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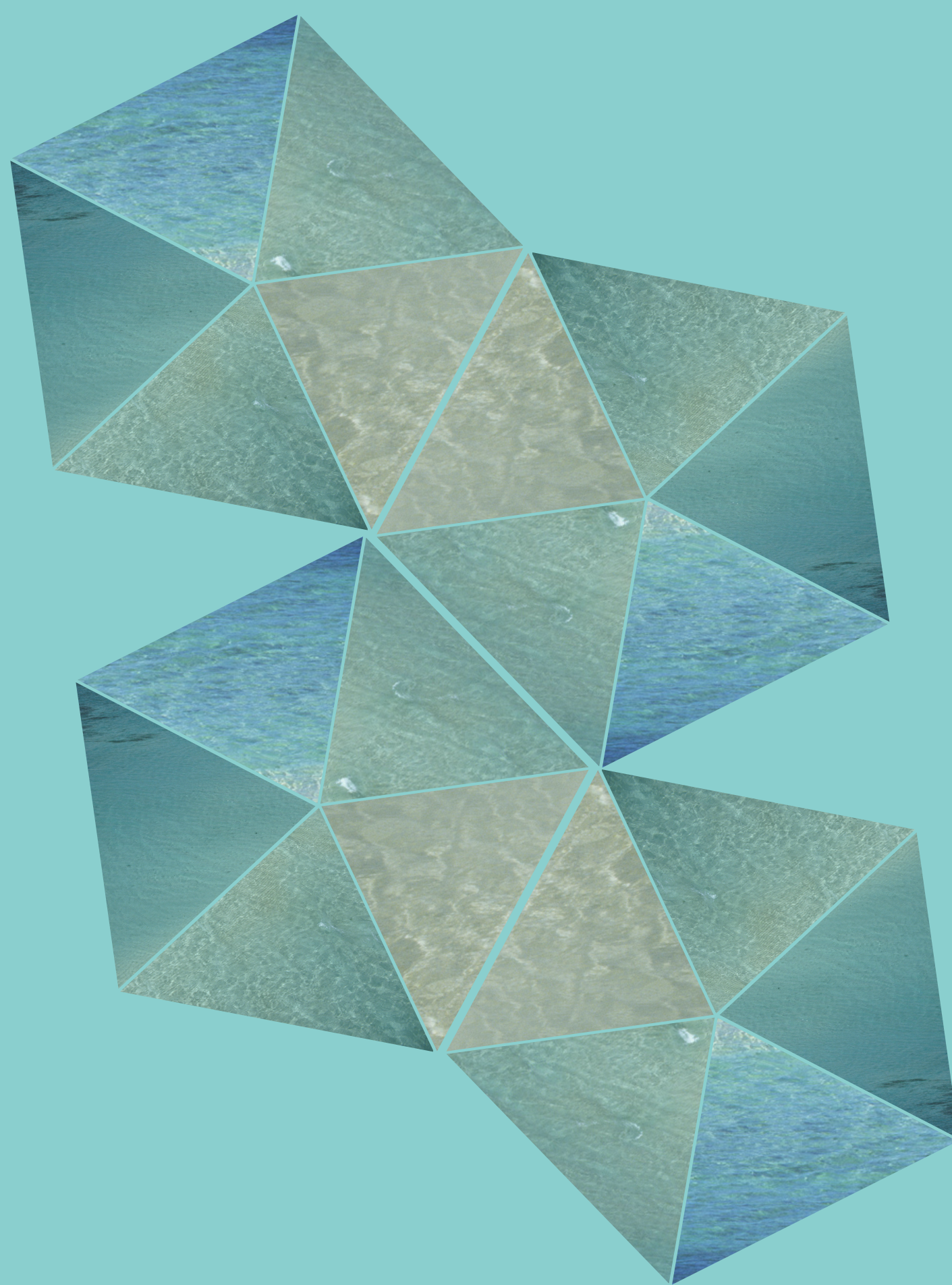
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THE EFFECT OF E-LEARNING-BASED PROJECT LEARNING ON STUDENTS MOTIVATION

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Keywords: Learning, E-Learning, Students, Learning Motivation.

Abstract: The purpose of this study was to determine whether there were differences in learning motivation between students given project-based and conventional learning. This quantitative research method was conducted in class VIII YPI Al-Maghfiroh Gandasari Tangerang, Tangerang City in Mathematics with a sample of 24 people. The independent variable in this study is student motivation with 8 indicators, namely: a) Persevering in the task; b) Resilient in facing difficulties; c) Showing interest in various problems; d) Prefer to work independently; e) Get bored with routine tasks quickly; f) Can defend his opinion; g) It is not easy to give up what is believed; h) Happy to find and solve complex problems. Then arranged in the form of a questionnaire instrument with a total of 15 items. The instrument has been tested for validity by expert validators. While the dependent variable is the Mathematical formative test scores derived from documentation data on average student achievement in learning. Based on the Hypothesis test obtained, the magnitude of the correlation coefficient (r) that is equal to 0.5482 is greater than 0.491 with a significant level of 5%. Thus it can be concluded that Ha is accepted, that is "there is an influence of e-learning project-based learning on student motivation". The results showed that in general project-based learning on learning motivation of VIII MTS AL - Maghfiroh students was classified as good.

1   INTRODUCTION

The National Council of Teachers of Mathematics (NCTM) issues the Principles and Standards for School Mathematics. Teaching effective mathematics requires an understanding of what students know and need to learn and then challenge and support them to learn it well (NCTM, 2000). Important technology in learning and teaching mathematics; technology influences the mathematics he teaches and enhances student learning processes (NCTM, 2000). The development of education in Indonesia is getting better and better, the government is paying more attention to education. Many budget expenditures have been spent by the government for the development of education and must be utilized very well to achieve the goal of quality education. Quality human resources (HR) are very much needed in facing competition in various fields of life, especially being able to compete in the mastery and development of science and technology (Sastrika et al, 2013). Mathematics is a compulsory subject from elementary to high school level. For students, in general mathematics lessons become scary lessons in learning, not infrequently many students fail just because of one subject. One factor that makes students less motivated to learn mathematics is because mathematics is identical to counting and numbers that are complicated to understand. This matter must be corrected by a mathematics teacher.

2   LITERATURE REVIEW

The use of learning models that are less precise can lead to boredom, poorly understood, and monotonous so that students are less motivated. According to Arends (in Suprijono, 2013) the learning model refers to the approach used including learning objectives, stages in learning activities, learning environment and classroom management. While Istarani (2011) learning model is a whole series of presentation of teaching material that covers all aspects before, being and after learning by the teacher and all related facilities that are used directly or

indirectly in the learning process. From the opinions of some of the experts above it can be concluded that the learning model is a series of approaches in which there are objectives and stages of learning by the teacher directly or indirectly related to the learning process.

Project-based learning is process-centered learning, relatively timed, focused on problems, meaningful learning units by integrating concepts from a number of components, be it knowledge, scientific disciplines or the field. Critical thinking skills are developed at every stage of learning project-based learning model. Students become encouraged in their learning, the teacher acts as a mediator and facilitator.

One learning model that is recommended to be used is a project based on learning model. This is certainly not without reason, because given the superior characteristics of this learning model that is able to accommodate the reasons mentioned above. In addition, learning certainly must be changed from the old tendency (one direction) to become more interactive (multi-directional). Through this learning model, students will also be expected to become actively investigating (learning) by presenting the real world (not abstract) to them. In this learning model, students will work in teams (groups) cooperatively and change mere factual thinking into more critical and analytical thinking.

Project-based learning approaches are supported by constructivist learning theories. Constructivism is a theory of learning that has broad support that relies on the idea that students build their own knowledge in the context of their own experiences. The opportunity to convey ideas, listen to the ideas of others, and reflect their own ideas on the ideas of others, is a form of individual empowerment experience. The interactive process with peers helps the knowledge construction process (meaning-making process). The use of E-Learning media enables the development of high learning flexibility. That is, students can access learning materials at any time and repeatedly. In addition students can also communicate with the teacher at any time, for example through chat and email. Jaya Kumar C. Newspaper (2002), defines E-Learning as just any teaching and learning that uses electronic circuits (LAN, WAN, or internet) to convey learning content, interactions, or guidance. There are also those who interpret E-Learning as a form of distance education that is carried out through the internet method. The conclusion E-learning is the use of the internet in the delivery of learning.

Motivation is a strength (power motivation), driving force (driving force) or a tool to build a willingness and strong desire in students to learn actively, creatively, innovatively and fun in order to change behavior both in cognitive, affective and psychomotor aspects (Nanang Hanafiah, 2012). Motivation according to Wlodkowsky (Sugihartono, 2012) is a condition that causes or gives rise to certain behaviors and which gives direction and resilience to the behavior. High learning motivation is reflected in the perseverance that is not easily broken to achieve success despite being confronted by various difficulties. According to Mc.Donald (Sardiman A.M, 2012), motivation is a change of energy in a person which is characterized by the appearance of "feeling" and preceded by a response to the existence of goals. Based on some understanding of motivation above, it can be concluded that motivation is an encouragement from within the individual to do something to achieve the desired goals and there is no element of compulsion from the individual.

The formulation of the problem in this study is whether there are differences in learning motivation between students who are given project-based and conventional learning? The purpose of this study was to determine whether there were differences in learning motivation between students given project-based and conventional learning

3   METHODOLOGY

This quantitative research method was conducted in class VIII YPI Al-Maghfiroh Gandasari Tangerang, Tangerang City in Mathematics with a sample of 24 people. The independent variable in this study was students' learning motivation with 8 indicators as revealed by Sardiman, (2011) then arranged in the form of a questionnaire instrument with a total of 15 questions. The instrument has been tested for validity by expert validators. While the dependent variable is the Mathematical formative test scores derived from documentation data on average student achievement in learning.

Table 1. Student Motivation Criteria Table

Criteria	Category
$x \geq x_{id} + 0.61_{sd}$	High
$x \geq x_{id} + 0.61_{sd}\ x \geq x_{id} + 0.61_{sd}$	Medium
$x \geq x_{id} + 0.61_{sd}$	Low

Source: Riduan (2009).

Information:
- x : Mean
- x_{id} : Median
- Sd   : Standard Deviation

Based on the criteria above, the next step is to calculate the Normality Test, Correlation Test and Determination Coefficient Test based on Hypothesis (H_0) "There is no effect of project-based learning assisted e-learning on student motivation in Mathematics". While Ha "There is the effect of project-based learning on student motivation in Mathematics.

4   FINDINGS AND DISCUSSION

Based on the results of calculations using Microsoft Excel in the results of the analysis of the results of the average questionnaire from the total number of students valid, reliable, and normally distributed. The following calculations calculate the value of student motivation:

Table 2. Demographic Respondent

Questionnaire						Total
Respondents	1	2	3	4	5	
1	0	0	13	3	9	25
2	0	2	8	10	2	22
3	0	2	12	8	2	24
4	0	9	11	1	3	24
5	1	2	8	9	4	24
6	0	2	14	5	3	24
7	0	3	8	2	2	15
8	0	1	5	16	3	25
9	2	0	10	5	7	24
10	0	1	7	11	5	24
11	0	6	10	7	1	24
12	3	2	6	9	4	24
13	2	4	9	4	5	24
14	0	2	4	13	5	24
15	1	1	9	6	6	23
Total	0,150337133	-0,0796516	0,1078189	0,3377198	0,3394238	
t value	0,548279555	-0,2881032	0,3910262	1,2936738	1,3010487	3,2459249
t total	0,150337133	-0,0796516	0,1078189	0,3377198	0,3394238	0,8556481
Information	valid	valid	valid	valid	valid	

Source: Researcher Data (2019).

Table 3. Description of Student Learning Motivation

N		Mean	Std.Deviation	Min	Max	Sum
Valid	Missing					
24	0	82,5	88, 93966	65	100	1980

Source: Researcher Data (2019).

The results of the description of students' motivation data in this study explained that there were a number of cases of 24 students who filled out the questionnaire with an average (Mean) of 82.5. The standard deviation

(standard deviation) is 88, 93966, the minimum score is 65, and the maximum motivation score is 100, with a total score of 1980.

Based on the Hypothesis test obtained, the magnitude of the correlation coefficient (r) that is equal to 0.5482 is greater than 0.491 with a significant level of 5%. Thus, it can be concluded that Ha is accepted, which is the effect of project-based learning assisted by e-learning on student motivation. Thus the data above has a high level of relationship between project-based learning on student motivation. This is consistent with the results of research by Mahanal (2008) and Darmawan (2009) who explained that project learning is able to display better mastery of concepts compared to students who are facilitated by conventional learning. Furthermore, Indriwati (2007) stated in her dissertation that a project-based learning strategy is an effective strategy for improving high cognitive learning outcomes and life skills.

The results showed that in general project-based learning assisted by e-learning towards learning motivation of VIII MTS AL-Maghfiroh students was classified as good. This means that project-based learning assisted by e-learning can increase student motivation. This can be seen in the magnitude of the relationship coefficient (r) that is equal to 0.5482 greater than 0.491

5 CONCLUSION

Based on the results of research and discussion, it can be concluded that the effect of project-based learning assisted by e-learning students of class VIII YPI Al-Maghfiroh Tangerang City is classified as good. The results of this study are expected to provide information to the school regarding e-leaning project-based learning. Given the importance of developing technology now students must be familiar with e-learning-assisted learning.

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ANALYSIS OF FACTORS THAT INFLUENCE THE PAYMENT OF DEVIDENTS ON MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE 2012-2018

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Abstract: This study aims to analyze free cash flow, net profit margins, debt to equity ratio, and firm size on dividend payments. The sampling technique used purposive sampling. The research instrument was in the form of documentation of financial statements of banking companies listed on the Indonesia Stock Exchange (BEI) during the 2012-2018 period. The samples used were 5 companies with a total of 21 samples over a period of 7 consecutive years of observation. The analysis technique used in this study is multiple linear regression assisted by SPSS version 22. Based on the results of the t test study, it shows that firm size affects dividend payments and free cash flow, net profit margins, debt to equity ratio has no effect on dividend payments.

1   INTRODUCTION

In the era of globalization which is now demanding that every economic activity is carried out in the right way. With the development of existing information technology, enabling every sale and purchase transaction can be done quickly and on a global scale (worldwide). One example of progress in information technology in the economic field is the existence of a capital market. The capital market is a market for sharing long-term financial instruments that can be bought and sold, whether in the form of debt, equity, derivative instruments, or other instruments.

In the Indonesian stock exchange, there are several sectors of the company, including agriculture, mining, basic industries, various industries, and the consumption industry. This table presents the development of sectoral stock trading in 2017 on the Indonesia stock exchange.
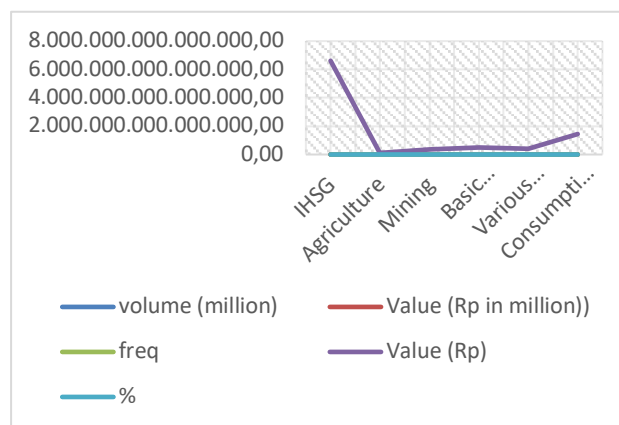

Figure 1. Development of sectoral stock trading in 2017

Source: IDX (2017).

Based on figure 1, it can be seen that in 2017 the agricultural sector contributed 1.69% of the total market capitalization. The agricultural sector is the owner of the smallest capitalization value compared to the sector. The number of issuers in the agricultural sector is also smaller compared to other sector issuers. The development of agricultural sector stock prices in the fourth year of October 2017 closed higher at 1,760.889 levels, this price rose by 0.39% or 6,810 points from the previous week which was closed at 1,754,897. However, the agricultural stock price in October 2017 showed a decrease of 1.45% or 25,837 points when compared to the share price in September 2017 which closed at 1,786,734. And when compared to shares in 2016 which were at 1,864,249, the share prices in 2017 experienced a significant decline in the amount of 5.54% or 103.352 points

The results of the paramitha research (2015) show that free cash flow is significant for dividend payments, in contrast to Hatta (2002) shows that free cash flow has no effect on dividend payments. According to Nurwulansari (2017) free cash flow affects dividend payments. According to anugrawaty sugiarto prajitno (2017) free cash flow affects dividend payments. According to Oktommy Putra (2017) free cash flow has an effect on dividend payments The results of the study according to cashmere (2012: 197) net profit margin affect the payment of dividends. According to the research of dwidharnita parera (2016) net profit margin shows an effect on dividend payments on companies listed on LQ 45 in the Indonesian Stock Exchange (BEI). According to Lioew (2014) shows that net profit margin has no effect on dividend payments. According to Riska Ariyani et al (2019) net profit margin affects dividend payments.

According to Kuniawan (2016) debt to equity ratio influences dividend payments. According to the research of irfan muttaqin (2018) shows that debt to equity ratio influences dividend payments on state-owned companies listed in the BI. According to laim (2015) shows that debt to quity ratio influences negative to dividend payments because it reflects the company in meeting the needs of the company. According to Melinda Ibrahim (2019) the debt to equity ratio affects the dividend payment. According to Atmoko et al (2017) the debt to equity ratio has an effect on dividend payments. According to Octommy son (2017) the debt to equity ratio affects the dividend payment. According to Fitri Handayani Sabri et al (2017) the debt to quity ratio affects the dividend payment. according to Nafiah (2013) shows that firm size has an effect on dividend payments, according to anugrawaty sugiarto prajitno (2017) has an effect on dividend payments and according to Puspita (2009) shows that firm size has a negative effect on dividend payments. According to Nurwulansari (2017) firm size has an effect on payment dividends. According to atmoko et al (2017) firm size influences dividend payments. According to fitri handayani sabri et al (2017) net profit margin affects dividend payments.

The formulation of the problem of this research are: 1. Does the free cash flow affect dividend payments? 2. Does the net profit margin affect the dividend payments? 3. Does the debt to equity ratio affect dividend payments? 4. Does the size of the company affect the payment of dividends? The benefits of this research are: the benefits of academics, 1) As a reference for further researchers to examine the factors that influence dividend payments at manufacturing companies listed on the Indonesia Stock Exchange in 2014-2017. Benefits of practitioners: For investors and interested parties, this research can be useful to add references, indicators of dividend payments made by manufacturing companies listed on the Indonesia Stock Exchange in 2014-2017. The purpose of this study was to analyze the effect of free cash flow, net profit margin, debt to equity, and firm size on dividend payments.

2   LITERATURE REVIEW

Agency Theory

Agency theory is the formulation of the problem that explains the conflict between the company's owner (principal) with the company manager (agent) Sisharini (2013). The manager who is the manager of the company certainly has an interest in maximizing his own welfare. On the other hand, managers also have an obligation to carry out their duties to maximize the welfare of the owners of the company (principal) both in the short and long term. The existence of differences in objectives and the separation between ownership and management of the company causes managers to act according to their own desires without regard to the interests of the principal. Sisharini (2013) explains that the objectives of the company manager often conflict with the increasing prosperity of understanding through increasing the value of the company. This creates a conflict of interest between managers and shareholders. To minimize these conflicts of interest, companies can implement a supervisory mechanism that can align related interests. The emergence of the supervisory mechanism can result in costs, which are referred to as agency costs. There are several alternatives to reduce agency cost, including the application of good corporate governance (Haruman, 2008). Jensen and Meckling 1976, stated that agency theory

is the relationship of a contract between the principle and the agent to perform a service on behalf of the owner and make authority to the agent in making decisions the best for the owner. Therefore the agent or management must be responsible for all its work to the principal or owner (Godfrey et al, 2010).

