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Gender Based Differences in Business Model, Online Community Participation and Period of Becoming Entrepreneur in Relation to Product Creativity and Social Marketing

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ABSTRACT
Becoming an entrepreneur is one of the opportunities for today's young generation, especially during a pandemic that causes them to lose their jobs. Efforts made by the government to facilitate the emergence of an entrepreneurial spirit are in the form of financial assistance and coaching needed by new entrepreneurs. This study observed three variables that can improve entrepreneurs' business performance: business models, marketing through social media, and product creativity. The three variables are distinguished by gender, membership in online communities, and period of being a food entrepreneur. The study results indicate differences between men and women in the business model and product creativity variables and their online food entrepreneurship community participation. However, there is no difference between men and women as community members on social media marketing.
Keywords: entrepreneurship, product creativity, business model, social media marketing, gender

Perbedaan Model Bisnis Berbasis Gender, Partisipasi Komunitas Online, dan Masa Menjadi Pengusaha Terkait dengan Kreativitas Produk dan Pemasaran Sosial

ABSTRAK
Menjadi wirausahawan merupakan salah satu peluang bagi generasi muda saat ini, terutama di masa pandemi yang menyebabkan mereka kehilangan pekerjaan. Upaya yang dilakukan pemerintah untuk memfasilitasi munculnya jiwa wirausaha berupa bantuan dana dan pembinaan yang dibutuhkan oleh wirausahawan baru. Dalam penelitian ini dilakukan observasi terhadap tiga variabel yang dapat meningkatkan kinerja bisnis wirausahawan yaitu model bisnis, pemasaran melalui media sosial, dan kreativitas produk. Ketiga variabel tersebut dibedakan berdasarkan jenis kelamin, keanggotaan dalam komunitas online, dan masa menjadi pengusaha makanan. Hasil penelitian menunjukkan perbedaan antara laki-laki dan perempuan dalam variabel model bisnis dan kreativitas produk, serta partisipasi mereka dalam komunitas wirausaha makanan online. Namun, tidak ada perbedaan antara pria dan wanita sebagai anggota komunitas dalam pemasaran media sosial.
Kata kunci: *kewirausahaan, kreativitas produk, model bisnis, pemasaran media sosial, gender*

INTRODUCTION

Gender is a fascinating subject in research. Gender equality and diversity in the world of work still target continuously being pursued worldwide, including in Indonesia. Gender equality in the world of work is a form of implementing equality by providing opportunities for every individual to have a career and develop themselves without distinguishing between men and women. Women are seen as less capable of managing a business than men. Discrimination occurs in the lack of opportunities offered to women in education and management positions in firms (Jadiyappa, Jyothi, Sireesha, & Hickman, 2019). women are

considered more averse to the risks they face and are less able to have long-term planning skills, so that they are considered lacking in management positions (Simerly & Gan, 2017).

In running a personal business or entrepreneurship, the same perception occurs towards women. However, the number of women who do their own business is relatively high, especially in the food business. The food business is mainly done by housewives and the younger generation, especially during the COVID-19 pandemic. Many new entrepreneurs, both male, and female become members of the online entrepreneurial community. One of the reasons to get involved in online communities is to gain knowledge in managing a business, sharing experiences, and doing business. Online communities interact with people who share the same experiences, problems, and desires (Galarneau, 2002). A virtual community is people in a group who carry out touch in a structured manner through newsgroups (Chen & Hung, 2010). The existence of online communities is increasingly widespread during the pandemic by utilizing technological developments, members can communicate freely through virtual meetings. The organization identifies the needs of online community members, accommodates their needs, and communicates effectively to increase the satisfaction level of the online community (Kang & Park, 2018)

Apart from being based on gender and being a member of an online community, this research also focuses on how long it takes someone to start a business. Time is one of the factors that determines the success of entrepreneurs to survive in the face of business competition. A nascent entrepreneur is an entrepreneur who has just started a business within 3-42 months (Reynolds & Curtin, 2011).

Food entrepreneur is one of the businesses with intense competition. An entrepreneur must have preparation in running his business to survive. To compete and be recognized by consumers, entrepreneurs must make products with distinctive characteristics compared to similar products that already exist in the market. Creativity is an essential factor for entrepreneurs that can be applied to various aspects of their business. Creativity is the capacity to develop new ideas and find new ways of facing problems and opportunities. Creativity is a source of innovation and motivation to produce a brand new idea into something regarded as being practical (Amabile & Pratt, 2016). Creativity is an original idea and functional (Runco & Jaeger, 2012) and developed something different from what already exists (Althuizen & Reichel, 2016).

Meanwhile, Product creativity is a subjective evaluation of a product that shows its novelty and usefulness (Horn & Salvendy, 2006). Humans create innovative products through a creative process as a result of innovations. Products are considered more as a result of human processes than as a new creation. Product creativity is an appraisal given by customers from product uniqueness's level differ from competitor product (Hong, Song, & Yoo, 2013). Creating innovative products will attract consumers to the products offered. There are six significant dimensions of creativity in making a product: novelty, resolution, emotion, centrality, importance, and desire (Horn & Salvendy, 2006).

In addition to having a unique product, entrepreneurs need to develop their abilities and knowledge in running a business through technological developments—one of the conveniences offered by technological developments in social media. Social marketing is effective and doesn't cost a lot. Social media marketing is a process that encourages individuals to conduct promotion activity of their products, websites, or services through online and social channels. And to carry out communication by leveraging a much bigger community who are more likely to carry out marketing activity than through traditional advertising channels (Weinberg, 2009). Social media marketing uses social media platforms to connect with your audience to build your brand, increase sales and drive website traffic. Marketing through social media involves creating great content on your social media profiles, listening to and engaging your followers, analyzing your results, and advertising social media. Tuten (2008) mentions

marketing by social media forms of online advertising that uses the cultural context of social communities, including social, virtual worlds, social news sites, and sites of social opinion sharing. The purpose of social media marketing is to fulfill communication targets. Social media marketing is a relatively new marketing opportunity. Still, it can advertise directly to groups' social niches based on the profile information through Instagram, Bebo, Facebook, Myspace, and others (Ryan & Jones, 2009). Elements of social media marketing (Gunelius, 2011b) include content creation, Content Sharing, Connecting, Community Building Web.

Business planning is done before the business starts. Business is a group of decision variables such as architecture, economics, and business strategy that are handled to yield a competitive advantage (Morris, Schindehutte, & Allen, 2005). Business performance is affected by changing environmental factors, as well as business models. A business model is a fundamental concept of how a business will be run, both internally and externally. In other words, the business model describes how the company is connected to the market. Internally, the business model determines how the business organization will be built to continue to grow well. While externally, the business model helps determine what value is offered to consumers and how to profit from the business being run. The definition of a business model is a model that pictures how a company is engaged in making a profit.

Furthermore, the business model is used to strategize how the company will make money and maintain profits (Stewart & Zhao, 2000). Osterwalder states that the business model is a plan, sketch, or blueprint of how companies do business (Osterwalder, Pigneur, & Tucci, 2005). Amir and Zott defined the business model as a system and interdependent activities representing a firm's ability to do business with partners, customers, and vendors (Amit & Zott, 2012). The business model consists of 9 building blocks (Osterwalder, Alexander & Pigneur, 2018): customer segment, value propositions, channels, customer relationships, revenue streams, resources, key activities, key partnerships, and structure cost.

In this study, we will analyze the differences in the views of nascent entrepreneurs in the food sector on the variables of creative products, social media marketing, and business models based on gender, being a member of an online community, and being an entrepreneur. The contribution of the research is to analyze the differences in nascent food entrepreneurs not only based on gender but based on being involved in the online entrepreneurial community and how long they have been an entrepreneur to give more comprehend results.

METHOD

The variables considered to improve the sustainability of food businesses in this study are business models, creative products, and social media marketing. The population is food entrepreneurs in Jakarta with 214 people. Questionnaire questions are divided into two parts: the respondent's profile and questions about variables that affect sustainability's business. The indicator assessment uses a Likert scale of one to five (1 = strongly agree and 5 = strongly disagree). This research utilized an online questionnaire of which reliability and validity were tested before distributing to the target respondents.

The data analysis method used in a study is a technique of quantitative descriptive and qualitative descriptive. The quantitative descriptive method is data analysis based on numbers, percentages, frequencies, averages, diagrams, or graphs where descriptive statistics can be used. At the same time, the descriptive method of Qualitative analysis is based on a state statement. The t-test difference test is used for determining whether the two samples are not related have a different average value. The t-test difference test was carried out by comparing the difference between two values mean with standard error of the average of the two samples. Standard error difference in the mean value distributed normally. It can be concluded that the t-test difference test is to compare the average of two groups that are not related to each other.

RESULT AND DISCUSSION
Descriptive Respondent

Table 1. Descriptive Respondent

Gender	Frekuensi	Percentage (%)
Male	61	32.9
Female	124	67.1
Age		
< 20	34	18.4
>20	151	81.6
Period of becoming an entrepreneur (year)		
< 1	81	43.8
>1	104	56.2

Source: Author, 2021

Table 1 shows that most respondents are female (67.1%) and male (32.9%). Based on the age, most of the respondents were over 20 years old (81.6%), namely 5th-semester students and above. The duration has the majority over one year (56.2%). From the respondents' descriptions above, it can be concluded that students who have had a business for more than one year are over 20 years old, and the majority are women.

Business models are differentiated by gender, as shown in Table 2 found that there are two differences between males and females. The difference found on indicator number two (value proportion) with a significance value 0.006 and indicator number seven (Key Activities) 0.038 means that males and females have different opinions about value proportion and key activities.

Table 2. Mann-Whitney Test based on Gender for Business Model

Indicators	Mann-Whitney	Z	Asymp.Sig
Customer Segmented	4745.000	-1.908	0.056
Value Proportion	4384.000	-2.723	**0.006**
Channels	5270.500	-0.594	0.552
Customer Relationship	5117.000	-0.964	0.335
Revenue Streams	5173.000	-0.829	0.407
Key Resources	4774.000	-1.846	0.065
Key Activities	4670.000	-2.077	**0.038**
Key Partnerships	4969.500	-1.282	0.200
Cost Structure	5149.500	-0.900	0.368

Source: Author, 2021

The result of the Mann-Whitney test was based on a participant on an online community of the business model (Table 3), and the results obtained a significance value above 0.05 (>0.05) for Channel, Customer Relationship, Revenue Stream, Key Activities, and Cost Structure. Meanwhile, Customer segmented, Value Proportion, Key Resources, and Key Partnership has a significance value below 0.05 (<0.05), which means a different opinion among females and males.

There are two results based on becoming an entrepreneur (year) for Business Model (Table 4). First, all business model's elements except Key Activities have a significance value of more than 0.05 (>0.05), which means there is no different respondent's point of view on the business model's element except Key activities. Second, Key Activities found another result between the respondents with a significance value below 0.05 (<0.05).

Table 3. Mann-Whitney Test based on Online Community Member for Business Model

Indicators	Mann-Whitney	Z	Asymp.Sig
Customer Segmented	4002.000	-2.546	**0.011**
Value Proportion	3947.500	-2.602	**.009**
Channels	4563.500	-1.073	0.283
Customer Relationship	4408.500	-1.457	0.145
Revenue Streams	4337.500	-1.653	0.098
Key Resources	3720.500	-3.311	**0.001**
Key Activities	4739.000	-0.590	0.555
Key Partnerships	3984.000	-2.475	**0.013**
Cost Structure	4279.500	-1.830	0.067

Source: Author, 2021

Table 4. Mann-Whitney Test based on a period of becoming an entrepreneur (year) for Business Model

Indicators	Mann-Whitney	Z	Asymp.Sig
Customer Segmented	5686.000	-0.075	0.940
Value Proportion	5611.000	-0.252	0.801
Channels	5262.500	-1.133	0.257
Customer Relationship	5249.500	-1.142	0.254
Revenue Streams	5644.500	-0.177	0.859
Key Resources	5387.500	-0.816	0.414
Key Activities	4912.500	-1.964	**0.049**
Key Partnerships	5154.500	-1.323	0.186
Cost Structure	5196.500	-1.296	0.195

Source: Author, 2021

Social Media Marketing based on gender, as shown in Table 5, found that there are no different opinions of respondents. It led by the significance value higher than 0.05 (>0.05).

Table 5. Mann-Whitney Test based on Gender for Social Media Marketing

Indicators	Mann-Whitney	Z	Asymp.Sig
Content Creation	4738.500	-1.820	0.069
Content Sharing	5085.000	-1.005	.315
Connecting	5307.000	-0.482	0.630
Community Building Model	5047.000	-1.100	0.271

Source: Author, 2021

Table 6. Mann-Whitney Test based on Online Community Member for Social Media Marketing

Indicators	Mann-Whitney	Z	Asymp.Sig
Content Creation	3136.500	-4.574057	**0.000**
Content Sharing	3227.500	-4.387	**0.000**
Connecting	2738.500	-5.733	**0.000**
Community Building Model	3184.000	-4.513	**0.000**

Source: Author, 2021

Unlike the above result, social media marketing is based on a participant in an online community (Table 6), and all the indicators have a significance value lower than 0.05 (<0.05). It shows respondents' different opinions based on the participants in an online community of social media marketing.

Table 7 explains respondents' opinions of social media marketing based on a period of becoming an entrepreneur. The result found that Content Creation, Content Sharing, and Connecting have no difference. Still, Community Building Model has a difference with a significance value below 0.05 (<0.05).

Table 7. Mann-Whitney Test based on a period of becoming an entrepreneur (year) for Social Media Marketing

Indicators	Mann-Whitney	Z	Asymp.Sig
Content Creation	5019.500	-1.626	0.104
Content Sharing	4933.500	-1.843	.065
Connecting	4905.500	-1.947	0.052
Community Building Model	4761.000	-2.257	**0.024**

Source: Author, 2021

Table 8. Mann-Whitney Test based on Gender for Product Creativity

Indicators	Mann-Whitney	Z	Asymp.Sig
Novelty	3264.000	-5.294	**0.000**
Resolution	4839.000	-1.661	0.097
Elaboration	5481.500	-0.054	0.957
Pleasure	5083.000	-1.043	0.297
Arrousal	4400.500	-2.685	**0.007**
Centrality	5133.000	-0.919	0.358
Applicability	5484.000	-0.049	0.961

Source: Author, 2021

Table 9. Mann-Whitney Test based on Online Community Member for Product Creativity

Indicators	Mann-Whitney	Z	Asymp.Sig
Novelty	3537.000	-3.551	**0.000**
Resolution	4737.500	-0.596	.551
Elaboration	4083.500	-2.239	**0.025**
Pleasure	4158.000	-2.102	**0.036**
Arrousal	3958.500	-2.576	**0.010**
Centrality	4641.000	-0.842	0.400
Applicability	4656.500	-0.800	0.424

Source: Author, 2021

Product creativity based on gender, as shown in Table 8, found that indicator novelty and arousal are different among males and females other indicators such as resolution, elaboration, pleasure, centrality, and applicability are no different.

Meanwhile, product creativity based on participation in an online community (Table 9) some indicators have no difference, such as resolution, centrality, and applicability. But for indicators, novelty, elaboration, pleasure, and arousal have differences.

Table 10 shows that product creativity is based on a period of becoming an entrepreneur (year) with one difference for indicator novelty, but other indicators have no differences.

The result shows that there is a difference in value proposition between males and females. As well as being a participant in the online community, it is also different between males and females. Sharafizad and Coetzer (2017) stated that women entrepreneurs had gained sufficient knowledge from social networks and adequate preparation before starting their businesses.

Table 10. Mann-Whitney Test based on a period of becoming an entrepreneur (year) for Product Creativity

Indicators	Mann-Whitney	Z	Asymp.Sig
Novelty	4767.500	-2.201	**0.028**
Resolution	5224.000	-1.207	.227
Elaboration	5550.500	-0.393	0.694
PLeasure	5008.000	-1.722	0.085
Arrousal	5694.500	-0.053	0.958
Centrality	5681.000	-0.086	0.931
Applicability	5627.000	-0.217	0.828

Source: Author, 2021

The value proposition is one of the essential elements in the marketing process. The value proposition will make it easier for business people to show the advantages of their products to customers. Frow dan Payne (2011) described a value proposition as something a firm promises benefits customers will obtain during and after usage. The value proposition is one of the essential elements that every businessperson must pay attention to if his product or service wants to sell and be chosen by many customers. Value propositions try to solve the problems that customers face and satisfy customer needs achieving the value proposition requires creative ideas for answering and finding what customers need. The abilities of men and women are different in initiating innovation (Cedric Herring, 2009).

Key activities between males and females are also different in this study and based on becoming an entrepreneur. Key activities are the important actions that the company must take for its operations to be successful. Entrepreneurs plan key activities at the beginning of their business planning. Key activities are the business's key activities representing what the company must do to make the business model work (Osterwalder, Alexander & Pigneur, 2018). The primary activity is what you do with your primary resource. Activities carried out by an entrepreneur in achieving key activities such as improvements in marketing, product design, increasing technological capabilities, opening new collaboration networks, and carrying out better management. A prior study showed apparent differences between men and women in business creation due to overt discrimination or systemic factors (Grosser & Moon, 2019).

Based on participating in an online community, there is a difference between males and females in key resources and partnerships. The key resource is a partition in the business model canvas that contains a list of resources that companies should plan and have to realize their value proposition. Key Resources can be physical, intellectual, human, financial, and relational. Meanwhile, key partners are parties that you can collaborate with to support and optimize the allocation of resources, reduce risk and uncertainty of competition, and improve performance.

Key Resources are the primary assets that businesses use to function effectively. To use resources effectively can be done by finding a place of business that is cheap to rent, has good access, and most importantly, has a contract with a supplier of raw materials—key resources needed in developing new business creation. Men and women were different in achieving their goals in business creation, starting a business by identifying opportunities and implementing strategies (Harrison, Leitch, & Mcadam, 2015). This result supports the finding in our research that there is a difference between males and females based on key resources.

The result shows that based on gender, there are n differences in social media marketing. But based on participating in social media marketing, all the indicators are different. Then, based on the period of becoming an entrepreneur also other in community building web. Elements of social media marketing include content creation, Content Sharing, Connecting, Community Building Web (Gunelius, 2011a). Women rarely major in engineering or

computers and are related to technology, so that there are differences between men and women in gaining the trust of investors regarding technological factors (Reynolds & Curtin, 2011).

The result of product creativity in this study found that based on gender, there are two indicators different: novelty and arousal. Meanwhile, online business has four various indicators: novelty, elaboration, pleasure, and arousal. Then, the last, the period of becoming an entrepreneur is found in the novelty of an entrepreneur. A prior study found that women and men have different motivations for creating new businesses (meeting a need vs. taking advantage of an opportunity (Kelley, Evans, Lowman, & Lykes, 2017). In contrast to men, women seem to experiment with their firm's business model to improve the firm's capabilities and enhance its performance directly (Lopez-Nicolas, Nikou, Molina-Castillo, & Bouwman, 2020).

CONCLUSION

This study concludes that there are differences in the factors that influence the performance of entrepreneurs. Namely, business models, social media marketing, and product creativity are distinguished by gender, the participation of entrepreneurs in online communities, and the length of time entrepreneurs are entrepreneurs, which in this study are limited to above and below one year. In general, men and women have similarities in running a business, but several indicators have differences. It shows that there are still differences between men and women, even though only slightly as entrepreneurs.

Being an online community related to entrepreneurship provides significant benefits to an entrepreneur. This can be seen in the factor of using social media marketing. All indicators show distinct differences if they are distinguished by gender or the length of time an entrepreneur becomes an entrepreneur. Finally, the length of time a person runs a business shows differences in product creation or product creativity.

This research contributes to the entrepreneurial theory that the characteristics of entrepreneurs can make a difference in running a business. The characteristics of entrepreneurs discussed are gender, being a member of an online community, and the duration of being an entrepreneur. The limitation of this research is that there is still a lack of discussion related to the similarities in the indicators of business models, social media marketing, and product creativity. Further research is needed regarding other factors outside the business model, social media marketing, and product creativity discussed in this study to gain more complete results.

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Does Gender and Academic Year Affect The Performance of Entrepreneurship Education?

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ABSTRACT

Entrepreneurship education has received special attention from the Indonesian government in the last ten years. One of the government programs is to increase the number of entrepreneurs to support Indonesia's vision of becoming a developed country in 2045. Research on gender issues and women entrepreneurship has attracted attention, thus increased tremendously. Yet, few scholars are still researching the relationship between gender and entrepreneurship academic performance, especially in Indonesia. This study compares entrepreneurship subject final score, using gender and academic year as the independent variables. The data used in this study is secondary data taken from the educational system. There are 3336 data used in this research. There are four academic year levels, and there are 834 data in each academic year, consisting of 374 males and 460 females. The comparative test is analyzed using a two-way ANOVA. This study shows a significant difference between the male and female final scores on entrepreneurship subjects from the second semester until the fifth semester. Females tend to have higher scores compared to males. This study also shows that there is a significant difference in the final score between each academic year. The development of the two-way ANOVA shows that there is no interaction between academic year and gender. Based on the finding, it is recommended to do further research to find the reason behind the excellent achievement by female.

Keyword: entrepreneurship education, gender, academic performance, academic year

Apakah Jenis Kelamin Dan Tahun Ajaran Mempengaruhi Kinerja Pendidikan Kewirausahaan?

ABSTRAK

Pendidikan kewirausahaan mendapat perhatian khusus dari pemerintah Indonesia dalam 10 tahun terakhir. Pemerintah berupaya untuk meningkatkan jumlah wirausahawan dalam rangka mendukung visi Indonesia menjadi negara maju pada tahun 2045. Penelitian tentang isu gender dan wirausaha perempuan telah menarik perhatian, sehingga meningkat pesat. Namun, masih sedikit yang meneliti tentang hubungan antara gender dan kinerja akademik kewirausahaan, khususnya di Indonesia. Penelitian ini bertujuan untuk membandingkan nilai akhir mata kuliah kewirausahaan dengan variabel bebas jenis kelamin dan tahun ajaran. Data yang digunakan dalam penelitian ini adalah data sekunder yang diambil dari sistem akademik. Ada 3336 data yang digunakan dalam penelitian ini. Ada empat tingkatan tahun ajaran dan setiap tahun ajaran terdapat 834 data, terdiri dari 374 laki-laki dan 460 perempuan. Uji komparatif dianalisis menggunakan ANOVA dua arah. Hasil penelitian ini menunjukkan bahwa terdapat perbedaan yang signifikan antara nilai akhir siswa laki-laki dan perempuan pada mata pelajaran kewirausahaan dari semester kedua hingga semester kelima. Dilihat dari sudut pandang gender, wanita cenderung memiliki skor yang lebih tinggi dibandingkan dengan pria. Hasil penelitian ini juga menunjukkan bahwa terdapat perbedaan nilai akhir yang signifikan antara setiap tahun ajaran. Hasil ANOVA dua arah menunjukkan bahwa tidak ada interaksi antara tahun akademik dengan jenis kelamin. Berdasarkan temuan tersebut, disarankan untuk melakukan penelitian lebih lanjut untuk menemukan alasan di balik prestasi yang baik oleh perempuan.

Kata kunci: pendidikan kewirausahaan, jenis kelamin, kinerja akademik, tahun ajaran

INTRODUCTION

Indonesia has the vision to become a developed country in 2045 (Indrawan, 2020). The role of youth is vital to support achieving this vision by creating job opportunities. It is the entrepreneurial spirit that made Japan more advanced than Indonesia. It is needed to drive young generations to become entrepreneurs to move Indonesia forward. (Indonesia Development Forum, 2019). To increase the number of new ventures and number of entrepreneurs, one of the government interventions at the macro level is through entrepreneurship education (Mirzanti et al., 2015).

The teaching and learning process and learning outcome are determined by assessing academic learning performance in educational institutions. Quality of academic performance is an essential factor in measuring personal progress. Therefore, academic performance has raised important questions for educational researchers for further research (Goni et al., 2015). Based on social cognitive theory, the development of entrepreneurship is significantly influenced by the personal characteristics and contextual factors of learners (Wei et al., 2019). Figure 1 shows the model developed by (Lent & Brown, 2006), it is a career development model that describes how individual input, contextual affordability, and sociocognitive variables affect the formation of interests, careers, goals, and behavior.
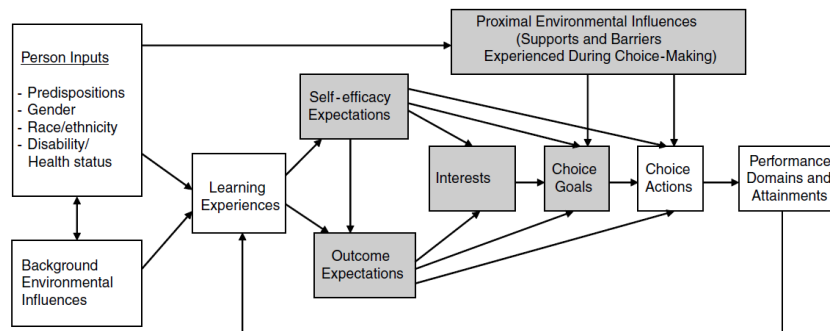
Figure 1. Model of Person, Contextual, and Experential Factors Affecting Career-Related Choice
(*Source*: Lent & Brown, 2006)

Research on gender and academic year issues related to academic performance is exciting to investigate further. Yet, few scholars are still researching the relationship between gender, academic year and entrepreneurship academic performance, especially in the context of entrepreneurship education in Indonesia. It is difficult to find studies that examine the relationship or compare the academic performance by academic year. Previous research done by Koyuncuoglu (2020) showed that in the process of learning, motivation is one of the most significant sources that control the direction, intensity, and determination of student behavior. Result of the study showed that the student's motivation varied depending on their gender and year of study. Finding of Wei et al., 2019) research showed there is significant correlation between gender and entrepreneurship education. Goni et al. (2015) wrote that the Male literacy rate is higher than Females, but Females get a higher rank than males in almost all competitive examinations.

The data shown in Figure 2 supports the research conducted by Goni et al. (2015), it can be seen that male literacy rate is higher compare to female, The disparity in literacy rates is over seven percent. Research of Ghazvini & Khajehpour (2011) shows the existence of gender difference; females show the internal locus of control, using attitude, motivation, time management, anxiety, and self-testing strategies more extensively and get better marks in literature, while Male using concentration, information processing and selecting main idea

strategies more and get a better spot in mathematics. The result of the study also shows that there were no differences in external locus of control, academic self-concept, study aids, and test strategies. Findings regarding gender differences in academic performance tend to be inconsistent. Table 1 shows some research related to gender, academic performance, entrepreneurship, and the results of the research.
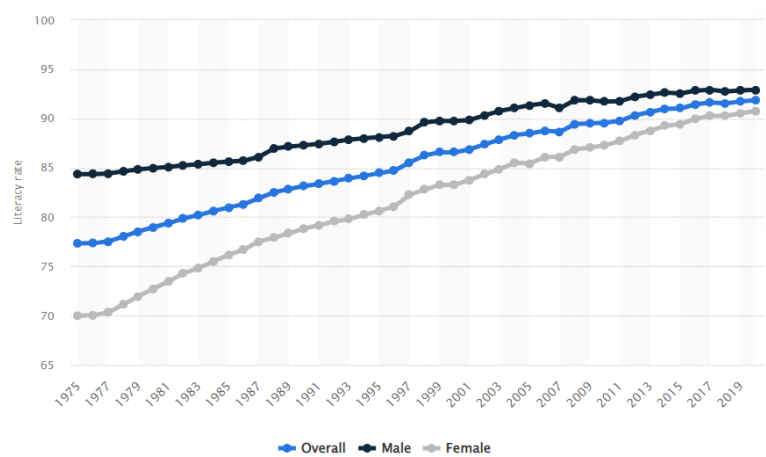
Figure 2. Global youth literacy rate (aged 15 to 24 years) from 1975 to 2019 by gender
(*Source*: Statista)

This study aims to compare academic entrepreneurship performance by using the final score as the dependent variable and gender, academic year as the independent variables, and find any difference in entrepreneurship subject final score based on gender and academic year. Gender is used in this study since there wear previous research showed the existence of gender difference related to learning motivation and literacy rate that will affect the academic performance. Academic year is used in this study since year of study is related with the motivation and the acquirement of cognitive skills that related to academic performance. While there were several research showed that there was significant and positive correlation between motivation with academic performance (Muhammad et al., 2014; Yarin et al., 2022). It is expected that the result of this study can provide novelty about how student academic performance can be different based on gender and academic year in the context of entrepreneurship education of undergraduate students Indonesia.

In the educational system, the teaching and learning process and learning outcome are measured by academic achievement or performance. Academic performance is the ability to prove whether the learning outcome is achieved or not, and it is an essential factor to measure students' progress (Goni et al., 2015, Nabizadeh et al., 2019). Previous studies have shown that gender plays a vital role in academic performance, yet gender may vary depending on the field of study (Martí-Ballester, 2019). Ullah (2019) has compared the educational performance between males and females in developed and developing countries and Muslim countries. He concluded that females have better performance than males in education across the lands. Females are outperformed at school and college levels and in higher education. Study habits are important and closely related to the students' academic performance. Research conducted by Unwalla (2020) showed a significant difference in study habits between males and females; females tend to have better study habits than males. This finding is in line with Khaleel (2017), who stated that female students are more likely to get higher grades, tend to care more about studies, and also work harder compared to male.

Findings regarding gender differences in academic performance tend to be inconsistent. Some researchers find no significant difference between male and female students in academic

performance, such as Goni et al. (2015) and Faisal et al. (2017). Yet, some researchers found a significant difference between males and females in academic performance. Ghazvini & Khajehpour (2011) found that female students get higher scores in literature and male students get better mathematics marks. Balart & Oosterveen (2019) have the same research results; female students perform worse than males on math and science but perform better on verbal reading tests. Table 1 shows some research related to gender, academic performance, entrepreneurship, and the findings of the research.

Table 1. Research Related to Gender, Academic Performance and Entrepreneurship

Author	Sample	Findings
Ghazvini & Khajehpour, 2011	363 high school students in the first, second and third academic years.	Females get a better mark in literature, and Male gets a better spot in mathematics. Gender differences exist in the cognitive-motivational functioning of Male and Females in the academic environment, with the Females having a more adaptive approach to learning tasks. Gender differences were not found in external locus of control, academic self-concept, study aids, and test strategies.
Goni et al., 2015	186 students in Kashim Ibrahim College of Education, Maiduguri and 136 students in Umar Ibn Ibrahim College of Education, Science and Technology, Bama	There were no significant differences in academic performance between male and female in Colleges of Education in Borno
Faisal et al., 2017	200 medical students at Rehman Medical College, Peshawar, Pakistan	There was no significant difference between the academic performance of male and female students.
Parajuli & Thapa, 2017	240 grade nine students in public and private schools in Lekhnath Municipality, Kaski, Nepal	Female students were found outperforming compare to male
Sinell et al., 2018	40 scientists in STEM fields who are employed by universities or public research organizations of applied science and who either intended to incorporate an academic spin-off or had done so recently	Females perceive the lack of resources (i.e., time, money, people) and knowledge more often and as more significant challenges than their male colleagues. Both women and men stressed the need for relevant support services and awareness-raising initiatives for transfer activities.
Balart & Oosterveen, 2019	PISA test data from third party institutions	Female students tend to perform worse than males on math and science but perform better on verbal reading tests.
Justus, 2021	281 students of a German and Czech university	Male students consistently get a higher mean than females in entrepreneurial knowledge, domain-specific interest in entrepreneurship, interest in leadership roles, entrepreneurial and intrapreneurial intention.

Since male and female students have different study habits, this will result in other academic performances between male and female students. Therefore, this study hypothesized a difference between male and female students in entrepreneurship subject academic performance.

H1: There is a difference between males and females in entrepreneurship subject academic performance

Entrepreneurship Education in Universitas Ciputra Surabaya

Universitas Ciputra Surabaya was established in 2006 with the vision of creating world-class entrepreneurs. Entrepreneurship subject is about 10% of the total credits in all study programs. Each subject is three credits. It is compulsory for all students for the five semesters in Universitas Ciputra Surabaya. This policy applied for students of 2006 until 2017 class. There was a curriculum change in 2018; entrepreneurship subject is compulsory for the management students from the first semester until the sixth semester. For students majoring in other than management, the entrepreneurship subject is only mandatory for the first semester and optional for the fourth until sixth-semester students. The students in the entrepreneurship class consist of 40-50 students from different majors. Project-based learning is used as the learning method. Students will form groups; each group will consist of 3-5 students.

Table 2. The Learning Outcome of The Entrepreneurship Subject

Semester	Entrepreneurship Subject	Learning Outcome
1st semester	Entrepreneurship 1: The Ground Breaker	Students can develop an entrepreneurial mindset by managing an entrepreneurial project that generates added value for a target community through an experiential-based learning approach.
2nd semester	Entrepreneurship 2: Business Model Creator	Students can validate business models in groups by considering the four pillars of management and technological and legal aspects in starting a business.
3rd semester	Entrepreneurship 3: Venture Executor	Students can develop a business model based on business execution that focuses on customer validation and is implemented based on the four pillars of business management principles that adopt technology in running a business.
4th semester	Entrepreneurship 4: The Innovator	Students can plan innovations invalidated strategic planning aimed at the growth and sustainability of a venture with global standards through a design thinking process.
5th semester	Entrepreneurship 5: The Global Player	Students can implement strategic planning innovation in the form of corrective actions, development, and compliance with international standards in their ventures that impact market growth and sustainability, as well as increase the valuation of their ventures.

Teams can choose a specific study guild in the fourth and fifth semesters by their business project. There are ten specific study guilds provided, which are 1) Tourism Hospitality and Culinary (THC), 2) Trading, 3) Family Business, 4) Social Entrepreneurship, 5) Marketing and Visual Communication (MVC), 6) Fashion, 7) Interior Architecture, Construction, and Engineering (Inace), 8) Personal and Professional Development and Service (PPDS), 9) Technology and 10) Corporate Entrepreneurship. The learning outcome for each entrepreneurship subject are listed in Table 2.

From Table 1, it can be seen that each semester has a different topic and learning outcome. Figure 3 helps us get a better understanding of the curriculum design.

The curriculum for each semester is designed based on national content standards for entrepreneurship education. The stages of the entrepreneurial process are discovery, concept development, resourcing, actualization, and harvesting. Looking at the entrepreneurship curriculum design, it can be seen that each academic year has its learning outcome and challenges. In higher semesters, the challenges for students will become more complex, and the business scale will increase. The entrepreneurship program was designed as a sequential

course, and it is expected that in the fifth semester, the students are already equipped with the right entrepreneurial mindset, knowledge, and experience in creating a validated business model, executing and innovating their business, and also the knowledge and experience about global standard. Therefore, this study hypothesized that there is a difference in entrepreneurship subject academic performance between each academic year.

H2: There is a difference of entrepreneurship subject academic performance between each academic year.
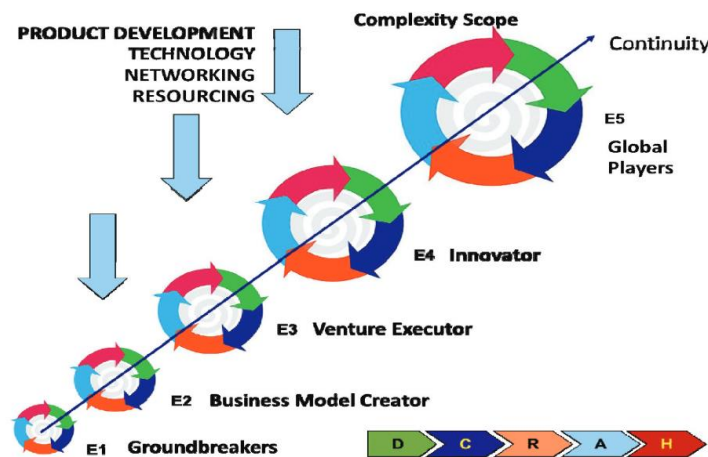
Figure 3. Universitas Ciputra Entrepreneurship Curriculum
(*Source*: Antonio, 2012)

METHOD

This research is quantitative research. The data used in this study is secondary data taken from the academic system. There are 3336 data used in this study. There are four levels of the academic year and each school year there are 834 data, consisting of 374 Males and 460 Females.
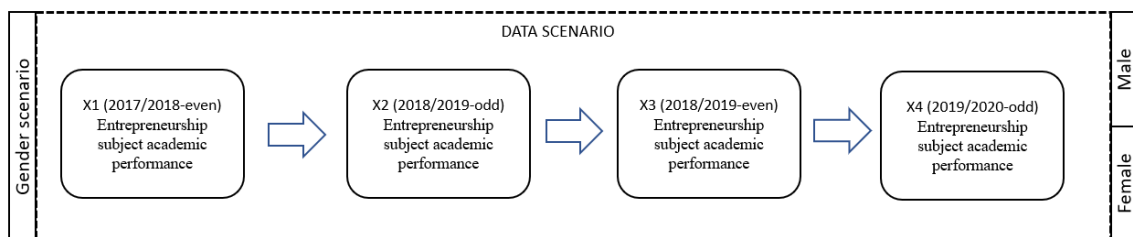
Figure 4. Data scenario

The population taken in this study were business school students who took entrepreneurship courses. Data was dug from the 2017 class sequentially from semester 2 to semester 5, 2017/2018 even students took two studies, in 2018/2019 odd took three courses, in 2018/2019 even took four courses and 2019/2020 odd took five classes as shown in figure 4. Data analysis used one of the univariate methods, namely two-way ANOVA. The dependent variable is the final value of the entrepreneurship course, and the independent variables used are gender and academic year.

RESULTS AND DISCUSSION

This study investigates the entrepreneurship subject final score for four academic years, which are from 2017/2018 even when the students were having entrepreneurship 2 subject until

2019/2020 odd when the students were having entrepreneurship 5 subject. The entrepreneurship subject final score for each academic year is presented in Table 3.

Table 3. Descriptive Result of Entrepreneurship Subject Final Score in Each Academic Year

Academic Year	Final Score
2019/2020 odd	80.316
2018/2019 even	79.917
2018/2019 odd	79.192
2017/2018 even	78.610

From Table 3, it can be seen that the entrepreneurship subject final score increased every academic year. The experience of learning and doing the entrepreneurship project sequentially is proven ability to increase the entrepreneurship subject final score in each academic year. There are 374 (44.8%) male students and 460 (55.2%) female students in each academic year data. The descriptive result of the entrepreneurship subject final score for male and female students is presented in Table 4.

Table 4. Descriptive Result of Entrepreneurship Subject Final Score based on gender

Gender	Final Score
Male	78.480
Female	80.538

From Table 4, it can be seen that the female entrepreneurship subject's final score is higher compare to males. The result obtained in this study is by Ullah (2019), that stated that females are better performed and get the better score to compare to male in higher education.

Table 5. Descriptive Result of Entrepreneurship Subject Final Score in Each Academic Year and Gender

Gender	Gender	Mean	Std. Deviation	Frequency
2019/2020 odd	Male	78.89	9.715	374
	Female	81.74	6.489	460
2018/2019 even	Male	79.10	7.274	374
	Female	80.74	6.391	460
2018/2019 odd	Male	78.33	7.985	374
	Female	80.05	6.845	460
2017/2018 even	Male	77.60	7.100	374
	Female	79.63	5.998	460

Table 5. shows the differences in entrepreneurship subject final score between males and females for each academic year. It can be seen that the score of both males and females increase in each academic year and the female's final scores consistently higher compare to males. Females have better performance compared to males in education. The higher grades of female students are because female students have better study habits and also work harder than male students (Khaleel, 2017, Unwalla, 2020).

