientation and implementation influenced financial performance, and the fifth hypothesis testing proves that there was an influence of organizational culture, ethical orientation, strategic orientation, and strategy implementation on financial performance both simultaneously and partially.

1. Introduction

In mid-1997, the economic crisis accompanied by a crisis of confidence swept through Indonesia. It affected various business sectors, one of which was the food and beverage manufacturing sector. This phenomenon can be seen in the decline in companies' net profit after 1997, especially the food and beverage manufacturing companies listed on the IDX. Based on the results of the conducted pre-survey, the decline in the average performance of the food and beverage manufacturing sector was indicated by the inaccuracy in implementing strategy and inability to anticipate relatively fast environmental changes. In other words, the companies had not been able to choose the appropriate strategy. Most respondents in all three strategic orientation dimensions (innovative, proactive, and risk-taking) answered that the dimensions did not change or lack of changes. Generally, experts and researchers agreed that companies that succeed in aligning strategies or showing high adaptation and flexibility level with their environment showed better performance than companies that were less able to align strategies [1,2].

Based on the phenomena, this research focuses on the financial performance of food and beverage companies, which needs to be improved because they contribute prominently to the lives of Indonesians. The 1997 financial crisis decreased their financial performance, which was allegedly caused by the misalignment between strategy formulation and its implementation, and the inaccuracy of strategy selection. This means that in the strategic orientation, there was a lack of adherence to organizational culture and ethical orientation.

2. Methodology

This research utilizes the descriptive and verification method. Descriptive research is research that aims at obtaining a description of the variable's characteristics. Meanwhile, verification research aims at determining the relationship between variables through a hypothesis test. Thus, descriptive and verification research naturally aims at testing the truth of a hypothesis based on analysis of field data. The type of investigation used is causality, which determines the causal relationship between organizational culture and business ethics orientation towards corporate financial performance, strategic orientation, and implementation. In addition, this research utilizes observations of company organization as the units of analysis. Furthermore, based on the time horizon, this research is a cross-sectional research, in which information from the population is collected directly and empirically at the scene, to uncover the opinions towards the object.

This research also utilizes census techniques. The population in this research are all food and beverage manufacturing companies registered in the Indonesian Food and Beverage Companies Association (hereinafter abbreviated GAPMMI, *Gabungan Perusahaan Makanan dan Minumaman Indonesia*) existing until 2004, totaling in 147 companies. The hypothesis is tested by using Structural Equation Modeling (hereinafter abbreviated SEM). SEM or also known as LISREL (Linear Structural Relationship) is used to explain the causal relationship between latent variables that cannot be measured directly.

3. Results

The tests proved that organizational culture, ethical orientation, strategic orientation, and strategy implementation had an effect on the companies' financial performance. Based on the results of statistical analysis using SEM, the simultaneous effect of organizational culture, ethical orientation, strategic orientation and strategy implementation on the companies' financial performance was 86% and the other 14% was influenced by other factors.

4. Discussion

4.1. The effect of organizational culture and ethical orientation on strategic orientation partially and simultaneously

The test results proved that organizational culture and ethical orientation affected strategic orientation both partially and simultaneously. Simultaneous influence of organizational culture and ethical orientation on strategic orientation was 65%. While 35% was influenced by other variables. Other variables considered to influence the companies' strategic orientation were external variables such as the social/macro environment and task environment.

Partial testing proved that organizational culture affected strategic orientation by 26.01%. This finding is in line with the research by Gordon [3], which stated that the success of the strategy depended on the success of the company in creating a culture that was in accordance with its strategic orientation. Furthermore, it also agreed by O'Reilly, et al [4]. They stated that strategies combined with culture would affect the companies' effectiveness; so that applying a culture that fits the strategy was the correct step to take.

The influence of ethical orientation on strategic orientation was 32.49%, which was consistent with Moon [5] who believed that ethics could increase the level of organizational integration, which provided a good basis for flexible and innovative decisions. Furthermore, it clearly indicated that ethics did affect the company's strategic orientation.

The ability to explain the biggest ethical orientation variables is the most dominant dimension of relativism. This explained that the respondents tended to reject absolute moral values in directing behavior. Ethics is motivated by culture. Whereas, culture generally has different rules, which cannot necessarily be applied in a place that has a different culture [6].