Framework and Hypothesis

The framework of thought in this study is as follows:
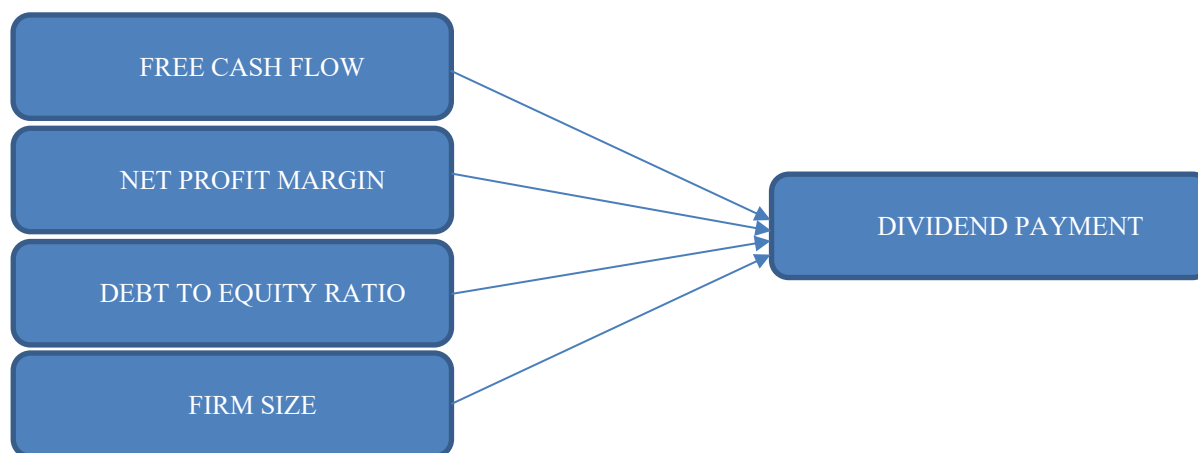
Figure 2. Research Framework

Source: Researcher data (2019).

Hypothesis Formulation

The results of research conducted by Paramitha (2017) show that free cash flow has an effect on dividend payments. Research results according to Nurwulansari (2017) show that free cash flow has an effect on dividend payments. The results of the study according to Anugrawaty sugiarto prajitno (2017) showed that free cash flow affects dividend payments. And according to Oktommy son (2017) shows that free cash flow affects dividend payments.
H1: Free Cash Flow affects dividend payments

The results of research conducted by cashmere (2012: 197) show that net profit margins affect dividend payments. According to Dwidharnita Parera (2016) shows that net profit margins affect dividend payments. According to Riska Ariyani et al (2019) shows that net profit margins affect dividend payments.
H2: Net Profit Margin affects the dividend payment

The results of research conducted by Kuniawan (2016) show that debt to equity ratio has an effect on dividend payments. According to Irfan Muttaqin (2018) the debt to equity ratio has an effect on dividend payments. According to Melinda Ibrahim (2019) debt to equity ratio affects dividend payments. According to Atmoko et al (2017) the debt to equity ratio has an effect on dividend payments. According to Sabri et al (2017) debt to equity ratio affects dividend payments.
H3: Debt To Equity Ratio affects dividend payments

The results of the study conducted by Nafiah (2013) show that firm size influences dividend payments. According to angrawaty sugiarto prajitno (2017) shows that firm size affects dividend payments. According nurwulansari (2017) shows that firm size affects dividend payments. According to Atmoko et al (2017) shows that firm size affects dividend payments.
H4: Firm size has an effect on dividend payments

3   METHODOLOGY

This type of research is quantitative research. The variables in this study are: (1) Dependent Variable, is dividend payment Independent Variable, is free cash flow, net profit margin (NPM), Debt to Equity Ratio (DER), and firm size The data used in this research is secondary data. The population in this study are basic industrial and chemical manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2013-2017. Sampling was done by purposive sampling method. Data analysis techniques using the classic assumption test (normality, autocorrelation, multicollinearity and heteroscedasticity); multiple linear regression test (regression test, model accuracy test, t test and coefficient of determination test).

Dividend Payout Ratio

Laim (2015), said the Dividend Policy is the company's decision to share the profits of the company with shareholders as expected. Dividend policy determines the placement of profits, ie between paying to shareholders, and reinvesting in a company.

Dividend = Cash Dividend Per Share / Earning Per Share

Free Cash Flow

The manager's way to increase the value of his company is to increase Sartono's free cash flow (2001: 101-102). Free cash flow is calculated by the formula (Jones & Sharma, 2001 in Arfan and Maywindlan, 2013):

Free cash flow = operating cash flow + net investment flow / Total Assets

Net Profit Margin

Werner R. Murhadi (2013) reflects the ability of a company to obtain a net profit from each sale. If the higher the value of NPM, then it shows the better.

NPM = Net profit after tax / Net sales revenue

Debt to Equity Ratio Concept

Kuniawan (2016), said that the company's debt ratio in the form of Debt To Equity Ratio (DER) reflects the company's ability to meet all its obligations as indicated by several parts of its own capital used to pay debts.

DER = Total liabilities / Total equity

Firm Size

Pantow (2015) large companies also need large funds to support their operations and one alternative is to fulfill them with insufficient foreign capital.

Firm size = Ln (total assets).

4   FINDINGS AND DISCUSSION

The selection of samples used by agricultural sector manufacturing companies in 2012-2018, amounting to 21 companies, agricultural sector manufacturing companies that split did not divide dividends amounted to 16 companies while those dividing dividends and which became sample companies amounted to 5 companies. Researchers conducted observations for 7 consecutive years and this study used outlier data of 3 so the number of samples used was 32.

 normality test results have results normal test results because it has a standard value of the agricultural sector manufacturing companies. And multicollinearity test results on free cash flow, net profit margins, debt to

equity ratio, and firm size do not occur multicollinoly. The results of this autokeration test use the DW value of the test results from no autocorrelation. Heteroscedasticity test results show that free cash flow, net profit margin, debt to equity ratio and firm size do not occur heteroscedasticity because it exceeds the indicated standard value.

The results of the multiple linear regression analysis test constast on unstandardized coefficients β 0.803, free cash flow has an unstandardized coefficient value β 0.394, net profit margin has an unstandardized coefficient value β-0.140, debt to equity ratio has an unstandardized coefficient value β-0.70 and the size of the company has unstandardized coefficients value β -0.25. F test results have a decent model test results. Hypothesis test results on free cash flow, debt to equity ratio, and firm size have an effect because they have the normal standard specified in the calculation, while the net profit margin does not affect the dividend payment because it does not have the normal standard value specified in the calculation. Determination coefficient test results show that free cash flow, net profit margin, debt to equity ratio and firm size have a percentage that affects the dividend payment.

Discussion

$$Y = 0{,}800 + 0{,}394. FCF - 0{,}140.NPM - 0{,}70.DER - 0{,}25.UP$$

The constant is worth 0.800 so it can be concluded that if all independent variables have a value of 0, then the dividend payment is 0.800. The value of the free cash flow regression coefficient is positive at 0.394. It can be concluded that if the free cash flow variable increases by 1 percent with the assumption that the other variables are fixed, it will be followed by an increase in dividend payments of 0.394. The net profit margin regression coefficient is negative by -0,140. It can be concluded that if the return on asset variable increases by 1 percent assuming the other variables are fixed, it will be followed by a decrease in dividend payments of -0,140. The debt to equity ratio regression coefficient value is negative of -0.70. It can be concluded that if the debt to equity ratio variable rises by 1 percent assuming the other variables are fixed, it will be followed by a reduction in dividend payments of -0.70. Regression coefficient of firm size is negative value of -0.25. It can be concluded that if the firm size variable increases by 1 percent assuming the other variables are fixed, it will be followed by a decrease in dividend payments of -0.25

Free Cash Flow affects dividend payments
The results found that free cash flow affects dividend payments. The results of this study are in line with research conducted by Lucyanda and Lilyanda (2012), which means that the higher the profit of a company, the company tends to make dividend payments.

Net Profit Margin Affects Dividend Payments
The results show that net profit margins have no effect on dividend payments. Net Profit Margin is a ratio to measure the company's ability to generate net income from sales activities, so the greater the value of NPM shows the company's high ability to generate net income. The results of the study show the small net profit margins so that the company's profit margin cannot be used to pay dividends. This is also supported by research conducted by Lioew (2014).

Debt to Equity Ratio Effect on Dividend Payments
The results found that the debt to equity ratio affects dividend payments. This research is also supported by (Darsono, 2005), the greater the debt to equity ratio, the greater the loan capital so that it will cause the greater debt burden (interest costs) that must be borne company. The greater the debt burden of the company, the amount of profit distributed as cash dividends will decrease.

Firm Size Affects Dividend Payments
The results showed that the size of the company affected dividend payments. Firm size can be based on total company assets or total sales or stock market prices. Large companies can easily access capital markets, so they have greater flexibility and ability to obtain funds for dividend payments (Nafiah, 2013).

5   CONCLUSION

This study aims to determine whether there is an influence of free cash flow, net profit, debt to equity ratio, and the size of the company on payments to agricultural sector manufacturing companies in 2012-2018. The population used in this study were all agricultural sector manufacturing companies in 2012-2018. The sampling method using purposive sampling method. Based on the sampling method obtained by companies that fit the criteria is equal to 5 agricultural sector manufacturing companies. The sample in this study is the financial statements of agricultural sector manufacturing companies (annual report) in 2012-2018, amounting to 35 samples. And using data outlier 3 companies. Based on the results of hypothesis testing (t test) shows that the variable free cash flow (X1), debt to equity ratio (X3) and firm size (X4) affect the dividend payment. Whereas net profit margin (X2) has no effect on dividend payments. Based on the results of the feasibility testing model (F test), it shows that the independent variables (free cash flow, net profit margins, debt to equity ratio, and company size) affect the dependent variable (dividend payments) As for the limitations of this study are (1) This study only uses a very limited sample, namely in the agricultural sector manufacturing companies and the observation period in the study is only 7 years from 2012-2018. (2) Variables that divide dividends are only 5 companies. (3) Samples of registered agricultural sector manufacturing companies are only 21 companies. (4) Samples of registered agricultural sector manufacturing companies are only 21 companies. (5) Samples of registered agricultural sector manufacturing companies are only 21 companies.

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FACTORS AFFECTING AUDIT QUALITY (Empirical Study of Public Accounting Firms in the City of Surakarta and Yogyakarta)

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Keywords: Auditor Experience, Auditor Accountability, Auditor Independence, Auditor Competencies, Audit Quality.

Abstract: This study aims to analyze and test the effect of auditor experience, auditor accountability, independence, and auditor competence on audit quality. In this study, researchers conducted surveys at the Public Accounting Firm in the City of Surakarta and Yogyakarta. The population in this study were auditors working in public accounting firms in the cities of Surakarta and Yogyakarta. Purposive sampling is a method used in this study. The sample used in this study consisted of 32 auditors from 7 public accounting firms. Data used in this study were collected through a questionnaire method. By using the classic assumption test, and hypothesis testing using multiple linear regression test, t test and F test. The benefits of this study are to increase knowledge and references for readers or subsequent researchers regarding the effect of auditor experience, auditor accountability, auditor independence, and auditor competence on audit quality. The results of this study indicate that auditor independence and auditor competence significantly influence audit quality while auditor experience and auditor accountability have no significant effect on audit quality.

1   INTRODUCTION

Competition between companies is very tight in this globalization era. There are interests between managers and different company owners, causing managers to manipulate the financial statements they make. For this reason, public accounting services are needed to provide relevant and reliable guarantees of the company's financial statements. Public trust that has been given to the auditor requires the auditor to pay attention to the quality of audits produced later. A public accountant is an accountant who has obtained permission from the finance minister to provide public accounting services. Regarding the provisions of public accountants in Indonesia is regulated in RI Law No. 5 of 2011 concerning public accountants and Minister of Finance Regulation No. 17 / PMK.01 / 2008 concerning public accountant services. The public accounting profession has a free valuation that does not favor the company's management of the information presented in the financial statements. One of the benefits of public accounting services is that they provide accurate and reliable information for decision making.

In carrying out their duties, an auditor must be guided by audit standards established by the Indonesian Public Accountants Association (IAPI), namely general standards, fieldwork standards and reporting standards. In addition to audit standards, an auditor must comply with a professional code of ethics that regulates professional responsibilities, competencies, and professional prudence, confidentiality, professional behavior and technical standards for an auditor in carrying out his profession. Financial statements that have been audited by a fair public accountant are more reliable than financial statements that have not been audited. However, in practice the credibility of the public accountant began to be doubted by the public, due to the emergence of various audit cases that occurred both inside and outside Indonesia which had caused a crisis of trust in the public accounting profession, such as the case that became the world's spotlight, namely the Enron case. Enron Corporation, a company in the fields of electricity, natural gas, pulp and paper based in Houston, Texas, United States, was founded in 1930 involving the Public Accounting Firm Arthur Andersen.

Audit quality is the audit carried out by the auditor in accordance with standards so as to be able to disclose and report when violations occur by the client (Rosnidah, 2010). Audit quality according to Public Accountant Professional Standards (SPAP) which states that audits by auditors are said to be of quality if they meet auditing

standards and quality control standards. The benefits of this research are for academics to add knowledge about audit quality to a public accounting firm and can be used as a reference for compiling further research in the future, especially those that discuss audit quality. For practitioners it is useful as a guideline for knowing audit quality and as a basis for auditors to improve audit quality. The purpose of this study is whether the auditor's experience, auditor's accountability, independence, and auditor's competence affect audit quality. This research is motivated to test the factors that influence audit quality at the Public Accounting Firm (KAP).

2   LITERATURE REVIEW

Agency Attribution Theory

According to Fritz Heider as the originator of attribution theory, attribution theory is a theory that explains a person's behavior. Attribution theory explains the process of how we determine the causes and motives about a person's behavior. This theory refers to how a person explains the causes of other people's behavior or themselves which are determined whether from internal and external influences (Robbins and Stephen, 1996).

Internal influences cause individual influences which are under the control of each individual, such as: the ability of knowledge and effort. External influences cause individual behavior that is due to external causes or forced by situations, such as luck, opportunity and the environment (Robbins and Stephen, 1996). In this study, researchers used attribution theory with internal influences, because internal attributions affect auditor behavior in carrying out audit tasks.

Audit Quality

Tandiontong (2016) defines audit quality as a market-value probability that financial statements contain material errors and the auditor will find and report those material errors. The Indonesian Institute of Certified Public Accountants (IAPI, 2015) believes that audits conducted by auditors are said to be of quality if they meet audit standards and quality control standards.

Auditor's Experience

Experience is what has been experienced (lived, felt, borne and so on). The requirement to become an auditor is that he must have a formal educational background in accounting and auditing and experience both directly and indirectly in the field of auditing (Badjuri, 2011).

Accountability Auditor

According to Sari and Mardisar (2007) defines accountability as a form of psychological encouragement that makes a person try to account for all the actions and decisions taken to their environment.

Auditor Independence

Independence is an attitude in which the auditor cannot be influenced by other parties who have personal interests De Angelo (1981). Auditor independence is important to maintain, because if the interested parties do not believe in the results of audits from the auditor, the client or third parties will not ask for the services of the auditor again.

Auditor Competency

Competence is an important factor that influences audit quality. According Suhayati and Rahayu (2010), auditors must have the ability, expertise and experience in understanding the criteria and in determining the amount of evidence needed to be able to support the conclusions to be drawn.

Previous Research

Research conducted by Word, et al., (2017) results from this study indicate that auditor competence and independence have a positive and significant effect on audit quality. Research conducted by Zahmatkesh and

Rezazadeh (2017) results from this study indicate that auditor work experience, professional competence, auditor accountability, auditor objectivity have a positive effect on audit quality, while motivation has a negative effect on audit quality. Haryanto and Susilawati (2018) results of this study indicate that auditor competence, independence, and professionalism have a positive effect on audit quality.
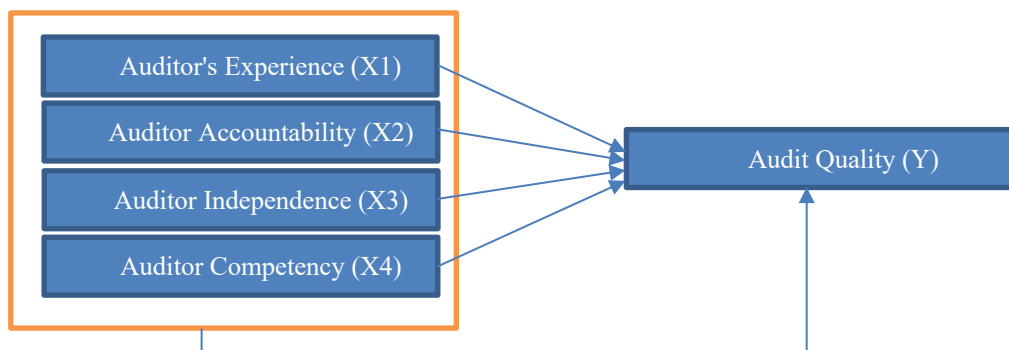
Figure 1. Research Framework

Source: Researcher data (2019).

Hypothesis

Effect of Auditor Experience, Auditor Accountability, Auditor Independence and Competence on Audit Quality
    Research conducted by Ghafran and O'Sullivan (2017) proves that auditor experience, auditor accountability, auditor independence and auditor competence silmutantly affect audit quality.
H1: Auditor's Experience, Auditor Accountability, Auditor Independence and Auditor Competence affects Audit Quality.

Effect of Auditor's Experience on Audit Quality
    Research conducted by Nurjanah and Kartika (2016) proves that auditor experience has an influence on audit quality. Experienced auditors have more accuracy and good abilities in completing their work.
This shows that the longer working period and experience of the auditor can improve the quality of audits produced by the auditor.
H2: Auditor's experience influences Audit Quality.

Effect of Accountability on Audit Quality
    Research conducted by Adang (2018) proves that accountability has an influence on audit quality. auditor accountability is a psychological or psychological impetus which can influence the auditor to account for his actions as well as the impact caused by these actions to the environment in which the auditor conducts his activities.
This shows that if an auditor has a high accountability, the audit quality that the auditor will produce is also high.
H3: Accountability affects Audit Quality.

Effect of Independence on Audit Quality
    Research conducted by Dahlia and Octavianty (2016) proves that independence has an effect on audit quality. Independence is a mental attitude that is free from influence, not controlled by other parties, not dependent on others. Independence also means that the auditor is free to consider facts in accordance with reality. This shows that the higher the independence attitude of an auditor, the higher the quality of the audit it produces.
H4: Independence influences Audit Quality.

Effect of Competence on Audit Quality
    Research conducted by Falatah and Sukirno (2018) proves that competence has an effect on audit quality. A competent auditor is an auditor who has adequate knowledge and ability to make it easier to understand and know various problems in more depth in an entity being audited, then the auditor must have the ability to work well and the ability to analyze problems.
This shows that the more competent an auditor, the better the quality of the audit he does.
H5: Competence influences Audit Quality.