Table 6. shows the two-way ANOVA result. The sig. value of gender is 0.000 (<0.05) means that the first hypothesis is confirmed, and there is a significant difference between males and females in entrepreneurship subject academic performance. The results of the research were conducted by the results of Parajuli & Thapa (2017), Khaleel (2017), and Ullah (2019), where female students were found outperforming compared to males. Based on previous research, male and female students have different study habits, which will result in various academic performances between male and female students. The higher grades of female

students are because female students have better study habits and also work harder than male students (Khaleel, 2017, Unwalla, 2020). Related to academic motivation, the results of research conducted by Koyuncuoglu, 2020) found that female students have a higher academic motivation compare to male students and there were several research showed that there was significant and positive correlation between motivation with academic performance (Muhammad et al., 2014; Yarin et al., 2022). This explains why there is a difference in academic performance between male and female.

Table 6. Two Way Anova Result

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	5178.329[a]	7	739.761	14.180	.000
Intercept	20864909.715	1	20864909.715	399957.473	.000
Academic Year	1424.586	3	474.862	9.103	.000
Gender	3494.311	1	3494.311	66.982	.000
Academic Year * Gender	190.380	3	63.460	1.216	.302
Error	173614.507	3328	52.168		
Total	21324270.923	3336			
Corrected Total	178792.837	3335			

R Squared = .029 (Adjusted R Squared = .027)

The sig. value of the academic year is 0.000 (<0.05), which means that the second hypothesis is confirmed, and there is a significant difference in entrepreneurship subject academic performance between each academic year. The entrepreneurship program was designed as a sequential course, and the stages are designed based on the national content standards for entrepreneurship education. It is intended that the higher the semester, the more challenges for students will become more complex, and the business scale will increase that will increase the student's entrepreneurship knowledge and also experience. The final entrepreneurship score in each academic year shown in Table 3 shows that the higher the semester, the higher the students' final score. This result is in line with what is expected when designing the entrepreneurship curriculum. The higher the semester, students are more equipped with entrepreneurial mindset, knowledge, and experience in creating and executing their business which is shown by the result of the final score. Furthermore, previous study by Koyuncuoglu (2020) found that students there was significant difference based on the year of study. Students with higher year of study have higher academic motivation. This is due to the fact that students with a higher academic year will gradually develop cognitive skills throughout their stay in college and become sufficiently motivated to engage in self-regulated learning.

The sig. value of academic year * gender is 0.302 (>0.05), which means no interaction between academic year and gender. This illustrates that there is no relationship between changes in the year of learning-on-learning performance for each gender in entrepreneurship subjects.

CONCLUSION

This study compares the final grades of entrepreneurship subjects with the independent variables of gender and academic year. The results showed that there were significant differences in the final grades of entrepreneurship subjects, female students tended to have higher grades than male students. This result according to Ullah (2019), Women have a better performance than men in education. The high score of female students is because female students have better study habits and also work harder than male students (Khaleel, 2017,

Unwalla, 2020) Theoretically, the study of academic performance, gender, and academic year is very important in supporting the development of entrepreneurship education curriculum. The results of this study will have implications for entrepreneurship education, particularly the curriculum and pedagogy of entrepreneurship. Based on social cognitive career theory (SCCT) developed by Lent & Brown (2006), personal input such as gender will affect learning experience that will affect on performance. This study also validates that there was significant difference in term of academic year, students who has higher academic year will have higher academic performance.

This study has managerial implication as it provides insight for the university, lecturers, parents, and students. This study implies that gender and academic year have a role in shaping (or limiting) academic performance. Universities need to reevaluate and redesign the curriculum and learning method that can eliminate the gap between male and female students and accommodate their needs. Lecturers can design different methods and approaches for different genders. Lecturers need to provide various activities and methods to attract the attention of both men and women and improve their learning outcomes which are indicated by final grades. It is expected that students with higher level of academic year will have higher academic performance. Students with higher academic year are expected to have higher cognitive and psychomotor competencies, so it is important for the university to measure and monitor this to ensure this is achieved.

There are some limitations of this study. First, this study only compares academic performance based on gender and academic year. Future research could explore more about the difference in learning motivation and self efficacy between male and female students, and what factors that cause gender disparities in academic performance. Second limitation is the use of the respondents from one university, as such the findings may not be applicable to other universities. Future research could use other universities in Indonesia or in the world, allowing for more generalizability. Third, this study only performs a comparative test on academic performance, future research could explore more about the model and relationship between entrepreneurship education, academic performance, entrepreneurial intentions and behavior considering that research on the impact of academic performance on entrepreneurial intention and behavior is still inconsistent. Designing a good entrepreneurship curriculum is expected to influence academic performance, as well as increase students' entrepreneurial intentions and behavior so as to create more businesses and new entrepreneurs to support Indonesia to become a developed country in 2045.

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The Impacts of Product Quality, Promotion, Brand Association, Purchase Decisions on Japanese Motorcycles

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ABSTRAK

Persaingan yang semakin ketat di dunia otomotif menuntut setiap perusahaan otomotif khususnya produsen sepeda motor untuk berinovasi mengikuti perkembangan selera dan kebutuhan pasar. Seluruh perusahaan sepeda motor, khususnya perusahaan sepeda motor Jepang, terus berjuang untuk merebut hati konsumen dan berharap produknya dapat menguasai pasar sepeda motor di Indonesia. Mereka harus menerapkan strategi bisnis mereka dengan tepat untuk memenuhi target pasar. Penelitian ini bertujuan untuk mengetahui pengaruh kualitas produk, promosi, dan asosiasi merek terhadap keputusan pembelian dengan menggunakan metode penelitian kuantitatif yang objektif, meliputi pengumpulan dan analisis data pengujian statistik. Berdasarkan pengujian hipotesis, hasil uji F menunjukkan bahwa variabel bebas kualitas produk, promosi, dan asosiasi merek secara simultan berpengaruh terhadap keputusan pembelian. Sebagai perbandingan, uji t menunjukkan bahwa asosiasi merek merupakan variabel yang berpengaruh secara signifikan terhadap keputusan pembelian pelanggan. Penelitian ini menyimpulkan bahwa konsumen Surabaya masih menaruh kepercayaan terhadap kualitas dan citra yang tinggi terhadap sepeda motor produksi Jepang. Implikasinya adalah sepeda motor merk Jepang memiliki brand imagenya yang sangat khas, mudah diingat dan kuat bagi konsumen sebagaimana ditunjukkan lewat pengunaan bintang iklan secara selektip dari artis-artis terkenal. Cara ini masih sangat efektip, sehingga brand image merk sepeda motor Jepang telah masuk pada tahapan brand equity.
Kata kunci: kualitas produk; promosi; asosiasi merek; keputusan pembelian.

Dampak Kualitas Produk, Promosi, Asosiasi Merek, Keputusan Pembelian pada Sepeda Motor Jepang

ABSTRACT

Increasing competition in the automotive world requires every automotive company, especially motorcycle manufacturers, to innovate the development of tastes and market needs. All motorcycle manufacturers, especially Japanese motorcycle manufacturers, keep fighting to win the hearts of consumers and hope that their products can dominate the motorcycle market in Indonesia. They must apply their business strategy appropriately to meet their targeted markets. This study aims to determine the effect of product quality, promotion, and brand association of purchasing decisions using quantitative research methods that are objective, including the collection and analysis of statistical testing data. Based on the hypothesis testing, the F test results show that the independent variables of product quality, promotion, and brand association simultaneously influence the purchase decision. In comparison, the t-test shows that brand association is a variable that significantly influences customers' purchasing decisions. This study concludes that Surabaya consumers still believe in the quality and strong image of Japanese motorcycles. Employing famous artists has turned into an effective way to create a strong brand image that makes the Japanese motorcycle easy to remember. Thus, the brand image of Japanese motorcycles enters the brand equity stage.
Keywords: product quality; promotion; bra nd association; purchasing decision

INTRODUCTION

The purchase decision refers to an act of deciding to use an item or service based on the profit and loss calculation. Deciding means choosing one of two or more alternatives. Thus, consumers select between objects (goods, brands, shopping places) or choose between alternative behaviors concerning the prevailing items. Moe and Fader (2004) and Park and Fader (2004) examined consumer behavior for browsing information that influences their likelihood of purchasing. Bucklin et al. (2002) and Yadav and Pavlou (2014) do some experiments to examine experimented the extent to which aggregate session-level clickstream data could predict each consumer's purchase decision. Moreover, Goh et al. (2013) and Wells et al. (2011) are interested in examining factors influencing online consumers' purchase decisions from various perspectives. They focus on how the sequential information in consumers' page viewing behavior influences purchasing decisions. The sequential information shows a customer's dynamic strategies in seeking product information. This behavior drives motivation and explains how the subsequent purchase decision occurs.
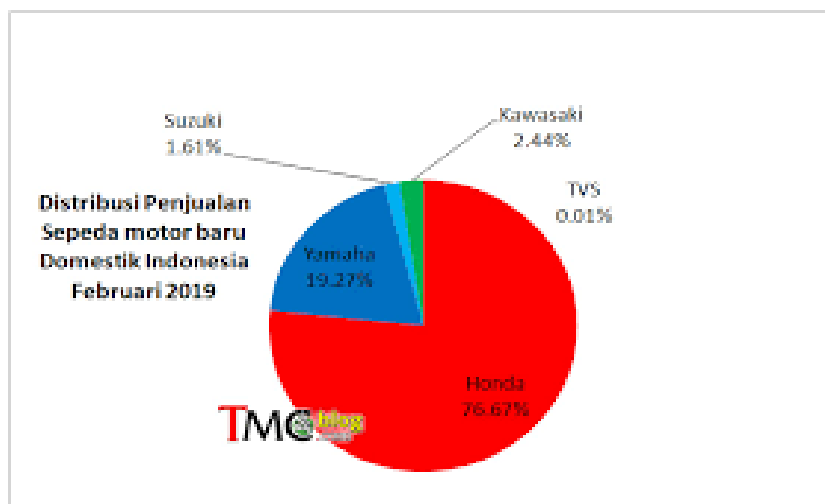
Figure 1. Distribution of New Domestic Motorcycle Sales Indonesia February 2019
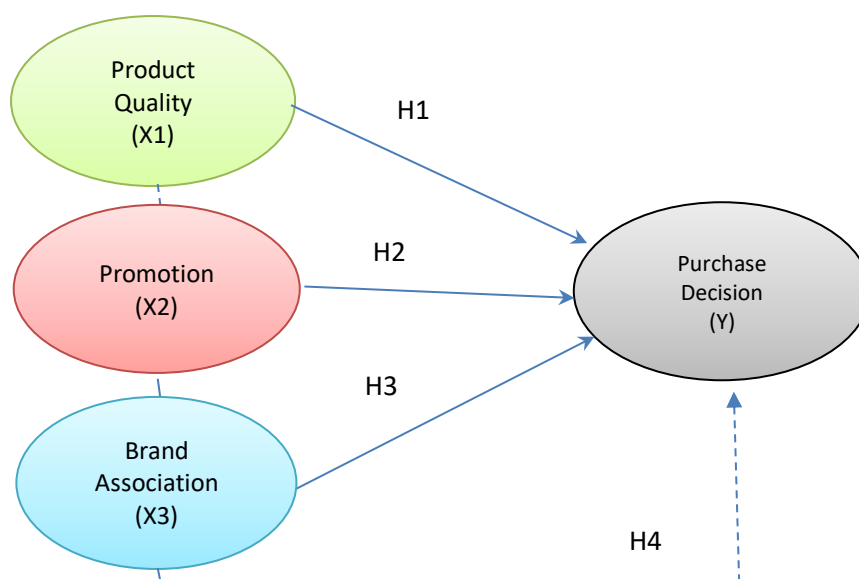
Figure 2. Research hypotheses of the present study

One of the behaviors of human beings that are purposeful when they make decisions is shopping. In the shopping context, customers' shopping goals are both motivators and organizing forces in information searching. The purpose of customers to shop provides a reference for selecting the relevant and valuable properties for creating meaning every time they visit (Murphy & Medin, 1985). Such a guiding force derived from the goal enables consumers to manage the information search path to achieve the goal. Thus, these customers will pay attention to relevant information cues and ignore other cues as irrelevant (Puccinelli et al, 2009). However, this goal-based guidance moves from loose, poorly organized property categories to tightly integrated, well-defined property categories (Barsalou, 1991).

In the era of globalization, many products are offered only to meet the needs of consumers, one of which is a motorcycle product dominated by Japanese manufacturers in the last five years. Japanese motorcycles have become one of the brands for making motorcycle purchasing decisions. The increasing number of purchases from period to period makes the Japanese motorcycle popular and well known by people around the world, especially Indonesian people. The picture below shows Indonesia' motorcycle brands that have been dominated by Japanese motorcycles.

The development of the business world in the era of globalization requires perfect performance from every process carried out by the company. Marketing is no longer seen as a separate part of the organization, which only acts as a product sales process (Fatihudin & Firmansyah, 2019). The development of technology today provides a significant influence on the growth of the automotive world. Increasing the number of motor vehicles followed by the increase in brand and type of new vehicle would be an unacceptable stance since development of the automotive world in Indonesia and competition in the industrial world of automotive have become increasingly very tight. To face this intense competition, plus diverse community knowledge from various information, automotive industry players must be even more careful in observing market developments than before. Product quality, promotion, and brand association are essential constructs to study; however, no published research has explored their impacts on purchasing decisions, especially Japanese motorcycles. This study proposes extending this research stream to examine whether product quality, promotion, and brand association variables simultaneously influence purchasing decisions. The research problems of the present study are formulated as follows:

(1) What is the relationship between product quality significantly with the purchase decision of Japanese motorcycles?

(2) What is the relationship between promotion with the purchase decision of Japanese motorcycles?

(3) What is the relationship between brand association with the purchase decision of Japanese motorcycles?

(4) What is the relationship between product quality, promotion, and brand association with the purchase decision of Japanese motorcycles.

Based on the problem formulation proposed, theoretical foundation, a framework of the thinking process, and the proposed conceptual framework, research hypotheses are formulated as follows:

H1: Product quality significantly affects the purchase decision of the Japanese motorcycle.
H2: Promotion significantly affects the purchase decision of Japanese motorcycles.
H3: Brand association significantly affects the purchase decision of Japanese motorcycles.
H4: Product quality, promotion, and brand association simultaneously affect the purchase decision of Japanese motorcycles.

(Kotler & Amstrong, 2016) define a product as anything that can be offered to a market to satisfy their wants or needs. A product is everything offered to the market to satisfy a desire or need. Moreover, the product has complex traits, tangible, and intangible, including packaging, color, price, prestige, and retailers (Kristianto, 2011). Moreover, Kotler and Amstrong (2016) state that product quality refers to "the ability of a product to perform its functions. It includes its overall durability, reliability, precision, ease of operation and repair, and other valued attributes. Thus, product quality is closely related to the product's ability to carry out its functions, including the overall product, reliability, accuracy, ease of operation and repair, and other valuable attributes.

Product quality is a set of characteristics of goods and services that meet the needs; it is a combined understanding of a product's reliability, accuracy, convenience, maintenance, and other attributes (Firmansyah & Fatihudin, 2017). The products offered by each business entity consequently have their own characteristics that make them different from other competing products even though those businesses belong to the same type of product. As a result, the product has a unique, exceptional superiority produced to reach the targeted market. Concerning products, (Tjiptono, 2015) mentions eight dimensions of product quality: performance, features, reliability, conformance, durability, serviceability, aesthetics, perception of quality.

Promotion is one of the variables in the marketing mix that is very important to be carried out by companies in marketing their products or services. According to Bell (2008), promotion is any marketing activity shown to drive demand. Promotion is a one-way flow of information or persuasion created to direct a person or organization to actions that create an exchange in marketing. Promotion is communication between the seller and buyer that comes from accurate information that aims to change the attitude and behavior of the buyers who do not know the products. The promotion is made known publicly make potential customers buyers. As a result, they are likely to keep remembering the product information being disseminated (Laksana, 2008). Promotion is a communication tool whose delivery of messages is to inform, persuade, remind again to consumers, intermediaries, or a combination of both. Some elements supporting the promotion are usually called the promotion mix in the promotion.

The promotion comes from the Latin *promovere*, which means moving forward or pushing forward or advancing an idea. According to Indonesian Official Dictionary (KBBI), the notion of marketing refers to promotion leading to introductions to advance business, trade, etc. Promotions include all forms of persuasive communication made to influence customers to buy the goods or services, including publicity, personal selling, and advertising. Thus, promotions help customers know about the goods or services adequately. (Gitosudarmo, 2008) mentions that promotion is an activity aimed at influencing consumers to get acquainted with the products offered by the company to them. Then they become well informed and then buy the product.

Promotion is persuasive communication intended to invite, urge, persuade, convince people to move on. To do so, communicators should plan to organize the news and the delivery techniques to achieve the expected effects in the attitudes and behavior of the recipient (target listeners). Promotion is divided into advertising, personal selling, publicity, sales promotion (Mursid, 2008)

Brand association is an asset that can provide value in the eyes of its customers. The assets they contain can help customers interpret, process, and store information related to the product brand. The brand association greatly influences customers to purchase products and become loyal. In practice, many possible associations and variations of the brand association can provide value for a brand, viewed from the side company or user associations related to brands, including products attributes, intangibles attributes, customer's benefits, relative

price, application, user customer, celebrity person, lifestyle personality, product class, competitors, and country/ geographic area (Durianto & Sugianrto, 2001).

Brand equity or brand association is a set of brand activities (assets) and liabilities (liability) associated with a brand name and its symbols that will reduce and increase the value provided by a product or service to a company or company's customers. Factors affecting brand equity include brand awareness, perceived quality, and various brand associations of other products. Brand equity or brand association is a set of brand activities (assets) and liabilities (liability) associated with a brand name and its symbols. It can reduce and increase the value to a company or company's customers. Factors affecting brand equity include brand awareness, perceived quality, and various brand associations of other products. A brand association can form elements (Aaker, 1991; Durianto & Sugiarto, 2001) such as brand awareness, image, perceived quality, loyalty, and other proprietary brand assets.

Maintaining the existence of these products is always recommended to maintain the image (brand) products circulating with guaranteed quality products: increasingly getting closer to the needs of consumers, providing easy access, and promoting will orientation and satisfaction of consumers. Brand association is an asset that can provide value in the eyes of its customers. The assets they contain can help customers interpret, process, and store information related to products and that brand. A brand association can affect consumer confidence in decision-making based on experience in use or the proximity of associations with various brand characteristics (Firmansyah, 2019).

Consumer purchasing decisions are influenced by consumer behavior. Companies must recognize consumer behavior to find out what consumers need; thus, they are always expected to meet customer needs that impact loyalty. Kotler and Keller (2012) mention that purchasing decisions are the stages that buyer decision-making process takes place. This stage is very crucial that determine whether consumers are likely to buy the products or service offered. Companies focus their orientation and strategy on domestic markets, suppliers, and competitors (Firmansyah & Fatihudin, 2017)

Consumer decision-making is a process that involves consumers individually according to their individual needs. They look for data and information, make choices, and purchase goods or services. Consumer decision-making patterns often go through complex and complicated procedures from product introduction to post-purchase. At these stages, consumers tend to reduce risk (risk management) and list the desired features of various product brands to make purchasing decisions as needed and expected. Consumers generally obtain product and service profiles from many sources, including commercial sources such as product demos, advertisements/promotions, private sources, recommendations from family members or friends, public sources such as radio, newspapers, and magazines, sources of the customer's own experience in using a particular product.

Decision-making is creating choices from various options/alternatives to achieve the planned results (Lunenburg, 2010). This statement contains three essential elements: decision making creates many alternatives from various choices; decision making is part of a process that is not just about deciding the last option from among choices; the desired outcome of a decision is ensured following the goals or targets produced as part of the decision-making activities.

Kotler and Amstrong (2016) state that purchasing decisions include a component of consumer behavior. Consumer behavior is a study of what a person or group looks like in determining, buying, consuming, and products, ideas, or experiences to satisfy consumers' needs.

Based on the purpose of the purchase, consumers can be classified into two groups, namely end consumers (individuals) and organizational consumers. Consumers consist of

individuals and households whose goal is to meet their own needs or to be consumed. Whereas organizational consumers consist of organizations, industrial users, traders, and non-profit institutions whose buyer's purpose is for business purposes (making profit) or leaving the welfare of its members. Kotler and Keller (2012) revealed that a person might have a different role in every purchase decision. Various roles include an initiator or a person who first realizes desires or needs that have not been fulfilled and proposes ideas to buy a particular product or service.

METHOD

This study used quantitative data analysis techniques. Involving one hundred and seventy Japanese motorcycles users in Surabaya, we selected them using a purposive sampling method (Fatihudin, 2019). Through the Slovin formula with a critical value of 0.5%, we obtained the number of respondents: 170/ (1+170×0.005) = 92 respondents. The authors categorized and summarized the data to understand their patterns easily. Using SPSS 20 for Windows version, the authors use the validity test to examine the instrument quality and data analysis (Gozali, 2011). This study uses multiple regression analysis to determine the effect of each independent variable, such as product quality, promotion, and brand association, of the dependent variable, namely the purchase decision. The equation is explained as follows: $Y = \alpha + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \varepsilon$.

RESULTS AND DISCUSSION

Table 1. Regression Equation Model

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.558	3.292		-.170	.866
(X1)	.158	.076	.210	2.066	.042
(X2)	.235	.114	.219	2.067	.042
(X3)	.196	.089	.220	2.197	.031

a. Dependent Variable: Total_Y

Source: Researcher, processed (2019)

Based on the table above, the regression equations formed in this regression test are: Y = - 0,558 + 0,158X1 + 0,235X2 + 0,196X3 + e

Table 2. F-Test Results (Simultaneous)

ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	50.616	3	16.872	8.618	.000[b]
Residual	172.287	88	1.958		
Total	222.902	91			

a. Dependent Variable: Purchase Decision

Predictors: (Constant), Product Quality, Promotion, Brand Association

The results of testing the model (simultaneously) show a F count value of 8.618, with a significance value of 0.000. The F count (8.618)> F table (2.71) and the resulting significance value of 0.000 and this value is much smaller than 0.05. Thus, it can be concluded that H4 is accepted. This means that the variables product quality, promotion, and brand association together (simultaneously) have a significant effect on the purchase decision of Japanese

motorcycle. Thus, the proposed research model is fulfilling the requirement. The results of the F_{test} analysis show that the F_{value} is greater than the F_{table}; it can be concluded that the variables of product quality, promotion, and brand association simultaneously or jointly affect the purchase decision. Thus, the hypothesis that product quality, promotion, and brand association variables simultaneously influence purchasing decisions can be accepted.

This finding also indicates that the people of Surabaya still trust the production of Japanese brand motorcycles for the quality of their products. The promotional instruments are right on target, plus the brand association is still embedded in people's memories if the motorcycle is a good Japanese production. The Japanese motorcycle brand has a strong image where consumers remember the brand in various ways, through attributes, experiences, and images, making the motorcycle brand from Japan stand out and be easily remembered by the public. The brand image of Japanese motorcycles has entered the realm of brand equity so that people often get the wrong perception by asking what brand is your Honda motorcycle? Even though Honda is a Japanese motorcycle brand.

Table 3. T-test results (partial)

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.558	3.292		-.170	.866
	Product Quality	.158	.076	.210	2.066	.042
	Promotion	.235	.114	.219	2.067	.042
	Brand Association	.196	.089	.220	2.197	.031

a. Dependent Variable: Purchase Decision

The calculation t-test above shows a t count for the product quality variable of 2.066 with a significance level of 0.042. Since the value of t count (2.066) is bigger than (>) t table (1.987), with the significance value of 0.042 less than 0.05, H1 is accepted. The independent variable of product quality partially has a significant effect on the dependent variable on purchasing decisions.

Product quality significantly affects purchase decisions of Japanese motorcycles in Surabaya. This finding of the present study was supported by Fatihudin's (2017) study, who proved that product quality positively and significantly affects purchase decisions. These results are also consistent with the research results conducted by Gunawan & Wahyuni (2018), showing that product quality has a positive effect on purchase decisions. The quality of Japanese brand motorcycles has long been known and used by the public, and its products' quality is known. The quality referred to the quality of the product is also the quality of the product design. It adapts to the development of consumer tastes so that the competition between the quality of motorcycle brands is very tight.

The calculation results obtained a t count for promotion of 2,067 with a significance level of 0.042. Because t count (2.067)> t table (1.987) and the resulting significance value of 0.042 is less than 0.05, H2 is accepted. This means that the independent variable of promotion partially affects the dependent variable (purchasing decisions). Promotion significantly affects purchase decisions of Japanese motorcycles in Surabaya. The result of this study was supported by research conducted by Firmansyah and Mahardhika (2015). They found that promotion positively and significantly affects purchase decisions. These results are consistent with (Weenas, 2013) study, saying that the test results prove that product quality, price, promotion, and service quality positively influence the dependent variable, namely purchasing decisions. The result of this study was supported by the study by (Fatihudin, D.,

& Firmansyah, 2019) who state that good packaging design can create consumer comfort value and producer promotion value. Regarding the proper promotion and part of the marketing mix, (Assauri, 2011) states that marketing is an effort to provide and deliver suitable goods and services to the right people at the right place and time and at the right price with appropriate promotion and communication.

Promotion is a force influencing buyers' decision to buy Japanese motorcycles. The Indonesian companies selling Japanese brand motorcycle often do promotions through motorcycle racing events in fourty big cities in Indonesia. In addition, they also intensively expand their promotion through the internet, print media, television, and exhibitions. Many Indonesian top artists in Indonesia, such as Agnes Monica, Daniel Mananta, and the Nidji Band have been employed to make these Japanese motorcycle brands widely known by Indonesian customers.

The t-test calculation shows that t-count for the brand association is 2.197 with a significance level of 0.031. Because t count (2.197) is bigger than t table (1.987) and the resulting significance value of 0.031 is less than 0.05, thus, H3 is accepted. This means that the independent variable promotion partially influences the dependent variable on purchasing decisions. Brand Association significantly affects the purchase decisions of Japanese motorcycles in Surabaya. The result of this study was supported by research conducted by (Akbar & Wymer, 2017), stating that the results showed a significant relationship between the independent variables, namely brand image, price, and product quality, on the dependent variable, namely purchasing decisions. The result of this study was supported by (Sari & Santika, 2017) that state brand image, brand and brand association positively and significantly impact the repurchase

Brand association is beneficial to build companies' brand identity because it helps consumers remember Japanese motorcycle brands, including their distinctive quality. Brand association is a differentiator that make certain motorcycle brands different from other competing brands. It serves as quality assurance offered to consumers, guaranteeing a positive image of the motorcycle brand. Japanese motorcycles have brand associations that have a good image in customers' eyes. When launching new product variants with the same brand, customers always trust Japanese motorcycles.

Table 4. Partial Correlation Values

Model		Standardized Coefficients
		Beta
1	(Constant)	
	Product Quality	.210
	Promotion	.219
	Brand Association	.220

Three independent variables consist of product quality, promotion, and brand association; the brand association variable has the largest β (beta) coefficient value of 0.220, which is the most significant value among the other independent variables. Thus, it is concluded that the independent variable that has a dominant influence on the dependent variable of purchasing decisions is the brand association variable). Various brand associations developed by Japanese motorcycle brands start from attribute-based, including the defining features of the brand or product or service. Features or attributes are used to support promotional materials of the brand or product or service to stand out from competitors. Customers' decision to buy is highly dependent on the customer's ability to remember the brand. For example, customers often associate the products with Japanese motorcycle brands. In day-to-day life, it is common to find people doing conversation, such as, what "Honda" do

you want to buy? They use the term Honda to define all kinds of motorcycles. This shows how the brand image of Japanese-made Honda motorcycles has become the brand equity.

Attributes generally exist in the physical composition of the product, appearance, price/discount, or a combination of packaging. The potential attribute of being a tagline strengthens product brand promotion. Celebrity-based brand associations are also commonly used as a promotional strategy. Japanese motorcycles are intelligently and meticulously very productive using the celebrity image of a famous world-class motorcycle racer (MotoGP) such as Valentino Rossi. He became the Star of Yamaha's newest sport motorbike advertisement, the R25, which consumers widely accepted in Indonesia in 2014. R25 uses 250 ccs inline-four strokes two-cylinder injection engine, DOHC direct-drive camshaft with eight valves. This engine has a high compression combustion chamber, down draft type intake duct, 12 independent hole injectors, liquid cooled, DiASil Cylinder, and Yamaha Forged pistons that have been tested for durability.

Celebrity brand associations can turn people into potential consumers quickly and thus promote sales increase. By contrast, if people do not like certain celebrities for some reasons, they will not be interested in buying the products regardless of their outstanding quality. As a result, employing celebrity-based brand associations is not a guarantee to increase consumer demand for production. Thus, it is necessary to accurately select celebrities' profiles in terms of their fames, including intelligence, beauty, and behavior as widely idolized by the segmented consumers.

CONCLUSIONS

The results of this research simultaneously of the three variables have a significant influence in determining purchasing decisions, and therefore the company should pay attention to these three factors. Companies should not only see good product quality and attractive promotional ways to market their products but also look at and consider their brand associations that are already familiar in the minds of consumers. In doing so, consumers continue thinking of Japanese motorcycles manufactured. Celebrity-based brand associations that are carefully selected, known, and admired by the public are very strategic to increase the rate of motorcycle sales. Further research can add other variables that have never been discussed before that affect purchasing decisions. Involving more variables makes further research complex and likely to contribute the body of knowledge of the related topics.

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The Effect of Corporate Governance on Corporate Value: The Role of Enterprise Risk Management

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ABSTRAK

Guna mengetahui pengaruh *corporate governance* terhadap *corporate value* kemudian memoderasi hubungan tersebut dengan *enterprise risk management* (ERM) menjadi poin yang dituju melalui penelitian ini. Penelitian ini dilaksanakan dengan melakukan pengumpulan data dari 87 perusahaan sebagai sampel. Data yang diolah berasal dari data sekunder berbentuk laporan tahunan serta laporan keuangan pada tahun 2016-2020 dari setiap sampel perusahaan. Pengujian regresi data panel difasilitasi dengan pemanfaatan program E-Views 12. Hasil penelitian menunjukkan adanya pengaruh signifikan positif *audit commmitee* terhadap *corporate value*, *independent commisioner* yang memiliki pengaruh signifikan negatif, dan yang lain tidak memiliki pengaruh terhadap *corporate value*. Serta dapat dimoderasinya hubungan di antara *audit committee* dan *corporate value* serta *managerial ownership* dan *corporate value* dengan ERM.
Kata kunci: Tata kelola perusahaan, nilai perusahaan, ERM.

Pengaruh Tata Kelola Perusahaan Terhadap Nilai Perusahaan: Peran Enterprise Risk Management

ABSTRACT

In order to know the impact of corporate governance on corporate value, then moderating all relationships by enterprise risk management (ERM) is the aim of this study. This study gathered data from annual reports and financial statements in periods 2016-2020 of 87 companies as the sample and used panel regression as the analysis method. The results showed that the audit committee had a significant positive effect on corporate value, while an independent commissioner had a significant negative effect. This study also shows no significant effect on the corporate value of managerial ownership, institutional ownership, board size, and board director. However, ERM moderated the relationship between the corporate value and audit committee and between managerial ownership and corporate value.
Keyword: Corporate governance, corporate value, ERM.

INTRODUCTION

A newly formed company causes competition between companies to increase every year. It underlines the company's efforts to increase value through its competitive advantage to be better than its competitors. The maximization of corporate value can affect shareholders' wealth, so they have to become more maximum (Manurung et al., 2019). However, to achieve high corporate value, which is required to applicate good corporate governance (GCG) implementation. If a company performs the GCG well, certainly it will make an investor assured to having an investment because the good images have formed from the company so that corporate value will increase too. In an increasingly competitive competition, companies that implement better GCG will be able to survive in the face of it.

In the use of corporate values that are more maximum, it is not uncommon for uncertainty to arise in a business, which is also known as risk. Risk can arise from many things; one of the risks comes from other factors out of the company's control (Sibarani & Lusmeida, 2021). Risk management is required to identify risks so the possibility of undesirable events can be reduced (Steinberg, 2011:13). Therefore, the study about risk management is important to know. Enterprise risk management (ERM) is risk management that has correlations to GCG and gives a holistic perspective to the process of the company's risk management (Candy, 2021). ERM, which was first introduced by the Committee of Sponsoring Organizations (COSO) in 2004, can be a monitor or control mechanism in reducing problems related to GCG and assisting companies in understanding more about risks and mitigating, assessing, and efficiently managing risks (COSO, 2004).

From Asean Corporate Governance Association (ACGA) survey in 2020, it shows that the implementation of GCG in Indonesia is not really good compared to other countries with a score of 33.60% as shown in the Figure 1. This shows that the implementation of GCG in Indonesia must be reviewed with a harder effort from stakeholders to achieve a good and ideal implementation for companies in Indonesia.
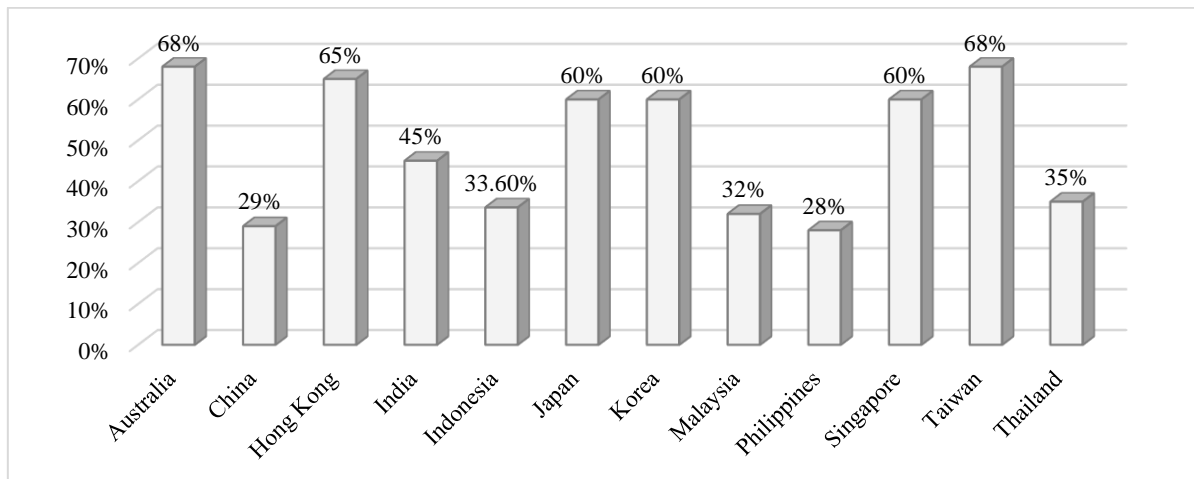
Figure 1. Percentage of GCG implementation in Asia Pacific Countries
Source: ACGA (2020)

Indonesia have various corporate sectors, one of which is the manufacturing sector as the leading sector with an enormous contribution of 20.79% to Gross Domestic Product (GDP) of Indonesia in 2020 (Badan Pusat Statistik, 2020). Although the manufacturing sector in Indonesia is expected to grow significantly in 2020, not a single Indonesian company from the manufacturing sector has succeeded in being ranked as top ten company with the highest GCG score for industry sector in 2020 based on the assessment CLSA (2020). GCG's implementation for manufacturing companies in Indonesia needs to be reviewed in conjunction with stakeholders working even more challenging to achieve a better and ideal implementation. The role of government is also vital to maintain and pay attention to the manufacturing sector. Likewise, in terms of risk disclosure, companies included in the manufacturing sector must be prioritized because they are closely related to investment in these companies. Investors tend not to invest in risky companies; stock prices are impacted by decreased due to investors' decline in stock purchases against these companies (Sun et al., 2016). Stock prices and corporate value go hand in hand. The increase in stock prices will show increased corporate value and vice versa (Iswajuni et al., 2018).

To find out the effect of CCG on the corporate value, then moderating the connection with ERM is the purpose of this research. The importance of this research is to prove the signaling theory, GCG mechanisms, ERM disclosure, and the theories related to GCG, like agency theory and stewardship theory. Through this research, it is expected that every company can increase the understanding of CCG and ERM, which can affect corporate value. Besides that, this study is expected to contribute to regulators considering organizing the ERM regulation to reduce any asymmetric information. Therefore, determining and calculating the risk and the benefit of investing in a company is better for the investors.

Signaling theory refers to information about the company's past and future conveyed to the investors. The information can be utilized to evaluate whether the performance of the company is up to the task of surviving to face the competition. Before deciding to invest in a company, an investor needs complete information, accurate, comprehensive, and reliable information to use as material for analysis and consideration for making a decision (Jogiyanto, 2015:392).

The agency theory defines the different perceptions among the principal who becomes the company owner and the agent who becomes company management. As a result, the agency problem arises from agents who are more concerned with their personality than with the company's goals, even those that may conflict with or counteract the main goals of the company (Suhadak et al., 2019). The importance of voluntary disclosure as a way to monitor whether the company is running transparently or not (El-Diftar et al., 2017). Voluntary disclosure can be in the form of ERM disclosure, a procedure in the GCG framework that can monitor or control the mechanism in aligning the principals' agent connection to reduce agency problems (Maruhun et al., 2018).

As one of the theories from GCG, stewardship theory explains the loyalty of the managers in gaining high company performance. Gaining that will undoubtedly maximize the shareholder's profits and maintain the company's reputation (Limijaya et al., 2021). Subramanian (2018) emphasizes that a manager's stewardship can result in exemplary GCG practices when company values align with prevailing values, creating value for the shareholders. In analyzing its effect, several GCG mechanisms are used which are considered to affect corporate value, such as audit committee, ownership structure composed of institutional ownership, managerial ownership, independent commissioner, the board size, and board of director.

A company entity should implement GCG, which has an audit committee in the company (Indriastuti & Kartika, 2021). Research by Manu et al. (2019) obtained the results of a significant positive influence given by the audit committee on corporate value. With also supported by the research of Masitha and Djuminah (2019), which found that improvement in the implementation of GCG and corporate value go hand in hand. If there is an increase in one of them, the other will also increase. It is known that the ability to moderate the impact of the audit committee to corporate value with the existence of ERM due to the task of the audit committee is to control financial performance and assess whether the manager's report is functionally optimal or not. So it will make managers report risk management in the company's financial statements correctly and adequately (Burhanuddin et al., 2020; Sibarani and Lusmeida, 2021). Hence, the formulation of the hypothesis as follows:

H_{1a}:   Among the audit committee and corporate value have a significant positive effect.
H_{1b}:   The relationship between audit committee and corporate value moderated by enterprise risk management.

Suhadak et al. (2019) stated that the higher managerial ownership, the more control they have over the company's operation so that the performance and corporate value are also affected. From the explanation, it can be concluded that managerial ownership positively influences corporate value. Anita and Yulianto (2016) also found the same result. The implementation of ERM disclosure makes the risk strategy even better because it prioritizes the company's primary goal, which is higher corporate value. In addition, the incompatibility of interests among agents and principals can be reduced (Burhanuddin et al., 2020; Rasmini, 2019). Hence, the formulation of the hypothesis as follows:

H_{2a}: Among managerial ownership and corporate value have a significant positive effect.

H_{2b}: The relationship between managerial ownership and corporate value moderated by enterprise risk management.

Arifin (2017) states that the independent commissioner has significantly influenced corporate value in negative relationships. Because the appointment of an independent commissioner is only for legal purposes, not based on GCG implementation, it impacts supervision ineffectiveness, resulting in the company's performance decrease that can be represented in the financial statements. Likewise, the corporate value will decrease too. The same result was also found by Farida et al. (2019 and Indriawati et al. (2017). Burhanuddin et al. (2020) have research that stated between the independent commissioner and corporate value. There is a significant positive relationship after being moderated by ERM. It happens because the independent commissioner runs optimally, thus encouraging the implementation of GCG. Hence, the formulation of the hypothesis as follows:

H_{3a}: Among the independent commissioner and corporate value there is a significant negative effect.

H_{3b}: The relationship between the independent commissioner and corporate value moderated by enterprise risk management.