4.2. *The effect of strategic orientation on strategy implementation*

The results proved that strategic orientation influenced strategy implementation by 67% and the other 33% was influenced by other variables. Other variables that might influence strategy implementation were structure, system, culture, skills, leadership style, and staff.

This finding agrees with Hill and Jones [7] who believed that strategy did not only include planning that integrated the company's main objectives, but also the self-awareness of its personnel to implement its strategic steps to build the company's future. Glueck dan Jauch[8] added that good achievement was a combination of strategic orientation and strategy implementation. In other words, if the company has the appropriate strategy but an inadequate implementation, it will harm the company. Thus, there must be continuity between the two.

Generally, looking at the companies incorporated in GAPMMI in this research, it was proven that the most dominant dimension in strategic orientation variables was the willingness to innovate. This implied that a company is expected to be one step ahead of competitors and a company that can produce products or services unique from those of the competitors will survive.

The most dominant dimension strategy in the implementation was the program. This indicated that programming is the most crucial factor in strategy implementation because the program provides guidance for the next step.

4.3. *The influence of organizational culture and ethical orientation on corporate financial performance partially or simultaneously*

The third hypothesis test proved that organizational culture and ethical orientation had both partial and simultaneous effects on companies financial performance. The simultaneous effect was as much as 35% while 65% was influenced by other variables. Other variables considered to affect financial performance were structures and resources.

Organizational culture partially affected the companies’ financial performance by 16% while 84% was influenced by other variables. This is in line with Indriantoro [9] who stated that organizational culture is an intangible asset that can improve financial performance.

This finding is also in line with Kotter & Heskett[10] and Key & Popkin [11], who believed that organizational culture has an impact on the company's economic performance. This was because organizational culture could influence employee behavior, work methods, and the motivation of managers and subordinates to achieve the goals. Organizational culture in GAPMMI fostered the identity and attachment to the company so that the employees would be loyal. The loyalty motivated the employees to give their best effort. For example, PT Coca-Cola and KFC’s managers had a high commitment and loyalty that grew from a strong company culture. Hence, it improved the companies’ financial performance. Essentially, the company required its employees to act and work in accordance with the organizational culture in the hope that the company could generate the best products. Ethical orientation was proven to have a partial effect on the positive corporate financial performance of 8.41% while 91.59% was influenced by other variables. This is in accordance with Frooman [12] who believed that actions that are not ethically oriented would cause a decrease in performance. Evidently, the higher the ethical awareness of GAPMMI members, the higher the financial performance was.

Otherwise, unethical companies experienced a decline in financial performance. This was because the consumers lacked trust in the company. In the case of Ajinomoto, for example, the management on an interview said that their financial performance began to increase along with the implementation of business ethics in the company by guaranteeing the halal of materials and production processes.

4.4. The effect of strategic orientation and implementation on corporate financial performance partially or simultaneously

The simultaneous effect of strategic orientation and implementation on the company's financial performance was 44%, while 56% was influenced by other variables. Strategic orientation had a partial positive effect on the company's financial performance by 13%. Covin and Slevin (2006)[13] stated that small companies that have aggressive strategic behavior (proactive, innovative, and bravery in confronting competitors) show better performance than passive companies. Other variables that allegedly affected the companies' financial performance were policies and strategy implementations determined by the company.

This is in line with Luo [14], with a sample of 63 small companies in China, which showed that strategic orientation had a strong influence on performance. Furthermore, Tan [15] research proved that strategic orientation had positive implications for the company's financial performance as seen from position and profitability. The fourth hypothesis testing also strengthened the arguments of some western experts [16,17,18] stating that strategic orientation with all three dimensions such as proactive, innovative, and bravery in taking risks were the key to the company's success in improving performance. Having these three dimensions, the company is one step ahead of competitors, so that the company has the opportunity to dominate the market and the company's financial performance is automatically increase.

Among the three dimensions, the one that has the strongest ability to explain the effect was the willingness to innovate, which was 74%. Furthermore, the weakest was proactive by 57%. Innovation is a tool for adapting to changes in the environment [19]. Innovation is measured by the number of new products launched by the company, the frequency of changes in the product line, and R&D costs. Innovation is believed to be the main step for companies to compete in business.