3   METHODOLOGY

Population, Samples, and Sampling Techniques

The population in this study are auditors who work in Public Accounting Firms (KAP) in the cities of Surakarta and Yogyakarta which are listed in the directory of the Institute of Public Accountants in Indonesia. The sample in this study was 7 KAPs with 32 auditors working in the Public Accounting Firm (KAP) in Surakarta and Yogyakarta. The method used in this study uses purposive sampling with judgment. The criteria used in the selection of sampling are 1.) All levels of auditors whether partners, managers, senior auditors, junior auditors, 2) Auditors who are willing to be respondents, 3) Auditors who work in Public Accountant Firms (KAP) in Surakarta City and Yogyakarta at least 1 year. 4.) Auditors with a minimum education level of D3.

Table 1. Operational Research Variables and Indicators

Variables	Operational Definition	Indicators	Scale
Dependent Variable			
Audit Quality (Y)	Audit quality is the quality of work of an auditor as indicated by a reliable audit report based on standards set by Sukriah, et al., (2009)	1. Report client errors. 2. Understanding of client information. 3. Strong commitment in carrying out audits. 4. Guided by the principle of auidting and accounting principles in carrying out the work. 5. Do not just believe the client statement. 6. Caution in decision making.	Likert Scale 1-5
Independent Variable			
Auditor Experience (X1)	Experience is a process of learning and the development of potential behavioral growth both from formal and non-formal education or can be interpreted as a process that brings someone to a higher behavior pattern Sukriah, et al., (2009)	1. The length of work as an auditor 2. Frequency of conducting audit tasks. 3. Continuing education	Likert Scale 1-5
Auditor Accountability (X2)	Accountability as a form of psychological encouragement that makes someone trying to account for all actions and decisions taken to the environment. The environment in question is the environment or a place where someone does his activities or work which can affect the surrounding circumstances Febriyanti (2014).	1. The motivation of the auditor in completing his audit work. 2. Social obligations. 3. Dedication to the profession.	Likert Scale 1-5
Auditor Independence (X3)	Independence is a mental attitude that is free from influence, not controlled by other parties, not dependent on others. Mulyadi (2002).	1. Long relationship with clients. 2. Pressure from clients. 3. It has been from a fellow auditor. 4. Non-audit services.	Likert Scale 1-5
Auditor Competency (X4)	Competence is the ability of auditors to apply their knowledge and experience in	1. Knowledge.	Likert Scale 1-5

	conducting audits so that auditors can conduct audits carefully, and objectively Kurnia, et al., (2014)	2. Experience.	

Source: Sukriah, et al., (2009), Febriyanti (2014), Mulyadi (2002), Kurnia, et al., (2014)

Research instrument

The research instrument was obtained from a questionnaire, according to Sugiyono's statement (2015) "With a Likert scale, the variables to be measured are translated into indicator variables. Then the indicator is used as a starting point for compiling instrument items which can be in the form of questions or statements ". With the following criteria: 1 = Strongly Disagree (STS), 2 = Disagree (TS), 3 = Neutral (N), 4 = Agree (S), 5 = Strongly Agree (SS).

Data and Data Sources

According to Sugiyono (2015) primary sources are sources that directly provide data to data collection. The survey method is a primary data collection method that uses written questions. Primary data were obtained from respondents' answers to the question items contained in the questionnaire related to the effect of auditor experience, auditor accountability, auditor independence, auditor competence on audit quality

Variable Definition and Data Analysis Method

Dependent variables of this study are Audit Quality (Y) and Independent Variables in this study are Auditor Experience (X1), Auditor Accountability (X2), Independence (X3), Auditor Competency (X4). This study uses multiple linear regression techniques that are used to determine the effect of Auditor Experience, Auditor Accountability, Independence, Auditor Competence on Audit Quality. Before conducting the multiple linear analysis test, first do the Classical Assumption Test which includes: 1) Normality Test, 2) Multicollinality Test, 3) Linearity Test, 4) Heteroscedasticity Test. In addition, the F test and t test were carried out.

4 FINDINGS AND DISCUSSION

Sample Selection

Table 2. Questionnaire Return Rate

Name of the Public Accounting Firm	Questionnaire Distributed	Return Questionnaire
KAP Wartono & Rekan KAP	5	5
Dr. Payamta, CPA	5	5
KAP Ganung AB	5	5
KAP Kumalahadi, Kuncara, Sugeng Pamudji & Rekan	5	4
KAP Indarto Waluya	5	5
KAP Drs. Abdul Muntalib	5	5
KAP Drs Henry & Sugeng	5	3
Total	**35**	**32**

Source: Primary Data Processed in 2019.

Testing Research Instruments
Validity test

Significance testing was performed using criteria using r tables at a significance level of 0.05 using a 2-tailed test. If positive and r value> table then the item can be declared valid and if r count <r table, then the item can be declared invalid.

Table 3. Validity Test

NO	Correlation	R table	Information
Variable : Auditor Experience (X1)			
1	0,536	0,361	Valid
2	0,606	0,361	Valid
3	0,623	0,361	Valid
4	0,467	0,361	Valid
5	0,483	0,361	Valid
6	0,626	0,361	Valid
Variable : Accountability (X2)			
1	0,668	0,361	Valid
2	0,649	0,361	Valid
3	0,482	0,361	Valid
4	0,425	0,361	Valid
5	0,491	0,361	Valid
6	0,465	0,361	Valid
Variable : Independence (X3)			
1	0,613	0,361	Valid
2	0,524	0,361	Valid
3	0,669	0,361	Valid
4	0,615	0,361	Valid
5	0,629	0,361	Valid
6	0,540	0,361	Valid
Variable : Competence (X4)			
1	0,364	0,361	Valid
2	0,397	0,361	Valid
3	0,634	0,361	Valid
4	0,557	0,361	Valid
5	0,637	0,361	Valid
6	0,591	0,361	Valid
Variable : Audit Quality (Y)			
1	0,588	0,361	Valid
2	0,520	0,361	Valid
3	0,588	0,361	Valid
4	0,673	0,361	Valid
5	0,731	0,361	Valid
6	0,451	0,361	Valid

Source: Primary Data Processed in 2019.

Based on table 3, it can be seen that all questions for variables have valid status, it is known that because the value of rcount (Corrected Item-Total Correction) > rtable is 0.361.

Reliability Test

Table 4. Reliability Test

Variables	*Croncach's Alpha*	*Level Croncach's Alpha*	Information
Auditor's Experience	0,719	0,6	Reliable
Accountability Auditor	0,701	0,6	Reliable
Auditor Independence	0,737	0,6	Reliable
Auditor Competency	0,704	0,6	Reliable
Audit Quality	0,739	0,6	Reliable

Source: Primary Data Processed in 2019.

Based on table 4 above, it can be seen that the alpha value of the instruments for each variable is greater than the Croncach's Alpha level of 0.6 so that it can be said the instruments used in the variables are reliable.

Classic Assumption Test
Normality Test

Table 5. Normality Test

Variable	*Kolmogorov-Smirnov*	*Criteria*	Information
Kolmogorov-Smirnov	0,719	>0,05	Normal Distributed Data
Asymp sig (2-tailed)	0,680	>0,05	

Source: Primary Data Processed in 2019.

From the table above, test for normality using the One Sample Kolmogorov-Smirnov Test. The result of the Sig asympt value is greater than the probability of 0.05 so it can be concluded that the research data is normally distributed.

Multicollinearity Test

Table 6. Multicollinearity Test

Variable	*Tolerance*	Criteria	VIF	Criteria	Imformation
Auditor's Experience	0,581	>0,10	1,720	<10	No Multicollinearity Occurs
Accountability Auditor	0,951	>0,10	1,051	<10	
Auditor Independence	0,792	>0,10	1,263	<10	
Auditor Competency	0,712	>0,10	1,404	<10	

Source: Primary Data Processed in 2019.

From the table above it is known that the VIF and Tolerance values are calculated from each variable according to the test criteria (VIF <10 and Tolerance> 10). So it can be said that the regression model used does not occur multicollinearity between independent variables.

Linearity Test

Table 7. Linearity Test

Relationship	*Deviation from Linearity*	Criteria
X1-Y	0,427	Linear
X2-Y	2,571	Linear
X3-Y	1,427	Linear
X4-Y	0,956	Linear

Source: Primary Data Processed in 2019.

Based on the linearity test, it is known that the value of F Deviation from Squares Linearity values on all variables Fcount < F table 2.960. So it can be concluded that there is a linear relationship.

Heteroscedasticity Test
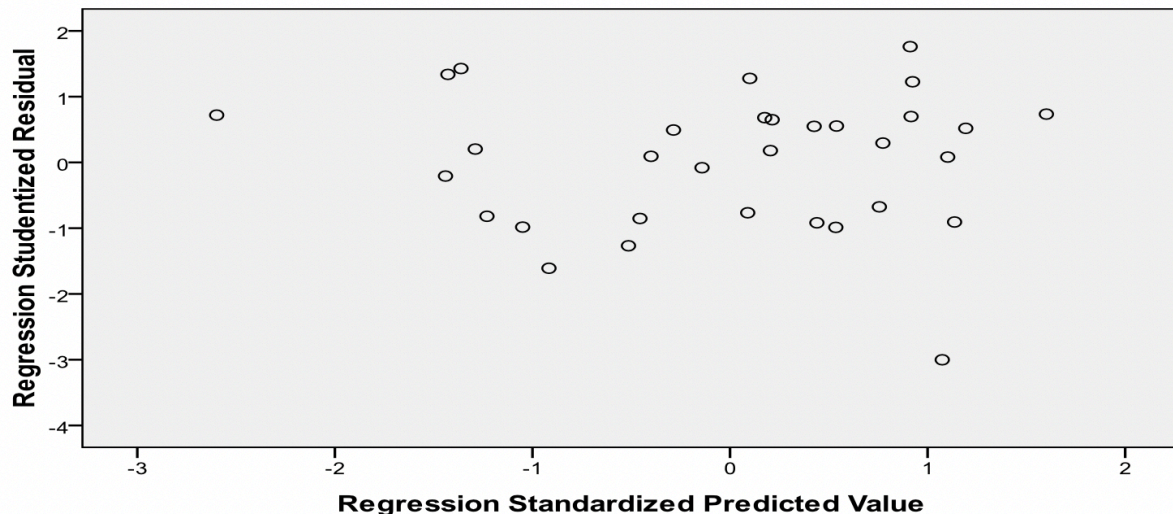
Figure 2. Scatter Plot

Source: Primary Data Processed in 2019.

Based on the picture above using scatterplot, it can be seen that the points spread randomly and are spread both above and below the value of 0 on the Y axis. It can be concluded that the distribution of points is stated not to occur heterosdactivity in the regression model.

Hypothesis Test
Multiple Linear Regression Test

Table 8. Multiple Linear Regression Test Results

Variables	B	tcount	Sig.
(Constant)	-3.771	-.523	.605
Auditor's Experience	-.088	-.524	.604
Accountability Auditor	-.005	-.061	.952
Auditor Independence	.826	5.575	.000
Auditor Competency	.400	2.174	.039

Source: Primary Data Processed in 2019.

KA = -3,711 – 0,088 PA - 0,005 AA + 0,826 IA + 0,400 KOM

Goodness of Fit Test

Table 9. Test Results F

F_{count}	F_{table}	p-value	Information
9,099	2,960	0,000	Decent Model

Source: Primary Data Processed in 2019.

T-Test

Table 10. Test Results t

Variables	t_{count}	t_{table}	Sig.	Criteria	Information
Auditor's Experience	-0,524	-2,052	0,604	<0,05	H1 Rejected
Audit Accountability	-0,061	-2,052	0,952	<0,05	H2 Rejected
Auditor Independence	5,575	-2,052	0,000	<0,05	H3 Accepted
Auditor Competency	2,174	-2,052	0,039	<0,05	H4 Accepted

Source: Primary Data Processed in 2019.

Hypothesis testing from this study uses the t test. Based on the table above, if the value of arithmetic> t table and sig <0.05, it means that the variable persistently influences the dependent. The test results show that H1 rejected means no effect on audit quality, H2 rejected means no effect on audit quality, H3 is accepted means it has an effect on audit quality, H4 is accepted means it has an effect on audit quality.

Determination Coefficient Test

Table 11. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,758	0,574	0,511	1,732

Source: Primary Data Processed in 2019.

Based on table 11 adjusted-R2 of 0.511. It is stated that 51.1% of the variation in audit quality variables can be explained by the auditor experience variable, auditor accountability, auditor independence and auditor competence. While the remaining 49.9% is influenced by other factors outside the model that has been studied.

DISCUSSION

Based on the results of the hypothesis test above explained as follows: The results of this test support the first hypothesis which states that the auditor's experience, auditor accountability, auditor independence and auditor competence silently influence the audit quality. From the results of calculations with a significant level of 5%, a Fcount of 9,099 was obtained with a probability of 0,000. This shows that the probability value is smaller than α (0,000 <0.05), the auditor experience variable, auditor accountability, auditor independence and auditor competency simultaneously have a significant effect on audit quality, so the first hypothesis is accepted. This supports Ghafran and O'Sullivan's (2017) research stating that auditor experience, auditor accountability, auditor independence and auditor competence have a silmutan effect on quality.

The test results were not successful in supporting the second hypothesis, namely the aditor's experience affected the audit quality, so the results obtained stated that the auditor's experience did not significantly influence the audit quality, as indicated by the t test results of the auditor experience variable of -0.524 smaller than t table of - 2,052 and sig. of 0.604 is greater than the criterion of 0.05. So H2 is rejected, meaning that the auditor's experience has no significant effect on audit quality. The number of tasks faced by auditors does not necessarily provide an opportunity to learn from the failures and successes that have been experienced, so that the audit quality does not improve. The results of this study indicate consistency with research conducted by Sari and Ramantha (2015) which states that the auditor's experience has no effect on audit quality.

The test results were not successful in supporting the third hypothesis, namely the accountability of the auditor influences the quality of the audit, so the results obtained stated that the auditor's accountability did not significantly influence the quality of the audit, as indicated by the results of the t test of the auditor's experience variable of -0.061 smaller than t table of - 2,052 and sig. of 0.952 is greater than the criterion of 0.05. So H3 is rejected, meaning that auditor accountability has no significant effect on audit quality. Not significant due to the auditor's lack of understanding of the work performed so that the decision taken is still not right. The results of this study indicate consistency with research conducted by Nandari and Latrini (2015) stating that auditor accountability does not affect audit quality.

The test results successfully support the fourth hypothesis that auditor independence influences audit quality, so the results obtained state that auditor independence significantly influences audit quality, as indicated by the results of the t test of the auditor's experience variable of 5.575 is greater than t table of -2,052 and sig . of 0,000 less than the criterion of 0.05. So that H4 is accepted, meaning that auditor independence influences audit quality significantly. It can be interpreted that the higher the independence of an auditor, the better the audit quality will be produced by the auditor. And vice versa the lower the independence of an auditor the worse the auditing they have done. The results of this study indicate consistency with research conducted by Agusti and Pertiwi (2013) states that auditor independence influences audit quality.

The test results successfully support the fifth hypothesis that auditor competence influences audit quality, so the results obtained state that auditor competence has a significant effect on audit quality, as indicated by the results of the t test of the auditor experience variable of 2,174 smaller than t table of -2,052 and sig . of 0,000 less than the criterion of 0.05. So that H5 is accepted, meaning that auditor competence significantly influences audit quality. An auditor must have a general standard in knowledge and expertise in the field of accountant to explain his profession based on established procedures for determining violations in his client's accounting system. The results of this study indicate consistency with research conducted by Harsanti and Whetyningtyas (2014) states that auditor competence affects audit quality.

5 CONCLUSION

This study aims to determine the effect of auditor experience, auditor accountability, auditor independence, and auditor competence on audit quality. Respondents in this study were 32 auditors working in public accounting firms in the cities of Surakarta and Yogyakarta. Based on the results of data analysis and discussion in the previous chapter, it can be concluded that, the auditor's experience variable has no effect on audit quality, this is indicated by a significant value of 0.604> 0.050. The auditor accountability variable does not affect the audit quality, this is indicated by a significant value of 0.952> 0.050. Auditor independence variable influences audit quality, this is indicated by a significant value of 0,000 <0.050. The auditor accountability variable influences audit quality, this is indicated by a significant value of 0.039 <0.050

This research is inseparable from the limitations. Some limitations in this study are 1) This study only examined the experience of the auditor, auditor accountability, auditor independence, and auditor competence. While there are still other factors that can affect audit quality. 2) Questionnaires are only distributed at public accounting firms in the cities of Surakarta and Yogyakarta. 3) This study uses the method of collecting data through questionnaires left at the KAP according to agreed upon so that the data obtained is based on respondents' perceptions only, this causes researchers to not be able to monitor the truth of the answers to the questions contained in the questionnaire. 4) The busyness of the Public Accounting Firm that some Public Accounting Firms refuse to fill out the questionnaire, in this study only obtained 7 Public Accounting Firms who were willing.

Based on the limitations in this study, so the advice that can be given by researchers is 1) Future studies should add to the dependent variable which is thought to be a factor that affects audit quality. 2) Future studies are suggested to expand the area of questionnaire distribution, so that the results of researchers have broader generalization capabilities. 3) Further research can be complemented by making deeper observations not only using questionnaires. 4) The population and sample of this study need to be expanded so that the results of the study reflect the true reality.

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APPLICATION OF PERFORMANCE-BASED BUDGET ON PERFORMANCE MOTIVATION OF ENVIRONMENTAL SERVICE AND FORESTRY BENGKULU PROVINCE

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Abstract : This study aims to empirically examine the relationship between the application of performance-based budgeting to work motivation in government agencies in the Department of Environment and Forestry of Bengkulu Province. The independent variable is the application of performance-based budgeting using indicators of budget transparency and motivation, budget discipline, budget equity, budget efficiency and effectiveness, while the dependent variable is the performance motivation of government agencies with indicators of motives, expectations and incentives. By using purposive sampling method in sampling and data collection methods by distributing questionnaires to 39 respondents, as for the method in analyzing data using the Spearman Rank Test and hypothesis testing. The results of this study indicate that the three independent variables namely the implementation of performance-based budgeting with indicators of budget transparency and motivation, budget discipline, budget equity, budget efficiency and effectiveness have a positive effect on the work motivation of government agencies.

1   INTRODUCTION

In Indonesia, using a performance-based budgeting system is a budgeting system that emphasizes the utilization of available funds to achieve optimal results from the implementation of development programs and activities. Indonesia uses a performance-based budgeting system as a substitute for the traditional budgeting system. In a traditional budgeting system, performance is measured in terms of inputs. This raises the behavior of employees who always try to spend the budget without regard to results and quality. Weaknesses in the traditional budgeting system are then suppressed through the performance-based budgeting system. With the use of a performance-based budgeting system, the budget is no longer oriented towards budget absorption (input) but on the performance results of budget output and outcomes.

The performance-based budgeting system is implemented by the government in an effort to respond to the high demands of the need to improve the quality of public services, transparency, and public motivation. This demand encourages the government to be able to prepare a budget accurately, accurately and systematically. This budgeting links every funding that is poured in activities with the expected outputs and results including efficiency in achieving the results of these outputs. Through the application of this budgeting system, the link between the value of money and the results of development programs and activities can be identified so that the effectiveness and efficiency of the development programs and activities can be determined. If there are differences between plans and their implementation (realization), an evaluation can be made of the relationship between inputs and outputs and outcomes of these programs and activities, Wijyanti (2012)

Law Number 1 of 2004 concerning the State Treasury and several other government regulations require the use of a different budgeting system, namely the change from budgeting based on input to performance based budgeting (system based budgeting), and budgeting with a medium term expenditure framework. This system replaces the traditional budgeting system (traditional budgeting system) which has many weaknesses, due to overlapping costs so that it has an impact on budget inefficiency, Indriani (2012).