Handayani (2017) revealed that institutional ownership could significantly positively affect corporate value. If the value of institutional ownership is higher, it will reduce agency conflict because there will be more control over a company, impacting corporate value. Suhadak et al. (2019) also found a same result. Institutional ownership is part of GCG, which shows a positive influence given by institutional ownership to ERM. Institutional ownership can be a monitor in realizing good ERM by reducing the level of conflict in the company increasing the trust and confidence of investors to invest their capital in the company to enlarge the company's value (Hidayah et al., 2021). Hence, the formulation of the hypothesis as follows:

H_{4a}: Among the institutional ownership and corporate value there is a significant positive effect.

H_{4b}: The relationship between institutional ownership and corporate value is moderated by enterprise risk management.

The research of Ahulu and MacCarthy (2020) revealed that board size and corporate value have a significant positive relationship. This relationship is aligned with the theory of agency and GCG guidelines that separate which CEO position from the chairman of the board position will be impacted the performance of realizing maximum corporate value. The

more the number of boards, the higher the level of supervision to achieve more the value of the company. This statement which also supported by Husaini and Saiful (2017) and Mishra and Kapil (2018). As a part of GCG, board size positively influences ERM (Maruhun et al., 2018). So the board size is an important determinant of ERM implementation. Good ERM implementation will make the company aware of the risks that may occur and how to resolve them so it will not affect corporate value. Therefore, the formulation of the hypothesis as follows:

H_{5a}:   Among board size and corporate value is significant positive effect.
H_{5b}:   The relationship between board size and corporate value is moderated by enterprise risk management.

The results of the research (Indriastuti and Kartika, 2021; Ahulu and MacCarthy, 2020; Phuong and Hung, 2020; Masitha and Djuminah, 2019) explain the significant positive relationship of the board of directors on corporate value, this is because in the company there will always have a conflict between the directors and shareholders. Thus, the board of directors was formed as a mechanism to monitor the activities of the company's directors. The board of directors is one part of GCG, as stated in the research by Hidayah et al. (2021), which found a positive relationship between the board of directors and ERM. Align with the theory of agency that the existing board of directors can supervise managers under the board's direction so managers' opportunistic behavior can be minimized, including risk management information to reduce information asymmetry. Moreover, the ERM existence can be considered in creating company management judgement to maintain the stability of the company's sustainability in the future. Hence, the formulation of the hypothesis as follows:

H_{6a}:   Among board of director and corporate value there is a significant positive effect.
H_{6b}:   The relationship between board of director and corporate value moderated by enterprise risk management.

METHODS
The listed companies on Indonesia Stock Exchange (IDX)/Bursa Efek Indonesia (BFE) are the population, whereas the company manufacturers are the sample. To collect the data using purposive sampling, with some criteria to be met. 1) Is a manufacturing company; 2) Has complete annual report data for the 2016-2020 period; and 3) reports its financial statements in Rupiah. It was discovered that 87 companies successfully met the previously mentioned criteria.

A quantitative approach was used as the design of this research to obtain answers through theory testing using the measurement of research variables (Creswell & Creswell, 2018:206). In this study, the data sources were used secondary data, namely annual reports, and financial reports for 2016-2020 from each sample company published on the IDX website (www.idx.co.id) and the company's official website.

This research is a hypothesis test that aims to recognize the significance of the nature of the correlation between variables by putting these variables to the test (Cooper & Schindler, 2014:428). The GCG hypothesis on corporate value will be tested in this study, and enterprise risk management variables will be used to moderate the relationship. A study model is developed to demonstrate an influence, such as a positive, negative, or no significant, as shown in Figure 2, with measurements listed in Table 1 below:
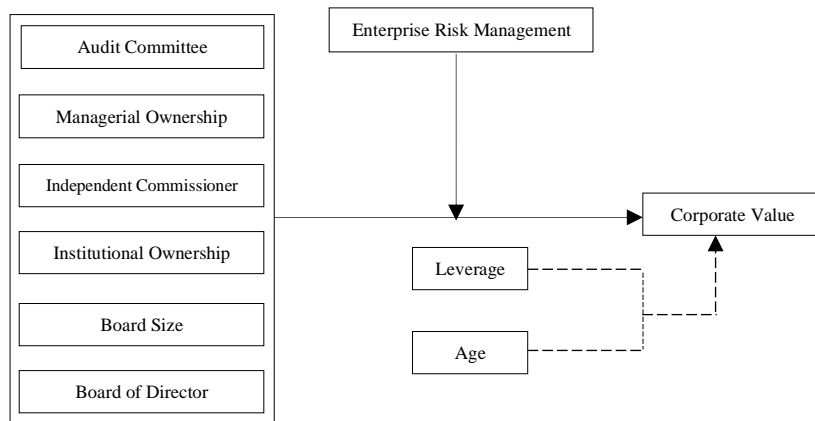
Figure 2. Research Model

Table 1. Variable Measurement

No.	Variable Type	Variable Name	Measurement	Source
1.	Dependent	Corporate Value	$\dfrac{\text{Market Value of Equity } + \text{ Total Debt}}{\text{Total Asset}}$	Manu et al. (2019)
2.	Independent	Audit Committee	Number of Audit Members in the Company	Handayani (2017)
		Managerial Ownership	$\dfrac{\Sigma\text{Shares owned by directors \& commissio}}{\Sigma\text{Shares outstanding}}$	Rahmadianti & Asandimitra (2017)
		Independent Commissioner	$\dfrac{\Sigma\text{Independent Commissioner}}{\Sigma\text{Commissioner}}$	Arifin (2017)
		Institutional Ownership	$\dfrac{\Sigma\text{Shares owned by institutions}}{\Sigma\text{Shares outstanding}}$	Manurung et al. (2019)
		Board Size	$\sum$Director and Commissioner in the Company	Ahulu & MacCarthy (2020)
		Board of Director	$\sum$Director in the Company	Phuong & Hung (2020)
3.	Moderation	ERM	$\dfrac{\text{Disclosed items of ERM}}{108}$	Husaini & Saiful (2017)
4.	Control	Leverage	$\dfrac{\text{Total Amount of Debt}}{\text{Total Equity}}$	Rahmadianti & Asandimitra (2017)
		Age	Research Year – First Listing Year	Wahyudin & Solikhah (2017)

Source: Data processed (2022)

In order to get more accurate research results, a program that is able to perform calculations on the data analysis of the research model is needed. Therefore, this research will be assisted by the E-Views 12 program. The panel data collected will be analyzed using the moderated regression analysis method. Classical assumption test isn't required in panel regression because panel regression has the advantage primarily of being robust against multiple violations of Gauss Markov assumptions (Ajija, 2011; Gujarati, 2003). The following is the equation in this study:

$$CV_{it} = \alpha + \beta_1 AC_{it} + \beta_2 MO_{it} + \beta_3 IC_{it} + \beta_4 IO_{it} + \beta_5 BSIZE_{it} + \beta_6 BOD_{it} + \beta_7 LEV_{it} + \beta_8 AGE_{it} + \beta_9 M1_{it} + \beta_{10} M2_{it} + \beta_{11} M3_{it} + \beta_{12} M4_{it} + \beta_{12} M5_{it} + \beta_{13} M6_{it} + \varepsilon_{it} \dots\dots (1)$$

Where:

CV_{it}	=	Corporate Value		AGE	=	Age
α	=	Constanta		M1	=	AC * ERM
β_{1-13}	=	Coefficient		M2	=	MO * ERM
AC	=	Audit Committee		M3	=	IC * ERM
MO	=	Managerial Ownership		M4	=	IO * ERM
IC	=	Independent Commissioner		M5	=	BSIZE * ERM
IO	=	Institutional Ownership		M6	=	BOD * ERM
BSIZE	=	Board Size		ε	=	Error term
BOD	=	Board of Director		i	=	Cross section item
LEV	=	Leverage		t	=	Time series item

RESULTS AND DISCUSSION

Table 2 gives information about the sample using the purposive sampling method to obtain it.

Table 2. Sample Selection

Description	Number of Observations
Companies listed on the Stock Exchange	774 companies
Companies that are not engaged in manufacturing	(593 companies)
Companies engaged in manufacturing	181 companies
Companies that do not meet the criteria	(94 companies)
Companies that meet the criteria and become as a research samples	87 companies
Number of samples for 5 years	435 samples
Number of outliers	(45 samples)
Number of samples after outliers	390 samples

Source: Data processed (2022)

Thus, 87 companies meet the criteria, so the total sample is 435 data for five years. Due to the extreme data, an outlier test is needed, which refers to a Z-score less than -3 or more than 3 using SPSS version 26 so that the remaining data is 390 data that can be used in the next test.

Table 3. Descriptive Statistical Test Result

Variable	Minimum	Maximum	Mean	Std. Deviation
Corporate Value	0.3099	269.0054	3.9768	18.2644
Audit Committee	0.0000	5.0000	3.0298	0.5138
Managerial Ownership	0.0000	0.8732	0.0641	0.1615
Independent Commissioner	0.0000	1.0000	0.3835	0.1284
Institutional Ownership	0.0000	0.9971	0.6346	0.2633
Board Size	3.0000	23.0000	9.3448	3.8336
Board of Director	2.0000	16.000	5.1471	2.4118
ERM	0.1296	0.6574	0.3559	0.0809
Leverage	-10.1881	162.1920	1.4809	8.0101
Age	2.0000	39.0000	21.3793	8.6619

Source: Data processed (2022)

Refer to Table 3 shows the corporate value with a minimum value of 0.3099 and a maximum value of 269.0054. Between the two values, there is a mean value of 3.9768.

Because of the maximum corporate value, the shareholders can be affected by their wealth to the maximum. In addition, the standard deviation value is shown to be 18.2644, and the resulting value exceeds the mean value. It indicates a reasonably significant deviation in the data on the corporate value to the mean value.

The maximum number of audit committees from the research sample is five people. Meanwhile, some companies do not have an audit committee at all. Judging from the mean value, the sample company has an audit committee of 3.0298. Variation audit committee among sample companies is not too high. It can be proven that the resulting standard deviation has a value smaller than the mean value (0.5138<3.0298). Refer to the official letter issued by BEJ with reference no. SE-008/BEJ/12-2001, which informs the composition of the audit committee must consist of three people, and the chairman is included. Moreover, the results of descriptive statistics for the audit Ie variable show that there are still companies that do not comply with the official letter issued by BEJ.

From 87 companies during 2016-2020, managerial ownership of manufacturing companies in Indonesia are not sufficiently spread out. The results of descriptive statistics on managerial ownership show that there are still managements that do not have ownership in the form of shares in their companies. The highest value of this variable is 0.8732, which means that the management owns 87.32% of the shares in the company. The mean value of 0.0641 describes the average percentage of managerial ownership of 6.41%. Then the value of standard deviation is 0.1615, which describes the relatively more significant deviation of the data.

Independent commissioner has a minimum and maximum value of 0.0000 and 1.0000. The mean value of 0.3835 indicates that the average independent commissioner for the five years is 38.35%, which has complied with OJK No. 33/POJK.04/2014 states that a public company must have at least two people as commissioners, and 30% consists of independent commissioners. The standard deviation value of 0.1284 means the data of the independent commissioner is less varied because it is smaller than the mean value.

Institutional ownership has the lowest value, namely 0.000 and 0.9971 as the highest value. The mean value shown is 0.6346, indicating that from all shareholders, the level of ownership from outside parties such as institutions or other companies is 63.46% which can make supervision even better. In addition, the standard deviation value is shown to be 0.2633, and the resulting value is not more than the mean value. It indicates a low deviation in the institutional ownership on the mean value.

Board size shows that three people as the minimum value, 23 people as the maximum value, and the average is 9.3448. These results indicate that all objects of research have complied with the regulations of UU RI No. 40 Tahun 2007, which provides information that a company should have a board size of at least two people. In addition, the deviation of the board size is relatively small because it is smaller than the mean value (3.8336 <9.3448).

The board of directors shows that the minimum value is two people, the maximum value is 16 people, and the average is 5,1471. In addition, the deviation of the board of directors is relatively small because it is smaller than the mean value (2.4118 <5.1471). The following variable is the moderating variable in enterprise risk management (ERM), with a 0.1296 as minimum and 0.6574 as a maximum value. The higher the value, the more strategies the company uses to manage and evaluate every risk that occurs in the company. The mean value of 0.3559 proves that the object in this study does not apply ERM. In addition, the standard deviation value is shown to be 0.0809, and the resulting value is not more than the mean value. It indicates a low deviation in the ERM variable data to the mean value.

Furthermore, the control variable is leverage which is proxied by DER. The analysis shows that the lowest DER value is -10.1881, and the highest DER value is 162.1920. A DER ratio value that exceeds 1 or 100% indicates that the fundamental condition of the company is not running well. The average leverage is 1.4809 or 148.09%. It indicates that many objects have poor fundamental conditions because their debts are more significant than their assets. In addition, the deviation of the leverage is relatively large because it is greater than the mean value (8.0101<1.4809).

The last variable, namely age, shows how long the company can maintain its existence in business competition. The minimum age of the object is two years and the maximum age indicated is 39 years. Judging from the mean value is shown at 21.3793 years, which means the average age of the object can maintain its existence in business competition for 19-20 years. In addition, the deviation of the age is classified as less varied because it is smaller than the mean value (8.6619<21.3793).

In the panel regression test, there will be three models, namely the common effect model (CEM), fixed effect model (FEM), and random effect model (REM). It takes some testing first so that the model used later is the best and by the conditions of the research data of the researcher as a whole. Each of these tests is described as follows:

Chow Test can be useful in selecting the best model between CEM and FEM. Refer to Table 4, which indicates that the best model is FEM with probability. Cross-section F and Cross Section Chi-Square are 0.000, smaller than α ($\alpha = 0.05$). Thus, the test will continue with the Hausman Test.

Table 4. Chow Test Result

Effects Test	Statistic	d.f.	Prob.
Cross-section F	11.380576	(80,301)	0.0000
Cross Section Chi-Square	543.059321	80	0.0000

Source: Data processed (2022)

Hausman test can be useful in choosing the best model between FEM and REM. Refer to Table 5, which indicates that the best model is REM with probability. Cross-section random is 0.3005 which is greater than α ($\alpha = 0.05$). Thus, the test will continue with the Lagrange multiplier test.

Table 5. Hausman Test Result

Test Summary	Chi-Sq Statistic	Chi-Sq d.f.	Prob.
Cross-section random	9.518136	8	0.3005

Source: Data processed (2022)

The Lagrange multiplier test can be useful in choosing the best model between FEM and CEM. Refer to Table 6, which indicates that the best model is REM with probability. Breusch-Pagan value is 0.0000, which is less than α ($\alpha = 0.05$). Thus, REM is the best model for this research from these three tests.

Table 6. Lagrange Multiplier Test Result

	Cross Section	Time	Both
Breusch-Pagan	357.1095 (0.0000)	0.227857 (0.6331)	357.3374 (0.0000)

Source: Data processed (2022)

Table 7. F-Test Result – Random Effect Model

Weighted Statistics	Sig.	Result
Prob (F-Statistic)	0.006781	Significant

Source: Data processed (2022)

Table 8. T-Test Result

Variable	Coefficient	Prob.	Result	Hypothesis
Constant	0.616205	0.8119	-	-
Audit Committee	3.938609	0.0043	Significant Positive	Accepted
Managerial Ownership	-28.69496	0.0662	Insignificant	Rejected
Independent Commissioner	-12.02192	0.0410	Significant Negative	Accepted
Institutional Ownership	-0.506312	0.9152	Insignificant	Rejected
Board Size	-0.468880	0.5570	Insignificant	Rejected
Board of Director	0.044213	0.9716	Insignificant	Rejected
Leverage	-0.090275	0.1751	-	-
Age	-0.009222	0.7984	-	-

Source: Data processed (2022)

Based on the results of the F-test in Table 7, it indicates that there is an effect of the independent variable on the dependent variable simultaneously. The F-test results' probability value (F-Statistic) does not exceed 0.05.

The hypothesis test consists of a T-test and a test of the effect of moderating variables. By using the hypothesis test can show a significant effect of the independent variable on the dependent and also the effect of the moderating variable. Through Table 8 and Table 9, the results of hypothesis testing on REM can be shown.

Table 9. Result of Moderating Effect

Variable	Coefficient	Prob.	Result	Hypothesis
M1	-9.436867	0.0071	Moderate	Accepted
M2	97.71434	0.0403	Moderate	Accepted
M3	24.26403	0.1501	Not Moderating	Rejected
M4	5.362996	0.6638	Not Moderating	Rejected
M5	1.947284	0.3273	Not Moderating	Rejected
M6	-1.152591	0.7111	Not Moderating	Rejected

Source: Data processed (2022)

From the results of the hypothesis test, the moderated regression analysis equation with panel data regression REM model in this research can be formed as follows:

$$CV_{it}=0.616205 + 3.938609AC_{it} - 28.69496MO_{it} - 12.02192IC_{it} - 0.506312IO_{it} - 0.468880BSIZE_{it} + 0.044213BOD_{it} - 0.090275LEV_{it} - 0.009222AGE_{it} - 9.436867M1_{it} + 97.71434M2_{it} + 24.26403M3_{it} + 5.362996M4_{it} + 1.947284M5_{it} - 1.152591M6_{it}+\varepsilon \dots\dots (2)$$

The probability value of 0.0043 and the coefficient value of 3.938609 concluded that the audit committee has a significant positive influence on the corporate value given by the audit committee because the probability value is not greater than 0.05. It can be done through internal control to produce a high-quality financial report for a company because an audit committee can analyze the credibility of a financial report that investors usually use as a source to assess the feasibility of a company before investing in the company. It will also

positively affect the corporate value. Thus, H_{1a} is accepted, and this result is in sync with the research proposed by (Indriastuti & Kartika, 2021; Manu et al., 2019; Masitha & Djuminah, 2019; Samasta et al., 2018; Chairunesia & Sulistiyani, 2019). With the existence of ERM, that is able to moderate audit committee with corporate value. The disclosure of the company's risk management can positively signal investors regarding the quality of the resulting financial reports, which is the responsibility of the audit committee. Thus, it can encourage the growth of corporate value. H_{1b} was accepted, and the same results were also found in the research by Burhanuddin et al. (2020) and Sibarani and Lusmeida (2021).

With the data obtained from the test results can indicate that managerial ownership is not significant to corporate value. Therefore, H_{2a} is rejected, and these results are in sync with the research that has been proposed by (Rahmadianti & Asandimitra, 2017; Hertina et al. 2021; Ilmi et al. 2017; Ratnasari et al. 2018; Trisnawati et al. 2020; Chairunesia & Sulistiyani, 2019; Farida et al. 2019). In terms of moderation, managerial ownership and corporate value can be moderated by ERM. It is proven the probability value obtained has a value less than 0.05. Through managerial ownership, the incompatibility of interests among agents and principals can be reduced. The implementation of ERM disclosure makes the risk strategy even better because it prioritizes the company's primary goal, namely corporate value (Burhanuddin et al. 2020; Rasmini, 2019; Trisnawati et al. 2020). Thus, H_{2b} is accepted.

Independent commissioner has a significant negative effect because the probability value is not more than 0.05, and the coefficient value is negative. It is appointing an independent commissioner only for legal purposes, not based on the implementation of GCG. It impacts ineffectiveness in supervision, which results in the company's performance decrease that can be represented in the financial statements. Likewise, the corporate value will decrease too. Thus, H_{3a} is accepted, and these results are in sync with the research that has been proposed by (Arifin, 2017; Farida et al. 2019; Indriawati et al. 2017). In terms of being moderated by the ERM variable, the test results show that among independent commissioner and corporate value can't be moderated by ERM. Because when a risk is faced by a company, risk management is needed which will be delegated directly to related parties under the company's board such as the risk committee or audit committee and other supporting committees according to regulation that issued by OJK with reference no. 17/POJK.03/2014. Therefore, H_{3b} is rejected, and these results are in sync with the research that has been proposed by (Sibarani & Lusmeida, 2021; Rivandi, 2018; Sari, 2013; Agista et al. 2017).

Table 8 indicates that institutional ownership is not significant to corporate value because the probability value is more than 0.05. Because when a potential investor invests in the company, the potential investor does not see who the institutional investor is. However, it will look at company management and corporate value. Thus, H_{4a} is rejected, and these results are in sync with the research that has been proposed by (Rahmadianti & Asandimitra, 2017; Chairunesia & Sulistiyani, 2019; Manurung et al. 2019; Puspaninggiri, 2021; Samasta et al. 2018; Farida et al. 2019; Hertina et al. 2021). In terms of moderation, institutional ownership and corporate value can not be moderated by ERM. Institutional ownership in the composition of shares does not affect the implementation of ERM in a company because, in ERM disclosure, supervision remains to the management. Therefore, H_{4b} is rejected, and the same result was also found by Jamaluddin et al. (2020).

Board size is not significant to corporate value because the probability value is 0.5570. Because the salary paid to the directors will increase the company's cost, decision-making takes longer if there are more boards in the company and the issue of agency conflict

is not being effectively examined in front of many councils. Thus, H_{5a} is rejected, and this result is in sync with the research proposed by (Asante-Darko et al. 2018; Nguyen et al. 2016; Oktari et al. 2018; Bhat et al. 2018). In terms of being moderated by the ERM variable, the test results show that board size and corporate value can not be moderated by ERM. So H_{5b} is rejected because the board size that exceeds seven people will usually result in communication problems, and coordination among the boards usually becomes more ineffective. So when a company has many investment opportunities, the board size with many members does not necessarily reduce the company's ability to choose projects that have the potential to pose a risk to the company. Although more projects are likely to be disapproved, there will still be risky projects that pass the board selection process. Therefore, the company must be able to implement good investments that will ultimately contribute to higher corporate value. Thus, H_{5b} is rejected, and the same result was also found by (Akbar et al. 2017; Allini et al. 2016; Tao & Hutchinson, 2013; Makoto & Pascal, 2012).

The board of directors has probability values and coefficient values of 0.9716 and 0.044213. These results indicate that the board of directors is not significant to corporate value because the probability value is more than 0.05. Thus, H_{6a} is rejected, and this result is in sync with the research proposed by (Samasta et al. 2018; Arora & Sharma, 2016; Kritika & Choudhary, 2015; Alfaraih et al. 2012). In terms of moderation, board of directors and corporate value can not be moderated by ERM. Therefore, H_{6b} is rejected. It is necessary to review the board of directors' involvement in implementing ERM. Therefore, the board of directors must be active in ensuring the successful implementation of ERM through monitoring activities. The same result was also found by Kanu (2020) and Selamat and Ibrahim (2018).

With the adjusted R-Square in Table 10, which shows a value of 4.216%, the independent variable is able to explain the dependent variable. The rest is explained by other variables not tested in this study. Examples are foreign ownership, female board, BOD meeting frequency, gender board, firm size, and auditors' reputation.

Table 10. Coefficient of Determination Test Result

Dependent Variable	R-squared	Adjusted R-squared
Corporate Value	0.076633	0.042160

Source: Data processed (2022)

This study supports signaling theory because an investor needs information about a company's risk profile, which is a place where investors invest their capital. The wider the risk disclosure, the better information for investors (Rasmini, 2019). Because it can implement good risk management to minimize problems that will threaten the company to maintain its business continuity, according to Moudud-Ul-Huq et al. (2020) and Shan (2019), shows that among managerial ownership, theory of agency is not closely related. From the agency theory point of view, the incompatibility of interests among agents and principals is caused by management failing to optimize the owner's welfare. By implementing ERM disclosures, the company's risks that may become a failure can be minimized. Thus, agency theory is supported in this study.

Research of (Shan, 2019; Kyere & Ausloos, 2021; Taufik & Chua, 2016; Makhlouf et al. 2017) revealed that the board of directors supporting stewardship theory must have a composition of directors that is greater than independent directors in a significant proportion. For decision-making to be effective and efficient, directors better understand business performance. The change in regulation No I-A states that issuers do not need to have an

independent director since it was implemented on December 27, 2018. Because this research covers the research year from 2016 to 2020, the first three years, there is still a composition of independent directors on the board of directors. Therefore, this study does not support stewardship theory.

CONCLUSION

This study aims to analyze the manufacturing sector seen in the influence of GCG on corporate value and then moderate the relationship. The GCG mechanism includes six variables: audit committee, managerial ownership, institutional ownership, board size, independent commissioner, and board of directors. Moreover, the conclusions obtained from the explanation of the discussion show a significant positive effect of the audit committee on corporate value, the independent commissioner has a significant negative effect, and the others do not affect corporate value. Furthermore, in terms of moderating relationships, ERM can moderate the relationship between the audit committee and corporate value and managerial ownership and corporate value. Through the result of this research, it is expected that every company can increase the understanding of CCG and ERM, which can affect corporate value. Besides that, this study is expected to contribute to regulators considering organizing the ERM regulation to reduce any asymmetric information. Therefore, determining and calculating the risk and the benefit of investing in a company is better for the investors. Several limitations were found in carrying out this research, such as the relatively short research time from 2016-2020 and the low adjusted R-Square value. In further research, there are several recommendations, such as expanding the period and the companies that will be used in further research. The data obtained can be studied more and show more significant results. Then further research can consider another good corporate governance mechanism that may affect corporate value. There are more sources for more in-depth research and samples from other countries, so it is not limited to samples from Indonesia.

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Transformational Leadership and Affective Commitment: Individual Organizational Learning and Motivation as Mediator

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SINTA 2

ABSTRACT

Integrating social exchange theory and social information processing theory, this study aims to examine the direct effect of transformational leadership on affective commitment through individual-level organizational learning and motivational. The study was conducted in one of the hospitals under the Christian Foundation for Public Health (Yakkum) in the city of Yogyakarta. Cross-sectional study with data from 96 participants consisting of nurses and employees (before Covid 19 pandemic). All variable measurements use a 5-point Likert Scale, and go through a process of testing the validity and reliability. Hypothesis testing was carried out using simple regression analysis and the help of SPSS software version 25. The results showed that transformational leadership had a positive effect on affective commitment and was consistent with recent research. The findings also show a positive relationship between the two variables above with the individual level organizational learning variables and motivation, so that individual level organizational learning and motivation act as a partial mediator. Implications for research and practice of our findings are discussed.

Keywords: transformational leadership, affective commitment, individual level organizational learning, motivation.

Kepemimpinan Transformasional dan Komitmen Afektif: Pembelajaran Organisasi Individu dan Motivasi sebagai Mediator

ABSTRAK

Mengintegrasikan teori pertukaran sosial dan teori proses informasi sosial, penelitian ini bertujuan untuk menguji pengaruh langsung kepemimpinan transformasional pada komitmen afektif, melalui variabel pembelajaran organisasional level individu dan variabel motivasi sebagai pemediasi. Penelitian dilakukan di salah satu rumah sakit di bawah Yayasan Kristen untuk Kesehatan Umum (Yakkum) di Kota Yogyakarta. Studi cross-sectional dengan data berasal dari 96 orang partisipan yang terdiri dari para perawat dan karyawan (sebelum pandemi Covid 19). Semua pengukuran variabel menggunakan Skala Likert 5 poin, dan melalui proses pengujian validitas dan reliabilitas. Pengujian hipotesis dilakukan dengan analisis regresi sederhana dan bantuan software SPSS versi 25. Hasil penelitian menunjukkan bahwa kepemimpinan transformasional berpengaruh positif pada komitmen afektif dan konsisten dengan penelitian akhir-akhir ini. Penemuan juga menunjukkan hubungan positif antara kedua variabel di atas dengan variabel pembelajaran organisasional level individu dan motivasi, sehingga pembelajaran organisasional level individu dan motivasi berperan sebagai pemediasi sebagian. Implikasi untuk penelitian dan praktik dari hasil penemuan didiskusikan.

Kata kunci: kepemimpinan transformasional, komitmen afektif, pembelajaran organisasional level individu, motivasi.

INTRODUCTION

House et al. (1999) define leadership as the ability to influence and motivate subordinates, therefore the maintenance of employees carried out by leaders is an important issue in the workplace. Stinghamber et al. (2015) stated that previous studies have consistently

reported a positive relationship between leadership and attitudes (eg satisfaction with the leader, subordinate commitment) and behavior of subordinates (eg performance), at the individual, group, and organizational levels (eg Judge and Piccolo, 2004; Wang et al., 2011). In particular, Bass and Riggio (2006) state that transformational leadership influences the attitudes and commitment of subordinates to leaders and organizations.

Burns (1978) stated that transformational leadership relates to the leader's ability and motivates subordinates beyond their expectations to form a commitment to the task and goals. Yukl (2006) added transformational leadership as a process of influencing changes in attitudes and assumptions of organizational members and building commitment (affective, continuance, normative) to organizational mission and goals.

According to Meyer and Allen (1997), affective commitment is defined as an employee's emotional connection to the organization, which leads to a relationship between transformational leadership and affective commitment. The results of research by Pradhan and Pradhan (2015) on 480 professional software employees of private information technology companies in several Indian cities show that employee commitment and decision to stay in the organization are more inclined to emotional bonds with leaders and organizations than logical reasons. Subordinates' emotional commitment to a common goal is aroused in the process. Other studies on the direct relationship between transformational leadership and affective commitment have been carried out by several researchers (eg. Lee, Woo, & Kim, 2017; Ribeiro, Yücel, & Gomes, 2018; Cho, Shin, Billing, & Bhagat, 2019).

Studies on the direct relationship between transformational leadership and commitment have limitations. This relationship does not show the true dynamics and complexity between top management actions and employee attitudes, so that research should focus on the mediating impact on the relationship between top management and employee attitudes (McCann, Langford, & Rawlings, 2006). Therefore, research on the direct relationship between transformational leadership and commitment requires mediating factors. Some examples of mediating variables in previous studies are as follows, self-concordance (Bono & Judge, 2003); collective self-efficacy (Walumbwa, Wang, Lawler, & Shi, 2004); follower beliefs (McCann, Langford, & Rawlings, 2006); psychological empowerment (Barroso Castro, Villegas Periñan, & Casillas Bueno, 2008); meaningful task content and positive organizational climate (Korek, Felfe, & Zaepernick-Rothe, 2010); perceived work impact (Peng, Liao, & Sun, 2019).

This study refers to the proposed future research from several researchs about the relationship between transformational leadership and affective commitment. Bono and Judge (2003) recommend further research on the importance of leadership and motivation training programs for understanding the psychological processes of leader-follower relationships. Lee et al. (2017) stated that further research should examine the actual motivational process in the relationship between transformational leadership and affective commitment. Ribeiro et al. (2018) proposed the existence of a plausible mediating variable. In addition, the Cho et al. (2019) also proposes situational factors such as organizational culture or climate.

Some suggestions for future research above show the importance of motivational factors and organizational climate as indicated by organizational attitudes that actively encourage individual learning in groups through training or encourage individuals to participate in group learning (team learning). The term learning team refers to the Fifth Discipline of Senge (1990). Based on the statement above, this study uses the variables of organizational learning perception and individual motivation.

There are two reasons why this study uses individual-level organizational learning and motivation variables to explain the effect of transformational leadership on affective commitment. First, transformational leadership increases the commitment of subordinates through the provision of intellectual stimulation (Bass & Riggio, 2006) and a process in which

leaders transmit their thoughts and moral values to subordinates and encourage subordinates to achieve common goals (Bass & Riggio, 2006; Wang, 2020). Second, the research model uses social exchange theory (Blau, 1964) to explain reciprocal relationship between leaders and subordinates, in this context some scholars have come to the conclusion that the relationship between transformational leadership and subordinates is a kind of social exchange relationship beyond economic exchange (Wang, 2020). The interaction between leaders and individual subordinates is relationship between insiders is based on additional personal responsibilities (such as mutual trust, respect, preference or reciprocal influence) (Wang, 2020). Subordinates who have mutual trust and respect for the leader will remain in the organization due to the personal desire and loyalty to the company. Emotionally, he will try to do the best for the company.

Third, this study also uses social information processing theory (Salancik & Pfeffer, 1978) which states that individuals use information from other people around them as a social context to shape their attitudes and behavior. This social information provides clues that individuals receive from the environment that will be used to construct and shape a social reality. Through idealized influence and inspirational motivation, transformational leaders promote mutual support and trust among employees by emphasizing the collective and shared goals (Zhou & Pan, 2015). As members of the same group are exposed to the same influence of transformational leadership, they are likely to form convergent perceptions that cooperative rather than competitive relationships are the norm among group members (Zhou & Pan, 2015). A psychologically safe atmosphere makes employees comfortable working and understanding each other, so employees are always loyal and committed to their work and do not look for other alternatives.

The purpose of this study is to examine the mediating role of individual motivation and learning on the effectiveness of the influence of transformational leadership on affective commitment. The test is carried out in a hospital organization that has characteristics based on factors related to improving performance, including culture, leadership, organizational structure, resources, information systems, good communication lines, training, and involvement of health workers (Brand et al., 2012). To support the research objectives, the results of previous studies will be described and discussed further as a contribution to this research.

A hospital survey conducted by Avolio, Zhu, Koh, & Bhatia (2004) showed that transformational leadership directly and indirectly affects organizational commitment. Employees want their leader to be the best problem solver and they want a leader who can guide them to the right path and present himself as an example to his subordinates. Inspirational motivation focuses on sharing ideas and views with subordinates and letting subordinates participate for the good of the company and regard the company as their place. This sense of belonging makes employees feel more committed to the company.

Top, Akdereb, and Tarcan's (2015) research on public and private hospital organizations in Turkey show that transformative leadership influences overall commitment and affective commitment (specifically) in both public and private hospitals. Ribeiro, Yücel, and Gomes's (2018) research on 476 health workers in Turkey also show that transformative leadership affects affective commitment directly, in this case, affective commitment also acts as a mediator of the relationship between transformative leadership and individual performance.

H1. Transformational leadership affects affective commitment positively.

Intellectual stimulation is a technique used by transformational leaders to motivate employees towards innovation and creative thinking. It focuses on new ways of solving problems and develops employee interest in thinking critically about problems and finding new ways to make positive changes (Bass & Riggio, 2006). This technique brings new opportunities to learn and new ideas lead to something better. Intellectual stimulation focuses more on creativity and innovation thereby helping employees increase their level of thinking and take risks for positive change. Based on this, leaders are designers, stewards, and teachers who are responsible for building organizations in which organizational members continuously improve the capability to understand complexity, and clear vision, and improve shared mental models, namely leaders who are responsible for learning (Senge 1990: 340).

The study of Vera and Crossan (2004) identified a direct relationship between transformational and transactional leadership styles and organizational learning in different situations. The study of Amitay et al. (2005) in 44 public health clinics in Israel showed that transformational leadership was more intensively associated with organizational learning activities and a stronger culture of facilitating learning than transactional leadership. The influence of transformational leadership on organizational learning also occurs in the Middle East, such as research by Alsabbagh and Al Khalil (2016) on 154 administrative staff at universities in Damascus, Syria; and research by Abazeed (2018) on 286 employees of the Ministry of Technology and Communication in Jordan. The results of the same study were also carried out by Qing et al. (2019) on 467 public sector employees in China.

H2. Transformational leadership affects individual-level organizational learning positively.

Based on the theory of social action, Kanter (1968) proposed two factors that influence commitment to a social system, namely the way a system is organized and phenomenological variables, such as cognitive orientation, catechism orientation, and evaluative orientation (Krishna & Casey, 2008). Organizational learning significantly affects both the way the system is organized and the phenomenological variables. For example, if a company is organized into smaller knowledge-based units, then such an arrangement will result in higher employee engagement and engagement. High involvement with all members of a system (cognitive orientation) will lead to satisfaction and increase affective bonds with the system. Based on the description above, Krishna and Casey (2008) state their opinion that there is a relationship between the concept of the Organizational Learning Systems Model (measured by the environmental interface, action/reflection, memory/meaning, and dissemination/diffusion subsystems) and affective commitment. Increased knowledge will build a more open attitude towards opinions and constructive criticism, thereby influencing the acceptance of company values and fostering unity between employees and the organization.

Research by Ng et al. (2006) on 1770 employees and 273 part-time employees in the Southern United States showed that learning opportunities affect employees' organizational commitment. Joo and Lim (2009) stated that organizational learning culture significantly influences organizational commitment. Research that has been conducted by Yaghoubi (2010) on leaders in teaching hospitals in Iran and Tsai (2014) on nurses in hospitals in Taiwan, shows that organizational learning significantly affects organizational commitment.

H3. Individual-level organizational learning affects affective commitment positively.

Transformational leadership involves motivation and is a key aspect of leadership style. The leader wants to increase the motivation of his subordinates by focusing his attention on behavior related to charisma or intellectual stimulation as attention to subordinates to realize

results. Research by Judge and Piccolo (2004) also shows that all dimensions of transformational leadership have a positive relationship with the motivation of their subordinates, therefore it can be assumed that the dimensions of transformational leadership style will have a positive relationship with motivation.

When motivation is formed from leadership traits, it appears that a good leader takes into account the expectations of his subordinates and treats his subordinates according to their expectations (Garg & Rastogi, 2006). Several recent studies showing the direct influence of transformational leadership on motivation include By et al. (2016); Priarso et al. (2018); Piedade et al. (2019); Putra and Dewi (2019).

H4. Transformational leadership affects motivation positively.

Motivation and organizational commitment are different but related concepts (Meyer et al., 2004). Motivation theory explains why people do work. Organizational commitment theory explains why people stay in organizations to do their jobs.

Pinder (1998) defines work motivation as a set of energetic forces that direct a person to initiate work-related behavior. Meyer and Herscovitch (2001) define organizational commitment as the force that binds individuals to actions that are relevant to the organization. Based on these two definitions, motivation is a broader concept than commitment, and commitment is a force that contributes to motivating behavior.

Theoretically, affective commitment is related to intrinsic motivation. Meyer and Herscovitch (2001) propose that any personal or situational variable that contributes to the likelihood that a person is intrinsically motivated in an action will contribute to the development of affective commitment. Based on a literature review of 567 peer-reviewed articles from 1970 to 2008, Fornes et al. (2008) proposed that organizations that ensure their work is interesting (high level of intrinsic rewards) can increase organizational commitment. Johnson (2011) also found that intrinsic motivation was positively related to organizational commitment, but did not differentiate components of organizational commitment. Similarly, Andressen, Konradt, and Neck (2012) found that work motivation is positively related to affective commitment.

H5. Motivation affects affective commitment positively.

Leadership has a key role to play in enabling organizational learning to exist (Senge, 1990). Leadership will enable employees to commit to a learning process that encourages experimentation, open communication, dialogue, and continuous learning towards achieving excellence and service quality. A highly knowledge-intensive hospital organization requires continuous learning to improve its capabilities.

Organizational learning is a way for leaders to empower their subordinates. When nurses successfully serve various problems faced by patients, patients feel satisfied with hospital services. Patient satisfaction is a reflection of the commitment and professionalism of the nurses (Tsai, 2014). Nurturing the professional commitment of nurses helps encourage commitment to the organization.

H6. Organizational learning mediates the leadership relationship transformational with affective commitment.

Specifically, transformational leadership refers to the creation of connections to increase the level of motivation and morality in both leaders and followers (Burns, 1978). The

motivation of the leader causes subordinates to take a certain action. According to Bass (1995), transformational leadership encourages self-fulfillment for individuals, so that individuals will move up one step in Maslow's hierarchical model of human needs. In the hierarchy, individuals will move from the need for security and safety to the need for achievement and self-actualization (Bass, 1995).

The results of a literature review of 567 articles from 1970 to 2008, Fornes et al. (2008) proposed that organizations that guarantee interesting work (high levels of intrinsic rewards) will increase organizational commitment. This opinion is also supported by research by Huang (2015) which shows that intrinsic motivation has a positive relationship with affective commitment in the US and China. A transformational leader acts as a catalyst that translates the motivation of subordinates into commitment and their commitment into outstanding performance (Pradhan & Pradhan, 2015).

H7. Motivation mediates the relationship of transformational leadership with affective commitment

METHOD

This study was designed to determine the effect of transformational leadership, individual organizational learning, and motivation on affective commitment. Individual organizational learning variables and motivation act as mediators. The research design was confirmatory with the survey method. The four variables were measured at the individual level.