The effect of partial strategy implementation on the company's financial performance was 16.81%. Yeoh and Jeong [20] stated that the combination of strategic planning and its implementation is a determinant of the company's financial performance. This is in line with research conducted by Fishar (2000)[21], that the implementation of strategies influences company performance. The implementation of the correct strategy improves the company's performance.

As an example, PT Garuda Food implemented an innovation strategy by creating peanuts of various flavors and shapes. This chosen strategy put Garuda Food one step ahead of its competitors to attract customers so that its financial performance increased.

4.5. The effect of organizational culture, ethical orientation, strategic orientation and strategy implementation on corporate financial performance.

The fifth hypothesis testing proved that organizational culture and ethical orientation affected the companies' financial performance through strategic orientation and positive strategy implementation by 86%. This means that the influence of organizational culture and ethical orientation on the company's financial performance through strategic orientation and strategy implementation was rather high, where only 14% was influenced by other variables. Other variables that allegedly affect the company's financial performance were economic factors, political and legal factors, and education and sociological factors [22].

The partial effect of organizational culture on performance was 16%, the effect of ethical orientation to performance was 8.41%, strategic orientation to performance was 12.96%, while strategy implementation to performance was 16.81%. This showed a significant influence when these four variables were simultaneously combined to influence performance, compared to each variable partially affecting performance.

The SEM calculation showed that the correlation between organizational culture and ethical orientation was 47%. It proved that there was a strong relationship between organizational culture and ethical orientation. Referring to Trevino & Nelson [23], ethics must be cultivated by companies. Among the four variables that affected performance, strategy implementation affected the company's performance the most because it determined whether organizational culture, ethics, and strategic orientation were successful or not. Wheleen & Hunger [24] and Miller [25] believed that strategy implementation is the key to successful strategic management.

The results indicated that if the strength of culture is combined with ethics in the strategy orientation and implementation, the company's performance will increase. This is in accordance withNur Indriantoro; Koetin; Mulyamah; Key & Popkin; Yeoh & Jeong; O'Reilly; and Wheleen & Hunger [9,26,27,11,20,4,24]. They also agreed with Shaub et al. [28] who stated that ethical orientation, influenced by culture applied in the company's strategy, will influence the organizational commitment. It has a prominent impact on improving performance. Therefore, it was expected that companies incorporated in GAPMMI will cultivate ethics in their companies, accompanied by a strategic orientation, and implement the strategy appropriately so that the company's financial performance will increase. Other variables that were considered to affect the company's financial performance other than the four variables were external and internal factors outside the organizational culture and ethical orientation such as technology, uncertainty, and competence [29].

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Brand Awareness Strategy to Increase Tourist Purchase Decision in Sentra Rajut Binong Jati

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Abstract. There are 15 production centers of various products included as SMEs in Bandung as shopping tourism destination. One of them is a center production for knitting clothes known as Sentra Rajut Binong Jati or Binong Jati Knitting Industrial Center. Although it has been operating since 1960, Binong Jati Knitting Industrial Center has yet developed as fast as other production centers. Not many people have known this destination, even by domestic tourists. Therefore, this study aims to describe brand awareness and the level of purchase decision in Binong Jati Knitting Industrial Center, as well as analyzing the effect of brand awareness towards purchase decision. This research requires the sample as much as 129 respondents with purposive sampling techniques. This research uses techniques of descriptive statistical analysis, hypothesis testing, regression, classic assumption test lienear simple as well as the coefficient of determination. Based on the study results, it can be summarized that, first, brand awareness and purchase decision of domestic tourists at Binong Jati Knitting Industrial Center are at a moderate level. Second, brand awareness influences purchase decision. Strategies to increase brand awareness of the Binong Jati Sentra include increasing brand recognition with advertisements on instagram, google ads, or television advertisements, increasing brand recall by improving road infrastructure and regional identity, building product sales centers, and organizing tourism events that can invite tourist visits to Binong Jati.

1. Introduction

There are 15 production centers of various products included as SMEs in Bandung as shopping tourism destination. One of them is a center production for knitting clothes known as Sentra Rajut Binong Jati or Binong Jati Knitting Industrial Center. Although it has been operating since 1960, Binong Jati Knitting Industrial Center has yet developed as fast as other production centers. Not many people have known this destination, even by domestic tourists. Therefore, this study aims to describe brand awareness and the level of purchase decision in Binong Jati Knitting Industrial Center, as well as analyzing the effect of brand awareness towards purchase decision.