During this time the budget preparation process is generally more focused on the size of the budget. Whereas the preparation, discussion, determination and supervision of budget execution is not enough just by

looking at the size of the budget that is an input, but also must pay attention to the performance of the budget which includes the achievement of performance, outputs, results and benefits as well as the appropriateness of the target group of activities financed by the budget, Natsir in Kurrohman (2013).

2 LITERATURE REVIEW

Agency Theory

Agency relationship is a contract in which one or more people (principal) orders another person (agent) to perform a service on behalf of the principal and authorizes the agent to make the best decision for the principal (Jensen and Meckling, 1976). Principal-agent (agency) relationships occur when an individual's actions affect other individuals (Smith and Mark, 1998). One party (principal) makes a contract, implicitly or explicitly, with the other party (agent) in the hope that the agent will act / do the work as desired by the principal (in this case the delegation of authority occurs). Agreements are formed in institutional structures at various levels, such as behavioral norms and contract concepts.

Agency problems arise when the relationship between principal and agent can lead to asymmetrical information or information imbalance because the agent is in a position that has more information about the company than the principal. Assuming that individuals act to maximize their own interests, then the information asymmetry they have will encourage agents to hide some information that is not known to the principal. When viewed from a government perspective, agency problems arise when executives tend to maximize their personal interests, starting from the budgeting process, decision making, to presenting financial statements that are reasonable to show that their performance has been good, and also to secure positions in legislative and people's eyes, Oktariani (2017).

The concept of motivation can be explained using agency theory, which in the broadest sense of motivation can be understood as the obligation of the holder of the mandate in this case the government (agent) to provide accountability, present, report, and disclose all activities and activities that are its responsibility to the trustee in this is the people represented by the DPRD (principal) who have the right and authority to hold them accountable. The concept of agency theory supports the performance motivation variable in this study, Wibiseno (2016).

Policy Implementation Theory

Wibasono (2016), explained that policy implementation is a study of policy studies that lead to the process of implementing a policy. In practice policy implementation is a process that is so complex that it is often politically charged with the intervention of various interests. To illustrate the complexity of the implementation process can be seen in the statement put forward by a policy study expert Eugene Bardach in Wibasono (2016), it is enough to make a program and general policy that looks good on paper. Even more difficult to formulate it in words and slogans that sounded wearing to the ears of the leaders and voters who listened to them. It is even more difficult to implement it in a way that satisfies everyone, including those who think they are clients.

Daniel Mazmanian and Paul Sabatier in his book Implementation and Public Policy in Wibasono (2016), defined Policy Implementation as the implementation of basic policy decisions, usually in the form of laws, but can also take the form of important executive orders or decisions or judicial body's decision. Typically, the decision identifies the problem to be addressed, states explicitly the goals or objectives to be achieved, and various ways to structure or regulate the implementation process.

Contingency Theory

Contingency Theory asserts that the control system design is contingent on the contextual setting of the organization where the control system will operate (Sisaye: Wibisono, 2016). Organizational effectiveness is a function of conformity between organizational structure and the environment in which the organization operates, (Duncan and Moores in Seto Wibisono, 2016). Better fit between the control system and contingency variables is hypothesized to result in improved organizational performance. The use of the concept of conformity (fit) in contingency theory shows the level of correspondence between contextual factors (contingencies) and management accounting systems (such as budgeting systems) will enable managers to improve company

performance. Within the government sphere the suitability between contextual factors such as performance and management accounting systems in this case the budgeting system will enable increased performance.

Basis for Preparing the Budget

Indriani (2012) explains that planning and budgeting in Indonesia is based on:

1. 1945 Constitution
2. Law No. 17 of 2003 concerning State Finance
3. Law No. 1 of 2004 concerning the State Treasury
4. Law No. 25 of 2004 concerning the National Development Planning System
5. Law No. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments
6. Government Regulation No. 20 of 2004 concerning Government Work Plans (RKP)
7. Government Regulation No. 21 of 2004 concerning the Compilation of Work Plans and Budgets of State Ministries / Institutions

In the 1945 Constitution the 4th Amendment to Article 23 paragraph (1) explains that the APBN as a manifestation of the management of the State finances is stipulated annually by law and carried out openly and responsibly for the greatest prosperity of the people. Furthermore, in Article 23 paragraph (2) it is explained that the RUU APBN is proposed by the President to be discussed with the DPR by taking into account the views of the Regional Advisory Council (DPD). Meanwhile, Article 23 paragraph (3) states that if the DPR does not approve the Draft State Budget proposed by the President, the Government must carry out the previous year's State Budget.

In Law No. 17 of 2003 in Article 14 explained several things as follows:

1. In the framework of preparing the Draft State Budget, ministers / heads of institutions as budget users / users of goods prepare work plans and budgets of state ministries / institutions the following year.
2. The work plan and budget as referred to in paragraph (1) shall be prepared based on the work achievements that will be achieved.
3. The work plan and budget as referred to in paragraph (1) shall be accompanied by the estimated expenditure for the following year after the fiscal year that is being prepared.
4. The work plan and budget referred to in paragraph (1) to be discussed in the preliminary discussion of the draft APBN.
5. The results of the work plan and budget discussion are submitted to the Minister of Finance as material for drafting a law on the next year's APBN

Performance-Based Budgeting

Bastian (2006) argues that performance-based budgeting is a budgeting system that is oriented towards organizational output which is very closely related to the organization's vision, mission, and strategic plan. Performance-based budgeting allocates resources to programs not only to organizational units and uses output measurement as an indicator of organizational performance. Performance-based budgeting has indicators which according to Abdul Halim (2007: 178) these indicators are (1) budget transparency and motivation, (2) budget discipline, (3) budget fairness, (4) budget efficiency and effectiveness, and (5) prepared with a performance approach.

In government financial management reforms there are three approaches to budgeting implementation, namely the Unified Budgeting, Performance-based Budgeting, and the Medium Term Expenditure Framework. Of the three budgeting approaches the performance-based budgeting approach is considered the most important approach. The performance-based budgeting approach focuses on the outputs and outcomes of activities carried out by the government. Implementation of the Performance-Based Budget approach will lead to efficiency, effectiveness and rationality in budget management. Two other approaches namely unified budgeting and the Medium Term Expenditure Framework are a form of implementation for the perfect implementation of the Performance Based Budget Noor Cholis, Hasan.A (2013).

The application of performance-based budgeting in budget planning has indicators namely; Budget expenditure is based on the outcome to be achieved, There is a relationship between inputs and outputs and outcomes, the role of efficiency indicators in the budget preparation process, the preparation of performance targets in the budget, Anita Wahyu Wijayanti (2012). The implementation of performance-based budgeting on budget implementation has indicators; Completeness of Budget Compilation Rules, understanding of the concept of Performance-Based Budgeting, consistency in the Implementation of Performance-Based Budgeting, Noor Cholis Madjid and Hasan Ashari, (2013). Implementation of performance-based budgeting has indicators; input, output and results, Etriyanto (2015).

Work Motivation

The strength of the workforce's motivation to work / perform directly is reflected in his efforts at how far he works hard. This effort might produce good performance or vice versa, because there are 2 factors that must be true if the effort will be converted into performance. First, workers must have the skills needed to do their jobs properly. Without ability and high effort, it is impossible to produce good performance. Second is the perception of the workforce concerned about how their efforts can be turned to the best possible performance, it is assumed that the perception is learned from previous experience in the same situation (Hadiwiryo, 2003).

According to Hamzah B. Uno (2009) indicators of motivation come from inside / internal and from outside / external. Motivation that comes from externally is up:

1. *Motive*

Motive is a stimulant of desires and certain driving forces to be achieved. Motive is the power or strength that exists in (inner potential) someone. This power directs and maintains people's behavior in carrying out certain activities. Motive is a driving force from within individuals to carry out certain activities in order to achieve a goal. It can be said that a person's motivation depends on the strength of motives.

This motive is the reason why someone strives to achieve goals, whether consciously or unconsciously. This motive also causes someone to do something that can control and maintain activities, and which sets the general direction that must be taken by someone. Motives in the context of this material are manifested in the form of providing stimuli to increase employee desires and become a driving force so that employees work optimally to achieve the expected results.

2. *Expectation*

The second indicator of employee work motivation is expectancy, which is a chance given because of behavior to achieve goals. Expectations are opportunities that are estimated by someone that the activities to be carried out can achieve the desired results. That is, someone will be motivated if he assesses the work to be done has the opportunity to be able to provide something useful for him. Expectations in the context of this research are realized in the form of providing opportunities to advance so that the employee concerned can work as they should.

3. *Incentives*

Incentives, namely to stimulate subordinates by giving rewards (rewards) to those who excel above the standard. Thus the morale of subordinates will increase because most people are happy to accept the good. Incentives are rewards obtained by someone as a remuneration from the results of the work he has done. If someone considers that the reward is in accordance with the workload and responsibilities that he has done, he will be more enthusiastic at work. Incentives can take the form of material and non-material. The incentives in the context of this research are manifested in the form of giving cash as a result of more work productivity.

The theory also received reinforcement support from the theory put forward by Sitohang (2007) that employees have potential energy reserves. How energy is released and used depends on the strength of one's motivational drive and the available situations and opportunities. Energy is utilized by employees because it is driven by motives, expectations and incentives.

Motive is a stimulant of desire and the driving force of a person's willingness to work. Each motif has a specific goal to be achieved. Expectancy is an opportunity that is given to occur because of the behavior to achieve goals. Incentives that motivate subordinates by giving rewards to those who excel above standard performance. Thus the morale of subordinates will increase because most people are happy to accept the good.

Previous Research

Wiwik Andriani (2012) with the title "Analysis of the Implementation of Performance Based Budgeting in the Central Government" and the results of his research said that performance-based budgeting is a systematic approach in budgeting that links spending by public sector organizations by using performance information as outlined in the form of indicators the performance. Febrina Astria Verasvera (2016) with the title "Effect of Performance-Based Budgeting on the Performance of Local Government Apparatus" results of this study 1). Performance Based Budgeting in the West Java Provincial Social Service has been well implemented and the performance of the Local Government Apparatus in the West Java Provincial Service has been well implemented.

Venni Avionita (2013), in her research entitled "Effect of Performance Based Budget Implementation on Performance of Government Institution Apparatus Improvement Program" the results of her research said that the correlation between implementation of performance-based budgeting on program performance improvement in the discipline apparatus of local government agencies was R = 0.88 which is included in the category of a very strong relationship. It can also be seen that the magnitude of the implementation of performance-based budgeting on the performance of the program to improve the discipline of local government agencies is 77.4%. Based on the background description of the problem, the formulation of the problem in this study is how the relationship between the application of performance-based budgeting to the motivation of the performance of government agencies in the Department of Environment and Forestry of Bengkulu Province.

This study aims to empirically examine the relationship between the application of performance-based budgeting to the motivation of the performance of government institutions in the Department of Environment and Forestry of Bengkulu Province. By using independent variables, namely, the Implementation of Performance Based Budgeting and the dependent variable are the performance motivations of government agencies

3   METHODOLOGY

Method of Collecting Data

The type of data used in this study is quantitative data in the form of scores or scores on the answers given by respondents to the questions contained in the questionnaire. The data source is primary data and secondary data. Data collection techniques can be done by distributing questionnaires. This data collection technique is done by giving a set of questions or written questions to the respondent to be answered. In this case the researchers used primary data sources, data sources obtained directly from the head of department, secretary, head of section, head of subdivision, and sub-work units in the Department of Environment and Forestry of Bengkulu Province.

Data Analysis Methods

a. *Spearman Rank Test*

Spearman rank correlations are used to look for relationships or to test the significance of hypotheses if each of the variables raised is in the form of an original. The Spearman Rank Correlation Formula (ρ = rho) according to (Sugiyono, 2013) is:

$$\rho = 1 - \frac{6\sum b_i^2}{n\,(n^2 - 1)}$$

P   = Spearman rank correlation coefficient
n   = Total Sample
$\sum b_i^2$ = The sum of the squares of the difference between the rank X and Y variables

To be able to provide an interpretation of the correlation coofesien found large or small, it can be guided by the following conditions:

Table 1. Guidelines for Correlation / Relationship Interpretation

No	Interval	Correlation
1.	0,000 – 0,199	Very low
2.	0,200 – 0,399	Low
3.	0,400 – 0,599	Medium
4.	0,600 – 0,799	Strong
5.	0,800 – 1,000	Very strong

Source: (Sugiyono, 2013)

B. Hypothesis Testing

In order to prove the truth of the calculation results and to find out the significance or not, a hypothesis test with t test is used:

1. *T Test*

$$t_{count} = \frac{r_{xy}\sqrt{(n-2)}}{\sqrt{(1 - r_{xy}^2)}}$$

Information:

t arithmetic = arithmetic test

r = correlation coefficient

r2 = correlation coefficient of determination

n = number of samples

2. The statistical hypothesis used:

Ho1: There is a significant relationship between the implementation of performance-based budgeting and performance motivation in government agencies.

Ha1: There is no significant relationship between the implementation of performance-based budgeting and performance motivation in government agencies.

3. Next determine the level of significance of 5% or = 0.05 dk = 39 - 3 = 36 with testing criteria as follows:

Ho is accepted if tcount <ttable means that there is no positive relationship and Ha is accepted if tcount> ttable means there is a positive relationship.

4   FINDINGS AND DISCUSSION

Sample Selection

To determine whether an hypothesis is accepted or rejected, then it is compared between the calculated rho and rhotable values and then consulted with the criteria for the presentation of the hypothesis with the following conditions:

1. Determine the value of tcount and ttable
2. Ho is rejected and Ha is accepted; if the value of Hohitug> Hotabel means that there is a significant relationship between performance-based budgeting (X) and the motivation of the performance of government agencies (Y) in the Department of Environment and Forestry of Bengkulu Province.

3. Ho is accepted and Ha is rejected; if the Hohitug value <Hotabel means that there is no significant relationship between performance-based budgeting (X) and the performance motivation of government agencies (Y) in the Bengkulu Province Environment and Forestry Service.
4. Determination of the level of significance of 95% alau alpa (α) 5%

After spearman rank correlation analysis (ρ), which is to determine the relationship between performance-based budget variables (X) and the performance of government agencies (Y) in the Bengkulu Province Environment and Forestry Service, hypothesis testing is then performed using the t test to determine the hypotheses submitted significant or not. The following is a calculation of the hypothesis test of the relationship of performance-based budget (X) with the motivation of the performance of government agencies (Y) in the Department of Environment and Forestry of Bengkulu Province:

$$t_{count} = r \sqrt{\frac{n-2}{1-r^2}}$$

Information

r   = Spearman Rank Correlation Value (ρ) which has been analyzed is 0.98
t_{table} = 1,687

From this value the hypothesis test can be calculated as follows:

$$t_{count} = r \sqrt{\frac{39-2}{1-r^2}}$$

$$= 0,98 \sqrt{\frac{37}{1-(0,4)^2}}$$

$$= 0,98 \sqrt{\frac{37}{0.84}}$$

$$= 0.98 \sqrt{44,0476}$$

$$= 6,504$$

Based on the calculation above, it is known that the t test results obtained tcount 6.504 and t table 1.687 That means tcount> t table (6.504> 1.687) then Ho is rejected and Ha is accepted it means that the performance-based budget has a significant relationship to the motivation of the performance of government agencies in the Office of the Environment and Bengkulu Province Forestry.

Discussion

Based After being tested using the Spearman rank test it is known that the number of samples is 39 people and the sum of the squares of the difference in the rank variables X and Y variables is 894. This number is in the interval 0.8 - 00. The results of this test indicate that the implementation of performance-based budgeting on the performance motivation of government agencies has a very close or very strong relationship.

Hypothesis testing obtained by calculating the value of t count is greater than the t table, which is t count of 6.504 and t table of 1.687. What if t arithmetic is greater than t table then it can be concluded that the application of performance-based budgeting to the performance motivation of government agencies has a significant relationship or hypothesis (Ha) is accepted.

Implementation of work-based budgeting (performance-based budgeting) in the Department of Environment and Forestry of Bengkulu Province on transparency and budgetary motivation has used the development plan document that outlines the vision, mission and regional work programs, SKPD financial statements in accordance with government accounting standards consisting from the budget plan report, balance sheet, and notes to the financial statements. Budget discipline refers to budget execution documents and cash budget plans. Budget justice relates to the trust of organizational members in procedures and fairness of results, and not to procedures or results. The Budget Work Plan (RKA) in the Bengkulu Province Environment and Forestry Office is in accordance with the Provisional Budget Ceiling Priority (PPAS). In managing its finances,

the Bengkulu Province Environment and Forestry Office has compared spending and revenue realization, where expenditure is the maximum allowable expenditure. In the performance approach, the budget is prepared based on the work performance to be achieved.

Motivation of the performance of government agencies in the Department of Environment and Forestry of Bengkulu Province has had a smooth program, where activities / programs take precedence over the efficient use of existing funding sources. Implementation of clear performance between the objectives of an activity / program that will or is being carried out where performance measures. In measuring performance in the Department of Environment and Forestry Bengkulu Province has used internal and external data with performance indicators to measure the level of success of an activity / program.

From the results of the above data it can be concluded that the implementation of work-based budgeting (performance-based budgeting) has a significant influence on the motivation of the performance of government agencies in the Department of Environment and Forestry of Bengkulu Province.

5   CONCLUSION

From the relationship of the application of performance-based budgeting to the motivation of the performance of government agencies in the Department of Environment and Forestry of Bengkulu Province obtained rHo count value (ρ) of 0.98 at intervals of 0.600 - 0.799, which means that performance-based budgetary relations to the performance motivation of government agencies is strong. From the hypothesis testing between the relationship between the implementation of performance-based budgeting on the motivation of the performance of government agencies, the value of tcount was 6.504 and t table 1.687. It means that tcount> t table (6.504> 1.687), then rHo was rejected and rHa accepted. government at the Bengkulu Province Environment and Forestry Service.

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EFFECT OF WORK ENVIRONMENT AND JOB SATISFACTION ON EMPLOYEE PERFORMANCE IN PT. NESINAK INDUSTRIES

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Abstract   : Improving employee performance is one of the main factors for companies to achieve goals. In addition to being a factor in achieving goals, employee performance is also a way to measure the quality of human resources in a company. Some factors that can influence the success of employee performance include the work environment and job satisfaction. The purpose of this study is to find out whether there is an influence of the work environment and job satisfaction variables on employee performance. This study is to examine the effect of work environment and job satisfaction on employee performance at PT. Nesinak Industries. The company is engaged in manufacturing automotive and electronic spare parts made from rubber. The sample in this study amounted to 88 respondents who worked in the production department. This research uses quantitative methods. Data for conducting this research was obtained through filling out questionnaires by predetermined respondents. Data analysis method used is multiple linear regression analysis method. Based on the results of the t test (partial) and f test (simultaneous) of this study, showed that the variable work environment and job satisfaction bring a positive and significant effect on employee performance partially and simultaneously.

1   INTRODUCTION

Management is the science and art of regulating the process of utilizing human resources and other resources effectively and efficiently to achieve a certain goal. HR Management is a field of management that specifically studies the relationship and role of humans in organizations. The element of HR management is human beings who are the workforce in the organization. Humans always play an active and dominant role in every activity of the organization, because humans become planners, actors, and determinants of the realization of organizational goals. This goal would not have been possible without the active role of the employees, no matter how sophisticated the tools of the organization. (Donni, 2014). PT. Nesinak Industries is a manufacturing company originating from Japan, a subsidiary of the Japanese group Gomunoinaki. PT Nesinak Industries manufactures automotive and electronic spare parts made from rubber. PT Nesinak Industries was established in Indonesia in 1997. It is located on Jalan Akasia 3 block A3 no.08, delta silicone 01 Bekasi, West Java. PT Nesinak Industries continues to grow from year to year, and received many awards from well-known corporate customers such as Epson, Asmo, Denso etc., for the quality of the products produced and manufactured by PT Nesinak Idustries. This year, PT Nesinak Industries has 740 employees.