This study is a cross-sectional study in which data are collected at one point in time. The data were analyzed by linear regression and using SPSS Statistics 25 software. The research design is shown in Figure 1.
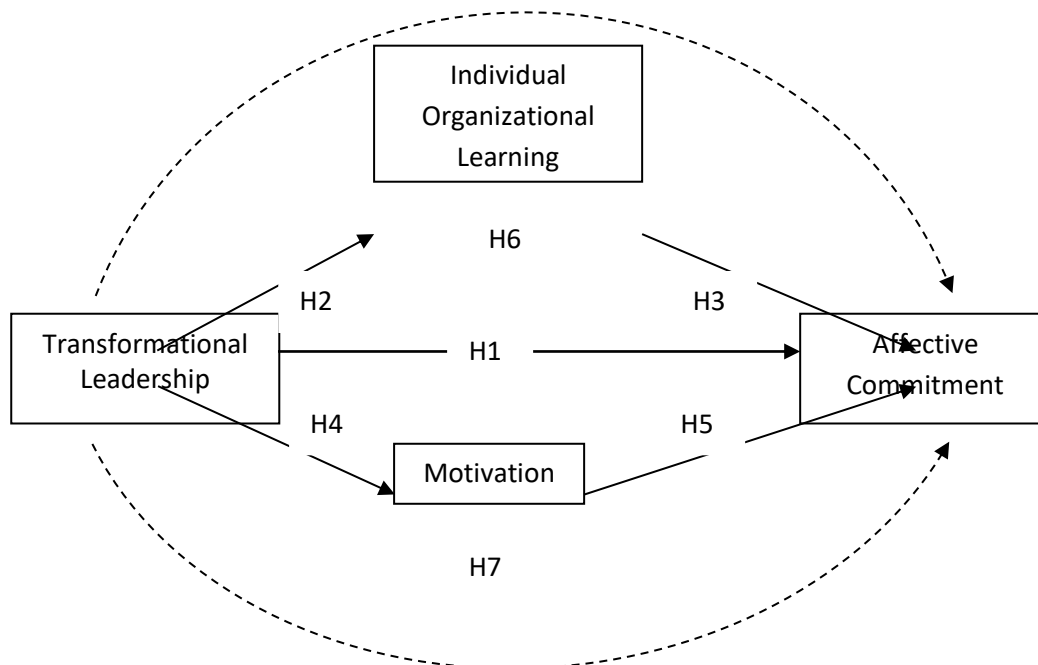

Figure 1. Research Model – The Effect of Transformational Leadership on Affective Commitment, and the Mediation Role of Individual Organizational Learning and Motivation

Respondents were employees of one of the YAKKUM Hospitals (Christian Foundation for Public Health) in Yogyakarta before the Covid 19 pandemic. The selection of hospital

employees as research respondents was because hospitals were required to provide excellent service and they involved human health issues. In addition, the health care sector is developing in the Special Region of Yogyakarta Province.

The sample selection in this study used a purposive sampling method, namely selecting respondents with certain criteria to suit the research objectives. The criteria are employees who have worked for at least 2 years, with the consideration that these employees are well-established in dealing with co-workers, superiors/leaders, and patients.

The sample were nurses and employees. As many as 110 copies of the questionnaire were distributed to nurses and employees. The returned questionnaire was 97 copies (response rate 88%), while 1 copy was not used because it did not fill in the respondent's self-profile so 96 copies was used (used rate 87%).

Measurement of transformational leadership (12 items) was adopted in part from the Multifactor Leadership Questionnaire (MLQ) Form 6S - 21 items that measure exclusively leadership behavior developed by Bass and Avolio (1992). The measurement of affective commitment was developed by Allen and Meyer (1990). The measurement of individual organizational learning comes from Marsick and Watkins (2003). The measurement of motivational variables is developed by Steers, R. M., and Braunstein, D.N. 1976 (Robbins, 1993: 238). All measurements used a 5-point Likert scale (scale 1 = strongly disagree to 5 = strongly agree).

RESULTS AND DISCUSSION

After the questionnaires have been collected, the next step is to process data in the form of frequency distribution and percentage of respondents by gender, last education, marital status, employment status, average age, and years of service as shown in Table 1.

Table 1. Respondent Profile

Demographic Variables		Frequency	Percentage
Gender	Male	25	26 %
	Female	71	74 %
Education	Senior High School	17	17,7 %
	Diploma	61	63,5 %
	Bachelor degree	18	18,8 %
Marital Status	Married	44	45,8 %
	Single	52	54,2 %
Employment Status	Permanent employees	61	63,5 %
	Contract employees	35	36,5 %
	Average (year)	**Minimum (year)**	**Maximum (year)**
Age	30,73	21	53
Tenure	6,54	2	28

Testing the validity of the research indicators was carried out using exploratory factor analysis methods with principal component analysis and varimax rotation techniques. The measurement of the level of validity was expressed by the loading factor score. According to Hair et al. (2006:779), an indicator is declared valid if it has a loading factor score of 0.500.

Reliability testing is intended to measure the accuracy and precision of the measurement procedure (Cooper & Schidler, 2006:318). The higher the level of reliability of a measuring device, the more precise the measuring device will be. Reliability testing was carried out with Cronbach's alpha which showed the instrument's consistency in measuring the concept. A construct has high reliability if there is a high intercorrelation because they measure the same latent construct. Reliability measurement provisions, namely if the value of alpha (α)

= less than 0.6 is said to be poor, between 0.6 - 0.7 is said to be acceptable (Hair et al., 2006:778), and more than 0.8 is said to be good (Sekaran & Bougie, 2016: 290).

Table 2. shows the transformational leadership indicators in as many as 12 items. Of the 12 transformational leadership items, only 9 items were valid because the loading factor value was above 0.500.

Table 2. Validity and Reliability Test Results Transformational leadership

Code	Description	Loading Factor	Reliability (Cronbach α)
P1	Leaders make others feel comfortable around them.	**0,746***	**0,934**
P2	Leaders show in a few simple words what we can and should do	**0,847***	
P3	Leaders enable others to think about old problems in new ways.	**0,821***	
P4	Leaders help others develop themselves.	**0,821***	
P5	Other people have faith in my leader.	**0,592***	
P6	My leader provides an overview of what we can do.	**0,829***	
P7	My leader provides people with a new way of seeing confusing things.	**.**	
P8	My leader lets others know how he or she thinks about what they are doing.	**0,760***	
P9	Others are proud to be working with my leader.	0,079*	
P10	My leader helps others discover the meaning of his work.	**0,757***	
P11	My leader makes others rethink ideas that haven't been asked before.	0,110*	
P12	My leader gives personal attention to others who seem neglected.	0,156*	

Note: * p<0,05

Table 3. presents a summary of the test results for the validity of the affective commitment variable which consists of 8 items. Of the indicators of affective commitment (8 items), 7 items were valid because the loading factor value was above 0.500.

Table 3. Affective Commitment Validity and Reliability Test

Code	Description	Loading Factor	Reliability (Cronbach α)
K1	I would be very happy to spend the rest of my career with this organization	0,588*	**0,809**
K2	I enjoy discussing my organization with people outside it.	0,588*	
K3	I feel as if this organization's problems are my own.	0,436*	
K4	I think that I could not easily become as attached to another organization as I am to this one.	0,578*	
K5	I feel like 'part of the family at my organization.	0,514*	
K6	I feel 'emotionally attached to this organization.	0,615*	
K7	This organization has a great deal of personal meaning for me.	0,740*	
K8	I feel a strong sense of belonging to my organization.	0,750*	

Note: * p<0,05

Table 4. shows that all individual organizational learning indicators (as many as 13 items) were valid because the loading factor is above 0.500.

Table 5. shows a summary of the results of the validity of the motivation variable. Ten motivation indicators (out of 15 items) were valid because their values were above 0.500. Based on the validity test, items S8, S9, S11, S14, and S15 could not be included in the next analysis, because the loading factor was less than 0.500.

Results Table 6. shows a summary of descriptive statistics consisting of the mean, standard deviation, and correlation of research variables. Commitment variables (affective, continuous, and normative), motivation, individual-level organizational learning, and

transformational leadership use a 5 (five) point Likert scale (1 = strongly disagree to 5 = strongly agree). The correlation among the variables is shown in table 6. as follows:

Table 4. Validity and Reliability Test Results Individual Organizational Learning

Code	Description	Loading Factor	Reliability (Cronbach α)
B1	In my organization, people openly discuss mistakes to learn from them	0,732*	**0,926**
B2	In my organization, people identify skills they need for future work tasks.	0,713*	
B3	In my organization, people help each other learn.	0,706*	
B4	n my organization, people can get money and other resources to support their learning.	0,558*	
B5	In my organization, people are given time to support learning.	0,772*	
B6	In my organization, people view problems in their work as an opportunity to learn.	0,755*	
B7	In my organization, people are rewarded for learning.	0,855*	
B8	In my organization, people give open and honest feedback to each other.	0,813*	
B9	In my organization, people listen to others' views before speaking.	0,648*	
B10	In my organization, people are encouraged to ask "why" regardless of rank.	0,746*	
B11	In my organization, whenever people state their views, they also ask what others think.	0,762*	
B12	In my organization, people treat each other with respect.	0,756*	
B13	In my organization, people spend time building trust with each other.	0,743*	

Note: * p<0,05

Table 5. Motivational Validity and Reliability Test Results

Code	Description	Loading Factor	Reliability (Cronbach α)
S1	I try very hard to improve on my past performance at work.	**0,514***	**0,786**
S2	I enjoy a difficult challenge.	**0,594***	
S3	I want to know how I am progressing as I complete tasks.	**0,667***	
S4	I enjoy setting and achieving the realistic goal.	**0,701***	
S5	I enjoy the satisfaction of completing a difficult task.	**0,604***	
S6	I enjoy competition and winning	**0,608***	
S7	I enjoy being in charge.	**0,550***	
S8	I confront people who do things I disagree with.	0,469*	
S9	I enjoy influencing other people to get my way.	0,399*	
S10	I want to work to gain more control over the events around me.	**0,569***	
S11	I often work to gain more control over the events around me	0,195*	
S12	I want to be liked by others.	**0,516***	
S13	I tend to build a close relationships with co-workers	**0,560***	
S14	I enjoy belonging to groups and organizations	0,379*	
S15	I enjoy working with others more than working alone.	0,442*	

Note: * p<0,05

Table 6. Descriptive Statistics and Correlation

No.	*Variable*	*Mean*	Standard Deviation	1	2	3
1	Transformational Leadership	3,46	0,65290			
2	Affective Commitment	3,46	0,58607	0,393**		
3	Ind. Organizational Learning	3,63	0,56286	0,598**	0,388*	
4	Motivation	3,81	0,42197	0,327**	0,393**	0,243**

Note: **$p < 0,01$; *$p < 0,05$

Hypothesis testing was shown in Table 7. The results of testing the effect of transformational leadership on affective commitment are positive and significant (B = 0.395; SE = 0.083; p < 0.01), so hypothesis 1 is supported. The results of testing the influence of transformational leadership on individual-level organizational learning are positive and significant (B = 0.465; SE = 0.075; p < 0.01), so hypothesis 2 is supported. The test results on the effect of individual-level organizational learning on affective commitment are positive and significant (B = 0.464; SE = 0.097; p < 0.01), so hypothesis 3 is supported.

The results of testing the effect of transformational leadership on motivation are positive and significant (B = 0.229; SE = 0.061; p < 0.01), so hypothesis 4 was supported. The results of testing the effect of motivation on affective commitment are positive and significant (B = 0.550; SE = 0.132; p < 0.01), so hypothesis 5 is supported.

The results of testing the role of individual-level organizational learning on the relationship between transformational leadership and affective commitment show that: (1) significant influence of transformational leadership on affective commitment, (2) significant influence of transformational leadership on individual-level organizational learning, and (3) significant influence of individual-level organizational learning on affective commitment. It indicates that individual-level organizational learning acts as a partial mediation (Baron & Kenny,1986), so hypothesis 6 is supported.

The results of testing the role of motivation in the relationship between transformational leadership on affective commitment show that: (1) significant influence of transformational leadership on affective commitment, (2) significant influence of transformational leadership on motivation, and (3) significant influence of motivation on affective commitment. The above results indicate that motivation is a partial mediation, so hypothesis 7 is supported.

Table 7. Summary of Testing Results for the Effect of Transformational Leadership, Individual-Level Organizational Learning, and Motivation On Affective Commitment

Variables	Affective Comm.		Ind. Org. Learning		Motivation	
	B	S.E	B	S.E	B	**S.E**
Transformational Leadership	0,395**	0,083	0,465**	0,075	0,229**	0,061
Ind. Organizational Learning	0,464**	0,097				
Motivation	0,550**	0,132				

Note: ** $p < 0,01$

The hypothesis 1 shows that transformational leadership will affect the emotions of nurses and employees, so they try to do and provide the best abilities for hospitals. Transformational leadership fosters feelings of love, raises the will to stay, and fosters social relationships with fellow hospital members. In addition, transformational leadership encourages employees to appreciate the values of relationships with the organization because they have become members of the hospital. These results are consistent with Lee, Woo, and Kim (2017) research which showed that transformational leadership was more likely to form an emotional attachment and affective commitment in the athletic sports department.

In the working relationships between transformational leaders and employees, the leaders provide trust and comfort to employees. The leaders make subordinates feel at home and want to spend the rest of their career in the hospital. Transformational leadership that helps others develop themselves make employees feel attached to the hospital.

The support of the results of testing hypothesis 2 shows that transformational leadership positively appreciates the performance of employees, thereby creating a sense of self-confidence, strength, and pride in employees, as well as the courage to correct mistakes. The leader encourages employees to express their opinions and ideas without constraint or hindrance.

Hospital leaders are also proposing solutions to help employees facing difficulties at work. Leaders also encourage nurses and employees to do achievable work according to the effort, provide a climate of mutual respect, and trust their ability to achieve the desired goals. Leaders also pay attention to the personal needs of subordinates and seek to build trust. In addition, leaders raise awareness of the factors affecting performance by responding to employee questions and suggestions, so that employees can propose new ideas, offer services, and add extra effort. The description above is in line with the opinion of Slater and Narver (1995) whom stated that transformational leaders are central to integrating processes to build learning organizations.

The support of the results of testing hypothesis 3 shows that the perception of hospital employees on organizational learning only affects affective commitment in emotional or familial ties. Appreciating for learning and openness to experience makes nurses and employees more emotionally attached to the organization, especially personal loyalty to the hospital. A culture of learning and innovation will be created if the organization has patience, is tolerant of mistakes, respects differences of opinion, and becomes the hospital's values and beliefs (Bhatnagar, 2007). Inspiring a shared vision and supporting employee efforts are positively related to commitment (Bhatnagar, 2007). According to Ng et al. (2006), there is a significant positive relationship between the opportunity to learn and organizational commitment (the greater is affective commitment).

The results of testing hypothesis 4 show the growth and empowerment of nurses and employees. Individualized consideration will complete support and encourage employees. Intellectual stimulation increases the awareness of employees in facing new problems and challenges. Nurses and employees become active and satisfied, thereby increasing motivation to improve performance. Through idealized influence, transformational leaders affect the motivation of nurses and employees by example and emphasizing the importance of goals. Transformational leaders can empower subordinates' participation in the decision-making process to achieve goals and provide greater control. On the other hand, there are implications where subordinates are limited in their ability to execute tasks and cannot make decisions without the leader's presence. Psychologically, employee motivation and self-esteem depend on the recognition and approval of the leader (Kark, Shamir, & Chen, 2003), thus causing the dependence of subordinates on superiors.

The support of the results of testing hypothesis 5 shows that the influence of motivation on organizational commitment indicated the efforts of nurses and employees to improve performance as part of pride and attachment to the hospital. Setting and achieving goals by nurses and employees shows a strong sense of belonging as part of the hospital.

In addition, the commitment of nurses and employees is based on interpersonal interaction motives, love of work and organization, self-development, and extrinsic motivation. It is consistent with the research of Nazilah, Rozmi, and Fauziah (2012) state that the motivational factors are altruism, understanding, self-development, self-protection, career, and social relations.

The result of testing hypothesis 6 shows that leader who provides confidence and helps develop subordinates will create feelings of pleasure for the leader and create organizational learning for nurses and employees. Organizational learning can be enhanced through attention

to good relations between leaders and subordinates so that nurses and employees become part of the hospital.

Organizational learning is a behavior in the form of openness to discuss problems, helping each other learn, being open and honest with others, and seeing problems in the hospital as an opportunity to learn. In addition, the leader's trust and respect for the learning carried out by nurses and employees will provide open and honest feedback, so that it will cause an effort to think about staying loyal to work in the hospital.

The results of testing hypothesis 7 show that transformational leaders will provide inspiration and motivation to achieve their goals, so nurses and employees strive to improve past performance. Motivation to achieve goals encourages nurses and employees to be curious about their progress and complete complicated tasks for self-satisfaction, thereby creating hospital progress. Nurses and employees who have a high commitment will identify with the organization, are seriously involved in the work, and have a positive affection for the hospital organization.

CONCLUSION

All the relationships between variables show a positive and significant relationship. The test results also show that individual-level organizational learning and motivation partially mediate the relationship between transformational leadership and affective commitment.

Although this research contributes to hospital institutions, there are limitations to the study, including the study was only conducted on one type of institution and the sample was only 96 respondents, so generalizability of the study should be considered carefully. The measurement of the variables was filled in by the respondents at the same time (cross-section), giving rise to a common method bias (Podsakoff & Organ, 1986). The measurement of the affective commitment variable was filled in independently by the respondent (self-reported) lead to the subjectivity of self-assessment. The subjectivity of self-assessment has the potential to assess higher affective commitment (inflated ratings) to improve self-image (Allen et al., 2000).

Based on the limitations of the research above, further research is development through replacing transformational leadership theory with other leadership theories in order to influence affective commitment, with the addition of other mediating and moderating variables. Several agendas for developing further research with more objects, like add hospitals at YAKKUM, other hospitals, and other sectors. To overcome the common method bias can be done by considering the time lag to fill in each statement item for each variable. For example, the first week of the survey is for filling out statements about transformational leadership, the second week is for filling out statements about individual-level organizational learning, and motivation, and the third week is for filling out affective commitment.

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Social Capital and Innovation as Competitive Advantage of Creative Industry in Boosting Market Share

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SINTA 2

ABSTRCT

This study aims to determine social capital and innovation in increasing competitive advantage to achieve marketing performance in the traditional sculpture industry in Indonesia. The quantitative method with the population in this study is a sculpture entrepreneur in Gianyar and a sample of 130 entrepreneurs. The analysis technique uses SEM-PLS 3.0. The results of the study show that social capital and continuous innovation have a positive and significant effect on competitive advantage, social capital has a non-significant positive effect on marketing performance, innovation has an insignificant positive effect on marketing performance, competitive advantage has a significant positive effect on marketing performance, competitive advantage fully mediates social capital. According to our empirical results, sculptures industry managers should build a social capital and sustainable innovation to encourage and develop competitive advantage to increase marketing performance. Our findings also offer new insight to support further studies of the benefits of managerial ties for sculptures industry in developing countries. The implication of this research is that it is expected to assist in making decisions and policies at the company level.
Keyword: Social Capital; Innovation Competitive Advantage; Marketing Performance; Art Business.

Modal Sosial dan Inovasi Sebagai Keunggulan Kompetitif Industri Kreatif dalam Meningkatkan Pangsa Pasar

ABSTRAK

Penelitian ini bertujuan untuk mengetahui modal sosial dan inovasi dalam meningkatkan keunggulan bersaing untuk mencapai kinerja pemasaran pada industri patung tradisional di Indonesia. Metode kuantitatif dengan populasi dalam penelitian ini adalah pengusaha patung di Gianyar dan sampel sebanyak 130 pengusaha. Teknik analisis menggunakan SEM-PLS 3.0. Hasil penelitian menunjukkan modal sosial dan inovasi berkelanjutan berpengaruh positif dan signifikan terhadap keunggulan bersaing, modal sosial berpengaruh positif tidak signifikan terhadap kinerja pemasaran, inovasi berpengaruh positif tidak signifikan terhadap kinerja pemasaran, keunggulan bersaing berpengaruh signifikan efek positif pada kinerja pemasaran, keunggulan kompetitif sepenuhnya memediasi modal sosial. Menurut hasil empiris kami, manajer industri patung harus membangun modal sosial dan inovasi berkelanjutan untuk mendorong dan mengembangkan keunggulan kompetitif untuk meningkatkan kinerja pemasaran. Temuan kami juga menawarkan wawasan baru untuk mendukung studi lebih lanjut tentang manfaat ikatan manajerial untuk industri patung di negara berkembang. Implikasi dari penelitian ini diharapkan dapat membantu dalam pengambilan keputusan dan kebijakan di tingkat perusahaan.
Kata Kunci*: Social Capital; Innovation Competitive Advantage; Marketing Performance; Art Business.*

INTRODUCTION

Increasing the economy in an area is largely determined by the potential of the area to improve the welfare of its people. The sector that is the focus is the sculpture industry, including

stone statues which are widely available in Gianyar Regency as a potential market. Competitive advantage can be realized if the company can achieve strategic advantages, tactical advantages, and operational advantages that can create an economic manner sustainably. Improving performance requires strategic strength in the industry by having uniqueness and differentiation so that it can achieve a competitive advantage (Glenn Baxter, 2019). Several studies have found that competitive advantage can improve marketing performance, such as the results of research by Basuki and Widyanti (2015), Nuryakin (2018), Arbawa and Wardoyo (2018), Hidayatullah et al. (2019), Ningrum et al., (2020). Ghozali et al. (2015) found a positive influence between competitive advantage and business performance. In contrast, Kadarningsih (2013) found that competitive advantage had a positive and insignificant effect on marketing performance. Achieving competitive advantage in a business requires supporting factors, especially in the sculpture industry which uses unique human resources and has idealistic characteristics that are different from the resources of other companies in general.

The awareness in question is awareness with responsibility according to skills and time discipline (Ribek et al., 2021). Social capital networks enhance relationships by encouraging shared knowledge as well as encouraging communication, securing or acquiring resources, information exchange, and knowledge exchange (Chen et al., 2009). Salehi, et al., (2021) stated that social capital has a positive and significant indirect effect on innovation. Companies with broad access, professional and unique resources are expected to create competitive advantages and increase competitive advantage (Andrevski et al., 2007); (Tuominen et al., 2013; Ou et al., 2015; Saleh, 2017; Muslikah et al., 2018; Irmawati et al., 2019); Giantari and Sukaatmadja (2021) state that social capital can increase competitive advantage. The strength of relationships and cooperation can influence others to achieve goals (Franch et al., 1959; Raven, 2017). Ribek et al., 2021). The strengths of social capital theory consist of legitimacy, appreciation, expertise, reference, coercion, information, and awareness. Another factor that can increase competitive advantage is continuous innovation. Urbancova (2013) states that high competitiveness is based on skills and abilities that are carried out with continuous innovation to produce cheaper and quality products.

Improving competitiveness, product quality, and the price is the company's strategy in seeking new market share (Dewi and Suprapti, 2018). Similarly, Wang et al. (2017) revealed that the comparative relationship with competitiveness helps to improve products and adjust marketing strategies. Gita (2015), Sunarsih (2017), Ardyan et al. (2017), and Putra et al. (2020), shows that sustainable innovation has a positive effect on competitive advantage. In contrast to Serlin's research (2016), there is no significant effect between product innovation and competitive advantage in the *Kerinci batik* business. Jazuli and Sukirman (2017), Cillo et al. (2019), Rahmadi et al. (2020) state that continuous innovation does not affect competitive advantage. Hamdoun, et al., (2022) stated that CSR does have a positive impact on competitive advantage. Giantari and Sukaatmadja (2021) state that social capital has a positive and significant effect on competitiveness. The results of research by Basuki and Widyanti (2015), Nuryakin (2018), Arbawa and Wardoyo (2018), Hidayatullah et al. (2019), Liu (2021), Ningrum et al., 2020 state that competitive advantage can improve marketing performance. In contrast to the results of Kadarningsih (2013), they found that competitive advantage had no significant effect on marketing performance. Following the research gap and the background of this research, the problems are 1) how is the influence of social capital on the competitive advantage of traditional sculpture products, 2) how is the influence of innovation on the competitive advantage of traditional sculpture products, 3) how is the influence of social capital on marketing performance? traditional sculpture products, 4) how does innovation influence the marketing performance of traditional sculpture products, 5) how does the role of competitive advantage affect the marketing performance of traditional sculpture products, 6) how does the role of competitive advantage mediate the influence of social capital on the

marketing performance of sculpture product, 7) what is the role of competitive advantage in mediating innovation on the marketing performance of traditional sculpture products. The purpose of this study was to determine the effect of social capital and innovation in improving marketing performance through competitive advantage. The novelty of this research is a competitive advantage as a full mediation of the effect of social capital on marketing performance. Competitive advantage is a full mediation of the influence of innovation on marketing performance. This topic becomes interesting to study because of the phenomenon of the decreasing level of motivation of the younger generation in developing skills to maintain local culture.

This study uses the theory of competitive advantage (Porter, 1980), supporting theories are expectancy theory (Vroom, 1964) and social exchange theory (Homans, 1961), diffusion of innovations theory (Rogers, 1964), and theory the base of social power (Franch et al., 1959; Raven, 2017). Competitive advantage is achieved if it can strengthen social capital as an adhesive in achieving goals, and innovation to improve marketing performance. Byukusenge et al. (2016), stated that knowledge is an intangible asset that plays an important role in industrial progress. Giantari and Sukaatmadja (2021) state that social capital has an effect on competitive advantage in improving marketing performance, meaning that social capital is a key factor in producing marketing performance. Social capital and innovation are basic means for business people to be able to exchange knowledge and contribute to the application of knowledge, and innovation in creating competitive advantage (Arsawan et al., 2020). Based on the concept of thinking, can be described the concept of thinking as in Figure 1 below:
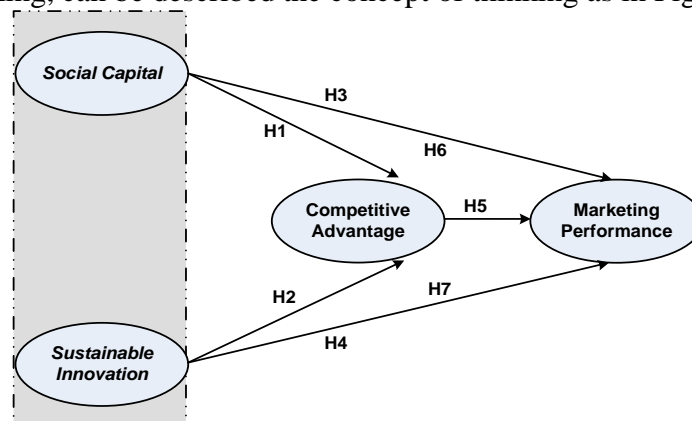

Figure 1. Theoretical Model
Source: Researcher (2021)

Figure 1 can be explained, as follows. In the sculpture industry, improving marketing performance requires various strengths to be possessed, following changes that occur in the internal and external environment. Especially in the internal environment to achieve increased marketing performance it is necessary to have a competitive advantage.

Relationships are part of social capital (Chang et al., 2010). Networks in social capital enhance relationships to communicate, acquire resources, exchange information, and exchange knowledge (Chen et al., 2009). Companies that have unique resources can create competitive advantages and increase profits (Andrevski et al., 2007). Thus, the greater the resources and capabilities of social capital owned by a company, the easier it is to achieve a competitive advantage (Tuominen et al., 2013; Ou et al., 2015). They operate more efficiently or gain a higher competitive advantage over competitors. Firms with greater access to network resources are expected to have a greater competitive advantage and profit (Kangarlouei et al., 2012) so the following hypothesis can be formulated. H1: Social capital has a positive and significant effect on competitive advantage

Companies that innovate are seen as a source of competitive advantage Bahren et al. (2019). Gita (2015) researched that innovation positively affects competitive advantage. In line with this, it is explained that continuous innovation will in turn lead to the creation of competitive advantage. In contrast to Serlin's (2016) research, there is no significant effect between product innovation and competitive advantage in the Kerinci batik business. Based on the description above, the following hypothesis can be formulated. H2: Continuous innovation has a positive and significant impact on competitive advantage.

The results of research from Ferdinand (2005) state that internal and external-based social capital can produce marketing performance and competitive advantage, where the conception of social capital is a key factor in generating performance. The strong relationship of an organization can be seen in the number of members who have high quality and integrity so that they can achieve their goals (Raven, 2008).

However, research conducted by Hartono and Soegianto (2013) and Winarni (2011) states that social capital has a negative effect on performance. The results of research by Prasetyo and Harjanti (2013) that social capital has no relationship with performance. In contrast to the findings of previous studies, it is interesting to review the effect of social capital on performance, the following hypothesis can be formulated. H3: Social capital has a positive and significant effect on marketing performance.

Kamboj and Rahman (2017) show that sustainable innovation affects marketing performance. Bayen et al. (2016) stated that to get successful management an innovation strategy is needed to gain a competitive advantage. Research findings Vermaeulen et al. (2005) conducted a study related to the effect of product innovation on the performance of 90 small and medium enterprises in the financial sector in the Netherlands. The results showed a negative effect on the company's performance. The results of the research by Ardyan et al. (2016) that continuous innovation has no significant effect on performance, so the following hypothesis can be formulated. H4: continuous innovation has a positive and significant effect on marketing performance.

The results of the research by Ghozali et al. (2015) state that performance has a significant effect on competitive advantage. The results of research by Basuki and Widyanti (2015) found that competitive advantage has a positive and significant effect on marketing performance. The research findings of Soegoto (2012) define location competitiveness as the productivity that can be achieved by the company. Measuring the competitiveness of an organization's competitive environment helps form a solid basis for strategy and business development. Based on the description above, the hypothesis of this research is used, as follows. H5: Competitive advantage has a positive and significant effect on marketing performance.

Findings from Saleh, 2017; Muslikah et al., 2018; Irmawati et al., 2019, show that social capital can improve marketing performance through the company's competitive advantage. Social capital is said to have a negative impact on performance (Hartono and Soegianto, 2013; Winarni, 2011). This is also experienced in the sculpture industry, which has a lot of social capital, resulting in more costs. Based on these findings, the hypothesis of this research is as follows. H6: The role of competitive advantage can mediate social capital on marketing performance.

Research examining competitive advantage related to sustainable innovation states that sustainable innovation is an absolute thing that must be done to create competitive advantage (Barney, 1991; Chiou, 2011; Kafetzopoulos et al., 2015; Chatzoglou and Chatzoudes, 2017; Kuncoro and Suriani, 2017). Kafetzopoulos et al. (2015) state that quality management can create innovations both in products and processes so that later it can create a competitive advantage. Rahman, et al., (2021) stated that innovation determines competitive advantage. Business strategy significantly leads to competitive advantage. Research conducted by

Arenhardt et al. (2016) found that innovation increases competitive advantage. Based on the description above, the hypothesis of this research is used, as follows. H7: Competitive advantage mediates continuous innovation in marketing performance.

METHOD

The method used in strategic research to improve the marketing performance of traditional sculpture products in Gianyar Bali is quantitative. This study uses variables of social capital, sustainable innovation, competitive advantage, and marketing performance because this research is based on phenomena that occur in the field where the welfare of sculpture industry workers is low even though they are in tourism areas and there are various existing research gaps. Research using quantitative methods in the form of SEM-PLS (Structural Equation Modeling–Partial Least Square) analysis to obtain results in the form of the relationship between each variable as the dependent variable. SEM PLS has higher flexibility for researchers to link theory and data (Ghozali, 2011). The population that is the target of this research is the entire stone sculpture industry in Gianyar Regency, totaling 100 companies. The tool used in this research is a questionnaire using a Likert scale. The sampling technique uses the census method. Populations are geographically dispersed sampling can be done thoroughly. Qualitative data is data that is not in the form of numbers, in this study various information was received from respondents related to research. The steps taken in the interview are compiling guidelines and interview questions based on the background, problem focus, research objectives, theoretical studies, concepts, and some previous research results, as well as various related phenomena questions).

Based on the formulated hypothesis, in this study, the analysis of inferential statistical data was measured using the Smart PLS (Partial Least Square) software starting from the measurement model (outer model), model structure (inner model), and hypothesis testing. PLS (Partial Least Square) uses the principal component analysis method in the measurement model, namely the variant extraction block to see the relationship between the indicator and its latent construct by calculating the total variance consisting of common variance, specific variance, and error variance. error variance).

RESULT AND DISCUSSION

The results of the Social Capital Validity test, continuous innovation, competitive advantage, and marketing performance, are already above 0.3 so they are declared valid in Table 1.

Evaluation of the measurement model (outer model) was conducted to determine the validity and reliability of the indicators on each variable, namely social capital, continuous innovation, competitive advantage, and marketing performance. The indicators in this study are all reflective, so the evaluation of the measurement model is based on the criteria of Convergent validity, Discriminant validity, Composite reliability, and Cronbach's alpha.

Convergent validity is a criterion for determining the validity of the indicators on each latent variable. An indicator is said to be valid if the outer loading coefficient is greater than 0.50 and p-value <0.05 and the level of significance (t-statistics> 1.96) (Hair et al., 2010). The outer loading coefficient shows the magnitude of the indicator's contribution to the variable. Based on the results of the validity test of the social capital variable, the results of the innovation validity test, the results of the validity test of the competitive advantage variable, the validity test results of the marketing performance variable, all indicators whose outer loading is above 0.7. Based on the table, can be described in Figure 2.

Table 3. shows that the value of the Average Variance Extracted (AVE) of all constructs is > 0.50 so that it meets the valid requirements based on the discriminant validity criteria.

Based on the results of data processing with the Smart PLS 3.0 program, the Composite reliability and Cronbach's Alpha values are obtained as shown in Table 4.

Table 1. Validity test results

Variable	Indicator	R-Count	R- Limit	Description
Social capital (X1)	X1.1	0,776	> 0,3	valid
	X1.2	0,809	> 0,3	valid
	X1.3	0,833	>0,3	valid
	X1.4	0,871	>0,3	valid
	X1.5	0,885	>0,3	valid
	X1.6	0,786	>0,3	valid
	X1.7	0,771	>0,3	valid
	X1.8	0,833	>0,3	valid
	X1.9	0,719	>0,3	valid
	X1.10	0,915	>0,3	valid
Sustainable innovation (X2)	X2.1	0,836	>0,3	valid
	X2.2	0,899	>0,3	valid
	X2.3	0,894	>0,3	valid
	X2.4	0,859	>0,3	valid
	X2.5	0,890	>0,3	valid
Competitive advantage (Y1)	Y1.1	0,864	>0,3	valid
	Y1.2	0,899	>0,3	valid
	Y1.3	0,914	>0,3	valid
	Y1.4	0,955	>0,3	valid
	Y1.5	0,856	>0,3	valid
Marketing performance (Y2)	Y2.1	0,889	>0,3	valid
	Y2.2	0,923	>0,3	valid
	Y2.3	0,723	>0,3	valid
	Y2.4	0,874	>0,3	valid

Source: Primary data processed

Table 2. Reliability Test Result

Variable	*Cronbach's Alpha*	Description
Social capital (X1)	0,942	reliable
Sustainable innovation (X2)	0,923	reliable
Competitive advantage (Y1)	0,939	reliable
Marketing performance (Y2)	0,869	reliable

Source: Data processed

Based on Table 4, the R-Square (R^2) value for the competitive advantage variable (Y1) is 0.707, and marketing performance (Y2) is 0.558. The value (R^2) of 0.707 on the competitive advantage variable means that 70.7% of competitive advantage is influenced by social capital and innovation, the remaining 29.03% is caused by other factors. The results of the Q2 study show a value of 0.845, which means that 84.50% of the relationship between exogenous and endogenous variables can be explained well by the research model. This implies that 84.50% of competitive advantage performance variables can be explained by social capital and innovation variables, while 15.50% are other factors outside the research model. According to

Chin (1998: 317), the value of Q square is getting closer to 1, which shows that the model has good predictive relevance.

Measurement of the structural model (inner model) is carried out to find out how well the research model is formed with a variable. The criteria for testing the measurement model in this study were shown based on some criteria, namely; R. square, Q2 predictive relevance, and Goodness of Fit (GoF). Referring to the results of the Smart PLS 3.0 data processing in Table 5.
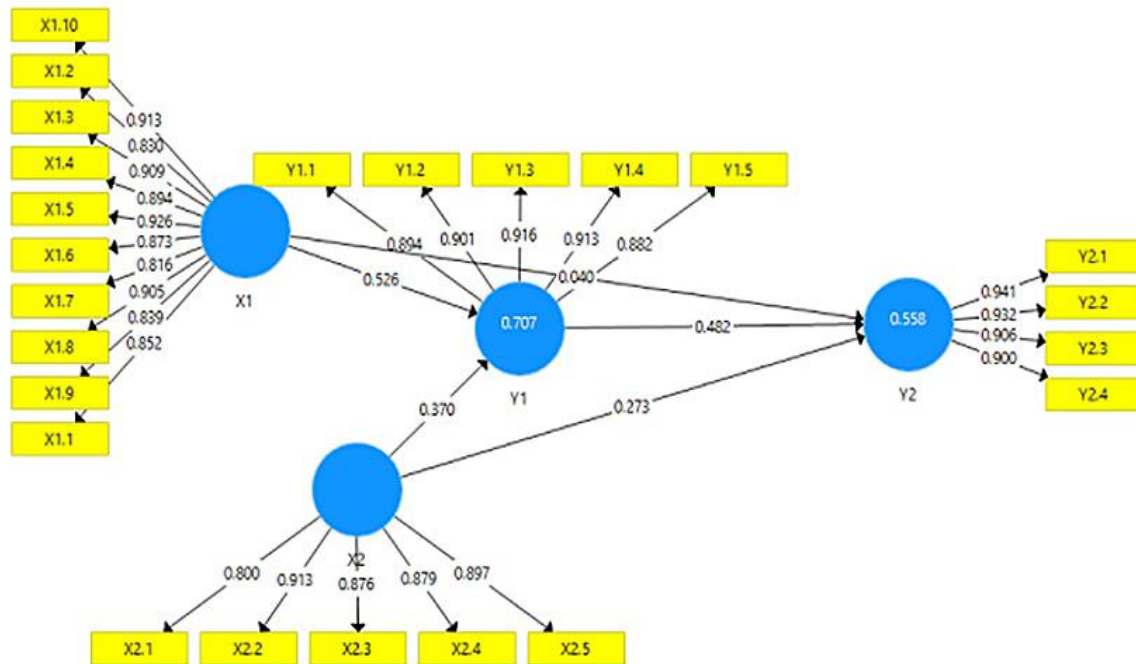

Figure 2: Outer loading evaluation results

Table 3. Discriminant Validity Variable Social Capital, Innovation, Competitive Advantage, Marketing Performance

Variable	AVE	X1	X2	Y1	Y2
Social capital (X1)		0,768			
Sustainable innovation (X2)			0,764		
Competitive advantage (Y1)				0,812	
Marketing performance (Y2)					0,846

Source: processed data

Table 4. Discriminant Reliability And Cronbach's Alpha Variable Social Capital, Sustainable Innovation, Competitive Advantage, Marketing Performance

Variable	*Composite Reliability*	*Cronbach's Alpha*
Social capital (X1)	0,971	0,966
Sustainable innovation (X2)	0,942	0,922
Competitive advantage (Y1)	0,956	0.943
Marketing performance (Y2)	0,957	0,939

Source: Data processed

The results of the GoF calculation show a value of 0.687, based on the GoF criteria according to Akter et al. (2011), a value above 0.687 is classified as a large GoF. This means that the research model has a high level of model accuracy. Based on the results of the evaluation of the structural model (inner model) as measured by the criteria of R-Square (R2),

R-Square predictive Relevance (Q2) and Goodness of Fit (GoF), the measurement results can be stated to be in the large category. All the criteria of the structural model used (R2) (Q 2), Goodness of Fit (GoF) show good results, so the research model that develops social capital, innovation, competitive advantage and marketing performance variables is a good model. In testing the hypothesis, it is expected that H0 is rejected or the value is sig <0.05 (t statistic value> 1.96 if the test is with a significant level of 0.05), tests such as Table 6.