2. Literature Review

2.1 Brand Awareness

Brand awareness is related to the strength of the brand node or trace in memory, which we can measure as the consumer's ability to identify the brand under different conditions [1]. Dimension of Brand awareness consists of brand recognition and brand recall. Brand recognition is consumers' ability to confirm prior exposure to the brand when given the brand as a cue. Meanwhile, brand recall is consumers' ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue. Based on this definition, there are two indicators of brand awareness used in this research, as shown in Table 1.

Table 1. Indicators of Brand Awareness

Dimension	Indicator
Brand recognition	The level of ability to confirm brand (X_1)
Brand recall	The level of ability to recall brand based on product categories (X_2)
	The level of ability to recall brand when need a product (X_3)

2.2 Purchase Decision

Customer purchase decision is a process that derives of all their experiences in learning, choosing, using and even removing a product [2]. On the other hand, Customer purchase decision is an individual action that is directly or indirectly involved in an attempt to obtain and use a product or service needed. [3]

The dimensions of purchase decision in this study are taken from the theory by Kotler and Keller, namely (1) Problem Recognition, (2) Information Search; (3) Evaluation of Alternatives; (4) Purchase Decision; (5) Post-purchase Decision. Of the five dimensions, the indicators used in this study are problem recognition, information search, and purchase decision. [4]

Table 2. Indicators of Purchase Decision

Dimension	Indicator Used
Problem Recognition	The level of needs recognition (Y_1)
Information Search	The level of information search (Y_2)
Evaluation of Alternatives	-
Purchase Decision	The level of purchase decision (Y_3)
Post-purchase Decision	-

3. Research Methods

3.1 Types of Research and Research Variables

There are two variables measured in this study, namely purchase decision as a dependent variable and brand awareness as an independent variable. The perception of respondents towards brand awareness and purchase decision is described quantitatively. In addition, the influence of the independent variables on the dependent variable was tested quantitatively by verification. Therefore, this study uses quantitative method.

3.2 Data Collection Techniques and Data Analysis Techniques

Data collection was conducted with various techniques. The main instrument in this study is questionnaires. In addition, observations were made to the research locations at Binong Jati Knitting Industrial Center and ten other production centers that became shopping destinations in the city of Bandung. Interviews were conducted to important informants at the research location to obtain supporting data. After the data was collected, the data was processed with Microsoft Excel and IBM SPSS Version 24 software. Data analysis techniques used are quantitative descriptive analysis and simple linear regression analysis techniques.

3.3 Population and Sample

The population in this study is tourists visiting shopping destinations in the city of Bandung from June to July 2018. Because the population cannot be calculated in an exact amount, this study determined a sample of 150 respondents. The sampling technique used includes the non-probability sampling category, namely purposive sampling. From 150 respondents answering the questionnaires, 129 are qualified. Therefore, the number of data processed is 129 units.

4. Findings

4.1 Characteristics of Respondents

Characteristics of respondents were described based on gender, age, domicile, income per month, knowledge, and experience visiting Binong Jati Knitting Industrial Center and daily use of media. Based on gender, female respondents are 96 respondents or 74.4 percent while male respondents are 33 people or 25.6 percent.

Based on age, there are 60 people or 46.5 percent of respondents aged 15-23 years old. There are 60 people or 46.5 percent of respondents aged 24-45 years old. Respondents aged 46-60 years are 9 people or 7 percent. There are no respondents aged less than 15 years old and more than 60 years old. Based on domicile, respondents living in Bandung City (Kota Bandung), Bandung Regency (Kabupaten Bandung), West Bandung Regency (Kabupaten Bandung Barat), and Cimahi City (Kota Cimahi) include 58.1 percent. Respondents who live outside Bandung area but still around West Java Province are as much as 30.2 percent. Respondents who come from cities or regencies outside the West Java Province, but included in Java Island are around 11.6 percent. This shows that domestic tourists still dominate among tourists who visit Bandung.