The products produced by PT Nesinak Industries have reached hundreds of models and types of products, from many customers as well. This achievement is certainly achieved by hard work, commitment, discipline and good management, so that PT Nesinak Industries is one of the high-quality manufacturing companies. The amount of production produced by a company must be supported by a company environment that is sufficient to accommodate production which is increasingly growing, because the place and environment that cannot accommodate the amount of production, will affect employee job satisfaction and can affect the performance of these employees, even the quality and performance of employees will decline. This is what happened at PT Nesinak Industries, from year to year the production produced is increasing, but not supported by an adequate

environment to accommodate a lot of production, so that many employees complain about the situation, because they do not get job satisfaction and it affects the quality of employee performance.

The first factor affecting performance is the work environment. According to Nitisemito (2000: 183), "the work environment is all that exists around workers and can influence it in carrying out work that has been entrusted". The work environment according to Sedarmayantira (2001: 1), is "all things that exist in the environment of workers both physical and psychological, in which a person works either as an individual or as a group. The opinions expressed above can be used to draw conclusions about the work environment. Work environment is everything that exists around workers both inside and outside the room including those that are physical or not that affect employees in carrying out the tasks they carry. (Mohammad Kamif et al, 2016). The work environment is a place where employees do activities every day. A conducive work environment provides a sense of security and allows employees to work optimally. The work environment can affect employees' emotions. If the employee likes the work environment in which he / she works, then the employee will feel comfortable at work, doing his activities so that working time is used effectively. Productivity will be high and automatic employee performance is also high (Anggi, 2015).

The second factor that affects employee performance is job satisfaction. Roe and Davis (2008), said that high job satisfaction will encourage the realization of organizational goals effectively. While a low level of job satisfaction is a threat that will bring destruction or setback to the organization quickly or slowly. Robbins (2006) states that job satisfaction is an individual's general attitude towards his work. (Donni, 2016). Gibson, Ivancevich, and Donnely (2010), stated that job satisfaction is someone's attitude towards their service, that attitude comes from their perception of their work. George and Jones (2007), stated that job satisfaction is a collection of feelings, beliefs, and thoughts about how someone responds to their work. (Donni, 2016).

PT Nesinak Industries creates a comfortable and conducive working environment among all employees and does not neglect cleanliness and health aspects. create job descriptions that are easily understood and done by employees, so employees feel satisfied working in the company. PT. Nesinak Industries also provides training in stages in each department with the 5R concept (concise, neat, clean, caring and diligent), so that employees feel comfortable with their work environment so that employee job satisfaction can be achieved, this is very effective to improve employee performance so can achieve the target according to company expectations. The factors that influence employee performance have been proven empirically and theoretically. Theoretically it can be seen from several research results related to employee performance. For example, research conducted by Anggi Pratama (2015) states that the work environment has a great influence on employee performance. Titik Rosita and Tri Yuniati (2016) stated that employee performance will get better if job satisfaction is getting better. This research will discuss the effect of work environment and job satisfaction on employee performance at PT. Nesinak Industries.

2   LITERATURE REVIEW

Work Environment

The work environment is a place where employees do activities every day. A conducive work environment provides a sense of security and allows employees to work optimally. The work environment can affect employees' emotions. If the employee likes the work environment in which he / she works, then the employee will feel comfortable at work, doing his activities so that working time is used effectively. Productivity will be high and automatically employee performance is also high. (Anggi, 2015).

Work environment indicators according to (Nitisemito, 2000: 127) cited in the 2015 Anggi journal, are as follows:
- lighting
- Air temperature
- noise
- Decoration / layout
- Employee relations

Job Satisfaction

Robbins (2006), job satisfaction as an individual's general attitude towards his job. Gibson, Ivancevich, and Donnely (2010), job satisfaction is someone's attitude towards their service, that attitude comes from their

perception of their work. George and Jones (2007), job satisfaction is a collection of feelings, beliefs, and thoughts about how a person responds to his work. (Donni, 2016). Job satisfaction is a collection of employees' feelings towards their work, whether they like / dislike / dislike / dislike as a result of employee interactions with the work environment or as a perception of mental attitude, as well as the results of employee evaluations of their work. Employees' feelings about work reflect their attitudes and behavior at work. (Donni, 2016). Indicators of job satisfaction according to Malthis (2008) cited in the journal Titik Rosita and Tri Yuniati 2016, are as follows:

- Enjoys the work
- Loves the work
- Work morale
- Discipline
- Work performance

Employee Performance

Mathis and Jackson (2001), performance is basically what employees do or don't do in carrying out their work. Rivai and Sagala (2009), performance is a real behavior that is displayed by everyone as a work achievement produced by employees in accordance with their role in the organization. (Donni, 2016). Benardin and Russel (2000), performance is the result of being produced by certain job functions over a certain period of time. the results of the work are the results of women's abilities, expertise, and desires that are achieved. (Donni, 2016). Performance evaluation indicators according to Mondy, Noe, Premeaux (1999). (Donni, 2016).

- Job quantity
- Quality of work
- Independence
- initiative
- Adaptability
- Cooperation

Framework
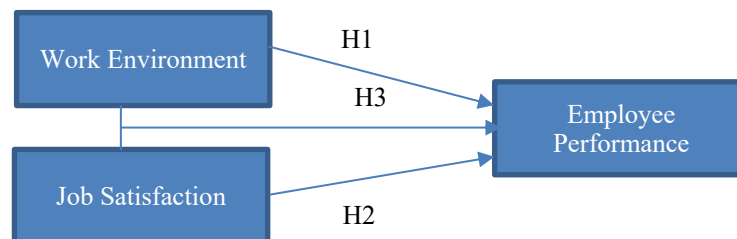
Figure 1. Research Framework

Source: Researcher data, 2018.

1. H1: The work environment has a positive and significant effect on employee performance.
2. H2: Employee job satisfaction has a positive and significant effect on employee performance
3. H3: The work environment and job satisfaction have a positive and significant effect on employee performance

3   METHODOLOGY

This research uses a quantitative approach, quantitative approach is used to measure the effect between the variables tested both directly and indirectly. with this approach it is hoped that efforts to understand employee performance and the factors that influence it can be carried out comprehensively, thus this research is also a causal research (cause and effect). This research was conducted on the employees of PT. Nesinak Industries. The place of this research is PT Nesinak Industries, located at Jl. Akasia 3 block A3 no.08 (Delta Silicone 01), Bekasi,

West Java, Indonesia. The time will take place in this study for 5 months, from April 2018 - August 2018. The data analysis method used is multiple linear regression analysis method.

4   FINDINGS AND DISCUSSION

Validity and Reliability Test

All items in each variable Correct Item-Total Correlation values are above the value of r table that is greater than 0.2096, thus it is stated that all statement items in the questionnaire are declared valid, so that they can be used in research. Cronbach Alpha values for variables X1, Variables X2 and Y are above 0,700, which means that they are very reliable. Thus the data can be used for research.

Classic assumption Test

The classic assumption test aims to test whether in the regression model, the independent variable and the dependent variable both have normal data distribution or not.

Normality Test
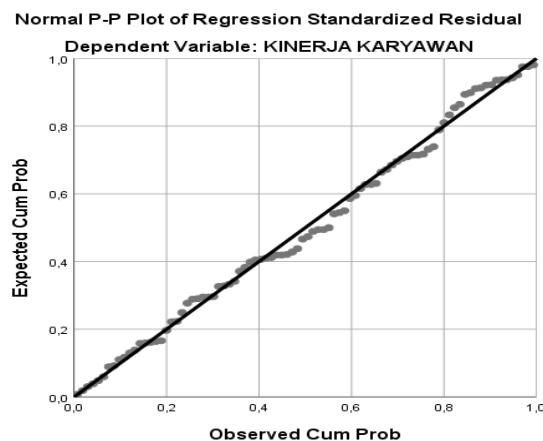
Figure 2. P-Plot

Source: SPSS Output, 2018.

Testing the normality graphically produces a Normal P-P plot of the residual regression data that can be seen in the figure. The graph shows that the distribution of residual value points on the Normal P-P plot plot spreads around and follows the direction of the diagonal line. This shows that the variable data used for the multiple regression analysis came from normally distributed data.

Multicollinearity Test

Table 1. Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,764	1,860		2,5 61	,01 2		

Work Environemnt	,586	,111	,560	5,2 70	,00 0	,173	5,784
Job Satisfaction	,423	,120	,373	3,5 13	,00 1	,173	5,784

Source: SPSS Output, 2018.

In the multicollinearity test table obtained each independent variable has a value of Tolerance = 0.173 and VIF 5.784. Because the Tolerance value is greater than the minimum requirement (0.173> 0.10) and the VIF value is lower than the maximum requirement (5.784 <10), it can be concluded that the multiple linear regression analysis does not have multicollinearity problems (the model developed is appropriate).

Heteroscedasticity Test
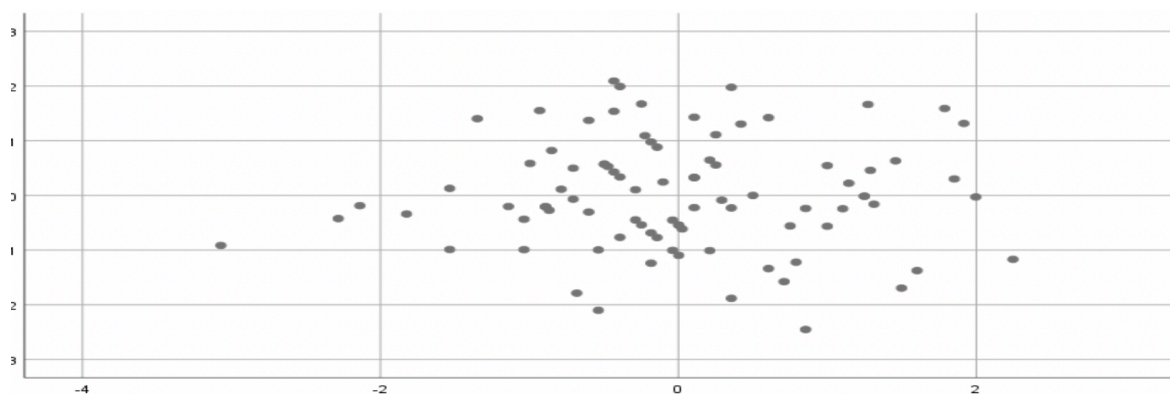
Figure 3. Scatterplot

Source: SPSS Output, 2018.

The scatter plot graph shows that the points calculated (the intersection between the residual and predictive values) are relatively randomly spread above and below the origin and do not form certain patterns. It can be said that the multiple regression analysis of X1 and X2 against Y is really linear because it does not have a heteroscedasticity problem so that the multiple linear regression analysis can be continued.

Multiple Linear Regression Analysis

Table 2. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4,764	1,860		2,561	,012
Work Environemnt	,586	,111	,560	5,270	,000
Job Satisfaction	,423	,120	,373	3,513	,001

Source: SPSS Output, 2018.

From the table above, a double linear regression equation model can be arranged based on column B. The multiple linear regression equation model results of the study are as follows:

$$\hat{Y} = 4.765 + 0.586X1 + 0.423X2$$

The multiple linear regression equation model results of the analysis can be interpreted as follows:

- A constant value of a = 4,765, meaning that if X1 and X2 rise or are positive, then Y will rise or be fulfilled.

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- Regression coefficient X1 of b1 = 0.586 indicates that X1 has an effect on Y in a positive direction.
- Regression coefficient X2 of b2 = 0.423 indicates that X2 influences Y in a positive direction.

Table 3. Simultaneous Test Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
		ANOVAª				
1	Regression	1422,633	2	711,316	213,404	,000ᵇ
	Residual	283,322	85	3,333		
	Total	1705,955	87			

Source: SPSS Output, 2018.

Discussion

Effect of Work Environment on Employee Performance

The first hypothesis that presented a positive and significant effect between the work environment on employee performance was 58.6%. Based on the partial test results for the work environment variables obtained tcount = 5.270 with a significance value of 0.000 with a probability of less than 0.05 and tcount smaller than ttable. This shows that partially the work environment variables, that there is an influence of the work environment on employee performance.

Effect of Job Satisfaction on Employee Performance

The second hypothesis which presents a positive and significant effect on job satisfaction on employee performance by 42.3%. Based on the partial test results for the variable work satisfaction obtained tcount = 3.513 with a significant value of 0.001 with a significant probability far less than 0.05 and tcount greater than ttable then. This shows that partially job satisfaction variables, that there is an influence of job satisfaction variables on employee performance.

Effect of Work Environment and Job Satisfaction on Employee Performance

The third hypothesis that presents the influence of work environment and job satisfaction together on employee performance. This means that the work environment and job satisfaction together affect employee performance. Based on the results of simultaneous tests can be seen in the value of the F test and significant. Because the significant probability is much smaller than the value of 0.05 and the value of Fcount = 213.404 is greater than Ftable = 4.02. This shows that simultaneously which states that there is a joint influence between work environment variables and job satisfaction on employee performance.

5 CONCLUSION

From the conclusions of the hypothesis testers that have been done, the results of the analysis of the factors affecting employee performance indicate that work environment factors have a positive relationship with employee performance. This shows that the work environment factors significantly influence employee performance, meaning that in this case the work environment for employee performance needs to be improved to improve employee performance. Based on the analysis of the factors that affect employee performance shows that job satisfaction factors have a positive relationship with employee performance. This shows that job satisfaction factors significantly influence employee performance, meaning that in this case job satisfaction is important in improving employee performance. The results of the analysis of the factors that affect employee performance appear that together (simultaneously) the two variables namely the work environment variables and job satisfaction analyzed affect employee performance. This shows that simultaneous work environment and job satisfaction significantly influence employee performance.

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THE EFFECT OF STOCK PRICE AND TRADE VOLUME OF BID ASK SPREAD IN LQ 45 INDEX Period 2018-2019

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Keywords   : Stock Prices, Trading Volume, Bid Ask Spread.

Abstract   : Analysis of market behavior towards investment decisions in the capital market by looking at the bid ask spread movement. Stock price movements affect the trading volume of shares on the basis of differences in buying and selling prices at a certain time. Trading volume can be seen from the large number of shares traded. This study aims to determine the effect of stock prices and trading volume on the bid ask spread in the LQ 45 index. The population used is all companies incorporated in the LQ 45 index during 2018-2019. The number of samples that meet the requirements of 35 companies. The research method uses panel data with Chow test, Hauman test, t test, F test, and determination with the help of eviews 10. The results show that stock prices affect the bid ask spread and trading volume does not affect the bid ask spread in the LQ45 index. In other words, this condition is due to variations in trading volume that is not too large during the observation period.

1   INTRODUCTION

The capital market is very big role for the economy of a country, especially Indonesia. It is time for Indonesian people to be successful in their own country, for example by saving shares. The large number of Indonesian people who are still laymen by saving shares and prefer saving programs. The importance of studying fundamental analysis and technical analysis in Indonesian society before investing, so that Investors take certain considerations before investing their money, for example market behavior. One of the market behaviors is bid ask spread. Bid ask spread representative costs that are not always clear to the initial investor. The bid itself represents the difference in the highest price the buyer is willing to pay. Transaction occurs when the seller takes the offer price or the buyer accepts the asking price. Bid ask spread is an important thing to consider because some investors when trading securities have hidden costs when trading stocks, bonds or foreign currencies, if the Bid ask spread is very wide then it can erode trading profits and the impact can be reduced by using a limit order, Evaluate the percentage spread and spend around the narrowest spread.

Bid ask spread is the difference between the value of the highest demand an investor wants to sell and the lowest bid of a daeller wants to buy (Ni Made Wahyuliantini, 2015). Spread has two models, market spread and dealer spread. Determination of the amount of spread by the market maker is compensation to cover the existence of three types of costs including the cost of share ownership, order costs and information costs. Stocks with a large bid-ask spread (small) holding period that will be conducted by investors will also be longer (shorter), this is to take into account the return on costs incurred and realize the expected large return (Dwi ratih, 2018).

Stock prices depend on the strength of supply and demand. High stock prices and fierce competition will cause selling prices to decline and purchase prices continue to rise. The stock price also shows the value of the company itself. The price of the shares prevailing in the capital market is determined by market participants who are conducting their share trading with the price of the shares determined automatically trading shares on the stock exchange will run. The effect of stock prices on bid ask spread according to Pantoni and lasmana (2015) that stock prices have no effect on bid ask spread. Stock prices negatively affect the bid ask spread. When the stock price is high, it means that the stock is actively traded, so the dealer will not keep the stock for too long. This will have an impact on the bid-ask spread and lower ownership costs, which in turn will lead to higher stock prices and smaller bid-ask spreads (Wahyuliantini and Suarjaya, 2015).

The volume of stock trading is used to measure whether investors know the information released by the company and use it in buying or selling shares so that they will get above normal profits. The trading volume is partly the size of the activity of the number of shares traded on a certain day. Not only stock prices but the trading volume of shares also affects the bid ask spread. Trading volume is an indicator of stock liquidity or information available on the capital market. A small trading volume tends to show investors' uncertainty about a stock being traded in contrast to a large trading volume indicating that the stock is in demand by investors. Trading volume activity is used to measure the liquidity of a stock, the value of trading volume activity shows that the stock is more liquid. According to Aprilia (2015), Delaer will change its share ownership position (not holding shares for too long) so that the cost of ownership will be lower (reducing bid-ask spreads). Stock prices and trading volumes affect the bid ask spread before and after the financial statements on the IDX find if the trading volume has a positive influence on the bid-ask spread.

According to Sri Utami Ady (2010) states that the share price variable has a significant positive effect if long registered and will not have a significant negative effect, while Aprilia's (2015) research and Widhyawati and Damayanthi (2015) found that trading volume has a negative effect on the bid-ask spread. Dewi and Kartika (2015), Perdana and Kristanti (2014) and Surya (2016) found that there was no effect of trading volume on bid-ask spreads. Increased trading volume will cause stocks to become more liquid, so dealers do not need to keep stocks for too long, then the cost of share ownership goes down and the bid-ask spread narrows. While the variable price volatility has a significant negative effect on the bid-ask spread (Hamidah, 2018).

2   LITERATURE REVIEW

Stock Price

Share price is the price determined on a stock when the stock market is in progress by taking into account the demand and supply of these shares (Sunarko, 2016). When the stock price is high, it means that the stock is actively traded, so the dealer will not keep the stock for too long. This will have an impact on the bid-ask spread and lower ownership costs, which in turn will lead to higher stock prices and smaller bid-ask spreads (Wahyuliantini and Suarjaya, 2015). High stock prices indicate increasingly intense competition among market participants (especially market makers). This tighter competition causes the selling price (ask) which tends to fall and the purchase price (bid) which tends to rise, so that the spread narrows (Ady, et al in Hamidah, 2018).

Stock Trading Volume

Trading volume is defined as the large number of shares traded. With a large trading volume, it shows that these stocks are favored by investors. These conditions will encourage dealers to not own shares in a long period of time so that it will reduce ownership costs. Bid-ask spread has a positive effect on the cost of ownership. This means that the wider the bid-ask spread of shares will cause the higher cost of ownership, and vice versa, the lower the cost of ownership which will have an impact on the smaller bid-ask spread. So, by itself the more active trading of a stock or the greater the trading volume, the bid-ask spread will be smaller. So it can be said if the stock trading volume has a negative effect on the bid-ask spread (Stoll in Dewi and Kartika, 2015).