Table 5. R-Square (R2) Variable Social Capital, Innovation, Competitive Advantage, Marketing Performance

Variable	R-Square (R^2)	description
Competitive advantage (Y1)	0,707	Strong influence
Marketing performance (Y2)	0,558	Strong influence

Source: Data processed

Table 6. Statistical Test Results

Construct	Original Sample	Sample Mean	Standard Deviation	T Statistic	P Value	Description
Social capital → Competitive advantage	0,526	0,526	0,102	5,148	0,000	Significant
Social capital → Marketing performance	0,040	0,059	0,155	0,257	0,797	Not significant
Sustainable innovation → Competitive advantage	0,370	0,368	0,105	3,525	0,000	Significant
Sustainable innovation → Marketing performance	0,273	0,261	0,160	1,712	0,088	Not significant
Competitive advantage → Marketing performance	0,482	0,480	0,134	3,610	0,000	Significant

Source: Data processed

Based on statistical tests, the effect of social capital on competitive advantage is positive and significant. This means that the better the social capital owned, the better the competitive advantage. This significance is indicated by the t statistic value of 5.148 which is greater than the t table of 1.96, supporting hypothesis 1. (2013), and the findings of Qu et al, (2015) which state that the better the social capital owned by the company, the easier it is to achieve competitive advantage.

Based on the results of the t-statistical test, the effect of social capital on marketing performance shows a positive but not significant effect at the 0.05 level, because the t-statistical value is smaller than t-table 1.96, which is 0.257, so it does not support the hypothesis 2. The results of this study support Widjajanti's research (2017) which states that social capital has no direct effect on marketing performance.

Based on statistical tests, the effect of innovation on competitive advantage is positive and significant. This significance is indicated by the t statistic value of 3.525 which is greater than the t table of 1.96, supporting hypothesis 3. Based on the results of the analysis, it is explained that continuous innovation has a significant positive effect on competitive advantage, meaning that sustainable innovation can affect competitive advantage. The results of this study

are following the results of research conducted by Bahren et al (2019) which shows that companies that innovate sustainably are seen as a source of competitive advantage. Supported research findings from Gita (2015) show that sustainable innovation has a positive effect on competitive advantage. Correspondingly, continuous innovation will lead to the creation of a competitive advantage.

Based on statistical tests, it shows that the effect of continuous innovation on marketing performance is positive but not significant as indicated by the t statistic value of 1.712 which is smaller than the t table of 1.96 and does not support hypothesis 4. Based on the results of the analysis, sustainable innovation cannot directly affect marketing performance but requires a competitive advantage. That is, when innovation is continuously carried out in the sculpture industry without having a competitive advantage, it will not be able to improve marketing performance. The results of the study are supported by the findings of Ardyan et al. (2016) that innovation has no significant effect on performance.
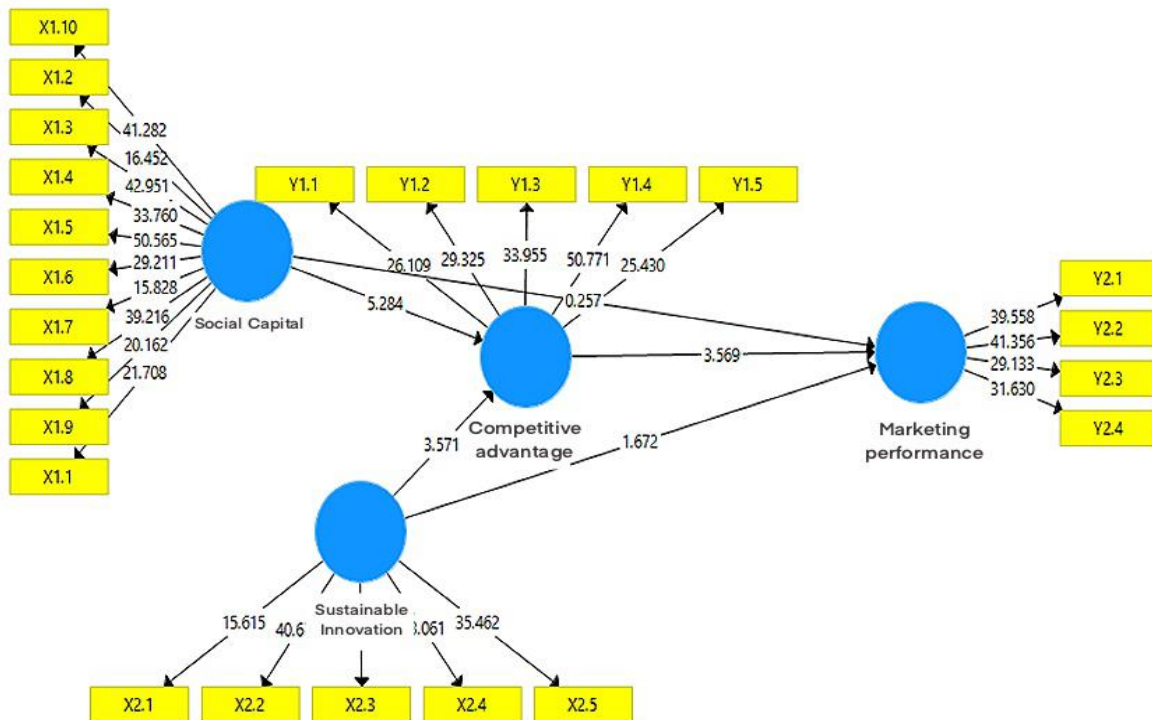

Figure 3. **Results of t-test statistics**

Based on the results of statistical tests, the effect of competitive advantage on marketing performance is a significant positive. The significance shows that the t statistic value of 3.610 is greater than the t table of 1.96 supporting hypothesis 5 which states that competitive advantage has a significant positive effect on marketing performance. This result is supported by the research findings of Ghozali et al. (2015) The results of this study support the findings of Basuki and Widyanti (2015) stating that competitive advantage has a positive and significant effect on marketing performance.

The analysis in this study uses the examination method. The method of examination is by doing two analyzes, namely analysis involving mediating variables and analysis without involving mediating variables. The indirect relationship between social capital variables and marketing performance shows a significant relationship with a coefficient value of 0.254 and is significant. The indirect relationship between the innovation variable and marketing performance shows a significant relationship with a coefficient value of 0.178 and is significant. The results of the indirect relationship test are presented in Table 7.

Table 7. Indirect Effect Coefficient Of Social Capital And Innovation Variables With Marketing Performance

Variable	Original Sample	Sample Mean	Standard Deviation	T Statistic	P-Value	Description
Social capital → competitive advantage → marketing performance	0,254	0,252	0,085	3,000	0,003	Significant
Sustainable innovation → competitive advantage → marketing performance	0,178	0,176	0,071	2,520	0,012	Significant

Source: Data processed

Based on Table 6, it can be explained that the indirect effect is entirely positive and significant. Competitive advantage can mediate the effect of social capital on marketing performance with a t statistic of 3,000 which is greater than the t-table of 1.96. The effect of competitive advantage on marketing performance is positive and significant, supporting hypothesis 6 which states that competitive advantage mediates social capital on marketing performance. This means that social capital can improve its marketing performance if it has a good competitive advantage. The better the competitive advantage it has, the more its marketing performance will increase. The findings of this study support the findings of research conducted by Ferdinand (2005) which states that internal and external-based social capital can produce marketing performance through competitive advantage.

Competitive advantage can mediate the effect of continuous innovation on marketing performance with a t statistic of 2.520 which is greater than the t-table of 1.96. The effect of competitive advantage in mediating innovation on marketing performance is positive and significant, supporting hypothesis 7 which states that competitive advantage mediates continuous innovation on marketing performance. Companies that innovate continuously are seen as a source of competitive advantage that will be able to improve marketing performance (Bahren et al., 2019).

Competitive advantage fully mediates social capital and innovation in marketing performance. This shows that social capital and continuous innovation indirectly affect marketing performance. Based on the findings of this study, it is explained that competitive advantage fully mediates social capital and continuous innovation on marketing performance in a positive and significant way. This means that the more you innovate, the better the competitive advantage you will get to improve marketing performance. Research that examines competitive advantage with sustainable innovation states that innovation is an absolute thing that must be done to create a competitive advantage (Kuncoro and Suriani, 2017).

The findings of this study support the research findings of Ferdinand (2005) which shows that social capital can improve marketing performance through the company's competitive advantage. In addition to social capital, some innovations can improve marketing performance through competitive advantage. Based on the results of this study, social capital and sustainable innovation can improve marketing performance through competitive advantage. Competitive advantage as a full mediation in improving marketing performance supports hypothesis 8 which states that social capital and sustainable innovation can improve marketing performance through competitive advantage.

Development of research models conducted by Hartono and Soegianto (2013), Widjajanti (2017), Prasetyo and Harjanti (2013), Hartono at al. (2013), Rahmawati et al. (2018), Astuti et al. (2019, which states that social capital is not able to directly improve marketing performance. This study found the development of social capital in improving marketing performance through competitive advantage. Without a competitive advantage as a

mediation of social capital in improving marketing performance, indirectly social capital does not able to improve marketing performance in the traditional sculpture industry in Gianyar Regency. Development of research models conducted by Darmanto (2015), Ardyan et al. (2016), Susilowati and Kaharti (2019), and Zameer et al. (2020) stated the success of product innovation is not able to significantly improve marketing performance because it still uses traditional or manual processes. In the findings of this study, innovation requires competitive advantage as a mediation so that it can improve marketing performance. and marketing of traditional sculpture in Gianyar Regency.

Competitive advantage as a full mediation of the influence of social capital on marketing performance means that without a competitive advantage, social capital is not able to improve its marketing performance. Batu Padas traditional sculpture companies that have social capital need a competitive advantage as mediation in improving their marketing performance. Competitive advantage as a full mediation of the influence of innovation on marketing performance means that without a competitive advantage, innovation is not able to improve its marketing performance. Traditional *batu padas* sculpture companies that have innovations need a competitive advantage as mediation in improving their marketing performance. Competitive advantage as a full mediation in improving marketing performance both with social capital and innovation in the traditional sculpture industry in Gianyar Regency. The findings of this study support the findings of research conducted by Wijaya and Suasih, (2020) which states that the competitive advantage possessed by silver handicraft SMEs in Gianyar Regency can fully mediate the relationship between knowledge management and business performance.

CONCLUSION

Based on the result, can be concluded social capital can increase competitive advantage in the traditional sculpture industry; continuous innovation is capable of increasing competitive advantage in the traditional sculpture industry; social capital is not able to directly improve marketing performance in the traditional sculpture industry; innovation is not able to directly improve marketing performance in the traditional sculpture industry; competitive advantage can improve marketing performance; competitive advantage acts as a social capital mediation in improving marketing performance; competitive advantage as a mediation of continuous innovation in improving marketing performance in the traditional sculpture industry. According to our empirical results, sculptures industry managers should build social capital and sustainable innovation to encourage and develop a competitive advantage to increase marketing performance. Our findings also offer new insight to support further studies of the benefits of managerial ties for the sculptures industry in developing countries.

This research implies that this research can provide a literature review related to the topic of research on improving the welfare of sculptures workers, and another implication of this research is that this research can provide direction for policymakers interested in improving the welfare of industrial sculpture workers. This research only examines the traditional sculpture industry in Bali, Indonesia, so it is not able to generalize. For further researchers, it is hoped that they will conduct research in wider industry..

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Influence Of Organizational Citizenship Behavior To Employee Performance With Employee Competences And Job Satisfaction As Predictors

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ABSTRACT

In the age of globalization where the midst of increasingly fierce competition, human ability as a resource for mastery of technology, adaptation and responsiveness to change is needed. This research is done to explore and analyze the impact of job satisfaction and competency on employee performance. Besides that organizational citizenship behavior is a mediating variable. Respondents used in this study were employees of the Garment Company factory in Semarang Regency as many as 105 people. The questionnaire method is used to collect the primary data needed. The AMOS SEM program is used for analytical tools. The results of the study found that: 1). Employee competency variables and job satisfaction variables have a positive influence on OCB. 2). Employee competency variables and job satisfaction variables have a positive influence on employee performance. 3). OCB has a positive influence on employee performance. 4). Employee competency variables and job satisfaction variables have a positive influence through OCB on employee performance.
Keywords: organizational citizenship behavior, employee performance, job satisfaction, employee competence

Pengaruh Dari Organizational Citizenship Behavior Pada Kinerja Karyawan Dengan Kompetensi Karyawan Dan Kepuasan Kerja Sebagai Prediksinya

ABSTRAK

Pada era globalisasi saat ini dimana persaingan yang semakin ketat, kemampuan manusia sebagai sumber daya atas penguasaan teknologi, adaptasi dan responsif terhadap perubahan sangat dibutuhkan. Penelitian ini dikerjakan untuk mendalami dan melakukan analisa adanya pengaruh kepuasan kerja dan kompetensi pada kinerja karyawan. Disamping itu variabel organizational citizenship behavior adalah sebagai sebuah variabel mediasi. Responden yang digunakan dalam penelitian yang dilakukan ini adalah karyawan pabrik Perusahaan Garmen di Kabupaten Semarang sejumlah 105 orang. Metode kuesioner dipergunakan untuk mengumpulkan data primer yang dibutuhkan. Program SEM AMOS dipergunakan untuk alat analisis. Hasil dari penelitian mendapatkan bahwa: 1). Variabel kompetensi karyawan dan variabel kepuasan kerja mempunyai pengaruh positif pada OCB. 2). Variabel kompetensi karyawan dan variabel kepuasan kerja mempunyai pengaruh positif pada kinerja karyawan. 3). OCB mempunyai pengaruh positif pada kinerja karyawan. 4). Variabel kompetensi karyawan dan variabel kepuasan kerja mempunyai pengaruh positif melalui OCB pada kinerja karyawan
Kata Kunci: *organizational citizenship behavior, kinerja karyawan, kepuasan kerja, kompetensi karyawan*

INTRODUCTION

In the age of globalization, where competition is increasingly tight, the ability of human resources who have the ability to master technology, adapt and be responsive to change is needed. Under these circumstances, in winning the competition a personal integrity becomes increasingly important (Sutrisno, 2012) The result of work that employees can do in performing tasks and jobs given in accordance with their responsibilities and responsibilities that what we can call employee performance is. Behavior that which known as OCB is a vital

thing since it can be "the organization's social engine lubrication" (Smith et al., 1983). Actions of an Individual discretionary of employees which outside of their official job description that what we said as OCB.

Managers need to be aware of the approval and rejection of OCBs in order to improve employee consistency in the best possible way for the company and prevent burnout, by linking organizational effectiveness with the characteristic and human behavior in their performing (Hansen, 2016). According to him, not only in roles, but also in extra-role behavior of the employee can affect the effectiveness of the organization. The nature of resources and also a type of behavior that can be seen when there are relationships between them that can affect performance in the organization (Tefera & Hunsaker, 2020).

Many factors that can affect to OCB, such as Job Satisfaction and Competence can affect to OCB which ultimately affects employee performance. Job satisfaction is an emotional condition that pleases employees in seeing the work individually. Employee competencies also will definitely needed by organization, since will certainly be easy to carry out all work responsibilities, able to read the situations and problems that occur in the work and can provide the right response and have a good adjustment to the work environment. Research on impact of Job Satisfaction and Competence to OCB and also to employee performance has been conducted by several other researchers, such as (Darsana, 2013), Supriyadi et al. (2017), Adianita et al. (2017), Sulistyawan (2017), Saragih et al. (2017), and Aryaningtyas & Th (2019). Generally, that employees who have high OCB, will have impact to the performance of the employee concerned.

Employee performance is the level of completion of a task that is in the employee's work (Byars, 1998). A company's success in achieving its goals depends on the performance of its employees. In order for employees to be able to show maximum performance, one of the ways it does is to improving OCB implementation. Individual discretionary bahaviors, which not known by the formal reward system directly or openly but develop an effectiveness function in the organization (Organ, 1998). OCB based on fundamental motives or values, voluntary form their behavior does'n necessarily indicate a true willingness. Hasibuan (2007) define "Job satisfaction is an emotionally happy attitude and loving of his work, this is an attitude that shown from discipline, work morale and work performance. The satisfaction of work can be enjoyed within his work, outside of his work, and the combination of the both". Bozkurt (2011) defining competencies is a behavior that determines the level of performance in a particular work context.

Based on the explanation above, this research proposes the following hypothesis:
1. Job satisfaction has an effect on OCB
2. Competence has an effect on OCB
3. Job satisfaction has an effect on employee performance
4. Competence has an effect on employee performance
5. OCB has an effect on employee performance
6. Competence and Job Satisfaction affect employee performance with OCB as a mediating variable.

Based on data of APO (Asian Productivity Organization) which published in Asian Productivity Organization Data Book on 2019, Indonesia's worker productivity position is ranked 5 out of 10 ASEAN countries. Indonesia's worker productivity hovers around 26,000 USD, which is only one-fifth of Singapore's. Singapore itself is ranked first with productivity per worker of 142,300 USD. While Malaysia with worker productivity of 60,000 USD. Lower productivity compared to other ASEAN countries has an impact on the competitiveness of labor in ASEAN and internationally. Generally companies or managers

will not look for a workforce that has a low level of productivity, because this can affect productivity and company targets in general (Supriyadi et al., 2017).

Therefore, this research intends to examine garment companies in Semarang Regency (Central Java). This research contributes to an empirical study of organizational citizenship behavior in the management of companies, especially garment companies. This study also wants to show the effect of organizational citizenship behavior on employee performance where employee competence and job satisfaction are predictors. Research on organizational citizenship behavior in garment companies is still very limited. This study also provides important empirical evidence to be considered for the leaders of various companies in order to make the right decisions in HR management.

METHOD

Bernadin and Russell giving limits on employee performance as record the results form function of a job or activity over a certain period of time (Gomes, 2003). Bernadin et al. (1993), formulate performance criteria of indicators to measure, namely: 1. Quality, 2. Quantity, 3. Timeliness, 4. Cost Effectiveness, 5. Need for supervision, 6. Interpersonal Impact.

On 1988 OCB's formal definition of began to appear and formally known and used definition, namely "Behaviors of individual discretionary, which not known by the formal reward system directly or openly but develop an effectiveness function in the organization" (Organ, 1998). Using the Likert scale for five dimensions/indicators are Altruism, Conscientiousness, Sportmanship, Courtesy, Civic virtue, Organ defines discretionary as behavior that is not driven by the contractual terms of the employee but rather the issue of personal preference where it is generally understood that it is not done then will not be sanctioned.
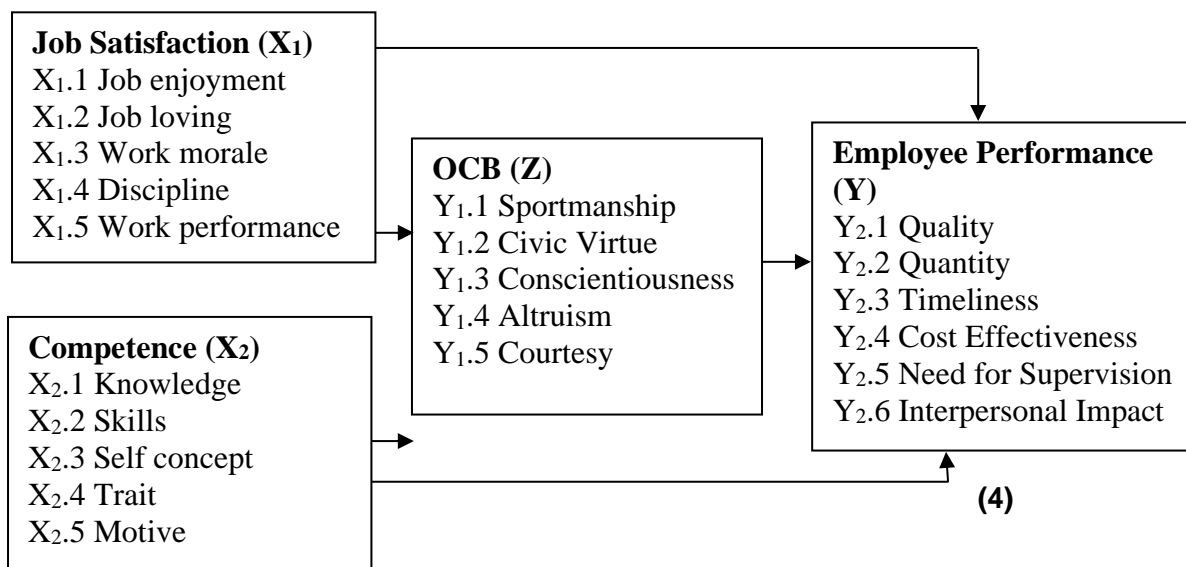

Figure 1. Frame of mind

Hasibuan (2007) define "Job satisfaction is an emotionally happy attitude and his work loving, this is an attitude that shown from discipline, work morale and work performance. The satisfaction of work can be enjoyed within his work, outside of his work and the combination of the both" (Luthans, 2008). "Job satisfaction is perception of employees about how good their job is and provide something important. In organizational behavior, job satisfaction is an important and often learned attitude" (Hasibuan, 2007). He

stated indicators of job satisfaction are: Job enjoyment, jobs loving, work morale, discipline, work performance.

The research which conducted is a quantitative research type by looking for causal relationships. The study og this research is study is a causal associative study, where the relationship studied is causal (Sugiyono, 2018). This research design is explanatory research that explains the relationship between one variable and another variable (Umar, 2008).

To predict the magnitude of variables, form relationships and determine the number and magnitude of influences of exogenous and endogenous variables using SEM (Structural Equation Modelling) analysis techniques operated through the AMOS Program. Respondents used in this study were employees of the Garment Company factory in Semarang Regency as many as 105 people. Based on (Agusty, 2002) when SEM analysis techniques were used, the number of samples as respondents was between 100 and 200. Used 5 x number of indicators = 5 x 21 = 105, so that a sample of 105 already meets the criteria of 100 - 200. Sampling techniques in this study were performed by purposive and stratified random sampling.

Variables are constructs that are given a value (Sanusi,2014). This study used exogenous variables (X), intervening variable (Z) and endogenous variable (Y).

Job satisfaction is an emotionally happy attitude and loving of his work, this is an attitude that shown from discipline, work morale and work performance. The satisfaction of work can be enjoyed within his work, outside of his work and the combination of the both (Hasibuan, 2007).Competencies is a behavior that determines the level of performance in a particular work context (Bozkurt, 2011). OCB is an Individual discretionary bahaviors, which not known by the formal reward system directly or openly but develop an effectiveness function in the organization (Organ, 1998). Employee performance as record the results form function of a job or activity over a certain period of time (Bernadin, 1993).

Validity tests are used to obtain the ability of instruments or tools used as data collectors in uncovering targets on the subject of measurement. Reliability tests are needed to determine the durability of the measuring instrument used. Measuring instruments can be said to be reliable.

Descriptive analysis with the help of SPSS. Descriptive analysis is carried out to find out an overview of respondents' responses about clarity of variable job satisfaction, variable competence, variable OCB and variable employee performance. Descriptive analysis is also carried out by testing the loading factor hypothesis which is identical to confirmatory factor analysis to determine the contribution of factor dimensions to their construct or latent variables.

Analysis to answer hypotheses in the ressearch using SEM (Structural Equation Model) analysis with help of AMOS and SPSS program packages. The test on the hypothesis is carried out due to value of critical ratio and level of prob in regression weight, if cr value $\geq$ 2.00 and prob. $\leq$ 0.05 are the condition to accept a hypothesis.

RESULTS AND DISCUSSION

Results test of validity shown, value of r calculates of each question item higher than value of r Table, with this result, question items of job satisfaction, competence, OCB, and employee performance are declared valid for use as variable measuring instruments. Cronbach's alpha value results of variables of job satisfaction, competence, OCB, and employee performance higher than 0.60 so that the question items of each variable are declared reliable.

The CFA result (Figure 2) shows the loading factor of every indicatorsover to the value of cut-off (0.5). The test shows if all indicators of job enjoyment ($X_{1.1}$), job loving ($X_{1.2}$), work morale ($X_{1.3}$), discipline ($X_{1.4}$) and job performance ($X_{1.5}$) reflect job

satisfaction. his test shows that all indicators of knowledge $(X_{2.1})$, skills $(X_{2.2})$, self-concept $(X_{2.3})$, self-characteristics $(X_{2.4})$ and motives $(X_{2.5})$ reflect competence. This evaluation shows that indicators: sportsmanship $(Z_{1.1})$, civic Virtue $(Z_{1.2})$, conscientiousness $(Z_{1.3})$, altruistic $(Z_{1.4})$ and courtesy $(Z_{1.5})$ reflect OCB. This evaluation shows that indicators: quality $(Y_{1.1})$, quantity $(Y_{1.2})$, timeliness $(Y_{1.3})$, cost effectiveness $(Y_{1.4})$, need for supervision $(Y_{1.5})$ and interpersonal impact $(Y_{1.6})$.
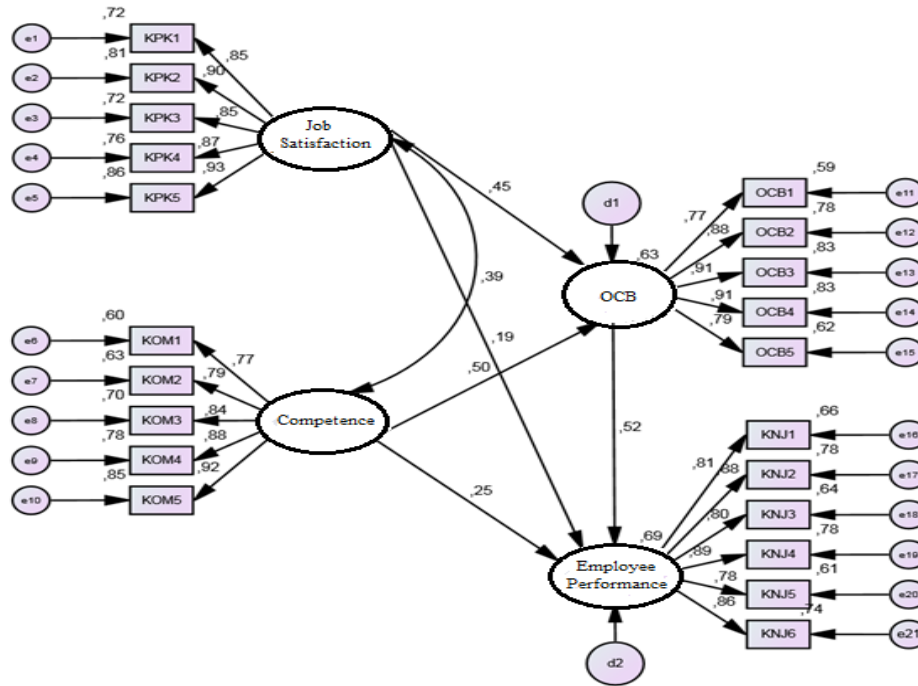
Figure 2. Path Analysis

The fit model test result showed that value of chi square is 186,39 less then value of chi square from Tables is 215,56 with a prob 0.416 higher than 0.05 that means, the matrix of covariance between prediction and observation is same. The other results are values of CMIN/ DF, TLI, CFI, and RMSEA in accordance to the specified value of cut of. Meanwhile, GFI and AGFI values are marginal since they are smaller than the specified standard of values. In general, can be concluded if this SEM model able to be categorized well in describing a causality relationship on the factors used.

From the results in the Table 1, it can be proven as follows:

a. The cr value of job satisfaction against OCB of 5,089 is higher from 2.00 and prob.*** lower from 0.05. This value of cr competence against OCB is 5,294 is higher from 2.00 and prob.*** lower from 0.05, So accept the hypothesis that states job satisfaction and competence affect OCB

b. This value of cr job satisfaction to employee performance of 2,105 is higher from 2.00 and prob. 0.035 is lower fromn 0.05. This cr value of competence towards employee performance of 2,564 is higher from 2.00 and prob. 0.010 is lower from 0.05. So accept the hypothesis that states job satisfaction and competence affect employee performance.

c. OCB's cr value for employee performance of 4,109 is greater than 2.00 with prob.*** smaller than 0.05, then accept the hypothesis that OCB behavior affects employee performance.

Table 1 Result Test of Hypothesis

			Estimate	S.E.	C.R.	P
OCB	<---	Job satisfaction	,392	,077	5,089	***
OCB	<---	Competence	,562	,106	5,294	***
Employee - Performance	<---	OCB	,612	,149	4,109	***
Employee - Performance	<---	Job satisfaction	,193	,092	2,105	,035
Employee - Performance	<---	Competence	,324	,126	2,564	,010

Source: Processed data result

Table 2 Intervening Test Results

Variables	Direct Influence OCB	Direct Influence Employee Performance	Indirect Influence Through OCB Employee Performance	Total Influence
Job satisfaction	0,448	0,186	0,232	0,418
Competence	0,504	0,246	0,261	0,507
OCB		0,517		

Source: Processed data result

From the results in the Table 2, it can be proven as follows:

d. The indirect influence of job satisfaction through OCB to employee performance amounted to 0.232 and higher than direct impact variable of job satisfaction to variable employee performance, which is 0.186, and total influence of 0.418. Indirect influence of competence through OCB to employee performance amounted to 0.261 this higer than the direct impact variable of competence to variable of employee performance, which was 0.246, with a total influence of 0.507. So job satisfaction and competence influence through OCB as a mediation variable to employee performance.

Data analysis results show that six indicators of employee performance are able to reflect variable of employee performance, Results of the study is in accordance with the theory of Bernadin (1993). By looking at the amount of loading factor obtained from the endogenous variable confirmatory test obtained quantity as the largest reflection then successive cost effectiveness, need for supervision, quality, timeliness and the smallest interpersonal impact.

Data analysis results that five indicators of OCB were able to reflect OCB, this is in accordance with the theory of Organ (1998). By looking at the amount of factor loading obtained from the confirmatory test intervining variables obtained conscientiousness as the largest reflection then successive altruism, civic virtue, sportsmanship and the smallest courtesy.

The results of data analysis show that knowledge, skills, self-concepts, self-characteristics and motives are able to reflect competence, this is in accordance with the theory of Bozkurt (2011). By looking at the amount of factor loading obtained from the confirmatory test of exogenous variables obtained motifs as the largest reflection then successive self-characteristics, self-concept, skills, and the smallest knowledge.

The results of data analysis show that liking work, loving work, work morals, discipline and work achievement are able to reflect competence, this is in accordance with the theory of Hasibuan (2007). By looking at the amount of factor loading obtained from the confirmatory test of exogenous variables obtained work performance as the largest reflection then successively love work, discipline, pleasure work, and the smallest morale work.

Hypothesis tests prove that job satisfaction and competence have been shown to have an effect on OCB. Happy employees will show a positive attitude towards their work so that they are ready to work harder or work more than usual because they already feel good about what is gained from the company. Employees who have competence will master one or even more than one task area so that with this ability they will be asked to carry out several tasks other than the main tasks carried out.

The results of the description analysis show that for knowledge indicators get the highest average value. This is because employees have sufficient knowledge and get orientation and explanation from the company before doing the work. With the provision of knowledge possessed, employees will be given responsibilities according to the field of knowledge mastered as a whole means that the results of the task of the working group become a joint responsibility so that when there are obstacles faced by one member of the working group then other members must help because they have supporting knowledge. This condition creates OCB.

The satisfaction factor that affects OCB as a whole is also influenced by indicators of loving work, namely love makes employees loyal and loyal so that they are willing to sacrifice more to achieve the goals they want to get, then also work morale is always excited and in working and helping each other with colleagues so as to show high attention to work, in addition to discipline, namely employees who are disciplined by arriving on time and not skipping ditching means that there is a desire to sacrifice more every day to always come to work and leave early so as not to be late.

Research by Martini (2022) conducted with respondents of civil servants in Banyuwangi obtained the result that competence and job satisfaction affect OCB . The same is obtained from research Dewanti & Moko (2020) with honorary teacher respondents in Kediri. Likewise, research conducted by Anindita & Bachtiar (2021) with respondents to online media works. Other research was conducted by Widodo et al. (2021) where with respondents PLN Employees Mahakam Plant get results that are not much different.

Hypothesis tests prove that Job Satisfaction and Competence have been shown to affect Employee Performance. Satisfied employees will show better performance because they will run the job with positive actions. While employees who have competence, namely having expertise in the field of duty undertaken, can run it appropriately and can achieve results according to the goals they want to get so that employees who have competence will be able to produce good performance.

Competency factors that affect employee performance are also supported by skill indicators, namely by having experience and getting training, technically employees master their fields of duty and can overcome various problems that arise during the implementation of tasks, then have a self-concept, namely with demands to work according to regulations and the punishment for violating then the employees must work according to SOP (standard operating procedures) so that employees Employees work within their authority. Another

supporting indicator is self-characteristics, namely by conducting psychological tests and hiring employees as needed, it can be obtained employees who are assessed accordingly, both in terms of insight, behavior and mentality to carry out a task so that by giving the right task it is expected to show good performance.

Based on the respondent's statement, the indicator of liking work gets the highest rating. This means that with a sense of pleasure towards work that is reflected in employees devoting their abilities which means that they will release all the skills they have to carry out tasks, the results of work obtained will be better where skilled employees tend to be faster in carrying out tasks and the mistakes produced are also less. The sense of pleasure is also based on because employees know what the goals and importance of work are so they are ready to work hard by trying to achieve work targets because this is an important factor to continue to maintain their work position in the company and achieve higher goals such as career improvement.

Research by Martini (2022) onducted with respondents of civil servants in Banyuwangi obtained the result that competence and job satisfaction affect employee performance. The same is obtained from research Dewanti & Moko (2020) with honorary teacher respondents in Kediri. Other research was conducted by Widodo et al. (2021) where with respondents PLN Employees Mahakam Plant get results that are not much different.

Hypothesis tests prove that OCB is proven to affect employee performance, employees who have OCB will be more effort to work can be carried out or completed to the maximum without thinking about the greater sacrifices that must be made and not considering the additional value obtained such as from compensation.

Based on the results of the description analysis shows that for the indicator that gets the highest assessment, namely sportsmanship, it means that for OCB it is shown to be able to spend a lot of time achieving the organization's goal of utilizing working hours only to carry out tasks so that the goals achieved such as production and sales targets increase even though for that it must work to exceed working hours. In addition, it is also shown by focusing on what is right in the work not on the negative side, which means trying to do the work correctly even though sometimes you have to take the time to repeat the work or improve the results of the work again to produce a perfect or correct work output as set by the company. This kind of behavior will certainly improve the good performance of employees.

Also supports to research from Hanafi et al. (2018) where OCB has role which important to improve performance. In additional is a research did by (Supriyadi et al., 2017), obtained the result that improving OCB with readiness factors in providing assistance to those who need will be improved employee performance in the garment industry. Other research was conducted by Widodo et al. (2021) where with respondents PLN employees Mahakam Plant get results that are not much different.

Competence and Job Satisfaction have been shown to affect employee performance through OCB as a mediation variable. Satisfied employees mean that the value obtained in accordance with expectations or felt enough can be received such as from compensation and the burden of responsibility carried out. Employees who have competence means having knowledge or skills that can be applied to carry out tasks and also have the appropriate thought patterns to carry out these tasks.

Research conducted by Martini (2022) conducted with civil servant respondents in Banyuwangi obtained the result that variable competence and variable job satisfaction influence through OCB to employee performance. According to Dewanti & Moko (2020) OCB can improve performance of state junior high school honore teachers in Kediri City. Sulistyawan (2017) which shows that competence affects employee performance through

OCB as a intervining variable as well as Kasemsap (2013) which shows that job satisfaction impacts to employee performance through OCB be a mediation variable.

CONCLUSION

Some of the conclusions which can be drawn are: Hypothesis tests prove that job satisfaction and competence impacts to OCB. Hypothesis tests prove that job satisfaction and competence impacts to employee performance. Hypothesis tests prove that OCB impacts to employee performance. Job satisfaction and competence impacts to employee performance with OCB as a mediation variable.

Suggestions which can be conveyed of research obtained, are as follows: Employee job satisfaction should be further improved, especially in terms of achievement. Employee competence must be further improved, especially in terms of motives because they get the lowest average score. OCB improvement efforts can be done in terms of altruism because it gets the lowest average value

Further research can be change in the predictor variable so that a more comprehensive conclusion. Conducted research with a different work environment where in this research is only done in the garment industry as a light manufactur industry, can be done with other industries such as the chemical industry and so on

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The Effect of Entrepreneurial Competency on The Performance of Culinary SMES in Banjarbaru, South Kalimantan

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ABSTRACT

The income of Micro and Small Culinary Businesses in Banjarbaru in 2015-2019 has increased. Business development can be influenced by entrepreneurial competence and external factors. The purpose of this study was to analyze the effect of individual characteristics and psychological characteristics on entrepreneurial competence, the influence of entrepreneurial competence and external factors on business performance, and the influence of external factors on entrepreneurial competence. This research was conducted using a survey technique. The data analysis tool used SEM. The sample in this study was in the amount of 210. The method of data collection was done by direct interviews and google form through whatssapp respondents. The results of the study showed that entrepreneurs who were tenacious and had high motivation were going to have high entrepreneurial competence. Entrepreneurs having high technical ability had high business performance. Entrepreneurs having many social networks had high business performance. The conclusion of this study was that individual characteristics and psychological characteristics had a positive effect on entrepreneurial competence, whereas entrepreneurial competence and external factors had a positive effect on business performance.

Keywords: entrepreneurial competence, business performance, culinary

Pengaruh Kompetensi Wirausaha Terhadap Kinerja UKM Kuliner di Banjarbaru Kalimantan Selatan

ABSTRAK

Pendapatan Usaha Mikro dan Kecil bidang Kuliner di Banjarbaru pada tahun 2015-2019 mengalami peningkatan. Perkembangan usaha dapat dipengaruhi oleh kompetensi kewirausahan dan faktor eksternal. Tujuan penelitian ini adalah menganalisis pengaruh karakteristik individu dan karakteristik psikologi terhadap kompetensi kewirausahaan, pengaruh kompetensi kewirausahaan dan faktor eksternal terhadap kinerja usaha, dan pengaruh faktor eksternal terhadap kompetensi kewirausahaan. Penelitian ini dilakukan dengan menggunakan teknik survei. Alat analisis data menggunakan SEM. Sampel pada penelitian ini sebanyak 210. Metode pengumpulan data dilakukan dengan wawancara langsung dan google form melalui whatssapp responden. Hasil penelitian menunjukkan bahwa wirausaha yang ulet dan memiliki motivasi yang tinggi maka kompetensi kewirausahaan tinggi. Wirausaha yang memiliki kemampuan teknik yang tinggi maka kinerja usaha tinggi. Wirausaha yang memiliki jaringan sosial yang banyak maka kinerja usaha tinggi. Kesimpulan pada penelitian ini adalah karakteristik individu dan karakteristik psikologi berpengaruh positif terhadap kompetensi kewirausahaan, kompetensi kewirausahaan dan faktor eksternal berpengaruh positif terhadap kinerja usaha.

Kata kunci: kompetensi kewirausahaan, kinerja usaha, kuliner

INTRODUCTION

Micro and Small Enterprise is one of the drivers of the national economy, especially in Banjarbaru town. The distribution of the manufacturing sector to the GRDP of Banjarbaru town was 476.01 million rupiah in 2019. The food and beverage business is a potential business,

because the lifestyle of Banjarbaru residents tends to buy food outside the home rather than food at home. This opportunity is used by entrepreneurs in Banjarbaru town. The average income of Micro and Small Culinary Businesses in 2015 was IDR 18,973,384 per month. The average income of Micro and Small Businesses in the Banjarbaru Culinary field in 2019 was Rp. 27,764,186. Culinary businesses in Banjarbaru town can still survive even in a pandemic situation, forcing them to be less free to sell and promote products. Food and beverage vendors usually make large portions for their sales. MSME actors need a lot of customers to buy their products, so they can sell quickly. Food and beverage sellers using offline and online marketing systems are more crowded with customers. Food and beverage business actors only using an offline marketing system had less customers. Business actors making products available to customers more quickly tend to be more attractive to customers visiting the store. Customers do not have to queue too long to get the product. A large number of customers can finish a product faster than a store with a small number of customers. Based on this condition, it means that there are differences in the competence of business actors in managing the business, namely competence of business actors in the ability to make products and techniques to serve customers. This research is expected to be taken into consideration in setting policies for fostering and developing competitive food and beverage businesses in Banjarbaru City.