Based on income, respondents who earn less than IDR 3 million are as around 44.2 percent, followed by respondents who earn IDR 3-7 million, namely 41.9 percent. The respondents who earn IDR 7-15 million are as much as 14 percent. There is no respondent who earn more than IDR 15 million per month.

Table 3. Respondents' Knowledge on Binong Jati Knitting Industrial Center

Knowledge on Binong Jati as a Knitted Center	F (people)	%
Do not know	42	32.55
Uncertain	33	25.58
Know	54	41.86
Total	129	100.0

Table 3 shows that 32.55 percent of respondents did not know Binong Jati Knitting Industrial Center. As many as 41.86 percent has known and the other 25.58 percent answered doubtfully. Considering the low percentage of respondents who already know, this means that Binong Jati Knitting Industrial Center is yet to be well known.

Table 4. Respondents' Experience in Visiting Binong Jati Knitting Industrial Center

Visiting Experience to Binong Jati Knitting Industrial Center	F (people)	%
Never	75	58.13
Ever	48	37.20
Often	6	4.65
Total	129	100.0

Based on Table 4, we know that 58.13 percent of respondents have never visited Binong Jati Knitting Industrial Center. As many as 37.20 percent has visited and 4.65 percent answered to frequently visit. This means that Binong Jati Knitting Industrial Center is not yet a shopping destination.

Table 5. Respondents' Characteristics based on the Type of Mass Media Used

No.	Mass Media Access	F (people)	%
1	Instagram	105	81.3
2	Google	90	69.7
3	Television	87	67.4
4	Youtube	75	58.1
5	Facebook	72	55.8
6	Radio	18	13.9
7	Newspaper (printed)	9	6.9

Based on Table 5, we can see that the mass media used daily by respondents are sorted from highest to lowest: Instagram 81.3 percent, Google 69.7 percent, television 67.4 percent, Youtube 58.1 percent, Facebook 55.8 percent, radio 13.9 percent and printed newspaper 6.9 percent. From this figure, it can be seen that the top two media are internet-based mass media. Television is not the main mass media, but the percentage of television viewers is still slightly above Youtube. Social media Facebook has fewer users than Instagram. Meanwhile, radio and newspapers are at the bottom two.

Based on the description of the respondent characteristics, it can be concluded that, based on gender, female respondents are more than men; based on age, respondents are dominated by 15-45 years old. Based on domicile, most of the respondents came from Bandung Raya area; in terms of income, most respondents are classified as middle income. On the other hand, based on the aspect of knowledge, most respondents do not know or feel uncertain that Binong Jati is a knitted center. Also, based on visiting experience, a large number of respondents have never visited Binong Jati Knitting Industrial Center; and Instagram is the most widely used mass media by respondents.

4.2 Brand Awareness of Binong Jati Knitting Industrial Center

There are three indicators used to measure the amount of brand awareness of Binong Jati Knitting Industrial Center. First, the ability to confirm the brand is 65.1 percent, including the medium category. Respondents' answers to the question "When I hear the word Binong Jati, I immediately recall knitting" are as follows: 2.3 percent answered *strongly disagree*, 18.6 percent felt *disagree*, 41.9 percent felt *uncertain*, 25.6 percent *agreed*, and 11.6 percent stated *strongly agree*. Thus, almost half of the respondents were not sure that Binong Jati was related to knitting. Only a small number recall Binong Jati as related to knitting.

Second, the level of ability to recall brands by product category is by 67.9 percent, including the medium category. Respondents' answers to the question "I know that Binong Jati is the center of the production and sale of knitwear" are as follows: 2.3 percent answered *strongly disagree*, 18.6 percent felt *disagree*, 30.2 percent said they felt *uncertain*, 34.9 percent answered *agree*, and 14 percent answered *strongly agree*. Nearly half of the respondents did not know that Binong Jati is a knitting center. Only half of respondents stated that they know that Binong Jati is a center of knitting.