Bid Ask Spread

Bid ask spread is the difference between the highest price the buyer wants to pay (bid) for security and the lowest price the seller wants to receive. Bid ask spread is an important consideration for investors when trading securities, because of the hidden costs that arise when trading. According to Stoll in Hamidah (2018), the bid-ask spread is a function of three cost components, namely inventory holding costs, order processing costs and information asymmetry costs. Spreads cannot be separated by activities carried out by bourse members which can affect the amount of securities transactions in the capital market. According to Kevin Immanuel (2017) Bid ask spread is the difference between buying and selling prices at a certain time. The distance or difference in buying and selling prices is often used as an indication of market liquidity. That is, if the spread decreases, the higher the liquidity of the market at that time. One way to increase stock liquidity is to take stock split.

Framework
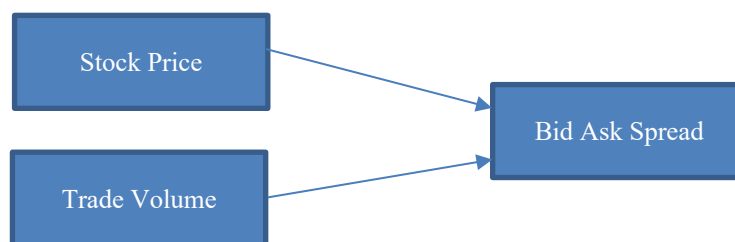
Figure 1. Research Framework

Source: Researcher data, 2019.

Hypothesis 1

Stock prices have a significant effect on bid ask spread, which in this hypothesis is supported by Ni Made Wahyuliantini and Anak Agung Gede Suarjaya's research, in the article entitled Influence of stock prices, stock trading volume, and volatility of retrun shares on bid ask spread: Vol. 9, 146 No. 2, August 2015 produced the conclusion that the results of the study showed that stock prices had a negative and significant effect on the bid-ask spread.

Hypothesis 2

Trading volume will have a significant effect on the bid ask spread. This hypothesis is supported by Aida Yulia and Ikramaturrabiah's research in the article entitled The Effect of Internal Control, Stock Volatility, and Trading Volume on Bid-Ask Spreads in Companies Listed in the LQ45 Index Year 2011-2015 published in the journal Education accounting and finance Vol. 6, No. 1, 2018 yields the conclusion that trading volume has a significant negative on bid-ask spreads.

3   METHODOLOGY

The design of this study uses a quantitative approach to obtain empirical evidence of the effect of stock prices and trading volumes on the bid ask spread in the LQ 45 index. This research is associative in nature which aims to determine the causal relationship arising between two or more variables, the method of analysis of this study uses panel data regression method with the help of Eviews 10 application in processing data. This research is associative in nature which aims to find out the causal relationship arising between two or more variables. The method of analysis of this study uses panel data regression method, using secondary data on the IDX and when the study was conducted in May to September 2019.

4   FINDINGS AND DISCUSSION

Research Data Analysis

The object of this research is the LQ 45 index company. This study uses secondary data on the bid price, ask price, tradable share, outsanding share, and complete stock prices for the period February 2018 - January 2019. This study aims to analyze the effect of stock prices and trading volume against the bid sk spread in LQ 45 for the period 2018-2019. Based on the estimation technique the regression model with panel data can be estimated using three methods, namely PLS, FEM, or REM.

Descriptive Statistics

Descriptive statistics aim to provide a description or description of data that is seen from the minimum value, maximum value, mean value, and standard deviation value. Based on the results of data analysis can be described as follows:

Table 1. Descriptive Statistical Test Results

	N	Minimum	Maximum	Mean	Std.Deviation
Bid ask spread	35	-0,048330	0,016600	0,004167	0,003048
Stock Price	35	327,0000	83217,00	8686,817	14982,64
TVA	35	8,00e-05	0,041200	0,001836	0,002713

Source: Eviews 10 output, processed by researchers, data processed by Eviews 10.

Based on the results of the descriptive statistics in table 1, an overview of each variable can be seen as follows:

1. Bid ask spread of shares of companies listed in the LQ 45 index for the period 2018-2019.

Table 1 shows that the magnitude of the company's bid ask spread from 35 data ranges from -0.048330 to 0.016600 with a mean of 0.004167 at a standard deviation of 0.003048. Mean is greater than the standard deviation (0.004167> 0.003048) means that the bid ask spread data distribution is good, namely the value of the data deviation from the mean is smaller. The highest bid ask spread is at TPIA companies with a value of 0.01276 while the lowest bid ask spread is at BBCA companies with a value of 0.00136.

2. The company's stock price listed in the LQ 45 index for the period 2018-2019.

Table 1 shows that the magnitude of the company's stock price from 35 data ranges from 327,0000 to 83217.00 with a mean 8686,817 at a standard deviation of 14982.64. The mean is smaller than the standard deviation (8686,817 <14982.64) means that the value of the distribution of stock price data is good, namely the value of the data deviation from the mean is greater. The highest share price in the GGRM company with a value of 83217 while the lowest share price in the SRIL company with a value of 327.

3. Trading Volume of Stocks of companies listed in the LQ 45 index for the 2018-2019 Period.

Table 1 shows that the size of the company's Trading Volume from 35 data ranges from 8.00 e-05 to 0.041200 with a mean of 0.001836 at the standard deviation of 0.002713. The mean is smaller than the standard deviation 0.001836 <0.002713) means that the value of the distribution of trade volume data is good, namely the value of the data deviation from the mean is greater. The highest trading volume was in SRIL companies with a value of 0.04120 while the lowest trading volume was in TPIA companies with a value of 0.00008.

Panel Data Regression Model Determination Test

The selection of the test model on panel data regression is an analysis to determine which estimation method is the best between the common effect model, fixed effect model and random effect model.

Chow Test

A Chow Test is performed to determine the fixed effect model or common effect model to be used. If the results show a significant chi square probability (less than 0.05), the model used is a fixed effect, and vice versa if the chi square probability value is more than 0.05, then the model used is the common effect (Ghozali in Hamidah, 2018)

Table 2. Chow Test Results

Redundant Fixed Effects Tests			
Equation: FEM			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.

Cross-section F	1.847607	(34,383)	0.0034
Cross-section Chi-square	63.788427	34	0.0015

Source: Eviews 10 output, processed by researchers, data processed by Eviews 10.

Based on the results listed in the Chow test table shows the chi-square probability value of 0.0015 <0.05 then Ho is rejected and H1 is accepted, so it can be said if the Chow Test results show that the most appropriate analytical model used is the fixed effect model. Because the chosen model is Fixed effect, it can then be done with Husman Test to determine between the fixed effect or random effect model that will be used.

Hausman Test

The Hausman test is used to determine the most appropriate fixed effect model with the random effect. If the results show that Ho is rejected (the probability is significant or less than 0.05), the model used is fixed effect. But if H1 is rejected (probability is more than 0.05) then the model used is random effect. (Ghozali in Hamidah, 2018).

Table 3. Hausman Test Results

Correlated Random Effects - Hausman Test			
Equation: REM			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.201641	2	0.9041

Source: Eviews 10 output, processed by researchers, data processed by Eviews 10.

Based on the results listed on the Hausman test table shows a probability value of 0.9041. Because the probability value is 0.9041> 0.05 then Ho is accepted and H1 is rejected, so it can be said if the Hausman test results show that the panel data regression analysis model for this study is the most appropriate to use is the Random Effect Model.

Lagrange Multiplier Test (LM Test)

LM test is used to choose which method is the most appropriate between the common effect model and the Random Effect Model.

Table 4. Lagrange Multiplier Test

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	9.004438	0.043189	9.047627
	(0.0027)	(0.8354)	(0.0026)
Honda	3.000740	-0.207820	1.974892
	(0.0013)	--	(0.0241)
King-Wu	3.000740	-0.207820	1.302962
	(0.0013)	--	(0.0963)
Standardized Honda	3.389175	-0.013079	-2.695937

	(0.0004)	--	--
Standardized King-Wu	3.389175	-0.013079	-2.874692
	(0.0004)	--	--
Gourierioux, et al.*	--	--	9.004438
			(< 0.01)

*Mixed chi-square asymptotic critical values:

1%	7.289
5%	4.321
10%	2.952

Source: Eviews 10 output, processed by researchers, data processed by Eviews 10.

Based on the model specification test using the Lagrange Model (LM) test. If the LM value is greater than the Chi-Square critical value, then the Random Effect Model is selected or the probability value is smaller than 5%, then the Random Effect Model is chosen.

Panel Data Analysis

The following are the results of the panel data regression test using the Random effect model for the variable Stock Prices and Trading Volume Against the Bid Ask Spread shown in the table. Panel Data Regression Test Results with Random Effect Model.

Table 5. Panel Data Regression Test Results with the Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.004457	0.000265	16.79503	0.0000
HS	-3.15E-08	1.35E-08	-2.342394	0.0196
TVA	-0.008413	0.061204	-0.137452	0.8907

Source: Eviews 10 output, processed by researchers, data processed by Eviews 10.

Information:
C is Bid Ask Spread
HS is the Share Price
TVA is the trading volume

Based on the data above, the probability of HS (share price) of 0.0196 is smaller than the significant value of 0.05 so that the HS variable (stock price) has a significant effect. While the probability value of TVA (Trading Volume) of 0.8907 is greater than the significant value of 0.05 so it has no significant effect.
Based on table 5.5 above, the panel data is obtained using eviews 10 for windows as follows:
BIDAS = 0.004457 - 3,158-08 HS - 0.008413 TVA
1. A constant of 0.004457 means that if HS and TVA are constant, then an increase in probability (BIDAS) is 0.004457.
2. Regression coefficient for HS (stock price) is -3.15E-08 meaning that every increase in HS (stock price), it will be predicted to increase the value of BIDAS (Y) by -3.15E-08 assuming other variables are constant.
3. Regression coefficient for TVA (trading volume) is -0.008413 meaning that every increase in TVA (trading volume), it will be predicted to decrease the value of BIDAS (Y) by -0.008413 assuming other variables are constant.
According to Agus Widarjono in his book entitled Ekonometrka, the random effect method is derived from a disturbance variable consisting of two components, namely the overall disturbance variable which is a

combination of time series and cross section and individual interruption variables. Random effects are also called the Error component Model (ECM). Assumptions relating to interference as follows:

    1. The expected value of the zero disturbance variable

    2. Variants of homoskedatic disorders

    3. There is no correlation between two different companies.

    4. Interference variables from the same company in different periods.

    5. Interference variables from different companies at different times are not correlated.

The superiority of panel data causes panel data to be able to detect and measure impacts better which this cannot be done by cross section or time series methods. The classic assumption test is not needed in panel data analysis because panel data can minimize what is most likely to appear in the analysis results, provide a lot of information, variations, and degrees of freedom. Panel data allows more complex study of the behavior that exists in the model, so testing panel data does not require a classic assumption test (Gujarati 2012 in Kasmiarno (2017)).

Hypothesis Testing

Hypothesis testing is a test conducted with the aim of deciding whether to accept or reject the hypothesis.

Partial Test (Statistical Test t)

This statistical test T is used to partially test whether each independent variable influences the dependent variable significantly to the Y variable.

Table 6. T Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.004457	0.000265	16.79503	0.0000
HS	-3.15E-08	1.35E-08	-2.342394	0.0196
TVA	-0.008413	0.061204	-0.137452	0.8907

Source: Eviews 10 output, processed by researchers, data processed by Eviews 10.

Based on table 6, the regression results can be concluded as follows:

1. Effect of stock prices on Bid Ask Spread

Based on the results of the t test (partial) X1 probability value obtained (stock price) of 0.0196, It can be concluded that H0 and Ha are accepted, because the probability value obtained 0.0196 <0.05 means that X1 (stock price) has an influence on the Bid ask spread.

2. Effect of Trading Volume on Bid ask spread.

Based on the value of the T test (partial) X2 probability obtained (TVA) of 0.8907, it can be concluded that Ha is rejected and H0 is accepted, because the probability value obtained is 0.8907> 0.05 meaning X2 (Trading Volume) has no effect on the Bid Ask spread.

Determination Coefficient Test

In the panel data regression results obtained coefficient of determination which shows the ability of variations of the independent variable (independent variables) together in explaining the dependent variable, where the coefficient of determination is very low with a value of 0.008471.

The effect of stock prices on the bid ask spread

Based on partial test (T test) shows that X1 (stock price) has a significant effect on bid ask spread. It can be seen that the significance value is 0.05> 0.0196. Then it can be concluded that H1 is accepted or X1 (stock price) affects the bid ask spread. This means that an increase or decrease in stock prices affects the decrease or increase in the bid ask spread. The results of this study also theoretically support that high stock prices indicate

increasingly intense competition among market participants. Increasing competition causes selling prices to fall and purchase prices to rise, so that the spread narrows (Ady et al., 2010). High stock prices indicate that the stock price is actively traded or preferred by investors. Therefore, dealers do not need to hold or store shares for too long, so as to reduce the cost of ownership of shares which will then reduce the bid ask spread (Ni Made Wahyuliantini, 2015).

Effect of trading volume on bid ask spread.

Based on partial test (T test) shows that X2 (trading volume) does not significantly influence bid ask spread. It can be seen that the significance value is 0.05 <0.8907, it can be concluded that H2 is rejected or X2 has no effect on bid ask spread. The results of the analysis of this study do not support that stock trading volume significantly influences the bid ask spread, this means that the stock trading volume does not significantly influence the bid ask spread in the LQ45 index. In other words, this condition is due to variations in trading volume that is not too large during the observation period. There is no significant change in the stock trading volume variable. There is also the possibility that investors are not paying attention to trading volume, because they consider companies incorporated in the LQ45 index are actively traded shares, according to the results of Chadijah's research in Ni Made Wahyuliantini (2015). in companies that do delisting.

5 CONCLUSION

This study aims to determine the effect of stock prices and trading volume on Bid Ask Spread on companies listed in the LQ 45 index for the period February 2018 - January 2019. The results of hypothesis testing using panel regression data analysis show that stock prices have a significant effect on Bid ask spread . This is evidenced by the value of the stock price regression coefficient of 1.35E-08 with a probability of 0.0196. Significance value is smaller than the significance value used that is 0.05 (Ha accepted) This means that an increase or decrease in stock prices affect the decrease or increase in the bid ask spread. The results of this study also theoretically support that high stock prices indicate increasingly intense competition among market participants. Stock trading volume does not significantly influence Bid ask spread. This is evidenced by the value of the regression coefficient of the trading volume of shares of 0.061204 with a probability value of 0.8907. Significance value is greater than the significance level used which is more than 0.05 (Ha rejected), this means that the trading volume of shares does not significantly influence the bid ask spread in the LQ45 index. In other words, this condition is due to variations in trading volume that is not too large during the observation period. There is no significant change in the stock trading volume variable. There is also the possibility that investors will pay less attention to trading volume, because they consider that companies incorporated in the LQ45 index are actively traded stocks.

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THE INFLUENCE OF TRAINING AND DISCIPLINE ON EMPLOYEE PERFORMANCE IN PT Y-TECH AUTOPARTS INDONESIA

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Abstract   : The development of the automotive industry is increasingly rapid and makes competition in the industry more stringent between one industry with another industry. This research aims to examine the effect of Training and Discipline on Company Performance. This study uses simple random sampling, because because all members are given the same opportunity to become a sample, the sample of this study amounted to 58 respondents of PT Y-Tech Autoparts Indonesia employees. The testing method uses the processing of IBM SPSS Version 22 Analysis to test the effect of Training and Discipline on Company Performance. The results of the study indicate that Training and Discipline have a positive effect on employee performance and the Discipline variable has a large influence on performance.

1   INTRODUCTION

The development of the Indonesian nation in the future is very dependent on the quality of Indonesian human resources who are physically and mentally healthy and have work skills and expertise, so as to be able to build the family concerned to have a stable and decent job and income, so as to meet the needs of life, health and education of members his family. Increasing resources is one of the main focuses. To realize a great nation, the Indonesian people need to have quality resources and competitive competitiveness.

In an organization, good management is when the entire organizational system runs according to their respective roles and functions, both in terms of planning and actualization of what has been planned so as to achieve the objectives of the company or organization. Seeing this human resources that are considered as important in an organization or company must have the capacity and ability to be able to apply everything that has been set by the organization or company in order to achieve the desired goals to the maximum, effective and efficient. The results of a performance is very important because it determines the extent to which the success of a work plan can run. The rules compiled in the company's organizational structure are also part of the way an agency to maximize employee performance and form work commitments to achieve company goals. The ability possessed by human resources is very important to be noticed by corporate organizations in the midst of technological competition that has increasingly advanced from time to time. If the company does not anticipate this, it will hamper a management plan. For that organization or company is required to have competent and capable human resources to be able to develop their capabilities so that they can survive in the midst of the times and intense competition. To get qualified human resources and professional organizations, companies must also have a good system, especially the recruitment system that starts from the selection process, acceptance, various tests, placement, until the development stage. Then another effort made to improve the performance and ability of these employees is to conduct training.

Employees according to Mandolang et al. (2017) are the main wealth for the company, where they will become planners, implementers and controllers who always give an active role in realizing the company's goals. Employees have thoughts, feelings, and desires that can influence their attitudes towards the work they do. This attitude will determine how much his love for the work assigned to him, his loyalty to the company and of course his job satisfaction.Training has meaning as an activity to transfer knowledge and skills to someone in an effort to increase their capacity at work. Lilis Suryani, S.E., M.M. (2018). The ability possessed by human resources

(HR) is very important to be noticed by corporate organizations in the midst of technological competition that is increasingly advancing from time to time. If the company does not anticipate this, it will hamper a management plan. For that organization or company is demanded to have competent and capable human resources to be able to develop with the planned efforts that are held to achieve mastery of skills, knowledge and attitudes. the attitude of employees or members of the organization. In addition to the ability of employees to be improved, the pattern of attitude or discipline is also important that is owned by all employees, because the attitude of the discipline can also support the performance improvement that will be generated by an employee.

Discipline is the most important operative function of Human Resource Management because the better employee discipline, the higher the achievement. Without good employee discipline, it is difficult for companies to achieve optimal results (Usroh Ameliyah, Marzolina, Iwan Nauli Daulay (2014). Meanwhile, research conducted by Astadi Pangarso, Putri Intan Susanti (2016) shows that work discipline (X) has a significant positive effect on the performance of employees of the Basic Social Service Bureau of the Regional Secretariat of West Java Province.High discipline of work must always be maintained, in fact it must be improved in order to be better.People who have good work discipline are expected to be able to try as much as possible to complete their work, so can produce optimal performance for the company.Disciplined employees tend to be punctual in carrying out established procedures and have responsibilities.

PT. Y-TEC Autoparts Indonesia is a company engaged in the field of four or more wheel vehicle parts, especially manufacturing rubber products for automotive parts that have high and unique technology such as Engine Mounting, Suspension, Damperdynamic, and Hose / Tube. This company is a subsidiary of Yamashita Rubber. co.ltd Japan, which was established in Indonesia in February 2013, as one of the newest and most modern companies of the Yamashita group spread across several countries such as in the USA, Thailand, China, Japan, Vietnam. PT Y-TEC AUTOPARTS Indonesia also received ISO 9001 and ISO 14001 certification in October 2016, as a form of our commitment to always provide high quality products and care for the environment, in order to meet customer satisfaction.