Entrepreneurial competence can improve business performance (Darya, 2012). The same results were also investigated by Pamela (2017) and Hasanah (2018) using the SEM method and showed the results that business competence had a positive and relevant effect on business success which was also a measure of business performance. Indicators of entrepreneurial competence include knowledge, skills and attitudes. Knowledge means that entrepreneurs make product innovations; the skills in question are finding and analyzing information, communication, building social networks and change management; whereas attitudes show that entrepreneurs are results oriented, negotiate and solve problems.

According to Kahan (2012), the components of entrepreneurship consist of technical competence, knowledge, skills and behavior. Technical competency includes managerial skill; knowledge competency includes conceptual ability; skill competency includes social skill; and behavioral competency include decision-making ability and time management skill. Internal factors have several indicators, namely entrepreneurial competence, financing resources, use of technology, and knowledge sharing on business success (Radzi et al, 2017). Sanchez's research (2012) proves that entrepreneurial competence has an important role in improving business performance. Sari (2016) used the SEM method. The results of the study explain that entrepreneurial competence has no effect on business performance. There are still differences in the results of previous studies investigating the effect of entrepreneurial competence on business performance. We address differences in research by presenting a conceptual model of the effect of competence on business performance.

This research follows the theory of Spencer (1993), describing that ability is measured through technical ability, relationship ability and customer service ability. This research used competency indicators in Christiana's (2014) research, namely technical ability financial ability and relationship ability as well as marketing ability, especially customer service ability. The novelty of this research is the parameter of technical ability, namely the ability of business actors to use social media in marketing, record sales via a computer or mobile phone, production and sales processes as well as food and beverage delivery online or offline.

Lans et al. (2014) stated that individual characteristics and psychological characteristics were included in the entrepreneurial characteristics which were internal factors. Individual characteristics are personal characteristics inherent in an entrepreneur from birth. Psychological characteristics are characters that are formed based on life experiences. Wickramaratne et al. (2014) examined 109 tea processing companies and found that the

background characteristics of business owners/managers had a direct impact on entrepreneurial competence.

Entrepreneurial competence has some indicators namely knowledge, skills and attitudes. This shows that SMEs can improve performance through the entrepreneurial competency of SMEs. The amount of knowledge, skills and good attitudes can improve performance. Sanchez's research (2011) shows that entrepreneurial competence has an important role in improving business performance. Abaho et al prove that entrepreneurial competence can increase sales, profits, market share in SMEs.

Aulia's research (2018) explains that government policies, the availability of inputs and social networks have a positive effect on the performance of SMEs. Jain (2011) explains that external factors have a positive influence on entrepreneurial competence. Indicators of external factors are social networks, government policies, socio-economic conditions in the surrounding environment, friends and family who help the business. The more support from external factors, the better the entrepreneurial competence. Entrepreneurs having wide social networks can help improve entrepreneurial competence. Entrepreneurs obtaining support from the government can also improve their entrepreneurial competency.

METHOD

The research was conducted in Banjarbaru Town, South Kalimantan Province, namely on Micro and Small Culinary Enterprises. Researchers only chose respondents that had telephone numbers so they were easy to contact and get data. However, if a respondent asked to fill out the questionnaire directly at home, then the questionnaire was filled out at the respondent's house. The number of samples in this study was in the amount of 210. The method of data collection in this study was carried out by direct interviews and asking questionnaires to respondents and google forms given via whatssapp respondents. Time of research was in February 2021. Data processing used a 5-point Likert scale.
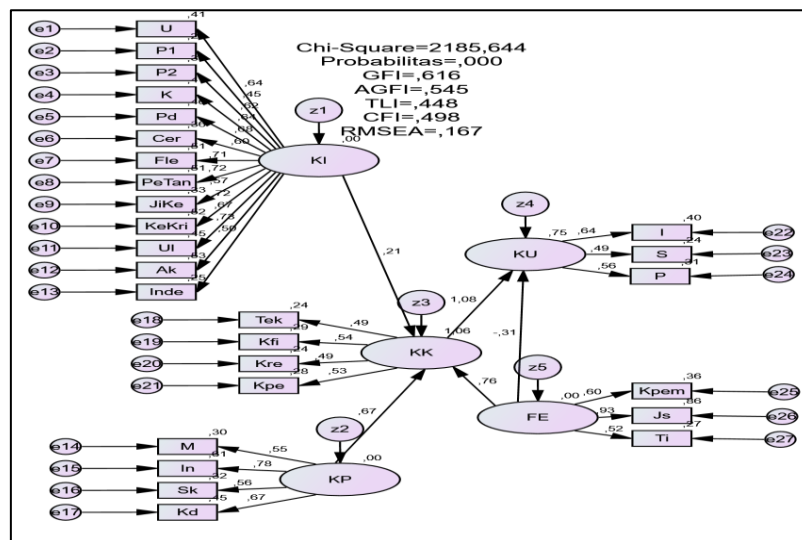

Figure 1. Evaluation Result of Initial SEM Model

The SEM model could be built in seven steps according to Firdaus and Farid (2008), namely the development of a theoretical model, development with a flow chart (path diagram), converting the flow chart into a structural equation, determining the input matrix and model estimation, determining several coefficient values on the values of the SEM model. Certain values (fix coefficient) and latent variables that had only one indicator variable were assigned

a value (generally one), and the evaluation of the goodness of fit criteria generally used was Chi-square, which was expected to be small, DF > 0 overidentified, GFI, AGFI.

This study used latent variables, namely business performance, external factors, individual characteristics and entrepreneurial competence. Manifest variables to measure individual characteristics were age, experience, education and cosmopolitan. Manifest variables of entrepreneurial competence were knowledge, abilities and skills. Meanwhile, External Factors had several indicators, namely social network, government policy and the availability of input. The manifest variables to measure performance were the number of receipts, the number of sales, and the amount of profit, and marketing reach.

Chi-square was still high and the probability was still 0 in the initial model. Therefore, to reduce the Chi-square and make the probability increased to > 0.05, the variables having a loading factor value of < 0.5 needed to be removed. In addition, variables having a large number of covariance relationships needed to be removed and the covariances having the largest values needed to be linked. The overall model fit test showed that there were seven GOF measures with good fit, so it can be concluded that the model in this study had a relatively good fit, as seen in the table below.
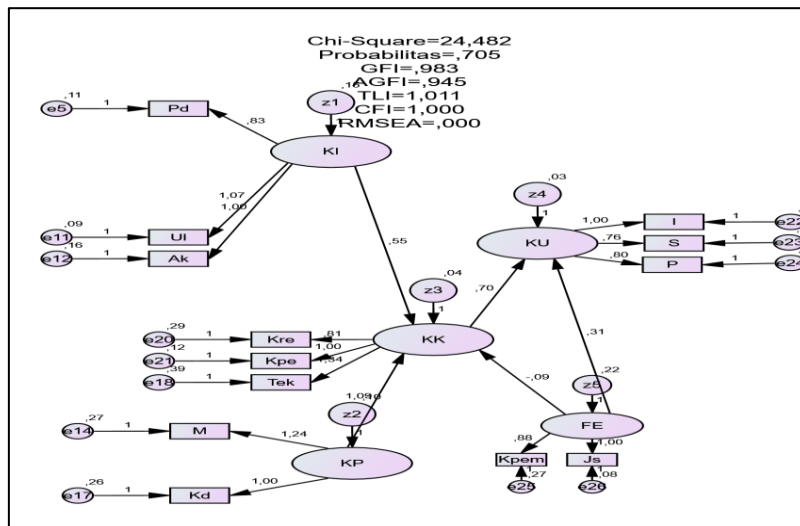

Figure 2. Evaluation Result of SEM Model Respecification

Table 1. GOF test results on the specification of the SEM Model

GOF	Acceptable Fitness Level	Result	Description
Chi square	< 42,556	24,482	Good
Probabilitas	≥ 0,05	0,705	Good
DF	>0	29	*Over Identified*
GFI	GFI ≥ 0,90 good,	0,983	Good
AGFI	AGFI ≥ 0,90 good,	0,945	Good
TLI	TLI ≥ 0,95 good	1,011	Good
CMIN/DF	≤ 2,0	0,844	Good

Source: Processed primer data, 2021

Validity was measuring the variables those were needed to measure (Cooper and Pamela 2006). If the t-count was greater than the t-table (2.064) on a df of 24 with an alpha of 0.05, then the variable was declared valid. All latent variables had CR and VE values

supporting good reliability because construct reliability (CR) was of 0.50 and variance extracted (VE) was of 0.50.

Table 2. *Regression Weight*

Variable			Estimate	S.E.	C.R.	P	Description
KK	←	KI	0,622	0,212	2,933	0,003	Valid
KK	←	KP	1,111	0,224	4,954	***	Valid
KK	←	FE	-0,185	0,253	-0,731	0,465	Not valid
KU	←	KK	0,747	0,129	5,798	***	Valid
KU	←	FE	0,301	0,133	2,273	0,023	Valid
Ak	←	KI	1,000				
Ul	←	KI	1,082	0,230	4,709	***	Valid
Pd	←	KI	0,831	0,166	5,001	***	Valid
Kd	←	KP	1,000				
M	←	KP	1,480	0,718	2,062	0,039	Valid
Kpe	←	KK	1,000				
Kre	←	KK	0,824	0,142	5,791	***	Valid
I	←	KU	1,000				
S	←	KU	0,759	0,097	7,863	***	Valid
P	←	KU	0,818	0,102	8,029	***	Valid
Js	←	FE	1,000				
Kpem	←	FE	1,012	0,145	6,987	***	Valid
Tek	←	KK	1,325	0,223	5,952	***	Valid

Source: Proccessed primer data, 2021

Table 3. *Re*liability

Variable	AVE	CR	Description
KI	0,5	0,8	Reliable
KP	0,4	0,7	Reliable
KK	0,6	0,8	Reliable
FE	0,3	0,5	Not Reliable
KU	0,4	0,7	Realible

Source: Proccessed primer data, 2021

RESULTS AND DISCUSSION

This study used 210 Culinary SMEs respondents in Banjarbaru town. The criteria required to be a respondent were that the Culinary SMEs actors were managers and owners of Culinary SMEs. The next criterion is that Culinary SMEs activities had been running for at least 1 year. Culinary SMEs in Banjarbaru town were dominated by female entrepreneurs. They were housewives helping their husbands in increasing their income for their daily needs. Male entrepreneurs were by 39 percent and female entrepreneurs were by 61 percent. Women entrepreneurs traded as well as filled their spare time after taking care of the household. Male entrepreneurs were company's employees and civil servants who worked in the morning and selled in the afternoon.

Individual Characteristics (KI) had a positive and significant effect on entrepreneurial competence (KK), so hypothesis H1 was accepted. Entrepreneurial competence in Culinary SMEs in Banjarbaru town was significantly influenced by individual characteristics with a positive factor load value ($\gamma = 0.51$). Therefore, the better or higher the individual characteristics of the entrepreneur, the more competent the entrepreneur.

Individual characteristic indicator (KI) with the greatest positive effect was ductility (Ul) with a factor load value (β=0.81). The tenacity indicator was the indicator contributing the most to the improvement of individual characteristics. The more tenacious entrepreneurs were, the more they would increase their entrepreneurial competency and improve business performance. The more tenacious the entrepreneur was, the more successful his business would be.
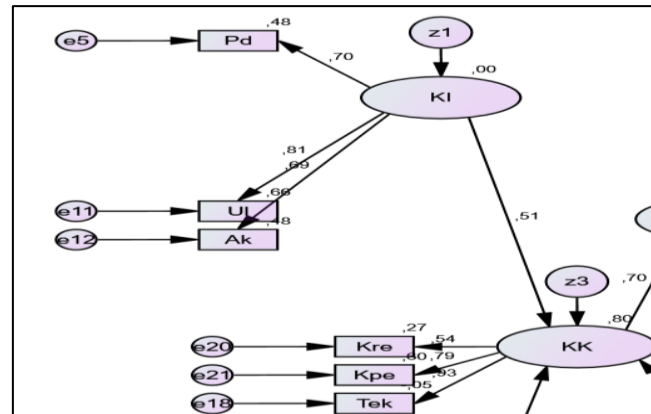

Figure 3. Path Diagram of the Effect of Individual Characteristics on Entrepreneurial Competence

The ductile variable was the variable that best represented the latent variable of individual characteristics. The technical ability variable was the variable that best represented the latent variable of entrepreneurial competence. This means that tenacious business actors had better technical skills in the culinary business in Banjarbaru. Business actors having high tenacity and high technical ability tended to open store on time and activate sales platforms on gofood, maxim and grab at the same time as store opening. Therefore, when there was no order in the store, many orders woud be obtained from online applications. When there were many orders in direct stores and online applications, buyers would complete orders quickly, not only prioritizing online orders, but also completing orders in stores at the same time.

Respondents were tenacious in promoting interesting products on social media. Respondents always promoted their products on social media 2 hours before the store opens. When respondents prepared selling commodities such as preparing ingredients and cooking, respondents also shared photos of products available on the day of sale on social media. Respondents also often checked orders in the marketplace, grab, gofood, and maxim to make sure all orders had been done and given to customers. Respondents also spread information on their social media when their commodities sold out that day and would reopen the next day. Therefore, when the customer wanted to buy when the store was about to close, the customer couldnot order and the customer was notified that the customer could order again for the next day.

Respondents only shared information about how to make products to production employees, and even then the ingredients used were not informed. Respondents had prepared the spices and the dough before the employees came to the shop. Therefore, employees only steamed or fried the product. For example, the owner of a bread business only sent the bread dough to the shop, then the shop employee baked the bread. The owner of the cappuccino grass jelly, Thai tea, and miltie bubble drinks also did not tell the employees the brand of the powdered drink. Beverage business owners always prepared powdered drinks in small packets

for a dose of 1 cup of drink. Therefore, employees just mixed the powdered drink with some ingredients and the drink was ready to be served.

This is in accordance with the results of research by Sari (2016), and Islam (2011), that to increase entrepreneurial competence, the individual characteristics of entrepreneurs also need to be strengthened. Individual characteristics that show entrepreneurial competence is perseverance (tenacity). Successful entrepreneurs are entrepreneurs having strong personality traits such as perseverance (tenacity).

Psychological characteristics had a positive and significant effect on entrepreneurial competence, so hypothesis H2 was accepted. Entrepreneurial competence in Culinary SMEs in Banjarbaru town was significantly influenced by psychological characteristics with a positive factor load value (γ = 0.80). Psychological characteristics had a direct influence on entrepreneurial competence which was greater than individual characteristics on entrepreneurial competence. Therefore, the better or higher the characteristics of entrepreneurial psychology, the higher the entrepreneurial competence. This is in accordance with the research results of Sarwoko et al. (2013), which illustrates that the higher the psychological characteristics, the higher the competence of business actors. Accordingly, to improve entrepreneurial competence, the psychological characteristics of entrepreneurs need to be strengthened.

The indicator of psychological characteristics having the greatest positive influence on the latent variable of psychological characteristics was motive (M), with a factor load value (β=0.59). This shows that the motive indicator was the indicator contributing the most to the improvement of individual characteristics. Entrepreneurs having high motivation would affect their entrepreneurial mindset and competence and improve business performance. The more entrepreneurs had a high motivation, the more successful their business would be.
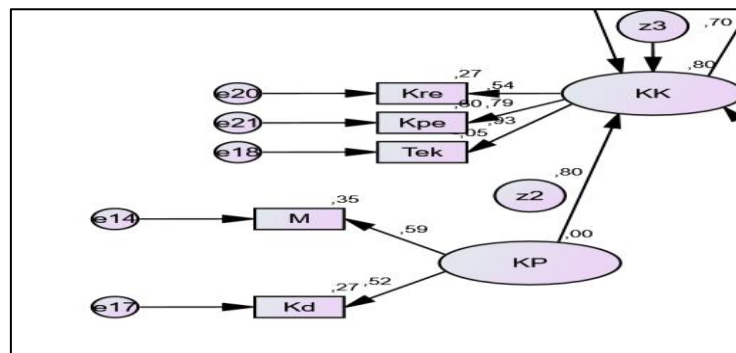

Figure 4. Path Diagram of the Effect of Psychological Characteristics on Entrepreneurial Competence

The motivation variable was the variable best representing the latent variable of psychological characteristics. The technical ability variable was the variable best representing the latent variable of entrepreneurial competence. Culinary business owners in Banjarbaru town having high motivation could improve their technical skills. Respondents had a hobby of cooking, in order to help their family's economy, would sell food or drinks. Because respondents were motivated to help their family's economy, they actively sought information about how to promote products on the internet in order to get more orders.

Respondents continued to sell even on day off or weekends, because on day off or weekends, they would get more customers than usual days. Respondents always made good use of their time. Respondents sold not only in stores, but also in online applications.

Respondents thought that it was better to open a store to get a lot of money than a closed store, so they opened a store and activated their selling platform in an online application.

Respondents also already had a budget for their sales and a sales quota. In one day, they had to cover the budget so as not to suffer losses. Respondents usually promoted products that had not been sold out on social media. They told the number of food and drinks that had not been purchased on whatsapp status. Usually, there were several customers who responded and immediately bought all the food and drinks that had not been sold, so that all products were sold.

Respondents also had an honest nature with customers. Respondents would tell customers if the order being delivered would take a long time due to a problem with the stove or certain things. The owner of the beverage business was also honest that the powder taste of the drink ordered by the customer was old and hardened, then recommended changing the taste of the drink ordered. Respondents also told customers that the food seasoning was cooked first, so it was safe for consumption and made customers believed about the safety of consuming the food. Respondents were also honest in terms of the details of the price of food and drinks purchased by customers.

The result is the same as the results of research (Aulia, 2018), that the motivation variable is the most representative of psychological characteristics. Entrepreneurial competence can be increased through motivation . Motivation has a positive influence on all aspects, including technical competence and relations. The motivation of business actors can improve one's abilities. Business actors develop their abilities through high motivation, while business actors with low abilities have low motivation (Logan, et al, 2011). Sumantri's research (2013)   explains that motivation and self-control can help one's abilities. Roblesa and Rodrigueza (2015) explain that self-control is included in 20 dimensions of entrepreneurial competence. Self-control is self-regulation and entrepreneurs know their own limits (Roblesa and Rodrigueza, 2015).
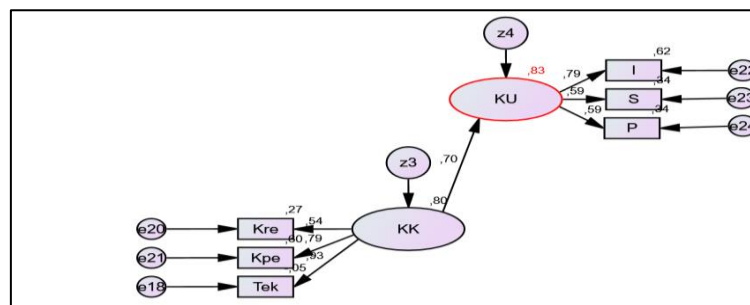

Figure 5. Path Diagram of the Effect of Entrepreneurial Competence on Business Performance

Business performance in Culinary SMEs in Banjarbaru town was significantly influenced by entrepreneurial competence with a positive factor load value (γ= 0.70). The indicator of entrepreneurial competence having the greatest positive influence on the latent variable of entrepreneurial competence was technical ability (Tech) with a factor load value (β=0.93). This shows that the technical ability indicator was the indicator contributing the most to improving business performance. Entrepreneurs having high technical ability would improve business performance. The better the technical ability, the more successful the business would be.

The technical ability was the variable best representing the latent variable of entrepreneurial competence. The acceptance variable was the variable best representing the

latent variable of business performance. This means that the higher the technical ability, the higher the acceptance received by the culinary business owner in Banjarbaru town.

Respondents used social media in marketing techniques. Respondents shared photos of attractive products and were labeled with product brands in the photos. For example, another culinary seller of the same kind wanted to promote a similar product and display product photos on the internet, so this other culinary seller could not share product photos with product photos that had been labeled with the brand. They had to use their own product photos. Respondents also shared the same photos on grab, gofood, maxim, marketplace, and social media, so that customers would remember that there were characteristics of product photos from the owner of the culinary business they subscribed to.

The delivery of food and drinks through online couriers, which usually offered services on social media, was very helpful for respondents in completing orders. Some respondents had lost customers who ordered at the store because their orders were slow to complete. These customers did not buy food and drinks. Respondents had to balance the handling of orders in-store and online. If they could handle orders quickly in stores or online, respondents would receive more acceptance. Respondents only shared information on how to make products to production employees, and even then the ingredients used were not informed. Respondents did not reveal the seasoning because they wanted to keep the recipe for food or drink secret, so that no one could imitate the product.

This is in accordance with research concluding that business performance was related to entrepreneurial competence. Entrepreneurship competence had a direct influence on business performance that was greater than external factors on business performance. If the entrepreneurial competence possessed by entrepreneurs was high, then business performance would also be higher. Suryana (2014) explains that to measure entrepreneurial competence, there are 4 centers of ability needed for business success, namely technical competence, marketing ability, financial ability and relationship ability. Entrepreneurs who are able to make business plans by delivering products to customers well such as how to use social media, serve customers in a friendly manner, build good relationships with suppliers or the community, create a budget, will experience an increase in sales.
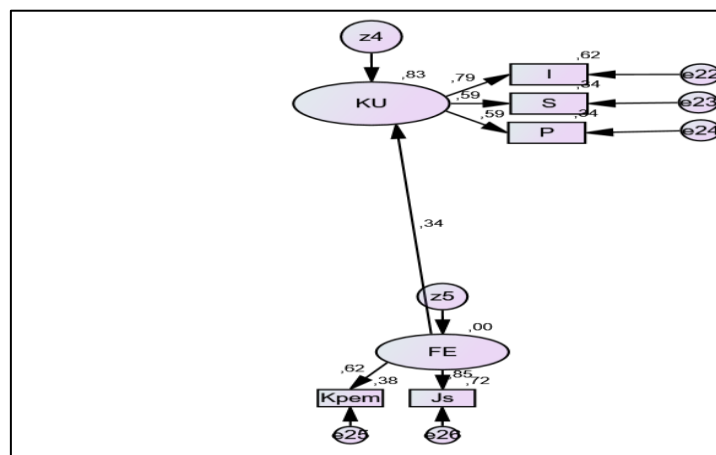

Figure 6. Path diagram of the influence of external factors on business performance

Business performance at Culinary SMEs in Banjarbaru town was significantly influenced by external factors with a positive factor load value ($\gamma = 0.34$). The external factor indicator that had the greatest positive influence on the latent variable of external factors was social network (Js) with a factor load value ($\beta = 0.85$). This shows that this indicator was the

indicator contributing the most to improving business performance. Entrepreneurs having a lot of social networks would improve business performance. The higher the social network, the more successful the business.

The social network was the variable best representing the latent variable of external factors. The acceptance variable was the variable best representing the latent variable of business performance. This means that the wider the social network, the higher the acceptance of the culinary business owner in Banjarbaru town. Respondents joining culinary groups as a place to sell would have a lot of income. Respondents joined several culinary groups to increase sales. The Banjarbaru Culinary Group provided an example of how to post an ad with good photos and clear ad sentences.

Respondents received training to make good packaging, trade online, penetrate the export market, bazaar information. Nearby culinary influencers also bought and promoted respondents' commodities. Respondents also liked to attend recitations, family gatherings, complex social gatherings. Usually, in these events, they got orders for the products they sold. There were also respondents becoming their own drivers and joined the gofood and grabfood groups to get orders from customers more and more easily, without the need to look for other drivers.

This is in accordance with Aulia's research (2020), explaining that government assistance and social networks have a positive effect on business performance. Accordingly, the higher the encouragement from external factors, the more it would improve business performance. Social networks have an influence on business performance, because a business requires other people in the process, both buyers and suppliers. The existence of social networks can help entrepreneurs find buyers, suppliers, or people who have expertise in their fields (Kinerja et al., 2019).

External factors had no effect on entrepreneurial competence, so hypothesis H5 was rejected. Entrepreneurial competence in Culinary SMEs in Banjarbaru town was influenced by external factors with a negative factor load value (γ= -0.10). The external factor indicator having the greatest positive influence on the latent variable of external factors was social network (Js) with a factor load value (β=0.85).
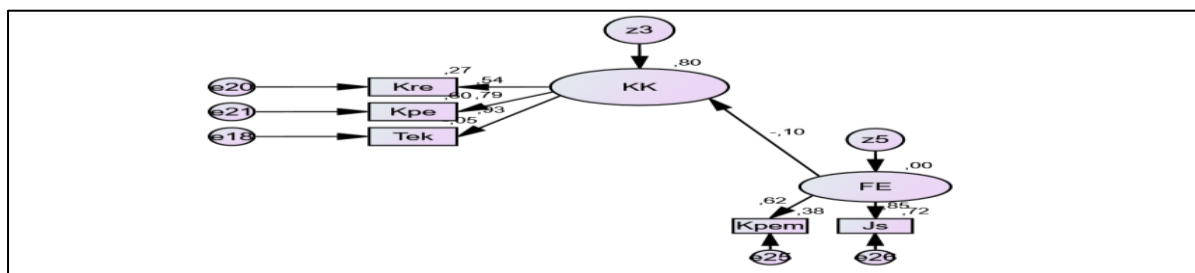

Figure 7. Path Diagram of the Effect of External Factors on Entrepreneurial Competence

The technical ability was the variable best representing the latent variable of entrepreneurial competence. The social network was the variable best representing the latent variable of external factors. In the results of the SEM analysis, the results showed that external factors had no effect on entrepreneurial competence. External factors did not help in increasing entrepreneurial competence. External factors only helped improving business performance. Respondents thought that, within the groups they joined, they found examples of how to post good product photos. However, they were not told how to make good photos. They searched the internet for good photo editing themselves. In addition, they were also given training on

packaging making and photo examples of good or bad packaging. Business actors ordered packaging on online shopping sites and at packaging printing places. Social networks like family helped them in selling and taking orders online. People and friends also helped buying their commodities.

This research is different from the research of Aulia Reza (2018). The results of this study indicated that external factors had no effect on entrepreneurial competence because the training provided was usually only material and not practiced directly. The government only helped in sales, which were usually in the form of bazaar facilities for culinary festivals or cake markets during Ramadan and providing online sales platforms such as the Banjarbaru culinary group.

CONCLUSION

Higher individual characteristics would increase the entrepreneurial competence of the Culinary SMEs of Banjarbaru town. The manifest variable of individual characteristics having the greatest reflection was tenacity. Better psychological characteristics would increase entrepreneurial competence. Psychological characteristics had a greater influence on entrepreneurial competence than the influence of individual characteristics on entrepreneurial competence. Consequently, the higher the psychological characteristics, the higher the entrepreneurial competence of the Culinary SMEs of Banjarbaru town. The manifest variable of psychological characteristics having the greatest reflection was motive.

Entrepreneurship competence would improve business performance. Entrepreneurial competence had a greater influence on business performance than the influence of external factors on business performance. Accordingly, the higher the entrepreneurial competence, the higher the business performance. The manifest variable of entrepreneurial competence having the greatest reflection was technical ability.

The encouragement from external factors would improve business performance. The manifest variable of external factors having the greatest reflection was social network. External factors had no effect on entrepreneurial competence. External factors did not help in increasing entrepreneurial competence. External factors only helped improving business performance. Social network such as family helped entrepreneurs sold and took orders online. People and friends helped buying their commodities. The government only helped in sales, usually in the form of bazaar facilities for culinary festivals or cake markets during Ramadan and providing online sales platforms such as the Banjarbaru culinary group.

The technical abilities possessed by culinary business owners in Banjarbaru town were the competencies best reflecting entrepreneurial competency. Therefore, the competence that needed to be improved was the technical ability of the culinary business owner in Banjarbaru town. The technical ability of business owners could be improved by increasing entrepreneurial activity in finding information about online marketing, payment, sales and product delivery techniques. Online marketing, sales and product delivery techniques could help business owners got more customers. Culinary business owners in Banjarbaru town needed to respond more quickly and served customers if someone asked for a product on social media, without waiting for their family to order the product. In addition, business owners also needed to deliver products and made payments online, so they didn't lose customers. In addition, culinary business owners in the city of Banjarbaru were advised to keep food and drink recipes secret, so that no one duplicated the food and drinks sold.

Product promotion techniques carried out by culinary business owners in Banjarbaru town were dominantly still relatively unattractive. Unattractive product promotions, such as only stating the product name and price without including product photos in the Banjarbaru culinary facebook group. Culinary business owners in Banjarbaru town were advised to do

product promotions by showing attractive product photos, as well as complete information such as product names, product prices and numbers that could be contacted if there were customers who wanted to order their products. Culinary business owners could also create Instagram or their respective websites specifically for product promotion, so that culinary business owners knew which products were more attractive to customers.

Business owners were advised to join groups on social media and in the community directly related to their efforts to improve business performance. The government took a role by creating culinary groups and inviting business actors to discuss in groups about culinary businesses. The government could cooperate with online application companies on how to enter the product wanted to sell in the application, payment techniques through the application, disbursement of money in the application to the bank account of the culinary business owner in Banjarbaru town, and how to order a courier to deliver products to customers only with the application. The government could also provide training on making Instagram and websites for culinary business owners.

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Countercyclical, COVID-19, and Financial Distress of Rural Bank Setting the Agenda for the Post Covid-19's Stimulus

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SINTA 2

ABSTRACT

This study aims to determine Countercyclical, COVID-19, and Financial Distress of Rural Bank Setting the Agenda for the Post Covid-19's Stimulus. The research design used in this study is an associative design. This study uses two approaches, namely qualitative and quantitative approaches. This study, in addition to examining the effect of the independent variables (ROA, CAR, and NPL) on the dependent variable (Financial Distress) which is moderated by the moderating variable (GCG). The sample in this study was 134 rural banks in Bali. Bali was chosen because Bali was most affected by the Covid-19 pandemic because the tourism MSME sector is the main economy in Bali. The result of this study is Profitability (ROA) has a significant negative effect on Financial Distress. CAR has a significant negative effect on Financial Distress. NPL has a significant positive effect on Financial Distress. GCG is a Quasi Moderation variable. GCG strengthens the negative effect of ROA on financial distress. GCG weakens the effect of CAR on financial distress. GCG does not moderate the effect of NPL on Financial Distress.
Keyword: GCG; NPL; ROA; CAR; financial distress

Countercyclical, COVID-19, dan Financial Distress BPR untuk Penetapan Agenda Stimulus Pasca Covid-19

ABSTRAK

Pandemi Covid-19 membuat perekonomian terpuruk. UMKM gagal membayar karena penurunan daya beli masyarakat, akibatnya Bank Perkreditan Rakyat (BPR- Bank Pengkreditan Rakyat) yang menjadi pemberi kredit utama bagi UMKM terancam kesulitan keuangan. Penelitian ini bertujuan untuk mengetahui Countercyclical, COVID-19, dan Financial Distress BPR Menetapkan Agenda Stimulus Pasca Covid-19. Desain penelitian yang digunakan dalam penelitian ini adalah desain asosiatif. Penelitian ini menggunakan dua pendekatan, yaitu pendekatan kualitatif dan kuantitatif. Penelitian ini selain menguji pengaruh variabel independen (ROA, CAR, dan NPL) terhadap variabel dependen (Financial Distress) yang dimoderasi oleh variabel moderasi (GCG). Sampel dalam penelitian ini adalah 134 BPR di Bali. Bali dipilih karena Bali paling terdampak pandemi Covid-19 karena sektor UMKM pariwisata menjadi ekonomi utama di Bali. Hasil penelitian ini adalah Profitabilitas (ROA) berpengaruh negatif signifikan terhadap Financial Distress. CAR berpengaruh negatif signifikan terhadap Financial Distress. NPL berpengaruh positif signifikan terhadap Financial Distress. GCG merupakan variabel Quasi Moderation. GCG memperkuat pengaruh negatif ROA terhadap financial distress. GCG melemahkan pengaruh CAR terhadap financial distress. GCG tidak memoderasi pengaruh NPL terhadap Financial Distress.
Kata kunci: GCG; NPL; ROA; CAR; kesulitan keuangan

INTRODUCTION

The Covid-19 pandemic has resulted in many deaths in various countries. Several countries have suppressed their budgets and some have projected deficits in fiscal policy 2020 to cover COVID-19 response spending which involves purchasing extra-medical equipment from neighboring countries and pumping monetary aid to local small and medium-sized enterprises (SMEs) (Fauzi & Paiman, 2020). Indonesia is one of the ASEAN-5 countries affected by COVID-19 in various sectors. The President of the Republic of Indonesia declared

the Covid-19 pandemic a national disaster through Presidential Decree Number 12 of 2020 dated April 13, 2020 (Satuan Tugas Penanganan COVID-19, 2020). Indonesia established the Task Force for the Acceleration of Handling COVID-19 as a national task force to fight COVID-19 (Djalante et al., 2020). The Minister of Finance of the Republic of Indonesia stated that there are 4 (four) sectors that are most depressed due to Covid-19, namely the Household sector, MSMEs, Corporate and Financial Sector (Saubani, 2020). Indonesia, which is dominated by Micro, Small, and Medium Enterprises (MSMEs) needs to pay special attention to this sector, because the contribution of MSMEs to the national economy is quite large (Pakpahan, 2020). MSMEs have a contribution of 60.3% of Indonesia's total gross domestic product (GDP). In addition, MSMEs absorb 97% of the total workforce and 99% of the total employment (Jayani, 2020). The following figure shows the very rapid development of the MSME unit from 2015 to 2019. As a result of the policies of all countries to overcome the Covid-19 pandemic, MSME businesses have had a huge impact, especially those that rely on the tourism sector in addition to the declining purchasing power of the people. MSMEs, which are the creative economy sector, face 4 (four) main problems, including difficulty in obtaining raw materials, reduced demand for products from creative economy actors, depressed cash flow, and difficulties in borrowing capital (CNN Indonesia, 2020). The MSME sector is the most affected by the Covid-19 pandemic because Indonesia has implemented the Large-Scale Social Restriction (PSBB- Pembatasan Sosial Berskala Besar) policy which began on January 11, 2021 (Nugraheny, 2021). This PSBB policy causes a decrease in the income of MSME actors, this is because many restaurants, shops, and others have to close their shops or places of business early.

The development of MSMEs cannot be separated from the role of banks in terms of funding. Associated with the fall of the MSME sector in Indonesia due to the implications of the PSBB policy and policies in other countries to overcome the spread of the virus, resulting in a high risk of non-payment of loans (default risk) for MSMEs and sectors related to tourism. The implication of this is the inhibition of economic growth, one of which is in the banking sector. In the financial sector, banking plays a very important role, related to its main function as an intermediary institution to collect funds from parties with excess funds (surplus of funds) and parties with shortage of funds (lack of funds), especially for productive activities. Based on Law No. 10 of 1988 concerning Banking, Banking is everything related to banks, including institutions, business activities, as well as methods and processes in carrying out their business activities. Meanwhile, a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the standard of living of the community, consisting of Commercial Banks and Rural Banks (BPR) in both conventional and sharia forms. The most basic difference between Commercial Banks and Rural Banks is that Commercial Banks can provide service activities in payment traffic, while BPRs cannot. In addition, its establishment also requires capital and the complexity of different business activities. The following is data on MSME Credit Distribution for Conventional Rural Banks and Commercial Banks for 2019-2020.

Based on the data in Figure 1, BPRs are known to be more dominant in lending to MSMEs compared to commercial banks. The contribution of BPRs in encouraging the development of MSMEs is believed to be able to produce positive social implications in terms of empowering economic and social life in their local communities. The impact of MSMEs that become BPR debtors increases the default risk or the debtor's inability to pay their obligations.

The Financial Services Authority (OJK- Otoritas Jasa Keuangan) at the end of 2020 stated that the number of BPRs would be 1,587 offices, decreased from 2017 as many as 1,636 offices. The number of BPRs has decreased every year. This indicates that many rural banks are experiencing liquidation. Based on data from the Financial Services Authority (OJK), as

of 2020 in Bali there are 134 Rural Banks (BPR) and 1 Sharia Rural Bank (BPRS- Bank Perkreditan Rakyat Shariah). Until December 2020, the ratio of non-performing loans to the BPR industry in Bali was 7.47 percent with a value of Rp.864.18 million from 4,555 accounts. This ratio exceeds the threshold set by the authorities, which is 7.47 percent and is the highest compared to other regions (Wiratmini, 2021).
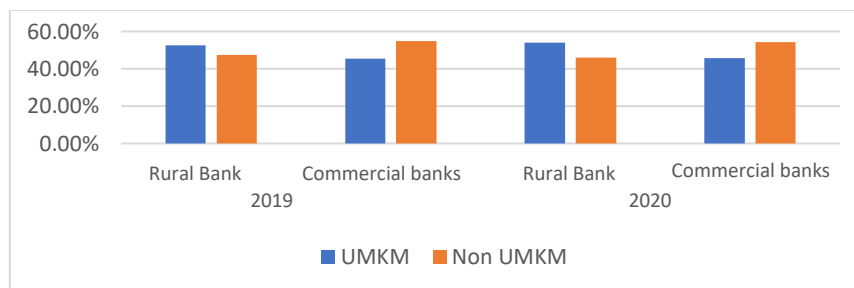

Figure 1. Micro, Small and Medium Enterprises Credit Distribution for Conventional Rural Banks and Commercial Banks
Source: Financial Services Authority (data processed by researchers), 2021

Bankruptcy according to Law No. 04 of 2008 is a situation that is declared bankrupt by a court decision. According to Hanafi & Halim, (2016) bankruptcy analysis aims to find out the early signs of bankruptcy that will be useful for management parties in anticipating bankruptcy by improving the company's financial performance and also formulating new strategies. Apart from miss management, the bankruptcy of the BPR was also caused by the weak implementation of Good Corporate Governance (GCG) such as fraud by owners, management, employees, or other parties. Previous study by Sari & Mahyuni (2020) stated that there are five factors that cause fraud in LPD (Village Credit Institution- Lembaga Perkreditan Desa), namely the weak organizational structure, weak supervisory function, lack of a system or unwillingness to use the system, weak LPD governance, and the "ewuh pakewuh" culture. Meanwhile, other study from Sukariana & Darma (2015) shows that things that affect the disclosure of material losses and GCG are competence, objectivity and HR investment.

The bankruptcy prediction analysis can be seen by calculating the financial ratios in the financial statements. There are several models to determine the level of bankruptcy such as G-Score by Grover, Y-Score by Ohlson, X-Score by Zmijewski, S-Score by Springate, and Z-Score by Altman (Yuliana, 2018). The Altman Z Score model has three types including the Original Altman Model, the Altman Private Firm Model, and the Modified Altman Model (Yuliana, 2018). In this study, researchers used the Modified Altman Model because this model can be applied to public and non-public companies, to all types of company sizes, and to all companies in different industries (Yuliana, 2018). This is in line with study from Ihsan & Kartika (2015) who conducted study in Sharia banks using a modified Altman Z-Score. The Altman model also has a 95% correctness rate in predicting bankruptcy (E. Altman, 1983). Several financial performance factors that affect bankruptcy are in accordance with the modified Altman Z Score equation, namely Working Capital to Total Assets (WCTA*)*, Retained Earning to Total Assets (RETA), Earning Before Interest and Tax to Total Assets (EBITTA), and Book Value of Equity to Total Liabilities (BTL).

According to Simanjuntak et al., (2017) the condition of Financial Distress is a condition where there is a financial decline before the company goes bankrupt. Anggarini (2010) argues that Financial Distress can be caused by a series of decision-making errors, and interrelated weaknesses that can contribute directly or indirectly to management as well as the

lack of efforts to monitor financial conditions so that the use of money is not in accordance with the needs.