Table 6. Actual Scores of Brand Awareness Variables

No	Question	Score	Ideal Score	%
1	If I hear the word "Binong Jati", I immediately	420	645	65.1

	recall "knitting"			
2	I know that Binong Jati is center of production and selling of knitted clothes	438	645	67.9
3	If you need knitted products, you will…?	417	645	64.6
	Total	1275	1935	196.4
	Average	425	645	65.8

Third, the level of ability to recall the brand when needing a product is amounted to 64.6 percent, or categorized as medium. Respondents' answers to the question "If you need knitted products at any time, you will …?" are as follows: 4.7% respondents answered they did not know where to find the product; 37.3% answered they would seek information through internet or social media. On the other hand, 20.9% stated they would seek information to friends who know; 4.7 percent of respondents said they would look for a mall or boutique; and 32.6 percent respondents stated they would immediately recall Binong Jati.

The amount of brand awareness is measured by the interval category. Actual score of brand awareness at Binong Knitted Center is 1275. Interval scores ranges from low category (387-903), medium category (904-1419), and high category (1420-1953). Thus, it can be said that brand awareness of Binong Jati Knitting Industrial Center is categorized as *medium*.

4.3 Purchase Decision in Binong Jati Knitting Industrial Center According to Domestic Tourists

There are three indicators used to measure the amount of purchase decision at Binong Jati Knitting Industrial Center. First, the level of need recognition is amounted to 72.5 percent, included as high category. For question "Do you need knitted products?", as many as 58.1 percent answered *need*, as many as 32.6 percent answered that they *did not need* it. Both Respondents who answered that they did not need it and needed has the same number of 4.7 percent. Thus, knitted products are included as products needed by potential customers.

Second, the level of information seeking is 35.8 percent, included as the low category. Respondents' answers to the question "Have you ever sought information about Binong Jati knits?" are as follows: 58.1 percent answered *never*, 14.0 percent felt *once*, 20.9 percent said *sometimes*, 4.7 percent said *frequently*, and 2.3 percent stated *always*. Thus, it can be concluded that a large number of respondents never sought information on Binong Jati Knitting Industrial Center.

Third, purchase decision rate is by 66 percent, included as the medium category. Respondents' answers to the question "I decided to buy knits in Binong Jati" are as follows: 41.9 percent answered *agree*, 41.9 percent also answered *uncertain*, 11.6 percent answered *disagree*, and those who stated *strongly agreed* and *strongly disagree* are by 2.3 percent.

Table 7. Actual Score of Purchase decision

No	Questions	Score	Ideal Score	%
1	Do you need knitted products?	468	645	72.5
2	Have you ever looked for information on knitted products of Binong Jati?	231	645	35.8
3	I decided to purchase knitted products in Binong Jati	426	645	66.0
	Total	1125	1935	174.3
	Average	375	645	58.1

The amount of purchase decision is measured by interval category. The actual purchase decision score at Binong Jati Knitting Industrial Center is 1125. Interval size ranges from low category for score 387-903, medium category for scores 904-1419, and high category for 1420-1953. Thus, purchase decision at Binong Jati Knitting Industrial Center is included as "Medium" category.

4.4 The Effect of Brand Awareness on Purchase decision in Binong Jati Knitting Industrial Center

The effect of brand awareness towards purchase decision in Binong Jati Knitting Industrial Center is concluded through hypothesis testing with the t-test method. The value of t-count is 8.436 as seen in Table 8. Then, t-value on Table T is calculated by assuming the number of respondents as many as 129, the lever of error tolerance (α = 5% or 0.05), and the number of variables as much as 2 units. It is known that the value of t Table is 1.65 units. The value of t-count is bigger than t Table; so hypothesis null is rejected and alternative hypothesis is accepted. Therefore, brand awareness affects purchase decision (Y) in Binong Jati Knitting Industrial Center.

Table 8. Output of T Count with IBM SPSS 24

Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Cons.)	4.931	.468		10.547	.000
	Brand Awareness	.383	.045	.599	8.436	.000

a. Dependent Variable: Purchase decision

Result of normality test shows that data is not distributed normally, so statistic test used is non-parametric statistic. The following is data process output using IBM SPSS 24:

Table 9. Coefficient of Spearman Rank

Correlations

			Brand Awareness	Purchase decision
Spearman's rho	Brand Awareness	Correlation Coefficient	1.000	.585**
		Sig. (2-tailed)	.	.000
		N	129	129
	Purchase decision	Correlation Coefficient	.585**	1.000
		Sig. (2-tailed)	.000	.
		N	129	129

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

The value of the correlation coefficient in Table 8 is 0.585. It means that relationship between brand relationships and purchase decision is at medium level. The amount of influence of brand awareness on purchase decision is obtained by calculating the coefficient of determination, where the coefficient of determination is the square of the correlation coefficient multiplied by one hundred percent. Therefore, the value obtained is 34.22 percent. Significance coefficient value is 0.000, less than 0.05. Therefore, brand awareness has a significant influence on purchase decision.