Reliable and competent human resources are the lever factor for PT. Y-tech Autoparts Indonesia so that the development of Human Resources Competence is one of the key success factors for achieving the company's vision and mission. In line with the company's vision and mission and strategy to become a world-class company in the field of spare parts, especially rubber. It is necessary to apply efforts that are more focused in developing HR consistently and continuously, one of which is training. In this company has conducted stock taking training conducted before the end of the month. The goal is that at the end of the month stock taking is done without errors or at least can minimize errors that often occur, but researchers see that there are still many errors that occur in the time of stock taking calculation. This problem is supported by recapitulation of stock taking problem monthly data.

Table 1. Stock Taking Problem Monthly April 2017 - March 2018

ITEM PROBLEM	TOTAL
Wrong input	185 Case
Miscalculated	356 Case
Not counting yet	120 Case
Double count	34 Case
Incorrect ID Code	297 Case
Incorrect Unit	0
Incorrect Location	231

Source: PC 2018 Secondary Data.

The conclusion that can be seen is that there are still many mistakes in stock taking and the low awareness of employees on the importance of job training that can affect employee performance. Besides job training, work discipline is also very important that must be applied to all employees. Employee work discipline is very important for a company in order to realize company goals. The attitude of work discipline owned by employees is very important for a company. Researchers see problems faced by the company in employee discipline is that there are still employees who do not attend at the time of departure. These problems are supported by absences of employee recapitulation data.

Table 2. Recapitulation of absent employees, May 5, 2019

Forget	2
Leave	11
Shift 2	14
Sick	1

Source: 2019 HRD Secondary Data.

The conclusion from the table above there are still employees who do not attend due to forget employee. This shows that the employees' awareness of the importance of work discipline is still low.

2 LITERATURE REVIEW

Employee Performance

Performance is an individual thing, this is due to the different abilities of employees in completing their work. Good performance can be seen from the results obtained, in accordance with organizational standards (Tampi, 2014) in I Dewa Gede Eka Candra Wiguna (2015). Performance is the result of work achieved in carrying out the tasks given to them based on skills, experience, and sincerity. Hasrul Azwar Hasibuan 1, Rahima Br. Purba 2, Andysah Putera Utama Siahaan (2016). Performance according to Dr.Sudaryono (2017) is quoted from a book entitled Introduction to Management. Performance is an achievement achieved by someone in carrying out their duties or work in accordance with the standards and criteria set for the job. Performance according to A.A.Anwar Prabu Mangkunegara (2017) Performance is work performance or work output (output) both quality and quantity achieved by HR unity of time period in carrying out his work duties in accordance with the responsibilities given to him.

Training

Training a vehicle conducted by the company to build reliable human resources towards an era of globalization filled with challenges and competition, the company realizes that training is fundamental for employees. (Yudi siswandi 2016). Training according to Donni Juni Priansa (2014) is a systematic and planned effort to change or develop new knowledge, skills, attitudes that are appropriate to the needs of the organization. This training allows employees to gain additional capabilities so that they can carry out actual tasks or work that are faced better, faster, more easily with higher quality work and produce good performance.

Work Discipline

Work discipline according to Rizki Indah Kartikasari, Indi Djastuti 1 (2017) is a tool used by managers to communicate with employees so that they are willing to change a behavior and as an effort to increase awareness and willingness to meet all company regulations. Discipline according to Usroh Ameliyah, Marzolina, Iwan Nauli Daulay (2014) is the most important operative function of Human Resource Management because the better employee discipline, the higher work performance can be achieved. Without good employee discipline, it is difficult for company organizations to achieve optimal results.

Framework
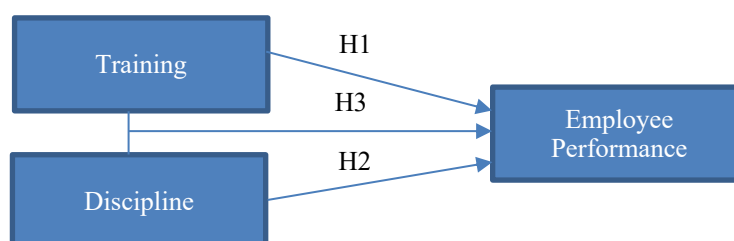
Figure 1. Research Framework
Source: Researcher data, 2018.

Hypothesis:
H1: Training has a significant effect on employee performance
H2: Discipline has a significant effect on employee performance
H3: Training and discipline simultaneously have a significant effect on employee performance.

3   METHODOLOGY

This type of research in this thesis is a type of quantitative research. Quantitative research is a systematic scientific study of parts and phenomena and their relationship. The technique used in data collection is a questionnaire distributed to employees of PT Y-Tech Autoparts Indonesia. This study uses multiple linear regression analysis which is used to predict the effect of Training and Discipline on Employee Performance. Total population of 138 people, and researchers took samples using the Slovin formula with a total sample of 58 people.

4   FINDINGS AND DISCUSSION

Validity and Reliability Test

Based on the results of the calculation of the validity test of training variables, disciplinary variables, and employee performance variables show r count> r table with a significant level of 10% is 0.2568. Thus it is said that all three variables used in the study are all valid. The reliability test results show that the results of Cronbanch alpha> 0.60 then the training variables, discipline variables and performance variables are declared reliable.

Table 3. Variable Reliability Tests

No	Variables	*Cronbanch alpha*	Limit *Cronbanch alpha*	Information
1	Training (X1)	0,755	0,60	Reliabel
2	Discipline (X2)	0,748	0,60	Reliabel
3	Performance (Y)	0,750	0,60	Reliabel

Source: Output SPSS, 2018.

Classic assumption test.

Normality test

Based on the results of the normality test, the distribution of data is done by looking at the shape of the graph histogram chart forming a bell or mountain then the normal distribution, or if the points spread around a line and follow the diagonal line on a normal P-P plot plot, then it is normally distributed.
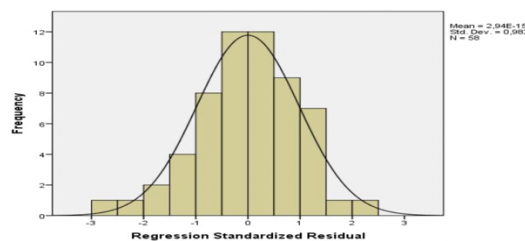
Figure 2. Histogram Normality Test

Source: Output SPSS, 2018.

Multicollinearity Test

Based on the multicollinity test results that have been carried out it can be concluded that each variable has a tolerance value> 0.1 and a VIF value <10, so that no multicollinearity occurs.

Table 4. Multicollinity Test

Dimension	Tolerance	VIF	Conclusion
Training	0,782	1,279	There is no multicollinearity
Discipline	0,782	1,279	There is no multicollinearity

Source: Output SPSS, 2018.

Heteroscedasticity Test

Based on scatterplot charts it can be seen that the points spread with unclear patterns above and below the number 0 on the Y axis. It can be concluded that there is no hesteroscedasticity problem in the regression model.
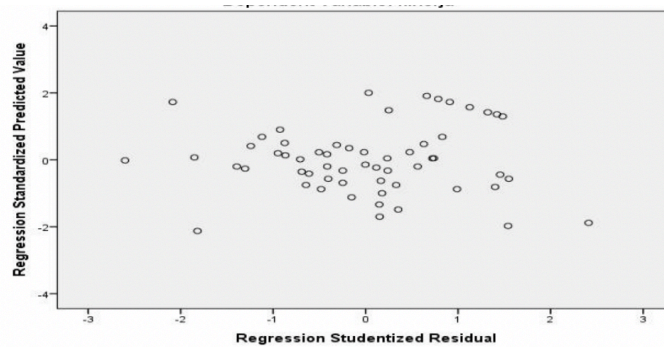
Figure 3. Scatterplot

Source: Output SPSS, 2018.

Multiple Linear Regression Analysis

Table 5. Analysis of Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	,664	,370		1,792	,079		
Training	,253	,079	,291	3,214	,002	,782	1,279
Work Discipline	,593	,086	,626	6,915	,000	,782	1,279

Source: Output SPSS, 2018.

From the results of the calculation of multiple regression analysis using IBM SPSS Statistics 22 the regression coefficient results of Training and Discipline on Employee Performance are:

$$Y = a + B1X1 + B2X2$$

Y = 0.664 + 0.253 X1 + 0.593 X2
Information:

Y = Dependent Variable X1, X2 = Independent variable (Independent)
From the equation above can be explained as follows:
1. Constant value = 0.664
Positive constants indicate the positive influence of the independent variables (training and discipline). If the independent variable rises or influences, the employee performance variable will rise by 0.664 or be fulfilled.

2. Coefficient of the Training variable. (X1) = 0.253.
Represents the value of the regression coefficient of the training variable (X1) against the employee performance variable (Y) meaning that if the training (X1) of the employee's performance will increase by 0.253 or 0.253%.

3. The coefficient value of the work discipline variable is 0.593
Is a regression coefficient value of the work discipline variable (X2) to the employee performance variable (Y) meaning that the discipline variable has increased the employee's performance will increase by 0.593 or 59.3% coefficient positive value means between work discipline (X2) and employee performance (Y) positively related. An increase in work discipline (X2) will result in an increase in employee performance (Y).

Hypothesis Test

T Test (Partial Significance Test)

This test is to determine the effect of training (X1) and discipline (X2) partially on employee performance variables (Y) with an error rate of 10% or 0.1 and degrees of freedom (df) = n-k-1
Information:
a. number of respondents (n) = 58 people
b. number of independent variables (k) = 2
c. significant level α = 10%
d. Degree of freedom (df) = n-k-1 = 58-2-1 = 55. known ttable value of 1.673

From the results of obtaining the t-count value as shown in the following table:

Table 6. Hypothesis test results with test

Variables	T Value	Sig	T table
Training	3,214	0,002	1,673
Discipline	6,915	0,000	1,673

Source: Output SPSS, 2018.

Effect of Training on Employee Performance
Based on the results obtained from the t test the Training Variable has a significant level of 0.002. From the results of the t test on the training variable states that the significance of the t test is smaller than 0.10. While the calculated t value obtained is 3,214 greater than the t table value of 1,673. Thus the hypothesis states that H0 is rejected and H1 is accepted, which means "there is a partial effect of Training on Employee Performance at PT. Y-Tech Autopart Indonesia was asked to be accepted. The results of this study support the results of previous studies conducted by Ilham Thaief, Aris Baharudin, Priyono and Muhamad Syafii Idrus (2015). The results of this study concluded that the training has an effect on employee performance.

Effect of Work Discipline on Employee Performance
The Disciplinary Variable has a significant level of 0,000. From the results of the t test on the variable Work Discipline states that the significance of the t test is smaller than 0.10 while the calculated t value obtained is 6.915 greater than the ttable value of 1.673. Based on these results, the hypothesis states that H0 is rejected and H1 is accepted, which means there is a partially positive effect between the Discipline independent variable

on the Employee Performance variable at PT. Y-tech Autopart Indonesia is declared accepted. The results of this study support the results of previous studies conducted by Astadi Pangarso, Putri Intan Susanti (2016). The results of this study concluded that Discipline influences Employee Performance.

F Test

The F statistical test basically shows whether all the independent or independent variables included in the model have an influence together on the dependent or dependent variable (Ghozali, 2011). all independent or independent variables that are included have a joint effect on the dependent variable (Ghozali, 2011).

Table 6. Results of hypothesis testing with Simultaneous Test (F Test)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4,361	2	2,181	50,437	,000[b]
Residual	2,378	55	,043		
Total	6,739	57			

Source: Output SPSS, 2018.

Decision making is based on a comparison of the value of Fcount by looking at the level of significance, then comparing with the level of significance that has been set (0.10). If the significance of the calculated F is smaller than 0.10, then (Ho) is rejected, which means that the independent variable simultaneously influences the dependent variable (Ghozali, 2011). From the F test results, the calculated F value is 50.437 and the F table value is 2.40. While the significance is 0,000. Because the significance value is below 0.10 and the F value is greater in the F table (50.437> 2.40), the hypothesis which states "there is a simultaneous influence between the independent variable Training (X1) and the Discipline independent variable (X2) influences the dependent variable Employee Performance (Y) "is accepted. The results of this study support the results of previous studies conducted by Usroh Ameliyah, Marzolia, Iwan Nauli Daulay (2014). The results of this study concluded that Training and Discipline influence Employee Performance.

The Effect of Training and Work Discipline on Employee Performance
Training and Discipline variables simultaneously have a positive effect on Employee Performance variables, shown by the test results F count 50.437 and F table value of 2.40 which means that F count is greater than F tables with a significance value of 0.000, then the hypothesis states that training and discipline simultaneously affect the performance of employees at PT. Y-Tech Autoparts Indonesia can be accepted with an error rate of 10%. At PT Y-Tech Autoparts Indonesia the role of training and work discipline greatly influences the performance of each employee, so it can be concluded that independent variables are jointly able to improve employee performance

5   CONCLUSION

From the results of research that have been interpreted and based on literature review, it can be concluded that there is a partial effect between the free variables of training on employee performance variables. Besides that, partially, the influence of work discipline independent variable on employee performance. At PT Y-Tech Autoparts Indonesia the role of training and work discipline greatly influences the performance of each employee, so it can be concluded that independent variables can jointly improve employee performance. There is no significant change in the stock trading volume variable. There is also the possibility that investors will pay less attention to trading volume, because they consider that companies incorporated in the LQ45 index are actively traded stocks.

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STUDY OF STUDENT SATISFACTION FROM THE MARKETING MIX ASPECT

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Abstract   : *In 2019 Kemenristekdikti [1] had closed 79 PTS, the lack of students was one of the reasons Kemenristekdikti closed private universities (PTS) among a number of other reasons. Higher education is a service industry and service quality is an important determinant of the success of higher education institutions (Landrum et al [2]). Donlagic and Fazlic [3] suggest that service quality is one of the main objectives of the university to attract students and improve institutional processes. In addition, according to Durkin & McKenna [4] universities need to pay attention to marketing principles in order to win the competition, create a brand image and attract prospective students. According to Kotler et al. [5] Instruments that can be used to develop marketing strategies for PTS are 7P marketing mix models with seven dimensions, namely product, price, promotion, place, process, people, physical evidence. Filip [6] recommends that universities use a set of marketing mix variables in designing their marketing strategies. Therefore this study will measure how far the influence of aspects of the marketing mix on student satisfaction. This research was conducted at one private university in the city of Bandung with the number of samples following the Slovin formula. From the results of data processing all the values of r-count variable are greater than r-tables. The reliability test results concluded that all research data were feasible to be used to measure the same concept. Based on the data processing, the results show that 73.6% of Student Satisfaction (Y) is influenced by marketing mix variables, namely product (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7). The partial test results using the t test the result is $Y = 0.04 + 0.148X1 + 0.184X2, + 0.098X3 + 0.127X4, + 0.142X5 + 0.171X6 + 0.116X$.*

1   INTRODUCTION

In 2019 Kemenristekdikti has closed 79 PTS, the lack of students is one of the reasons Kemenristekdikti closed private universities (PTS) among a number of other reasons. Higher education is a service industry and service quality is an important determinant of the success of higher education institutions (Landrum et al [2]). Donlagic and Fazlic [3] suggest that service quality is one of the main objectives of the university to attract students and improve institutional processes.

In addition, according to Durkin & McKenna [4] universities need to pay attention to marketing principles in order to win the competition, create a brand image and attract prospective students. According to Kotler et al. [5] Instruments that can be used to develop marketing strategies for PTS are 7P marketing mix models with seven dimensions, namely product, price, promotion, place, process, people, physical evidence. Filip [6] recommends that universities use a set of marketing mix variables in designing their marketing strategies. Therefore, this study will measure how far the influence of aspects of the marketing mix on student satisfaction.

2   LITERATURE REVIEW

Student Satisfaction

According to Kotler Kotler et al [5] said consumer satisfaction is the level of a person's feeling after comparing the performance or results that he feels compared to his expectations. If performance fails to meet customer expectations, it will not be satisfied. If performance is in line with expectations, the customer will be satisfied, if the performance exceeds expectations, the customer will be very satisfied or happy. Customer ratings of product performance depend on many factors, especially the type of loyalty relationship customers have with a brand. Consumers often form more pleasant perceptions about a product with a brand that they already consider positive.

According to Kotler et al [5] to formulate customer satisfaction as "costomer's evaluation of a product or service in terms of whether that product or service has met their needs and expectations" This customer satisfaction is very important because it will have an impact on the smooth running of the business or company. Achieving satisfaction can be a simple or complex and complicated process. In this case the role of each individual and service counters is very important and influences customer satisfaction better, so it is necessary to understand the causes of satisfaction.

Conceptually, customer satisfaction can be described as shown in the following figure 1.

Figure 1. The concept of customer satisfaction

Source: Researcher data, 2019.

So satisfaction is the response of consumers who have fulfilled their desires. Satisfaction is a function of perceived performance and expectation

$$S = f (E, P)$$

Where:
S = satisfaction
E = expectation
P = product quality (product perceived performance)

The level of customer satisfaction is a function of the difference between the perceived performance of customers (consumers) and the expectations of customers who use one of the company's performance levels. Customers will feel less satisfied if the company's performance is below customer expectations. And customers are satisfied when the level of performance is equal or exceeds customer expectations. Customer expectation (expectation) is obtained from customer experience in previous purchases, namely: comments from other customers, promises marketers, and similar competitors. If the company raises the level of customer expectations too high and in inappropriate purchases, the customer will feel dissatisfied with the company's performance.

The aim of the company is to achieve total customer satisfaction by increasing company performance in accordance with customer expectations in order to have high competitiveness in the market. This can be obtained by building a company culture where all relevant parts of the company work together to serve customers.

If the customer appraisal is satisfied with the value of the company's services, then they (consumers) will re-use the service, even further, they will carry out word of mouth promotion to their colleagues, relatives or closest acquaintances so that they both use the company's services. Such satisfaction varies depending on consumer perception and consumer expectations. All of that is influenced by several factors, including

a) Needs and desires related to things that are felt by consumers when trying to make transactions with product manufacturers.
b) Past experience when consuming products from the company or its competitors
c) Friends experience

In addition, customer satisfaction also leads to three main components, namely:

a) Response: type and intensity
Consumer satisfaction is an emotional and cognitive response. The intensity of the response starts from being very satisfied and like the product until an apathy towards certain products.
b) Focus
Focus on object performance adjusted to several standards. This standard value is directly related to the product, consumption and decision to choose.
c) Time and response
The response occurs at certain times, including: after consumption, after Z services, based on accumulative experience.

Marketing Mix

Identification of criteria in the selection of private tertiary institutions, based on marketing mix dimensions. According to Kotler and Keller in Pardiyono and Indrayani [7] Marketing Mix is a set of marketing tools that are integrated by companies to produce the desired response of the target market. The dimensions of the marketing mix are:

- Place is a place where private universities are located.
- Products are all majors and study programs that are available at private tertiary institutions.
- Promotion, is all the efforts carried out by private universities to introduce their products to the market.
- Price, is the amount paid by students for tuition fees and living expenses
- People, are people who are directly involved in carrying out all activities of private universities and are factors that play an important role for the organization.
- Physical Evidence is real / physical things like buildings, equipment and college facilities.
- The process is an effort of private universities in carrying out and carrying out their activities to meet the needs and desires of their consumers quickly and accurately.

3   METHODOLOGY

According to Sugiyono [8] the population is a generalization area that consists of objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population in this study were students at private universities X in the city of Bandung. Data collection in this study was carried out using a questionnaire, which is a list of questions or written statements arranged according to the variables to be studied (Jogiyanto [9]). The questionnaire in this study uses closed questions. Closed questions are questions that limit respondents to answer questions.