Rivai et al., (2013) stated that in measuring the performance of a bank, in addition to referring to the provisions regarding the Bank Soundness Level, many banks complete their financial performance analysis using bank financial ratios. Financial statements will report the company's position at a certain point in time and its operations during a period in the past. From the management's point of view, analysis of financial statements will be useful to help anticipate future conditions and as a starting point for planning steps that will improve the company's performance in the future.

Financial Distress can be effected by several factors including CAR. According to Sudirman (2013: 109-111), CAR is a ratio that serves to minimize the risk of losses that may occur to the bank, the higher the CAR, the better the ability of the bank to bear the risk of any credit/productive assets that are considered risky. CAR measures the level of capital adequacy or bank financial stability (Hidayat, 2014: 70).

Credit disbursement by banks to the public will be faced with a risk, namely credit risk. Credit risk is the most significant risk faced by banks, and business success depends on accurate measurement and a higher level of efficiency in managing this risk than any other risk. Credit risk will be faced by the bank when the debtor fails to pay the debt or credit it receives at maturity. Restructuring credit policies affect NPL performance (Ridwan, 2018). So this study is important to do to assess the effect of NPL on Financial Distress.

ROA is a measure of net profit derived from the use of assets. Companies that have a high ROA indicate that the company can manage asset productivity well in obtaining net profits. Hidayat & Merianto (2014), revealed that the higher the ROA owned by the company, the smaller the chance that the company will be indicated by Financial Distress.

Good Corporate Governance (GCG) is a bank governance that applies the principles of transparency, accountability, responsibility, professionalism and fairness (Rustam, 2013). There are several previous studies that discuss the bankruptcy of a company using the Altman Z Score model for the banking sector taken from Pradhan (2014) with the results of the Z-Score being able to predict the level of bankruptcy in banking, especially BPR.

In this regard, the government and the Financial Services Authority (OJK) as a state institution established under Law Number 21 of 2011 have the function of organizing an integrated regulatory and supervisory system for all activities in the financial services sector, issued various stimuli to deal with the impact on the banking business, one of them is through POJK No.48/POJK.03/2020 concerning Amendments to Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the 2019 Coronavirus Disease Spread. In addition to the OJK Regulation, the government is also pursuing an economic recovery policy through Government Regulation in Lieu of Law (PERPU- Peraturan Pemerintah Pengganti Undang-Undang) Number 1 of 2020 Regarding State Financial Policy and Financial System Stability for Handling the Pandemic Coronvirus Disease 2019 (COVID-19) and/or in Facing Threats That Endanger the National Economy and/or Financial Stability, which was stipulated on March 31, 2020. However, the stimuli provided do not guarantee that BPRs will not experience Financial Distress or financial difficulties, as evidenced by the existence of several BPRs publishing losses and financial ratios that are outside the healthy ratio limits, especially the ratio of capital and liquidity. However, many BPRs have managed to maintain their performance in the midst of the crisis due to the impact of the Covid-19 pandemic.

Based on the explanation above, it is important to know the factors that have a significant effect or are the determinants of BPR Financial Distress with GCG as moderating during the Covid-19 pandemic. The interesting thing is that the regulator's countercyclical policy makes factors that were previously under normal conditions believed to significantly

affect Financial Distress, but in the presence of a countercyclical, the effect of these factors can be different. The countercyclicals are in the form of a credit restructuring policy for debtors affected by Covid-19, relaxation of credit quality determination, freezing of the Foreclosed Collateral (AYDA- Agunan yang Diambil Alih) period, there is no obligation to form PPAP with current credit quality, and there is no obligation to establish an education fund budget of at least 5% of the previous year's labor costs. Therefore, it is necessary to re-examine the determinants of BPR Financial Distress during the Covid-19 pandemic, to test previous studies, using two approaches, namely qualitative and quantitative approaches. In addition to examining the effect of the independent variables (ROA, CAR, and NPL) on the dependent variable (Financial Distress) which is moderated by the moderating variable (GCG), This study will also examine how the overall effect of credit restructuring on Financial Distress is discussed descriptively. This is because credit restructuring is a policy issued to overcome credit problems that occur due to the Covid-19 Pandemic, so that the two approaches will increase the accuracy of the results of the study conducted.

After knowing the determinants of BPR Financial Distress, it is hoped that BPR and regulators can predict the possibility of Financial Distress that will be faced and how to mitigate it, and what is the agenda for banks and regulators after the relaxation period ends on March 31, 2022. In addition, different tests will be carried out with financial conditions before the pandemic and mapped out how many BPRs are systemically important or Systemically Important Rural Banks in Bali that are required to have more resilience against the various risks that exist, so that it does not have an impact on trust in other financial service institutions or mitigate the systemic risk and domino effect due to the liquidation of the financial services sector, in this study, namely BPR.
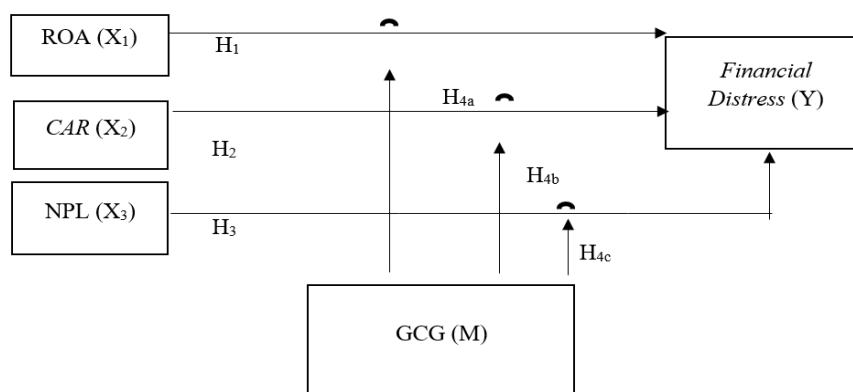

Figure 2. Formulation Hypothesis

Based on Figure 2, the formulation of the hypothesis in this study is:
H1: Profitability has a significant effect on Financial Distress.
H2: CAR has a significant effect on Financial Distress.
H3: NPL has a significant effect on Financial Distress.
H4: GCG moderates the effect of ROA (H4a), CAR (H4b), and NPL (H4c) on Financial Distress.

METHOD

The research design used in this study is an associative design. This study uses two approaches, namely qualitative and quantitative approaches. This study in addition to examining the effect of the independent variables (Return On Asset, Capital Adequacy Ratio, and Net Performing Loan) on the dependent variable (Financial Distress) which is moderated by the moderating variable (GCG), This study also examines how the overall effect of credit

restructuring on Financial Distress is discussed descriptively. This is because credit restructuring is a policy issued to overcome credit problems that occur due to the Covid-19 Pandemic, so that the two approaches will increase the accuracy of the results of the study conducted. The data used in this study is quantitative data containing data on independent and dependent variables obtained in the BPR publication report on the OJK website. In this study, the population used is all Conventional Rural Banks (BPR) in Indonesia during the 2019-2020 period, namely 1,497 (one thousand four hundred ninety-seven) BPRs. The sampling technique in this study is purposive sampling, namely by taking samples that have been determined previously based on the aims and objectives of the study or selected based on criteria. In accordance with the description of the introduction, Bali is an area that has been significantly affected due to the high impact of Covid-19 on the MSME and Tourism sectors, where most of the BPR lending focused on MSME loans and debtors who have a business or work in the tourism sector, so the sample used is all BPRs in Bali Province as many as 134 (one hundred and thirty four) BPRs. Bali was chosen because Bali was most affected by the Covid-19 pandemic, because the tourism MSME sector is the main economy in Bali. In this study using secondary data. The data analysis technique used is descriptive statistical analysis and *Moderated Regression Analysis* (MRA), as well as hypothesis testing using SPSS.

RESULTS AND DISCUSSION

Table 1. Multiple Linear Regression Test Results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.233	.052		120.596	.000
ROA	.024	.004	.268	6.134	.000
CAR	1.542	.127	.522	12.171	.000
NPL	-.020	.002	-.358	-8.215	.000

Source: processed data, 2021

This regression test is used to determine the effect of Return On Asset (ROA), Capital Adequacy Ratio (CAR), and Net Performing Loan (NPL) on financial distress. The resulting equation is as follows.

Financial Distress = 6.233 + 0.024 ROA +1.542 CAR – 0.020NPL ……………..(1)

The multiple linear regression equation shows the direction of each independent variable to the dependent variable, where the regression coefficients of the independent variables Return On Asset (ROA) and Capital Adequacy Ratio (CAR) are positive so that when the company experiences an increase in the value of ROA and CAR, the Z-score will increase or in other words financial distress will decrease, and vice versa when ROA and CAR decrease, the Z-score will decrease or in other words financial distress will also increase. While the regression coefficient which is negative on the NPL variable means that it has the opposite effect on financial distress, so that when there is an increase in NPL it will be accompanied by a decrease in Z-score or in other words Financial Distress will increase and vice versa.

The value of the coefficient of determination is close to one, then the independent variable provides almost all the information needed to predict the dependent variable and if the value of the coefficient of determination = 0 means that the independent variable has no

effect on the dependent variable. The adjusted R^2 value in this study is 0.532, which means that the independent variables in this study in the regression model simultaneously affect the dependent variable by 53.2% percent, while 46.8% percent is explained by other factors outside the independent variables used in this study.

Table 2. Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.729[a]	.532	.526	.34847

Source: processed data, 2021

Table 3. F-Test Result

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.310	3	11.770	96.926	.000[a]
	Residual	31.087	256	.121		
	Total	66.396	259			

Source: processed data, 2021

The purpose of the F test is to see whether the independent variables simultaneously affect the dependent variable. The results of the F test can be seen in the SPSS processed regression by comparing the level of significance between the independent variables with = 0.05. If the significance level of F = 0.05, the independent variable significantly affects the dependent variable and the regression model is considered feasible to be tested. The results of the F test in this study can be seen in Table 3.Table 3 shows the Sig value of 0.000 < 0.05; it can be concluded that simultaneously the independent variables have an effect on the dependent variable.

Table 4. t-Test Results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.233	.052		120.596	.000
ROA	.024	.004	.268	6.134	.000
CAR	1.542	.127	.522	12.171	.000
NPL	-.020	.002	-.358	-8.215	.000

Source: processed data, 2021

Testing the results of each independent variable (X) on the dependent variable (Y) in this study used the t test which was tested with a one-sided test. An explanation of the effect of each independent variable partially on financial distress can be seen in Table 4. Not only using multiple regression analysis, this study also uses the MRA method to analyze the effect of the moderator variable on the relationship between the independent variable and the dependent variable. Equation 1 is a multiple linear regression that has been described previously and has been able to answer H1, H2 and H3 in this study. Equation 1 is contained in Table 4. Multiple Linear Regression Test Results The resulting equation:

$$\text{Financial Distress} = 6.233 + 0.024 \text{ ROA} + 1.542 \text{ CAR} - 0.020 \text{NPL} \ldots\ldots\ldots\ldots..(2)$$

The first hypothesis in this study states that Profitability (ROA) has a significant negative effect on Financial Distress. The Return On Asset (ROA) regression coefficient value is 0.024, this shows that ROA has a positive effect on the Z-score or in other words, it

has a negative effect on Financial Distress. The significance of this effect was tested with the t-test which resulted in a t-value of 6.134 and a significance of 0.000. The significance value of less than 0.05 indicates that the first hypothesis in this study is accepted. This means that Return On Asset (ROA) has a significant positive effect on the Z-score or in other words a significant negative effect on Financial Distress. This shows that if ROA increases, financial distress will decrease and vice versa.

Table 5. Multiple Linear Regression Test Results Equation 2

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.509	.050		130.512	.000
ROA	.276	.033	.545	8.320	.000
CAR	.358	.027	.707	13.186	.000
NPL	-.164	.023	-.323	-7.241	.000
KM	.055	.026	.109	2.101	.037
ROA_KM	.194	.034	.399	5.757	.000
CAR_KM	-.165	.031	-.331	-5.390	.000
NPL_KM	-.006	.030	-.010	-.194	.847

Source: processed data, 2021

Equation 2 is used to determine the effect of GCG as a proxy for KM in moderating the effect of ROA, CAR, and NPL on financial distress. The results of the regression test in equation 2 are presented in Table 5. Based on Table 5, the resulting equation is as follows.

Financial Distress = 6.509 + 0.276 ROA + 0.358CAR – 0.164 NPL +0.055 KM +0.194ROA_KM – 0.165 CAR_KM + -0.006 NPL_KM ……..…(3)

The linear regression equation shows the direction of each independent variable to the dependent variable, and it can be seen the effect of KM in moderating the effect of ROA, CAR and NPL on financial distress. The ROA_KM regression coefficient is positive, meaning that KM strengthens the effect of ROA on financial distress. Then the regression coefficient CAR_KM is negative, meaning that KM weakens the effect of CAR on financial distress. While the NPL_KM regression coefficient is negative, it means that KM weakens the effect of NPL on financial distress.

The second hypothesis in this study states that Capital Adequacy Ratio (CAR), has a significant negative effect on Financial Distress. The Capital Adequacy Ratio (CAR), regression coefficient value is 1.542, this shows that CAR has a positive effect on the Z-score or in other words, it has a negative effect on Financial Distress. The significance of this effect was tested by the t-test which resulted in a tcount of 12,171 and a significance of 0.000. The significance value of less than 0.05 indicates that the second hypothesis in this study is accepted. This means that CAR has a significant positive effect on the Z-score or in other words a significant negative effect on Financial Distress. This shows that if the CAR has increased then financial distress has decreased and vice versa. Research that carried out by (Prasetyo, 2010; Halim, 2016; Sofiasani & Gautama, 2016; Zahronyaan & Mahardika, 2018; vijaya, 2019).

The third hypothesis in this study states that Net Performing Loan (NPL) has a significant positive effect on Financial Distress. The NPL regression coefficient value is -0.020, this shows that NPL has a negative effect on the Z-score or in other words, it has a positive effect on Financial Distress. The significance of this effect was tested by the t-test which resulted in a tcount of -8.215 and a significance of 0.000. The significance value of

less than 0.05 indicates that the third hypothesis in this study is accepted. This means that NPL has a significant negative effect on the Z-score or in other words a significant positive effect on Financial Distress. This shows that if the NPL increases, financial distress will decrease and vice versa. This result is corroborated by the results of research conducted by research (Hidayati & Yuvia, 2015; Listiani Putri, 2018; Astuti & Permata Sari, 2021)

Table 6. Moderated Regression Analysis (MRA) Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.782[a]	.611	.600	.32017

Source: processed data, 2021

The value of the coefficient of determination is close to one, then the independent variable provides almost all the information needed to predict the dependent variable and if the value of the coefficient of determination = 0 means that the independent variable has no effect on the dependent variable. The adjusted R^2 value in this study is 0.611, which means that the independent variable in this study in the regression model simultaneously affects the dependent variable, which is 61.1% percent, while 38.9% percent is explained by other factors outside the independent variables used in this study.

Table 7. MRA F Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.564	7	5.795	56.530	.000[a]
	Residual	25.832	252	.103		
	Total	66.396	259			

Source: processed data, 2021

The purpose of the F test is to see whether the independent variables simultaneously affect the dependent variable. The results of the F test can be seen in the SPSS processed regression by comparing the level of significance between the independent variables with $\alpha = 0.05$. If the significance level of $F \leq \alpha = 0.05$, the independent variable significantly affects the dependent variable and the regression model is considered feasible to be tested. The results of the F test in this study can be seen in Table 7. Table 7 shows the Sig value of 0.000 < 0.05; it can be concluded that simultaneously the independent variables have an effect on the dependent variable.

Testing the role of GCG to moderate the effect of ROA, CAR, and NPL on Financial Distress in this study used a t-test which was tested with a one-sided test. The explanation of the moderating effect on ROA, CAR, and NPL partially on financial distress can be seen in Table 8.

Table 8. MRA t-Test Results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.509	.050		130.512	.000
ROA	.276	.033	.545	8.320	.000
CAR	.358	.027	.707	13.186	.000
NPL	-.164	.023	-.323	-7.241	.000
KM	.055	.026	.109	2.101	.037
ROA_KM	.194	.034	.399	5.757	.000
CAR_KM	-.165	.031	-.331	-5.390	.000
NPL_KM	-.006	.030	-.010	-.194	.847

Source: processed data, 2021

To prove whether there is a significant difference between ROA, CAR, and NPL on financial distress with GCG as moderating, the Z-score value will be compared during the study period using a different test. Based on Table 9, it can be seen that the significance value of financial distress is 0.000 which is lower than 0.05. This means that there is a difference between financial distress before the pandemic and during the pandemic.

The Effect of Profitability on Financial Distress. The first hypothesis in this study states that profitability (ROA) has a significant negative effect on Financial Distress. The Return On Asset (ROA) regression coefficient value is 0.024, this shows that ROA has a positive effect on the Z-score or in other words it has a negative effect on financial distress. The significance of this effect was tested with the t-test which resulted in a t-count value of 6.134 and a significance of 0.000. The significance value of less than 0.05 indicates that the first hypothesis in this study is accepted. This means that ROA has a significant positive effect on the Z-score or in other words a significant negative effect on Financial Distress.

Profitability is the company's ability to generate profits (Hery, 2015). Based on the signal theory that the manager or management of the company has the responsibility to provide the results of the financial statements and annual reports that contain information on the company's finances, and the condition of the company. Companies with high profitability values will give a positive signal that the company is able to utilize assets effectively so that there is an increase in revenue that affects the amount of profit generated (Fahlevi & Mukhibad, 2018). Hapsari (2012), shows that profitability has a negative effect on Financial Distress, which means that effective and efficient asset management allows the company to meet all the company's costs to run its business, as well as generate large profits. Thus, the greater the company's profitability will prevent the company from financial distress. This is in line with Zaki et al., (2011); Baimwera & Muriuki (2014); Aisyah et al., (2017) who revealed that profitability has a negative effect on Financial Distress.

Table 9. Paired Sample t-Test

		Paired Differences							
		Mean	Std. Deviation	Std. Error Mean	95% Confidence interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	Financial Distress_sblm covid-Financial Distress_saat covid	.12243	.30028	.02634	.07032	.17454	4.649	129	.000
Pair 2	ROA_sblm covid- ROA _saat covid	1.42492	7.68586	.67409	.09121	2.75864	2.114	129	.036
Pair 3	CAR_sblm covid- CAR _saat covid	-.02025	.14324	.01256	-0.4511	.00460	-1.612	129	.109
Pair 4	NPL_sblm covid- NPL _saat covid	-.025692	6.98401286	.61253845	-1.23761	1.186230	-.042	129	.967
Pair 5	KM_sblm covid- KM _saat covid	.02061	.16344	.01433	-.00775	.04897	1.438	129	.153

Source: processed data, 2021

The Effect of Capital Adequacy Ratio (CAR) on Financial Distress. The second hypothesis in this study states that CAR has a significant negative effect on Financial Distress. The CAR regression coefficient value is 1.542, this shows that CAR has a positive effect on the Z-score or in other words, it has a negative effect on Financial distress. The significance of this effect was tested by t-test which resulted in a tcount of 12,171 and a significance of

0.000. The significance value of less than 0.05 indicates that the second hypothesis in this study is accepted. This means that CAR has a significant positive effect on the Z-score or in other words a significant negative effect on Financial Distress.

Capital Adequacy Ratio (CAR) is a bank's performance ratio to measure the adequacy of capital owned by a bank to support assets that contain risks, for example loans provided by banks. Signal theory emphasizes the importance of information issued by companies to stakeholders in decision making. If the CAR shows a low value, this is a signal that the company will be in a condition of Financial Distress. Rivai et al., (2013) revealed that the lower the CAR, the smaller the bank's capital to cover risky assets, the more likely the bank will experience a problematic condition because the capital owned by the bank is not sufficient to bear the decline in the value of risky assets. This is also reinforced by the study of Kristanti et al., (2016) that CAR negatively and significantly affects the prediction of bank bankruptcy. The results of study by Kowanda et al., (2015) state that CAR has negative implications for Financial Distress. This means that if there is a positive change in the level of capital adequacy, it will reduce the probability for the company to experience Financial Distress. This is also supported by Sholikati (2018), a high CAR ratio in a bank can finance operational activities and increased profitability can anticipate the occurrence of Financial Distress.

The variable that has the greatest direct effect as a determinant of BPR Financial Distress in this study is CAR, where CAR has a significant negative effect on Financial Distress. If the CAR shows a low value, this is a signal that the company will be in a condition of Financial Distress. This means that if there is a positive change in the level of capital adequacy, it will reduce the probability for the company to experience Financial Distress.

The Effect of Non-Performing Loans on Financial Distress. The third hypothesis in this study states that NPL has a significant positive effect on Financial Distress. The NPL regression coefficient value is -0.020, this indicates that NPL has a negative effect on the Z-score or in other words, it has a positive effect on Financial distress. The significance of this effect was tested by t-test which resulted in a t-count value of -8.215 and a significance of 0.000. The significance value of less than 0.05 indicates that the third hypothesis in this study is accepted. This means that NPL has a significant negative effect on the Z-score or in other words a significant positive effect on Financial Distress.

Non Performing Loans (NPL) can be used to measure the extent to which non-performing loans can be met with productive assets owned by a bank. Non-performing loans are defined as loans that have difficulty repaying due to intentional factors and or external factors beyond the control of the debtor (Siamat, 2005). If the NPL shows a high value then this is a signal that the company will be in a condition of Financial Distress. As revealed by Hardianti (2019). The greater the number of non-performing loans owned by a bank, the credit conditions of the bank will be worse and have the potential to cause financial problems. According to Kasmir (2014) a high NPL will increase costs, so the potential for the number of non-performing loans to be even greater. Therefore, banks must bear losses in their operational activities so that it affects the decline in profits obtained by the Bank because the higher the NPL ratio, the higher the bad loans, thus preventing banks from obtaining income from credit interest so that Financial Distress will increase. This is reinforced by study by Kowanda et al., (2015); Prasidha & Wahyudi (2015) who found that NPL has a positive and significant effect on financial distress.

The Role of *Good Corporate Governance* (GCG) in Moderating the Effect of ROA, CAR, and NPL on Financial Distress. Testing the role of GCG to moderate the effect of ROA on Financial Distress resulted in a tcount of 5.757 with a significance of 0.000. A significance value smaller than 0.05 indicates a significant effect of GCG on the relationship between the effect of ROA on Financial Distress. Based on the second equation (Table. 5) the effect of GCG on financial distress is significant with the value of Sig. 0.037 (smaller than 0.05), then

the second and third equations are equally significant so that it can be said that GCG is a Quasi-Moderation variable. Quasi moderation is a variable that moderates the relationship between the independent variable and the dependent variable where the pseudo moderating variable interacts with the independent variable as well as being the independent variable. This means that the hypothesis which states that GCG strengthens the negative effect of ROA on financial distress is accepted.

Testing the role of *Good Corporate Governance* (GCG) in moderating the effect of CAR on Financial Distress resulted in a tcount of – 5,390 with a significance of 0.000. A significance value smaller than 0.05 indicates a significant effect of GCG on the relationship between the effect of CAR on Financial Distress. Based on the second equation (Table. 5) the effect of GCG on financial distress is significant with the value of Sig. 0.037 (less than 0.05), then the second and third equations are equally significant so that it can be said that GCG is a Quasi-Moderation variable. Quasi moderation is a variable that moderates the relationship between the independent variable and the dependent variable where the pseudo moderating variable interacts with the independent variable as well as being the independent variable. This means that the hypothesis which states that GCG strengthens the negative effect of CAR on financial distress is rejected. This negative effect indicates that GCG weakens the effect of CAR on financial distress.

Testing the role of *Good Corporate Governance* (GCG) in moderating the effect of Net Performing Loan (NPL) on Financial Distress resulted in a t-count value of -0.194 with a significance of 0.847. A significance value greater than 0.05 indicates an insignificant effect of GCG on the relationship between the effect of NPL on Financial Distress. Based on the second equation (Table. 5) the effect of GCG on financial distress is significant with the value of Sig. 0.037 (less than 0.05), then the second and third equations are not equally significant so that it can be said that GCG does not moderate the effect of NPL on Financial Distress.

According to Gunawan (2016), Good Corporate Governance (GCG) is the supervisory role and process by which companies manage and reduce business risks. Widiatmika & Darma (2018) revealed that the better the implementation of good corporate governance in a company, the better the company's financial performance. Kuncoro & Agustina (2017) also revealed that the better the implementation of corporate governance mechanisms, the bank will be in a good monitoring condition, so that it will improve the performance of the bank concerned thereby reducing the tendency of Financial Distress conditions. Agency theory explains that in agency relationships there are different directions and goals that can cause agency conflicts. Good Corporate Governance is needed to reduce agency problems between owners and managers and reduce the occurrence of information asymmetry and Financial Distress (Fathonah, 2017). GCG in this study is proxied by managerial ownership. Managerial ownership is the percentage of the number of shares owned by management of the total number of shares of the company managed by (Boediono (2005). Nur DP (2007) reveals that the greater managerial ownership will be able to unite the interests of shareholders and managers so as to reduce the potential for Financial Distress. Study results Md-Rus et al., (2013); Yudha & Fuad (2014): Widhiadnyana & Ratnadi (2019) stated that managerial ownership has a negative effect on Financial Distress.

Research Implication. Based on the results of the research and discussion that have been described, there are implications of this study both theoretically and managerially. Based on the study results, the theoretical implications of this study are ROA, and CAR have a significant negative effect on Financial Distress, and NPL has a positive effect on Financial Distress, and GCG as a Quasi Moderation variable. These results enrich knowledge which adds to the latest study results related to ROA, CAR, GCG, NPL and Financial Distress variables, so that they can be used as support for future study. Based on the results of the study, the managerial implication of this study is that restructuring policies can improve credit

quality and reduce the profitability of rural banks, but this does not push the company into financial distress. The banking sector is expected to maintain the level of NPL, by maintaining the NPL it will reduce the risk of BPR experiencing financial distress. Banks can provide restructuring solutions by considering the benefits and costs to customers The benefits of restructuring must be greater than the costs incurred so that it has the potential to improve bank performance. The planning and implementation of loan restructuring must be based on an agreement between the debtor and creditor in rearranging the loan repayment agreement.

Research Limitations. This study only examines the effect of profitability, CAR, NPL on financial distress moderated by GCG, so these results may not necessarily represent other variables, and this research was only conducted at BPRs in Bali, so these results cannot be generalized to other BPRs / other conventional banks. This study only uses 2019 and 2020 as comparison years.

CONCLUSION

Based on the results of research and discussions that have been carried out, the conclusion in this study is that Profitability (ROA) has a significant negative effect on Financial Distress. This means that ROA has a significant positive effect on the Z-score or in other words a significant negative effect on Financial Distress. CAR has a significant negative effect on Financial Distress. This means that CAR has a significant positive effect on the Z-score or in other words a significant negative effect on Financial Distress. NPL has a significant positive effect on Financial Distress. This means that NPL has a significant negative effect on the Z-score or in other words a significant positive effect on Financial Distress. GCG is a Quasi-Moderation variable. GCG strengthens the negative effect of ROA on financial distress. GCG weakens the effect of CAR on financial distress. GCG does not moderate the effect of NPL on Financial Distress. The variable that has the greatest direct effect as a determinant of BPR Financial Distress in this study is CAR, where CAR has a significant negative effect on Financial Distress. If the CAR shows a low value, this is a signal that the company will be in a condition of Financial Distress. This means that if there is a positive change in the level of capital adequacy, it will reduce the probability for the company to experience Financial Distress.

Suggestions that can be given to BPR / Banking are effective and efficient asset management so that the company can meet all the company's costs to run its business, and generate large profits. Thus, the greater the company's profitability will prevent the company from financial distress. Banks are expected to maintain the level of capital adequacy in order to reduce the probability of companies experiencing financial distress. Banks are also expected to be able to maintain the level of NPL so as not to experience financial distress. Implementation of the corporate governance mechanism, the bank will be in a good monitoring condition, so that it will improve the performance of the bank concerned so as to reduce the tendency of the condition of Financial Distress. Suggestions that can be given for further research, namely future research is expected to add other variables that are estimated to have an effect on financial distress such as the number of boards of directors, and others. Further research is expected to expand the scope of research to Indonesia, not just one province so that the results of further research can provide a more significant contribution.

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The Influence of Big Five Personality Traits on Perceived Travel Risk and Travel Intention During COVID-19 Pandemic

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ABSTRACT

The purpose of this study is to investigate how personality traits influence Indonesian tourist perception of travel risks and travel intention during COVID-19 pandemic. In this study, the Big Five personality traits theory was used to investigate tourist personality traits. Online survey was accomplished and obtained 202 respondents. The primary data was processed using SEM-PLS. Of the five personality traits, it was found that only conscientiousness significantly influenced perceived travel risk . It was further revealed that travel risk perception negatively and significantly influenced travel intention. Furthermore, it was also found that travel risk perception significantly mediated conscientiousness and its influence on tourist travel intention.
Keywords: personality traits, perceived travel risk, travel intention, COVID-19

Pengaruh Big Five Personality Traits terhadap Perceived Travel Risk dan Travel Intention Selama Pandemi COVID-19

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh ciri kepribadian terhadap persepsi risiko berwisata dan minat berwisata wisatawan Indonesia di masa pandemi Covid-19. Ciri kepribadian wisatawan digali dari perspektif teori Big Five Personality Traits. Survei secara daring disebarkan kepada 202 responden yang mengisi kuisioner lewat Google form. Penelitian ini menggunakan SEM-PLS untuk pengolahan data primer. Hasil penelitian menunjukkan bahwa dari lima ciri kepribadian, hanya ciri kepribadian conscientiousness yang berpengaruh signifikan terhadap persepsi risiko berwisata. Persepsi risiko berwisata berpengaruh negatif dan signifikan terhadap minat berwisata. Selanjutnya, persepsi risiko berwisata terbukti merupakan mediator yang signifikan dari ciri kepribadian conscientiousness dan pengaruhnya terhadap minat wisatawan untuk berwisata.
Kata kunci*: ciri kepribadian, persepsi risiko perjalanan, minat berwisata, pandemi Covid-19*

INTRODUCTION

The tourism industry is one of the main sectors that contributes the most to the global economy and employment Globalization and increased global mobility have supported the growing number of tourists while also raising serious concerns about safety, security, and risk. According to Kovari & Zimanyi (2011), safety and security are important factors in decision-making and tourist travel experiences. COVID-19 pandemic, which was discovered in Wuhan, China, at the end of 2019, has had a significant impact on the global tourism industry. The Centers for Disease Control and Prevention (CDC) recommendation to avoid non-essential travel to most countries has resulted in international travel restrictions affecting 96% of the world's population (Gossling et al., 2020; UNWTO, 2020). The 58%-78% drop in foreign tourists has resulted in a loss of US$ 1.2 trillion in tourism export revenues and 120 million layoffs in 2020 compared to previous years (UNWTO, 2020). The first case of COVID-19 was reported in Indonesia on March 2, 2020, and the number of cases is rapidly increasing. As a

country with a large population and limited testing capacity, as well as less restrictive social distancing measures, there is a risk of the disease spreading significantly.

The Indonesian government, particularly the Ministry of Tourism and Creative Economy, has initiated a number of policies aimed at reviving the tourism industry, with a particular emphasis on health. The increase in COVID-19 cases has prompted the government to implement a policy aimed at limiting community mobility and interaction, known as the Community Activities Restrictions Enforcement (PPKM, *Pemberlakuan Pembatasan Kegiatan Masyarakat*). This policy has been particularly implemented in areas with high transmission rates and designated as "red zones" (*Pemerintah Gencarkan Upaya Penanganan Lonjakan Kasus COVID-19*, 2021. During PPKM, Statistics Indonesia (BPS, *Badan Pusat Statistik*) discovered that 90% of Indonesians conform to the restriction by communicating online with family or friends, increasing their worship of God, exercising, doing hobbies, and limiting access to negative news. However, it is undeniable that 10% of people have violated the restriction by visiting relatives or family and going on vacation (BPS, 2021). Responding to this, the government implements the cleanliness, health, safety, and environmental sustainability (CHSE) standards by giving certificates to tourism business actors and tourist attraction managers who adhere to strict health protocols (Ministry of Tourism and Creative Economy–CHSE Certification, 2021). However, despite the government's response to make travel more secure and comfortable, the public's perception of the risk of COVID-19 persists and can influence their desire to travel.

The pandemic has shifted people's travel habits and has influenced tourists' behavior and mental well-being (Ministry of Tourism and Creative Economy, 2021) as they are more concerned about health and safety. According to Reisinger and Mavondo (2005), perceived risk and perceived safety have a significant impact on individual travel intention. Furthermore, according to Egger and Neuburger (2021), the perceived risk when traveling to a destination varies and is influenced by personality type and nationality. Hashim et al. (2018) explain that to understand the perceived travel risk among tourists, consideration of individual characteristics and psychology is required as these two factors can influence tourists' tendency to make travel decisions based on perceived risk. It is also shown that individual personality is relatively stable and consistent, and it distinguishes one individual from another (Abood, 2019). The Big Five personality traits are the most prominent of the various theories of personality trait classification. Openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism are the five personality traits (Leung and Law, 2010). The theory explains that personality traits lead to different interpretations of and involvement with tourism products because they determine each individual's unique response to their environment (Hahn et al., 2018).

As the world's largest source of income and economic growth, post-pandemic tourism recovery is critical for the revival of a better industry. To address this issue, this study explores how Big Five personality traits can influence tourists' perceived travel risk and travel intention to visit Indonesia during the pandemic. It should be noted that the number of empirical studies that investigate the role of tourists' perceived travel risk in mediating the influence of Big Five personality traits on tourists' travel intention is still relatively few. Therefore, the findings of this study are expected to provide input for tourism businesses in Indonesia to develop strategies geared toward the domestic market, which is a priority market during the national tourism industry's recovery period.

The theory of traits is an important personality theory, and the Big Five personality traits are at the heart of trait theory for describing, interpreting, and predicting human behavior (Abood, 2019). Big Five personality traits are the most widely accepted personality theory as it is stable, simple to understand, and capable of providing a valid framework for assessing human personality psychopathology (Abood, 2019). Goldberg (1992) explains the five

personality traits that are often abbreviated as CANOE or OCEAN. **Openness to experience** is a personality trait that refers to an individual's willingness to try new things, be curious, and engage in imaginative and intellectual activities (Aren and Hamamci, 2019; McCrae and Costa, 1985). **Conscientiousness** is a personality trait in which an individual is organized, responsible, conscientious, disciplined, obeys rules and norms, is more cautious in acting, and considers many factors when making decisions. (Aren & Hamamci, 2019; Grohol, 2019; McCrae & Costa, 1985). **Extraversion** is a personality trait that is easy to get along with, sociable, and excited when around other people. This personality trait is commonly referred to as an extroverted personality (Aren & Hamamci, 2019; McCrae & Costa, 1985). **Agreeableness** is a personality trait that refers to how an individual treats relationship with others, such as demonstrating empathy, compassion, warmth, trust, warm, and cooperative behavior (Aren & Hamamci, 2019; McCrae & Costa, 1985). **Neuroticism** is a trait associated with anxiety, anger, irritability, fear, sadness, and insecurity (Aren & Hamamci, 2019; McCrae & Costa, 1985).

Perceived travel risk is defined as the risk that tourists may experience during their travel. It refers to the perceived uncertainty and potential negative impact on travel bookings (Maritz et al., 2013). According to Reisinger and Mavondo (2005), perceived travel risk is related to evaluations for making travel decisions, purchasing, and consuming products or travel experiences. Individual risk perceptions can influence individual behavior, and these risk perceptions differ depending on each individual's characteristics, social structure, and beliefs (Fyhri and Backer-Grndahl, 2012).

Maritz et al. (2013) explain that travel intention is tourists' desire to travel, which also includes their intent to purchase travel products. In this context, travel intention also refers to tourists' perceptions when visiting a specific location within a specific time frame (Hashim et al., 2018).

Several studies (Aren & Hamamci, 2019; Fyhri & Backer-Grndahl, 2012; Martin, 2020) employed Big Five personality traits as predictors to investigate the influence of tourists' perceived risk when traveling. It is shown that individuals with openness traits are willing to take more risks. For example, they do not think it is dangerous to share space with other people who may be infected by the virus. In addition, they also have less trust in government authorities in dealing with the pandemic. On the contrary, according to Maritz et al. (2013), conscientious individuals positively and significantly influence personal risk (economic risk caused by death, accidents, illness, age, or job termination), and these individuals are more cautious and well-organized, and they have a stronger belief in the government's ability to combat COVID-19 (Martin, 2020). Extraversion individuals are shown to be positively related to the perceived risk of COVID-19 as socializing increases the risk of infection (Martin, 2020). However, according to Maritz et al. (2013), tourists with extraversion personality traits are not significantly affected by travel risk. It is reported that individuals with the agreeable trait are known to have influence only when interacting with other people. Trust, an aspect of agreeableness, encourages individuals to rely on the judgment and knowledge of others rather than their own (Aren and Hamamci, 2019). According to Maritz et al. (2013), neuroticism individuals are positively and significantly correlated with the level of perceived risk. This trait is indicated by their negative emotions (worry, anxiety, fear), which drive them to avoid more risks. Based on the literature review, the following hypotheses were formulated:

H_{1a}: Openness to experience personality trait negatively and significantly influences perceived travel risk during the COVID-19 pandemic.

H_{1b}: Conscientiousness personality trait positively and significantly influences perceived travel risk during the COVID-19 pandemic.

H_{1c}: Extraversion personality trait positively and significantly influences perceived travel risk during the COVID-19 pandemic.

H[1d]: Agreeableness personality trait positively and significantly influences perceived travel risk during the COVID-19 pandemic.

H[1e]: Neuroticism personality trait positively and significantly influences perceived travel risk during the COVID-19 pandemic.
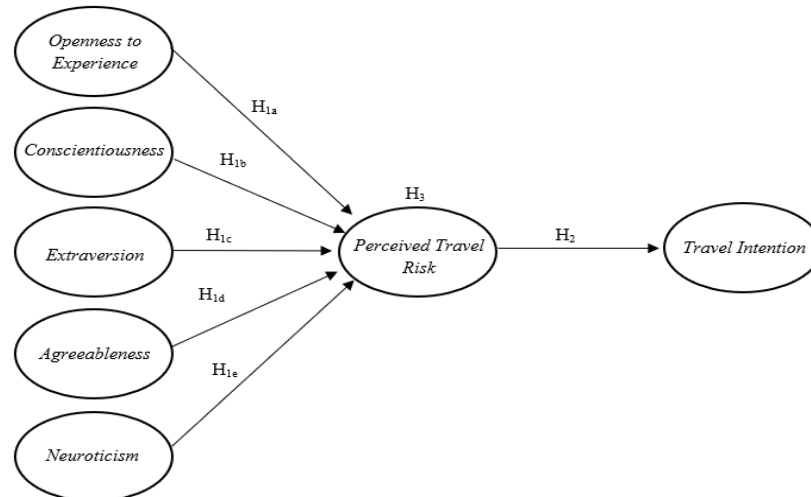

Figure 1. Research Model

Previous studies reveal that, while tourists plan to travel or visit a certain location, most of them make decisions based on their perceived risk (George, 2010). Several studies also agree that perceived risk significantly influences tourists' travel intentions (Artuger, 2015; Chew & Jahari, 2014; Maritz et al., 2013). Furthermore, Maritz et al. (2013) explain that perceived risk is influenced by personality traits such as extraversion, conscientiousness, and neuroticism. Based on these preview studies, the following hypotheses are formulated:

H[2]: COVID-19 perceived travel risk negatively and significantly influences travel intention

H[3]: Perceived travel risk significantly mediates the relationship between personality traits and travel intention

H[3a]: Perceived travel risk significantly mediates the relationship between openness and travel intention

H[3b]: Perceived travel risk significantly mediates the relationship between conscientiousness and travel intention

H[3c]: Perceived travel risk significantly mediates the relationship between extraversion and travel intention

H[3d]: Perceived travel risk significantly mediates the relationship between agreeableness and travel intention

H[3e]: Perceived travel risk significantly mediates the relationship between neuroticism and travel intention

METHOD

A causal quantitative approach was used to examine the relationship between the independent variables (openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism) and the dependent variable (travel intention) with a mediation variable (perceived travel risk). It should be noted that the measurement items for each variable were developed based on a review of the relevant literature and all of the measurement items in the questionnaire were proven to be valid and reliable in the pilot study. A purposive sampling

method was also done to collect data. The survey was conducted online using Google Forms and SEM-PLS statistical method was used to process the collected primary data.