4.5 Brand Awareness Strategy to Increase Tourist Purchase Decision in Binong Jati Knitting Industrial Center

Based on the data analysis, it is known that, first, purchase decision at the Binong Jati Knitting Industrial Center are in the medium category, even though the level of demand for knitted products is high. Thus, a strategy is needed that can increase purchase decision. The strategy could be implemented by the owners of knitting business, by the association of knit business owners, or by the government of Bandung. Second, the results of testing hypotheses indicate that brand awareness has a significant effect on purchase decision, though brand awareness at Binong Jati Knitting Industrial Center is in the medium category. Thus, a strategy is needed to increase brand awareness to be high because the increase in brand awareness will cause an increase in purchase decision.

The strategy to increase brand awareness is to increase the value of both dimensions of brand awareness, namely brand recognition and brand recall. The first strategy is to increase brand recognition with advertisements in the mass media. Based on the survey results in this study, the suggested media are Instagram, Google Ads, or advertisements on television. Consumer behavior now starts to shift from conventional mass media to online mass media. Therefore, providing information via internet is very important. Internet contents such as websites or blogs about knitted products and knitted center areas need to be reproduced and designed as attractive as possible, to make it easier for potential customers to find when they need information.

The second strategy is to increase the brand recall by improving infrastructure of Binong Jati region. Observations in the Binong Jati area indicate that access to Binong Jati is still in the form of a narrow road with a small gate that is less "eye catching". The recommendation is to make an iconic monument that shows the identity of Binong Jati as a production center and knitting marketing. The authorities can do benchmarking like building Shoes Monument as in Cibaduyut (a shoes center area in Bandung) as the identity of shoe production centers. Thus, the people who pass Gatot Subroto Street Bandung will be aware of the existence of Binong Jati as a knitting center.

In addition, in Binong Jati area, a knitting sales center needs to be built. It can be in the form of a number of shop houses, or several large-scale shops that have a large stock of knitted collections and varied product choices. The shop needs to be equipped with extensive parking facilities, a tourism information center, and other adequate supporting facilities so that visitors feel comfortable and served.

The third strategy is to increase the brand recall by organizing tourism events based on art and culture that can invite tourist to visit Binong Jati. This activity needs to be carried out regularly and gradually so that it can attract potential buyers to come to Binong Jati.

5. Conclusion

Based on the results of the study, it can be concluded that, first, brand awareness and purchase decision of domestic tourists at Binong Jati Knitting Industrial Center are at a moderate level. Second, brand awareness influences purchase decision. Strategies to increase brand awareness of the Binong Jati Sentra include increasing brand recognition with advertisements on Instagram, Google Ads, or television advertisements; increasing brand recall by improving road infrastructure and regional identity, building product sales centers; and organizing tourism events that can invite tourist visits to Binong Jati.

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The Construction of Cirebon Palaces Existence in The Digital Era

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Abstract. Cirebon city is situated in West Java Province, Indonesia, until now, still has three palaces as its past relics, namely Kasepuhan Palace, Kanoman Palace and Kacirebonan Palace. The existence of those palaces must be maintained as a cultural heritage in accordance with the provisions of Law no 11 of 2010 on Cultural Heritage. Efforts to maintain their existences need high cost, while funds from the government are not sufficient. This article is the result of construction through the reflective action of Cirebon palaces phenomenon. The construction was carried out inductively from the field phenomenon. The result is a conception that was then created to be a basis for conducting a dialogue with the theory that is considered to have relevance to the findings of the concept. The results of this paper are the concepts and recommendations to maintain the sustainability of the existence of the palace and then be used as new knowledge for other palaces in maintaining their existence as cultural heritage centres.

ISBN 978-623-7111-21-4

October 2nd - 3rd, 2018
The Mandalasaba R. Otto Iskandar Di Nata
UNIVERSITAS PASUNDAN