RESULTS AND DISCUSSION

The total number of respondents to this survey was 206. However, only 202 of these questionnaires met the requirements and were ready to be processed.

Table 1. Respondent Profile

Attribute	n	%
Gender		
Male	98	47.3%
Female	108	52.7%
Age		
17-25 years old	107	52.2%
26-35 years old	34	16.6%
36-45 years old	24	11.7%
46-55 years old	27	13.2%
> 55 years old	13	6.3%
Education		
High school	72	35.6%
Diploma	13	6.3%
Undergraduate and postgraduate degree	119	58.1%
Occupation		
Student	84	41%
Businessperson	63	30.7%
Employees	18	8.8%
Professionals	15	7.3%
Others	25	12.2%
Average Income/Pocket Money per Month		
< IDR 2,500,000	70	34.1%
IDR 2,500,000–5,000,000	62	30.2%
IDR 5,000,000–7,500,000	30	14.6%
IDR 7,500,000–10,000,000	8	3.9%
IDR 10,000,000–15,000,000	12	5.9%
> IDR 15,000,000	23	11.2%
Have not traveled during the pandemic	65	32%
Travel destination		
Domestic (within Indonesia)	184	90.6%
Overseas	3	1.5%

As can be seen in Table 1, most respondents are females between 17 to 25 years old. It was also found that most respondents are students with an undergraduate degree and have an average monthly income or pocket money of Rp2,500,000. In terms of travel behavior, the majority of respondents (68%) stated that they had traveled outside of the island in Indonesia during the pandemic.

Step 1: Outer Model Test

The outer model test consists of two steps, which are the validity test and the reliability test. The outer loading and average variance extracted (AVE) were used to perform the convergent validity test. In social science studies, the standard value of outer loading ranges between 0.40 and 0.70 (Hair et al., 2017). Table 2 shows that all outer loading values for each indicator are greater than 0.4, except for one indicator (A4), which has the lowest value and was dropped from the model.

In addition, the AVE value was used to test convergent validity. It can be seen in Table 2 that each variable of AVE is higher than 0.5, indicating that all variables are valid.

Table 2. Convergent Validity Test

Variable	Indicator	Outer Loading Value	Explanation	AVE
Openness to Experience	O1	0.830	Valid	0.577
	O2	0.893	Valid	
	O3	0.733	Valid	
	O4	0.553	Satisfactory	
Conscientiousness	C1	0.758	Valid	0.585
	C2	0.659	Satisfactory	
	C3	0.816	Valid	
	C4	0.817	Valid	
Extraversion	E1	0.520	Satisfactory	0.637
	E2	0.849	Valid	
	E3	0.884	Valid	
	E4	0.880	Valid	
Agreeableness	A1	0.923	Valid	0.572
	A2	0.765	Valid	
	A3	0.528	Satisfactory	
Neuroticism	N1	0.847	Valid	
	N2	0.920	Valid	0.711
	N3	0.822	Valid	
	N4	0.779	Valid	
Perceived travel risk	PTR1	0.481	Satisfactory	0.507
	PTR2	0.571	Satisfactory	
	PTR3	0.700	Valid	
	PTR4	0.692	Satisfactory	
	PTR5	0.887	Valid	
	PTR6	0.801	Valid	
	PTR7	0.770	Valid	
Travel intention	T1	0.915	Valid	0.874
	T2	0.951	Valid	
	T3	0.938	Valid	

The discriminant validity test results in Tables 3 and 4 show that all indicators met the requirements because they have the highest Fornell-Larcker criterion and cross-loading values for their variables.

Table 3. Fornell-Larcker Criterion Results

Variable	A	C	E	N	O	PTR	TI
A	**0.756**	-	-	-	-	-	-
C	0.340	**0.765**	-	-	-	-	-
E	0.388	0.428	**0.798**	-	-	-	-
N	0.080	-0.211	-0.127	**0.843**	-	-	-
O	0.348	0.417	0.386	-0.063	**0.760**	-	-
PTR	0.210	0.182	0.112	0.096	0.082	**0.712**	-
TI	-0.062	-0.041	-0.023	0.197	0.148	-0.466	**0.935**

*A (Agreeableness), C (Conscientiousness), E (Extraversion), N (Neuroticism), O (Openness), PTR (Perceived Travel Risk), TI (Travel Intention)

The reliability test, which calculates the composite reliability and Cronbach's Alpha values, is the third evaluation in the outer model test. The expected reliability value should

exceed 0.7 (Hair et al., 2017). Table 5 shows that all variables have composite reliability and Cronbach's Alpha values higher than 0.7, indicating that they are reliable.

Table 4. Cross Loading Discriminant Validity Test Results

Variable	Indicator	A	C	E	N	O	PTR	TI
Agreeableness (A)	A1	**0.923**	0.323	0.321	0.078	0.318	0.215	-0.061
	A2	**0.765**	0.240	0.353	0.056	0.267	0.127	-0.044
	A3	**0.528**	0.366	0.446	-0.014	0.341	0.003	0.091
Conscientiousness (C)	C1	0.244	**0.758**	0.295	-0.203	0.236	0.155	-0.076
	C2	0.246	**0.659**	0.196	-0.172	0.228	0.104	-0.053
	C3	0.302	**0.816**	0.349	-0.139	0.372	0.117	0.010
	C4	0.260	**0.817**	0.430	-0.135	0.422	0.165	-0.005
Extraversion (E)	E1	0.178	0.075	**0.520**	0.231	0.114	0.005	0.165
	E2	0.323	0.303	**0.849**	-0.069	0.264	0.082	0.020
	E3	0.320	0.429	**0.884**	-0.208	0.377	0.113	-0.129
	E4	0.375	0.375	**0.880**	-0.047	0.357	0.097	0.065
Neuroticism (N)	N1	0.085	-0.212	-0.095	**0.847**	-0.021	0.091	0.137
	N2	0.084	-0.190	-0.093	**0.920**	-0.040	0.106	0.192
	N3	-0.011	-0.159	-0.155	**0.822**	-0.129	0.044	0.143
	N4	0.079	-0.117	-0.132	**0.779**	-0.084	0.041	0.210
Openness to Experience (O)	O1	0.301	0.282	0.288	-0.020	**0.830**	0.070	0.137
	O2	0.299	0.457	0.378	-0.113	**0.893**	0.085	0.068
	O3	0.254	0.288	0.299	-0.067	**0.733**	0.045	0.134
	O4	0.192	0.137	0.149	0.118	**0.533**	0.023	0.229
Perceived Travel Risk (PTR)	PTR1	0.096	0.088	0.050	0.078	-0.052	**0.481**	-0.067
	PTR2	0.185	0.058	-0.013	0.218	0.031	**0.571**	-0.117
	PTR3	0.090	0.071	0.082	0.086	-0.011	**0.700**	-0.230
	PTR4	0.169	0.144	0.037	0.012	-0.006	**0.692**	-0.226
	PTR5	0.222	0.185	0.091	0.057	0.103	**0.887**	-0. 502
	PTR6	0.178	0.104	0.159	0.056	0.097	**0.801**	-0.489
	PTR7	0.084	0.210	0.080	0.066	0.109	**0.770**	-0.353
Travel Intention (TI)	TI1	-0.013	-0.022	0.010	0.189	0.154	-0.415	**0.915**
	TI2	-0.047	-0.027	0.003	0.153	0.176	-0.444	**0.951**
	TI3	-0.110	-0.064	-0.074	0.210	0.088	-0.447	**0.938**

Table 5. Reliability Test Results

Variable	Composite Reliability	Cronbach's Alpha	Explanation
Openness to Experience	0.841	0.764	Reliable
Conscientiousness	0.849	0.765	Reliable
Extraversion	0.871	0.827	Reliable
Agreeableness	0.793	0.725	Reliable
Neuroticism	0.908	0.872	Reliable
Perceived travel risk	0.874	0.845	Reliable
Travel intention	0.954	0.928	Reliable

Step 2: Inner Model Test

In this study, the coefficient of determination (R^2) and predictive relevance (Q^2) were used to evaluate the structural model test or inner model. The ability of the independent latent variable to explain the dependent latent variable is described by R-square (Hair et al., 2017). Table 6 shows that the capability of Indonesian tourists' Big Five personality traits to influence perceived travel risk is 7.2% and the remainder is explained by other variables. On the other hand, the Big Five personality traits and perceived travel risk variables explain 21.7% of the influence on travel intention, and the remainder is explained by other variables.

Table 6. R-Square Results

Variable	R-Square Value
Perceived travel risk	0.072
Travel intention	0.217

Table 7. Q-Square Results

Variable	Q^2
Perceived travel risk	0.030
Travel intention	0.184

Table 8. Results of t-test (path coefficients)

No	Variable	Original Sample	Standard Deviation	T-Table	T-Statistics	P-Values
1.	O -> PTR (Openness to Perceived Travel Risk)	-0.037	0.104	1.96	0.358	0.720
2.	C -> PTR (Conscientiousness to Perceived Travel Risk)	0.165	0.075	1.96	**2.195**	**0.029**
3.	E -> PTR (Extraversion to Perceived Travel Risk)	0.012	0.095	1.96	0.125	0.901
4.	A -> PTR (Agreeableness to Perceived Travel Risk)	0.152	0.102	1.96	1.499	0.135
5.	N -> PTR (Neuroticism to Perceived Travel Risk)	0.117	0.084	1.96	1.396	0.163
6.	PTR -> TI (Perceived Travel Risk to Travel Intention)	-0.466	0.053	1.96	**8.812**	**0.000**

The results of the Q^2 value calculation shown in Table 7 demonstrate the importance of the independent variable in predicting the dependent variable. The calculation results show that the Big Five personality traits predict the perceived travel risk variable by 3% and travel intention by 18.4%.

Step 3: Hypothesis Test

As shown in Table 8, the hypothesis test was done using a bootstrapping procedure, with the results described using the t-test.

The results show that only the conscientiousness personality trait positively and significantly influenced the perceived travel risk during the pandemic. It was also found that the perceived travel risk significantly mediated the conscientiousness personality trait and travel interest. These findings support Maritz et al. (2013), Kovai et al. (2020), and Martin (2020) who found that conscientiousness had positively and significantly influenced different types of risk (personal risk and liability risk) and perceived travel risk. Conscientious individuals tend to be organized, show self-discipline, obey rules and norms, are more careful, and consider many things before making decisions. Ultimately, it causes them to pay more

attention, increase their self-awareness, and have a higher perceived travel risk, particularly during the pandemic Therefore, hypotheses 1b and 3b are accepted.
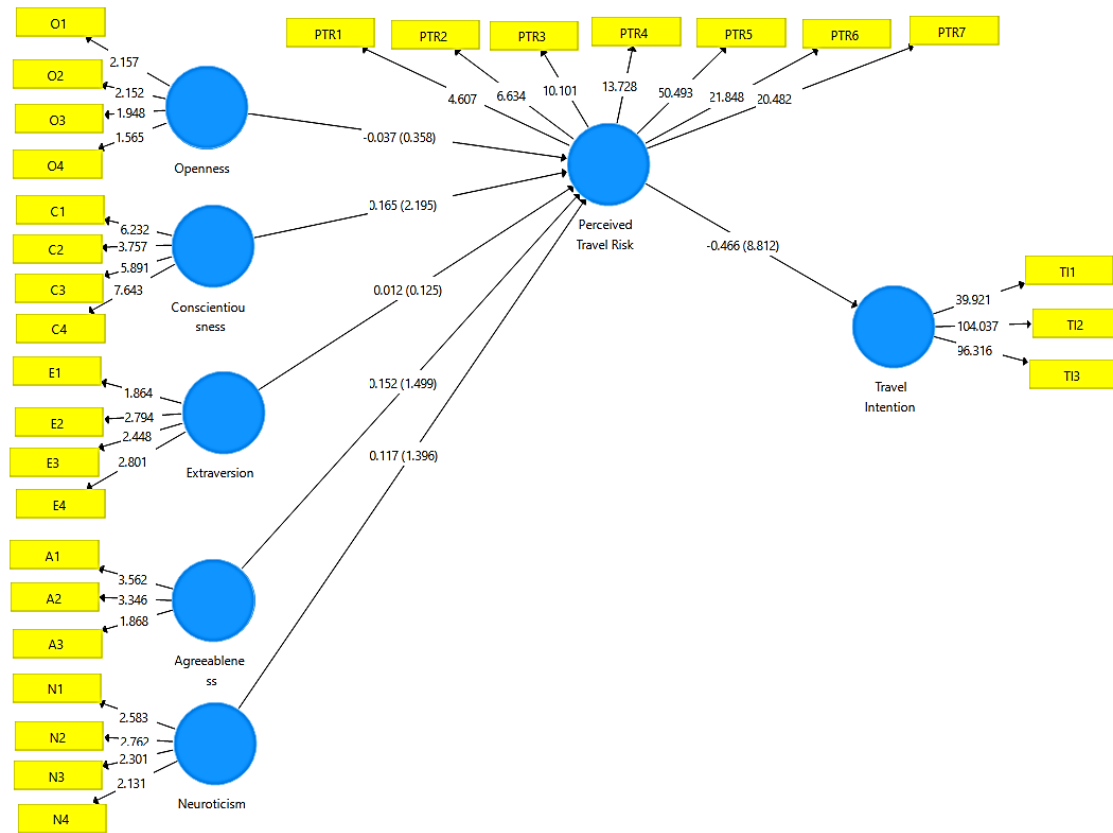
Figure 2. Bootstrapping Analysis Output

Table 9. Hypothesis Test conclusion

Hypothesis Number	Variable	Variable Code	Study's Hypothesis	Results of t-test	Conclusion
H_{1a}	O	PTR	(-) Significant	(-) Insignificant	Rejected
H_{1b}	C	PTR	(+) Significant	(+) Significant	**Accepted**
H_{1c}	E	PTR	(+) Significant	(+) Insignificant	Rejected
H_{1d}	A	PTR	(+) Significant	(+) Insignificant	Rejected
H_{1e}	N	PTR	(+) Significant	(+) Insignificant	Rejected
H_2	PTR	TI	(-) Significant	(-) Significant	**Accepted**
H_{3a}	PTR	0 -> TI	(+) Significant	(+) Insignificant	Rejected
H_{3b}	PTR	C -> TI	(+) Significant	(-) Significant	**Accepted**
H_{3c}	PTR	E -> TI	(+) Significant	(-) Insignificant	Rejected
H_{3d}	PTR	A -> TI	(+) Significant	(-) Insignificant	Rejected
H_{3e}	PTR	N -> TI	(+) Significant	(-) Insignificant	Rejected

It was found that the openness to experience variable insignificantly influenced perceived travel risk, indicating that the hypothesis is rejected. Previous studies (Kovai et al., 2020; Martin, 2020; Shook et al., 2020) found that individuals with openness to experience trait were more willing or prepared to engage in risky activities or behaviors such as refusing to wear masks, not considering sharing a room with people who may be infected with COVID-19 as dangerous, and other things related to recreation or social activities. The respondents in this study, who are mostly young people, are well aware of the health risks posed by COVID-19. However, there is a trust issue in which young people are skeptical of the government's capability to deal with the virus (Fajria, 2020). Furthermore, given that the coronavirus has

been around for a long time and that the Indonesian people have grown accustomed to it, as well as the assumption that the initial fear of infection gradually fades over time, the perception of this coronavirus has shifted. As a result, hypotheses 1a and 3a are rejected.

The third variable, extraversion personality trait, was insignificantly influenced perceived travel risk. Therefore, the hypothesis is rejected. These findings are in line with previous studies (Maritz et al., 2013; Kovai et al., 2020; Tepavevi et al., 2021), which found that the extraversion personality trait was not a strong predictor and had an insignificant influence on perceived travel risk. The reason for this is that socializing with other people is an extroverted individual method of recharging their "batteries" and they rush to travel without worrying about it. It should be taken into account that the respondents in this study are Indonesians, who are collective societies, prefer the social environment, and are known for their friendliness. As a result, this possibility is one of the reasons why the extraversion personality trait did not significantly affect the perception of travel risk in this study. As a result, hypotheses 1c and 3c are rejected.

Agreeableness personality trait variable was found to not significantly influence. Thus, the hypothesis is rejected. Tepavevi et al. (2021) found no significant relationship between agreeableness and travel anxiety or travel intention. An individual with a sympathetic trait, demonstrating empathy, being helpful, and warm takes great pleasure in serving and caring for others. Agreeable individuals assume that other people have good intentions, which leads them to be slow at passing judgment on others and ultimately, care for others unconditionally (Gordon, 2020). As a result of their proclivity to prioritize and trust others. Therefore, it can be assumed that individuals with an agreeableness trait do not have a high-risk perception. This could be one of the reasons why the agreeableness trait is insignificant. Furthermore, Fyhri and Backer-Grondahl (2012) discovered that an agreeableness trait had an effect only when interacting with other people whereas individuals who trust others were not anxious when traveling. As a result, hypotheses 1d and 3d are rejected.

Neuroticism results from the previous studies (Maritz et al., 2013; Agyeiwaah et al., 2021) demonstrate that the personality trait had a positive and significant influence on various types of risk. Individual neuroticism describes the emotional state of people who are anxious, afraid, sad, or disappointed, which can make tourists hesitant to travel during the pandemic. However, this study found that neuroticism did not affect perceived travel risk. When confronted with a pandemic, individuals with neuroticism traits may exhibit inconsistencies in their behavior that are related to their level of neuroticism or mood. Individuals with high levels of fear and anxiety frequently use denial as a defense strategy to alleviate or reduce their fear. This implies that people engage in risky activities to feel psychologically safe. On the other hand, individuals with neuroticism will take risks when traveling. As a result, hypotheses 1e and 3e are rejected.

Moreover, Table 8 shows that the perceived travel risk has an original sample value of -0.466, a p-value of 0.000, and a t-statistic value of 8.812. This demonstrates that H_2, or perceived travel risk, directly, significantly, and negatively influenced travel intention. In other words, people who have a high perception of travel risk during this pandemic are less likely to travel. Respondents with a high perception of COVID-19 risk will reduce their intention to travel. This finding supports Neburger & Egger (2020) who found that perceived travel risk was an effective and strong predictor of influencing tourist travel intention.

As can be seen from the result of the indirect effect test result, perceived travel risk only moderated the influence of conscientiousness and travel intention, while the other four personality traits were not significant. This is most likely due to the characteristics of the respondents and other variables that may had a stronger influence on perceived travel risk and travel intention. It is therefore, H_3 is rejected.

CONCLUSION

The following conclusions can be drawn based on the findings and analysis. First, it was found that conscientiousness is the only personality trait that had a significant influence on the perceived travel risk of Indonesian tourists during the pandemic. However, human personality still had an impact on the perceived risk. Second, it is hypothesized that perceived travel risk had a negative and significant relationship with travel intention. It can be assumed that the greater the tourists' perceived travel risk, the lower their desire or interest to travel. Third, the study reveals that perceived travel risk only moderated the influence of one personality trait, which is conscientiousness, on travel intention.

The findings of this study can be adapted by business managers in the tourism and hospitality industries, allowing them to carefully design unique advertising or promotional campaigns. As demonstrated in this study, the average Indonesians are agreeable and open to experience that "sympathize with other people's feelings" and are "curious about many different things". Furthermore, tourism managers can provide detailed information about security and health at tourist destinations. The Ministry of Tourism and Creative Economy has implemented this idea by providing CHSE certification.

This study only found one personality trait, conscientiousness, that had a significant impact on perceived travel risk and travel intention. The R-square value of perceived travel risk is 7.2%, and the R-square value of travel intention is 21.7%. Therefore, it is possible to conclude that the Big Five personality traits do not influence perceived travel risk and perceived travel risk does not fully mediate the relationship between personality traits and travel intention. This suggests that other, more powerful variables can influence the perceived travel risk and travel intention of Indonesian tourists. It would be interesting for future studies to use additional variables such as destination image and demographic characteristics such as generation, nationality, or gender.

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The Influence of Financial Literacy and Financial Behavior on Investment Decision for Young Investor in Badung District, Bali

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ABSTRACT

Various factors that indicate the increase in the rate of investment scam cases are allegedly due to people who are lack education about finance and investment. The purpose of this research was to determine the influence of Financial Literacy and Financial Behavior as independent variables on Investment Decisions as a dependent variable with Financial Behavior as well as a mediating variable. This study uses a survey method with data collection techniques through the distribution of online questionnaires with Likert scale measurements. The purposive sampling technique was used to determine the sample size using the Hair formula and data analysis using Partial Least Square (PLS) with SmartPLS software. The sample of this research is young investors in the age range of 18 to 40 years old who are domiciled in Badung District, Bali as many as 156 respondents. Based on data analysis, it is concluded that Financial Literacy and Financial Behavior have a significant influence on Investment Decisions. Financial Behavior does not provide a mediating role as the relationship between Financial Literacy and Investment Decisions. The result of this research explains that the higher the level of Financial Literacy and the level of Financial Behavior of an investor, the more helpful investors are in making investment decisions.

Keyword: financial literacy; financial behavior; investment decision; young investors

Pengaruh Literasi Keuangan dan Perilaku Keuangan Terhadap Keputusan Berinvestasi Pada Investor Muda Di Kabupaten Badung, Bali

ABSTRAK

Berbagai faktor yang menyebabkan meningkatnya tingkat kasus investasi fiktif disinyalir karena masyarakat yang kurang memiliki edukasi mengenai keuangan dan investasi. Tujuan dari penelitian adalah untuk mengetahui pengaruh Financial Literacy dan Financial Behavior selaku variabel independen terhadap Investment Decision selaku variabel dependen dengan Financial Behavior sekaligus sebagai variabel mediasi. Penelitian ini menggunakan metode survei dengan teknik pengumpulan data melalui pembagian kuesioner secara daring dengan pengukuran skala likert. Teknik Purposive Sampling digunakan dengan penentuan ukuran sampel menggunakan rumus Hair dan analisis data menggunakan Partial Least Square (PLS) dengan software SmartPLS. Sampel penelitian ini yaitu investor muda dalam rentang umur 18 sampai 40 tahun yang berdomisili di Kabupaten Badung, Bali sebanyak 156 responden. Berdasarkan analisis data, disimpulkan bahwa Financial Literacy dan Financial Behavior, berpengaruh signifikan terhadap Investment Decision. Financial Behavior tidak memberikan peran mediasi sebagai hubungan antara Financial Literacy terhadap Investment Decision. Hasil riset ini menjelaskan bahwa memang semakin tingginya tingkat Financial Literacy dan tingkat Financial Behavior seorang investor akan semakin membantu investor dalam membuat keputusan berinvestasi atau Investment Decision.

Kata kunci: financial literacy; financial behavior; investment decision; investor muda

INTRODUCTION

Every year, the reporting of investment scam cases increases. According to OJK (Financial Services Authority), in a span of 10 years from 2008-2018, recorded losses from investment scams reached Rp. 117.4 trillion (Hakim, 2022). According to Bappebti (Commodities and Futures Trading Regulatory Agency), investment scams that are currently rife in Indonesia are forex trading with automatic robots, binary options, and illegal cryptocurrencies. Many people lose money from fictitious investments because of attractive offers such as high profits with minimum capital (Tennant, 2011).

One of the factors that have fueled the increase in investments scam is the low understanding of investment risk because people are still easily lulled by high-profit returns and override investment risks (Chariri et al., 2018). Whereas currently, according to KSEI and BEI (Indonesian Stock Exchange), there is an increase in Single Investor Identification (SID) transactions of 92.7%, from 3.88 million investors in 2020 to 7.48 million investors in 2021, with the majority of 88% investors coming from groups in the economic range age under 40 years. This creates great concern because according to OJK (Financial Services Authority) Indonesia's level of financial literacy is still low. Moreover, the younger generation tends to have low financial literacy and investment awareness so they are easily fooled by investment scams (Padil et al., 2020).

This triggers concern from the Bank of Indonesia, especially because the transaction rate from the younger generation is getting higher but not yet supported by the level of financial literacy. Minimizing and being aware of the level of losses in investing is needed by the younger generation by increasing financial literacy (Mohd Padil et al., 2022). But before an action occurs, it is influenced by behavioral factors that have an important role in making investment decisions (Manurung, 2012). Therefore, this urgent situation needs further analysis of how financial literacy and financial behavior of younger investors could influence their investment decisions.

Goal setting theory of motivations explains that motivation with clear goal settings will increase performance. The clearer the goals and targets that an individual has will affect how much the individual can solve a problem or job. With a clear goal coupled with a sense of challenge, the outcome of a job tends to be better (Edwin A. Locke, 1968). With clear goals and motivations, it will be easier for an investor to achieve their financial targets. Therefore, motivation is closely related to financial literacy and financial behavior (Klein & Mandell, 2007). This is supported by research which states that motivation can trigger investors to invest because motivation is something that can encourage a person's behavior (Darmawan et al., 2019).

Financial Literacy is a combination of skills, awareness, knowledge, attitudes, and behaviors needed for an individual to make financial decisions in order to achieve financial goals (Organisation for Economic and Cooperation and Development, 2011). Financial literacy is very useful to avoid someone from financial problems such as loans, investments, savings, pension funds, etc., as well as fixing financial problems. This is done by understanding financial instruments, risks, and financial returns (Gupta, 2021).

Although the younger generation is currently investing heavily, there are still many who don't fully understand the products they choose. Financial literacy is needed to be able to determine the appropriate financial product. Financial literacy can also help a person to avoid or face difficult financial situations (Lusardi, 2019). Prior studies found that financial literacy has a significant effect on investment decisions (Hasanuh, 2020). Based on this description, this study formulates the H1 hypothesis.

H1: There is a significant positive association between Financial literacy and investment decision

The behavior or actions of an individual in making a financial decision is described as financial behavior. In practice in everyday life, individuals are always faced with situations to make financial decisions such as how much to save and spend (Sorongan, 2022). Financial attitude shapes financial behavior, so individuals are said to not have good financial behavior if they have not been able to solve their personal financial problems (Marsh, 2006). In contrast, if individuals can make the right financial decisions, these individuals have a tendency to avoid financial problems because they already understand their personal financial needs and goals (Chinen & Endo, 2012). Sugiyanto et al., (2019) also explains that the higher a person's financial literacy, the higher the impact of their financial behavior.

Previous research found that Financial Behavior has a positive and significant effect on investment decisions (Mutiara & Agustian, 2020; Upadana & Herawati, 2020). Financial behavior was also found to fully mediate the relationship between financial literacy and investment decisions (Perwito et al., 2020). Based on this description, this study formulates hypotheses H2 and H3.

H2: There is a significant positive association between Financial behavior and investment decisions
H3: There is a mediating role of financial behavior to increase the influence of Financial Literacy on Investment Decisions

Investment is explained as an individual's commitment to use money or other resources and is expected to bring results or returns in the future (Ayu Wulandari & Iramani, 2014; Bodie et al., 2013). In investing, individual must choose an investment product that suits their needs with the expected return in a well-calculated time period and risks (Nur Aini & Lutfi, 2019). Two aspects are used to explain investment decisions, namely based on investor psychology and the decision to multiply wealth (Mahastanti, 2011).

METHOD
This research uses a survey method by distributing online questionnaires with population of young investors in the age range of 18-40 years located in the district with the highest minimum wage in Bali, namely Badung. The selection of the age range was chosen because the phenomenon in this study found that the increase in transactions came from the majority of investors with an age range of 18-40 years. The sampling technique used is purposive sampling with the determination of the sample size using the Hair formula, because the population size could not be known with certainty. The number of samples is determined by the number of indicators multiplied by 5 to 10. Thus, 14 indicators x 10 = 140 samples (Hair et al., 2017). Although the target was only 140 respondents, in its distribution, this research managed to get 156 respondents. The questionnaire was distributed online with a Likert scale of 1-5, from the lowest point is strongly disagree to highest point is strongly agree. Operational definition and measurements of each variables are as follows: Financial Literacy is defined as financial knowledge for individuals on managing their own spending to achieve their financial goals (Lusardi & Mitchell, 2014) and it is measured by five basic concepts such as: knowledge of financial concepts, the ability to communicate financial concepts, skills to manage personal finances, skills to make the right financial decisions, and confidence in planning effective financial needs in the future (Remund, 2010). Financial Behavior is defined as behavior in managing income in accordance with goals and financial realization (Potrich et al., 2016), with

five measurements such as: paying bills on time, habits of making financial records, controlled finances, saving habits, availability of emergency funds (Potrich et al., 2015). Investment Decisions is the activity of individuals gaining profits or income from doing business or investing to financial products (Ayu Wulandari & Iramani, 2014), with four measurements, namely ability to measure security in investing, risk factors and changes in investment value, cash and definite income, value increases (Rasuma Putri & Rahyuda, 2017).

Data analysis used was Structural Equation Modeling (SEM) based on Partial Least Square (SEM-PLS) variant using SmartPLS software. The analysis data consist of outer and inner model. Outer model is the first stage of data analysis which consist of convergent validity, discriminant, and reliability. Convergent validity is used to show the correlations between dependents and independents variables and only considered valid if the value is more than 0,7 (Abdillah et al., 2015). Discriminant test is used to determine whether a reflective indicator counts as a good measure for its construct, and only accepted if the value of the variable has greater value than its correlation to other variables. Reliability test in this research is using Cronbach's Alpha and Composite Reliability and only accepted if the value is greather than 0.7. Inner model test consist of R Square and Q Square (Abdillah et al., 2015).
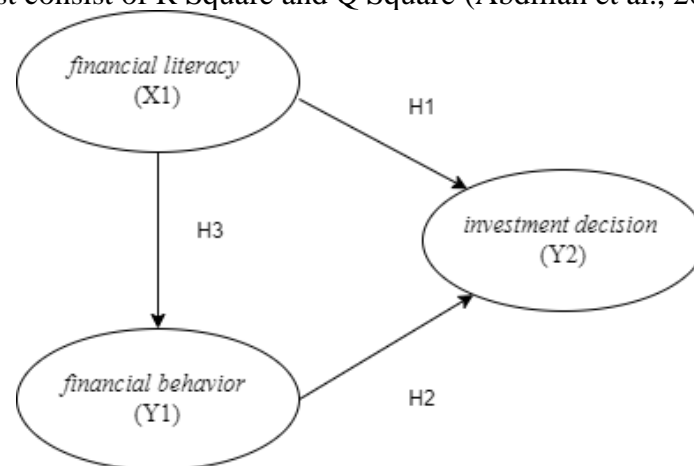
Figure 1. Research Design

RESULTS AND DISCUSSION

Table 1 shows that respondents who participated in filling out the questionnaire were citizens in Badung, Bali who are in age range from 18 until 40 years old. This research targeting 140 respondents, but in the distributions, it managed to get 156 respondents. Based on the questionnaire results, the majority of respondents are students (44.23%), the total monthly income of the majority of respondents is Rp. 3,000,000 (46.79%), and from the amount of investment, the majority of respondents investing per month is Rp. 500,000 (40.38%). The option for investment products used, respondents can choose more than one product. The investment product that the majority of respondents use is mutual funds (40.5%).

In Figure 2, it shows that the results were obtained using SmartPLS software and PLS method.

In Table 2 shows that all indicators are valid because all of the value is more than 0.7. Besides that, for discriminant test, it was found that the value of the cross loading for each variable has greater value than its correlation to other variables, so this shows that the discriminant test is accepted. Based on table 3, it can be explained that all variables in this research has met the criteria of the test, because both the value of the Cronbach's Alpha and the Composite Reliability has greater value than 0.7.

Table 1. Respondent's Demographics Profile

Variable	Category	Count	Percentage
Job	Students	69	44.23%
	State Officials	7	4.49%
	Private Employee	58	37.18%
	Entrepreneurs	22	14.10%
Income per Month	≤ Rp. 3.000.000	73	46.79%
	Rp. 3.000.000 – Rp. 6.000.000	43	27.56%
	≥ Rp. 6.000.000	40	25.64%
Amount Invested per Month	≤ Rp. 500.000	63	40.38%
	Rp. 500.000 – Rp. 1.500.000	53	33.97%
	Rp. 1.500.000 – Rp. 3.000.000	20	12.82%
	≥ Rp. 3.000.000	20	12.82%
Investment Products Used	Precious Metals	27.8%	
	Certificate of Deposits	32.9%	
	Stocks	39.2%	
	Mutual Funds	40.5%	
	Others (Crypto, P2P Lending, etc)	44.3%	
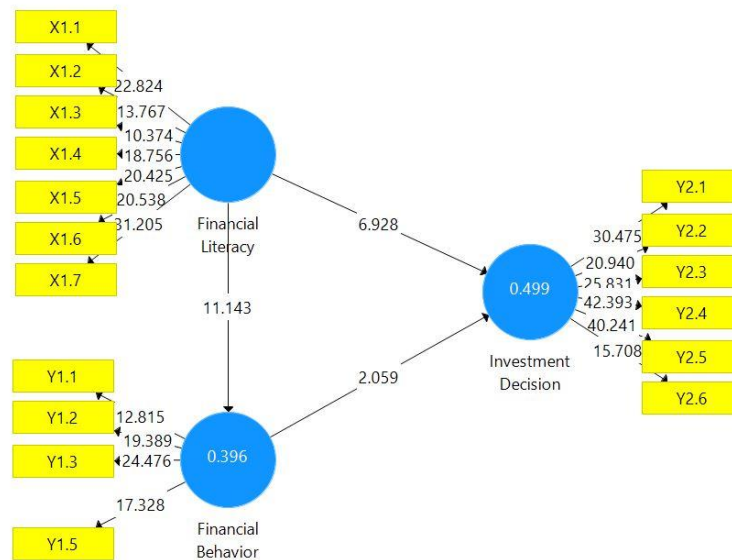
Figure 2. Partial Least Square Model

Inner model test as shows on table 3, shows that R Square value of the financial behavior (Y1) variable is 0.396 and R Square value of investment decisions (Y2) is 0.499. This shows that the financial behavior (Y1) can explain the financial literacy (X1) of 39,6%, and other variables outside the study explains the remaining 60.4%. In addition, the investment decision (Y2) model can explain the financial literacy (X1) of 49,9%, and the remaining 50.1% is explained by other variables outside the study. For Q Square, financial behavior explains financial literacy of 0.226. Investment decision explains financial behavior and financial literacy in total of 0.348, then investment decision explains the remaining of financial literacy of 0.122.

Table 2. Factor Loading

Latent Construction	Variables	Factor Loading
Financial Literacy (X1)	Understanding financial concepts knowledge	0.837
	Understanding in interest and credits	0.734
	Understanding in savings and investment	0.713
	Ability to communicate financial concepts	0.770
	Aptitude in managing personal finance	0.795
	Making appropriate financial decision	0.787
	Confidence in planning future financial needs effectively	0.839
Financial Behavior (Y1)	Saving habits and routine	0.754
	Making financial records	0.792
	Controlled budgeting	0.829
	Emergency funds availability	0.754
Investment Decision (Y2)	Choosing the right investment products	0.847
	Calculating risk and return in investment	0.862
	Predicting the component of risk factors in investment	0.863
	Measuring the rate of change in the value of investment in the future	0.889
	Predicting income from investing	0.872
	Analyzing the level of investment liquidity	0.806

Table 3. Validity and Reliability Model

Latent Construct	Cronbach's alpha	Average Variance Extracted	Composite Reliability	R Square	Q Square
X1	0.790	0.613	0.863		
Y1	0.894	0.614	0.917	0.396	0.226
Y2	0.928	0.735	0.943	0.499	0.348

Table 4 shows that from the total of 156 respondents with a significance level of 5%, making a t-table of 1.65468, the results indicate that the first hypothesis is accepted. This fact

is based on the Financial Literacy test on Investment Decision, the t-statistics value is 6.73 > t-table 1.65468 and the P-Values value is 0.000 < 0.05. The second hypothesis is also accepted based on the facts of Financial Behavior on Investment Decision, the t-statistics value is 2,005 > t-table 1,65468 and the P-Values value is 0.045 < 0.05.

Table 4. Hypothesis Test Results

	Hypothesis	P-Value	T-Statistic	Information
H1	Financial Behavior -> Investment Decision		2.005	Accepted
H2	Financial Literacy -> Financial Behavior		11.804	Accepted
H3	Financial Literacy -> Investment Decision		6.73	Accepted

Table 5. Indirect Level

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Financial Behavior -> Investment Decision Financial Literacy -> Financial Behavior Financial Literacy -> Investment Decision	0.106	0.115	0.055	1.939	0.053

Table 5 shows that, as for the third hypothesis, Financial Behavior cannot mediate Financial Literacy on Investment Decision by using a significance level of 5% because the indirect level value is 0.053 > 0.05.

The result of the first and second hypothesis is accepted. Align with the previous research which stated that there is significant influence between financial literacy on investment decision (D.A.T, 2020; Darmawan et al., 2019; Mutiara & Agustian, 2020), and there is significant influence between financial behavior on investment decision (DM, 2021; Normalasari et al., 2022; Rasuma Putri & Rahyuda, 2017; Raut, 2020).

In goal setting theory of motivation it is described that motivation might influence individuals to improve their Financial Literacy if the individual is going to make investment decisions. Because motivation encourages someone to achieve a goal, and if that goal is an investment decision, the individual will be motivated to increase knowledge of financial products and control their confidence (Ghasarma et al., 2017). This research is in line with Fitriah (2021) opinion where financial literacy is very important to improve people's welfare by managing personal finances. There are even studies that find that financial literacy can help increase investment returns (DM, 2021).

Goal Setting Theory of Motivation also states that motivation will help investors in determining which behavior needed to manage and control their own money for investment because they have various reasons to invest, adjusted to their needs (Ghasarma et al., 2017). Good financial behavior is very necessary because it can help minimize losses and even help investors be alert and careful in making investment decisions (DM, 2021), in order to avoid fictitious investment products (Mohd Padil et al., 2022).

However, for the third hypothesis, Financial Behavior cannot mediate the effect of Financial Literacy on Investment Decision. It explains that, Financial Behavior can weaken the

influence of Financial Literacy on Investment Decision, because before making investment decisions, investor behavior in controlling finances will prevent investors from investing because they have to adjust to their financial situation first.

This can be triggered by the characteristics of respondents who are millennials and generation Z where this generation tends to invest without setting the priority scale for primary needs. Then seen from the demographic data of respondents, respondents tend to choose low risk investment. This explains that although respondents have good financial behavior by being able to manage budgets and control finances, it does not guarantee young investors to dare to take risks to invest or continue to invest with low risk investment products.

CONCLUSION

Financial literacy influences investment decisions and financial behavior also influences investment decisions. This indicates that the better the financial literacy of an investor and the better the investor's behavior in managing their finances, the more helpful it is in making investment decisions and more alert to fictitious investment products. However, the mediating role of financial behavior to increase the influence of financial literacy on investment decisions is not significance.

Individuals with a good understanding of financial concepts, can communicate financial concepts, are confident in making decisions and can manage finances will be able to make good investment decisions. Moreover, if the individual also understands about setting priorities and budgeting needs, it will also help investors in making investment decisions. It would be better for individuals to continue to be willing to learn and enter into a community or environment that can lead to making better priorities.

The distribution of questionnaires is pretty obstructed because of the limited time to find respondents who have investment experience, although in the end it exceeded the respondent's target. Through this research, it is hoped that investors can improve their financial literacy and financial behavior skill before making investment decisions in order to avoid scam investments. For further research is suggested to use another demographic background and variables to examine the background difference such as, education level, risk perception, locus of control, financial knowledge etc.

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