The number of research sample units is determined through the formula developed by Slovin:

$$n = \frac{N}{1 + N(d)^2}$$

N: Total population and d: desired level of mistrust

According to Sugiyono [8] Validity Test was carried out using two methods with the help of SPSS software. Test the validity of the initial questionnaire using the scale reliability method. The validity of the statement / question item can be seen from the number of corrected items total correlation. The correlation number obtained is then compared with the critical number r = 0.3, if the correlation number is higher than the critical number in the table, the items are considered valid. 2) Test the validity of the instrument using the Spearman Rho correlation. The question / statement item is declared valid if the value of r-count (> 0.5) with a two-sided significance test is worth (<0.05).

The reliability test is an instrument reliability test, so that the instrument used in research to obtain the desired information can be trusted as a data collection tool and is able to reveal the real information in the field. Analysis of instrument testing was performed using the Cronbach method which was calculated using SPSS v.17 software. The measure used to indicate the question of each variable is called reliable, if Cronbach's Alpha is> 0.6.

The above research model essentially shows that Product (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6) and physical evidence (X7) are exogenous variables that directly affect Student satisfaction scores (Y) as a consequence are referred to as endogenous variables according to the following mathematical model equation:

$$Y = \rho_{yx1}X1 + \rho_{yx2}X2 + \rho_{yx3}X3 + \rho_{yx4}X4 + \rho_{yx5}X5 + \rho_{yx6}X6 + \rho_{yx7}X7 + \varepsilon$$

In this case $\rho_{yx1}, \rho_{yx2}, \rho_{yx3}, \rho_{yx4}, \rho_{yx5}, \rho_{yx6}, \rho_{yx7}$ it is a path coefficient where for example ρyx1 is the magnitude of the direct (relative) influence from X1 to Y. While ε is the residual variable of:

1) Other variables outside of X1 that might affect Y were identified by the theory but were not included in the model.
2) Other variables, outside X1 that might affect Y, but have not been identified by theory.
3) Error measurement (error measurement).
4) Components that are uncertain (random component)

The steps taken to analyze are as follows Sugiyono [8]:

1. Calculate the amount of direct influence between the X variables or the independent variables with the Y independent variable by using the correlation coefficient with the following formula

$$rx_ix_j = \frac{n\sum_{h=1}^{n} X_{ih}X_{jh} - (\sum_{h=1}^{n} X_{ih})(\sum_{h=1}^{n} X_{jh})}{\sqrt{\{n\sum_{h=1}^{n} X_{ih}^2 - [\sum_{h=1}^{n} X_{ih}]^2\}\{n\sum_{h=1}^{n} X_{jh}^2 - [\sum_{h=1}^{n} X_{jh}]^2\}}}; \ j=1,2,\ldots k$$

2. Calculates the correlation matrix between variables

$$R = \begin{bmatrix} 1 & r_{x1x2} & r_{x1y} \\ & 1 & r_{x2y} \\ & & 1 \end{bmatrix}$$

3. Calculates the inverse correlation matrix of cause variables (R-1)

$$R^{-1} \begin{bmatrix} C_{11} & C_{12} \\ C_{21} & C_{22} \end{bmatrix}$$

4. Calculates the path coefficient of PYXi where I = 1.2 through the formula

$$P_{YXi} = R^{-1} \times \begin{bmatrix} r_{x1y} \\ r_{x2y} \end{bmatrix}; i=1,2,3$$

5. Calculate the total determination by the formula

$$R_{r(x1,x2)}^2 = [P_{YX1} \ P_{yx2}] \times \begin{bmatrix} r_{x1y} \\ r_{x2y} \end{bmatrix}$$

6. Calculate PYε or the influence of other variables outside the variables studied according to the formula

$$P_{Y\varepsilon} = \sqrt{1 - R_{Y(x1,x2)}^2}$$

Test the significance (test of significance) of each path coefficient that has been calculated, both individually and together, and test the difference in the magnitude of influence of each exogenous variable on endogenous variables

4   FINDINGS AND DISCUSSION

Validity and Reliability Test

Test the validity of the initial questionnaire using the scale reliability method. The validity of the statement / question item can be seen from the number of corrected items total correlation. The correlation number obtained is then compared with the critical number r = 0.3, if the correlation number is higher than the critical number in the table, the items are considered valid. Test the validity of the instrument using the Spearman Rho correlation. The question / statement item is declared valid if the value of r-count (> 0.5) with a two-sided significance test is worth (<0.05). From the results of data processing all the values of r-count variable are greater than r-tables. (Sugiyono [8])

A group of data is declared to be reliable if its Cronbach's Alpha value is greater than 0.70. The reliability test results conclude that all research data are feasible to use to measure the same concept because the Cronbach's Alpha value as shown in Table 3.2 is (0.873) greater the determined reliability value, which is 0.70.

Table 1. Variable Reliability Tests

Cronbach's Alpha	Standardized Items	N of Items
.873	.880	30

Source: Output SPSS, 2019.

Verification Analysis Results

Hypothesis: There is an effect of marketing mix on student satisfaction both simultaneously and partially Criteria

a. If Fhit ≥ Ftable with a significance level of 5%, then the test is significant or there is a real influence of X1, X2, X3, X4, X5, X6 and X7 or at least from one of them to the dependent variable Y.

b. If Fhit <F table with a 5% significance level then the test is not significant or there is no real effect of X1, X2, X3, X4, X5, X6 and X7 on the dependent variable Y.

Simultaneously

To determine the effect of product (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7) simultaneously on Student Satisfaction (Y), processing data that has been obtained from distributing questionnaires and using the SPSS for windows program. From the results of data processing with SPSS for windows obtained the following results:

Table 2. Coefficient Correlation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,858ª	,736	,721	,06794	,736	49,680	7	125	,000

a. Predictors: (Constant), X7.PHYSICAL, X4.PROMOTION, X1.PRODUCT, X6.PROCESS, X2.PLACE, X5.PEOPLE, X3.PRICE

Source: Output SPSS, 2018.

When viewed from R square of 0.736, it shows that the effect of all variables of the marketing mix are product (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7) simultaneously on Student Satisfaction (Y) is 0.736. Meanwhile, to find out how much influence the product

variable (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7) on Student Satisfaction (Y) then It is necessary to use a coefficient of determination analysis using the following formula:

Kd = (Rx) 2x100%
Kd = (0.736) 2x100%
Kd = 73.6%

Where: Kd = coefficient of determination
(Rx) 2 = correlation coefficient

From the results obtained it can be seen that 73.6% of Student Satisfaction (Y) is influenced by marketing mix variables namely product (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7). Furthermore, it is necessary to test whether there is a strong influence simultaneously between product (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7) on satisfaction Student (Y), can be seen from the following picture:

Table 3. Feasibility Test

ANOVAᵇ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,605	7	,229	49,680	,000ª
	Residual	,577	125	,005		
	Total	2,182	132			

a. Predictors: (Constant), X7.PHYSICAL, X4.PROMOTION, X1.PRODUCT, X6. PROCESS, X2.PLACE, X5.PEOPLE, X3.PRICE
b. Dependent Variable: Y.KEP.PEMILIHAN

Based on calculations using SPSS obtained an F count of 49,680. Where is the rejection criterion Ho, if F count is greater than F table, by taking a significance level of% by 5%, then from the distribution table F obtained a table F value = 1.96 or can simply see a sig F value of 0.017 which means that ὰ is smaller than 5% still shows significant.

Because 49,680 is greater than 1.96 and sig F of 0.017, Ho is accepted, meaning that it can be concluded that there is a linear relationship between product (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7) on Student Satisfaction (Y) of the coefficient of determination (R2) = 0.736 or 73.6% or this can also be interpreted that the influence of variables outside the small model namely 1-R2 = 1-0,736 = 0.264 (error).

Partially

To test partially or to find out the product independent variables (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7) which have a significant effect on Student satisfaction (Y) was tested using the t test. The results are as follows:

Y = 0.04 + 0.148X1 + 0.184X2, + 0.098X3 + 0.127X4, + 0.142X5 + 0.171X6 + 0.116X7

Table 4. Coefficient

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,040	,132		,303	,763
	X1.PRODUCT	,148	,036	,193	4,099	,000
	X2.PLACE	,184	,030	,449	6,117	,000
	X3.PRICE	,098	,037	,196	2,669	,009
	X4.PROMOTION	,127	,042	,156	3,060	,003
	X5.PEOPLE	,142	,040	,186	3,579	,000
	X6.PROCESS	,171	,021	,386	8,132	,000
	X7.PHYSICAL	,116	,032	,170	3,627	,000

a. Dependent Variable: Y.KEP.PEMILIHAN

Source: Output SPSS, 2018.

Criteria:

• If t hit ≥ t table with a significant level of 5%, then the test is significant or there is an influence of each of X1, X2, X3, X4, X5, X6 and X7 on the dependent variable Y.

• If t hit ≤ t table with a significant level of 5%, then the test is not significant or there is no effect of each of X1, X2, X3, X4, X5, X6 and X7 on the dependent variable Y.

• Based on data processing, all Product Coefficient Values (X1), Place (X2), Price (X3), Promotion (X4), People (X5), Process (X6) and Physical Evidence (X7) show that they directly influence Student Satisfaction (Y). By taking a significant level of 5%, then the table value of 1.96, then t hit t t table then the test is not significant or there is an influence of Product (X1), Place (X2), Price (X3), Promotion (X4), People (X5), Process (X6) and Physical evidence (X7) on Student Satisfaction (Y).

5   CONCLUSION

From the previous description of this study it can be concluded that simultaneously there is an influence of the marketing mix on student satisfaction. partially there is a relationship between product variables, place, promotion, process, price, people, and physical evidence on student satisfaction. The mathematical model equation for student satisfaction is $Y = 2,433 + 0.052X1 + 0.028X2, + 0.07X3 + 0.06X4, + 0.146X5 - 0.058X6 + 0.129X7$.

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THE EFFECT OF SELF EFFICACY AND FRAUD DIAMOND ON FRAUDULENT BEHAVIOR ACADEMIC ACCOUNTING STUDENTS

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Abstract   : *Academic cheating behavior is an act that reflects dishonesty to get academic success. Factors that influence academic cheating are self efficacy and diamond fraud (pressure, opportunity, rationalization, and ability). The purpose of this study is to empirically examine the effect of self efficacy and diamond fraud on the academic cheating behavior of accounting students. The population in this study were students majoring in accounting in private universities (PTS) in Surakarta with a sample of 116. The type of research conducted was quantitative research. The type of data used is primary data. The analysis technique used is multiple linear regression analysis. The results showed that simultaneous self efficacy and diamond fraud affect academic cheating behavior, partially indicating that opportunities and abilities affect academic cheating, whereas self efficacy, pressure, and rationalization do not affect academic cheating. The benefits of this study are as a reference and reference for further research related to academic cheating behavior.*

1   INTRODUCTION

Academic cheating is an act that reflects dishonesty to get academic success. Academic cheating behavior of accounting students is important to understand the causal factors, namely self efficacy and diamond fraud (pressure, opportunity, rationalization, and ability). According to Wolfe, et al. (2004) fraud diamond is the development of the concept of fraud triangle (pressure, opportunity, and rationalization) then adds another factor, namely ability. They argue that cheating cannot be done if someone does not have the ability.

In the research of Artani, et al. (2017) suggested that simultaneous self-efficacy and diamond fraud influence the academic cheating of accounting students. And partially, self efficacy, pressure, opportunity and rationalization do not affect student academic cheating, while the ability to positively influence academic cheating. The results of this study differ from the results of research conducted by Nurkhin, et al. (2018) that diamond fraud simultaneously affects academic fraud. And partially the pressure and rationalization have a positive and significant effect on academic cheating behavior, while opportunities do not have a positive and significant effect on academic cheating behavior and the ability to have a negative and significant effect on academic cheating. In the disagreement of the results of the study, causing this research to be conducted again to obtain empirical evidence.

The benefit of this research is that accounting students are expected to know and understand academic cheating and its causal factors in the tertiary environment and this research can be a source of information and the results of this study are expected to be the next research reference.

2   LITERATURE REVIEW

Reasoned of Action Theory

This theory of reasoned of action was first put forward by Ajzen, et al. (1975). This theory has two major determinants, namely individual attitudes toward behavior and subjective norms that refer to the individual's perception of social pressure to do an action or not to do an action. In this study, the focus is more on attitudes towards behavior, namely fraud diamonds on academic fraud. There are several factors of diamond fraud that can lead to academic cheating behavior, namely pressure, opportunity, rationalization, and ability.

Academic Cheating

According to the Big Indonesian Dictionary cheating comes from the word "cheating" which means dishonest. According to Albrecht, et al. (2012), cheating is a general term where cunning is used by someone to do something to get profit. According to Sagoro (2013) there are several factors that influence academic cheating, namely individual factors, student personality factors, contextual factors, and situational factors.

Self Efficacy

Pudjiastuti (2012) states that self efficacy is a belief about one's ability to manage and take the actions needed to achieve desires. Self efficacy is a person's belief in his ability to carry out tasks to achieve the desired goals. There are several factors that affect self efficacy, namely self-control orientation factors, situational factors, the role of individuals in the environment and external incentives or reward factors.

Diamond Fraud

Fraud diamond is a refinement of the fraud triangle by Kassem, et al. (2012) as a factor underlying fraudulent behavior which consists of pressure, opportunity, and rationalization. Then Wolfe, et al. (2004) added one factor, namely ability, because cheating will not occur if someone does not have the ability. Factors that influence diamond fraud are:

1. Pressure

Pressure is a factor that drives a person to commit fraud. Pressure is also caused by the condition and condition of someone to commit fraud.

2. Opportunity

Opportunity is a situation that allows someone to commit fraud and is considered safe for committing such fraud.

3. Rationalization

According to the Big Indonesian Dictionary (KBBI), rationalization is a process or a way to make something irrational become rational or become something good. According to Albrecht, et al. (2012) rationalization is self-justification for wrong behavior as a form to justify cheating behavior committed.

4. Capability

Ability is something that a person has to be able to commit fraud. According to Wolfe, et al. (2004) abilities are personal traits and abilities that play a major role in committing academic cheating.

Previous Research

In the research of Artani, et al. (2017) suggested that simultaneous self-efficacy and diamond fraud influence the academic cheating of accounting students. And partially, self efficacy, pressure, opportunity and rationalization do not affect student academic cheating, while the ability to positively influence academic cheating. The results of this study differ from the results of research conducted by Nurkhin, et al. (2018) that diamond fraud simultaneously affects academic fraud. And partially the pressure and rationalization have a positive and significant effect on academic cheating behavior, while opportunities do not have a positive and significant effect on academic cheating behavior and the ability to have a negative and significant effect on academic cheating.

Figure 1. Framework

Hypothesis

1. *Effect of Self Efficacy, Pressure, Opportunity, Rationalization, and Ability on Academic Cheating of Accounting Students.*

Research conducted by Artani, et al. (2017) states that simultaneous self-efficacy and diamond fraud (pressure, opportunity, rationalization, ability) influence the academic cheating of accounting students.

H1: Self Efficacy, Pressure, Opportunity, Rationalization, and Ability affect the Academic Cheating of Accounting Students.

2. *Effect of Self Efficacy on Academic Cheating of Accounting Students*

According to Adriyana (2019) According to Adriyana (2019) in his research showed that self-efficacy affects academic cheating. According to Elia (2009) the higher self efficacy owned by someone, the lower someone will commit academic cheating.

H2: Self Efficacy affects the Academic Cheating of Accounting Students.

3. *Effects of Pressure on Academic Cheating of Accounting Students*

The results of this study support the research conducted by Artani, et al. (2017) which shows that pressure influences the academic cheating behavior of accounting students.

H3: Pressure Affects the Academic Cheating of Accounting Students.

4. *Influence of Opportunities on Academic Cheating of Accounting Students*

Opportunity is a situation that allows someone to commit fraud that is considered safe by the perpetrators to cheat According to Budiman (2018) in his research shows the results that opportunities affect student academic cheating behavior.

H4: Opportunities Influence Academic Cheating on Accounting Students

5. *Effect of Rationalization on Academic Cheating of Accounting Students*

According to the research results of Artani, et al. (2017) that rationalization influences student academic cheating behavior. The results of the study are in line with research by Budiman (2018) and Adriyana (2019).

H5: Rationalization Influences Academic Cheating in Accounting Students

6. *Effect of Ability on Academic Cheating of Accounting Students*

Wolfe, et al. (2004) defining abilities are personal traits and abilities that play a major role in academic cheating. This opinion is reinforced by the results of research Artani, et al. (2017) and Budiman (2018) that ability influences student academic cheating.

H6: Ability Influences Academic Cheating in Accounting Students.

3 METHODOLOGY

The type of research used is quantitative research. The independent variables are self efficacy (X1), pressure (X2), opportunity (X3), rationalization (X4), and ability (X5). While the dependent variable is academic cheating (Y). The data source used is primary data. The research instrument was in the form of a questionnaire with a population of students majoring in accounting in private universities (PTS) in Surakarta with a sample of 116. The analytical method used used multiple linear regression analysis.

Research Variables and Measurements

Table1. Research and Measurement Variables

Variable	Definition	Indicators	Scale
Self Efficacy (X1)	Is a belief in yourself in taking action to achieve the desired goals.	Able to do something, able to overcome difficulties, always think positively and always try. (Nugrahani, 2013)	Likert 1-5
Pressure (X2)	Is a factor that drives a person to commit fraud.	Number of college assignments, peer competition, environment to get high GPA scores, index of achievement, parental pressure (Albrecht, et al. 2012)	Likert 1-5
Opportunities (X3)	An opportunity that allows someone to commit fraud.	Utilization of IT, the position of the position during the exam, examination of the exam that is not strict, double the task. (Santoso, 2013)	Likert 1-5
Rationalization (X4)	Is a factor that makes someone assume that cheating is something that can be understood.	Cheating because someone else does it, cheating does not harm others, cheating is a normal thing, cheating is a natural thing. (Albrecht, et al. 2012)	Likert 1-5
Ability (X5)	Is something that is owned by someone to be able to commit fraud.	Psychological factors, persuading friends to cheat, not feeling guilty. (Wolfe, et al. 2004)	Likert 1-5
Fraudulent Behavior (Y)	Is an attempt by someone to get success in a dishonest way.	Plagiarism, cooperation without being detected. (Aditiawati, 2018)	Likert 1-5

Research Instruments

The research instrument used a questionnaire and measured respondents' opinions using a Likert scale, with the following details: 1 = Strongly Agree (SS), 2 = Agree (S), 3 = Neutral (N), 4 = Disagree (TS), and 5 = Strongly Disagree (STS).

4 FINDINGS AND DISCUSSION

Multiple Linear Regression Test

Table 2. Regression

Model	B
Constant	4,683
Self Efficacy	0,019
Pressure	-0,031
Opportunity	0,438

Rationalization	0,027
ability	0,325

Y = 4.683 + 0.019X1 + (-0.031) X2 + 0.438X3 + 0.027X4 + 0.325X5

1) The constant value is 4.683 meaning that if self-efficacy, pressure, opportunity, rationalization, and opportunity are 0, then academic cheating will be fixed at 4.683.

2) The value of the regression coefficient of self-efficacy variable is positive, which is 0.019 meaning that each increase in self-efficacy of 1 unit will increase academic cheating by 0.019.

3) The value of the pressure variable regression coefficient is negative, that is -0.031 meaning that every pressure drop is 1 unit it will reduce academic cheating by -0.031

4) The regression coefficient value of the opportunity variable is positive, which is 0.438 meaning that each increase in opportunity by 1 unit will increase academic cheating by 0.438.

5) The regression coefficient value of the rationalization variable is positive, that is 0.027 meaning that each increase in rationalization by 1 unit will increase academic cheating by 0.027.

6) The value of the regression coefficient of the ability variable is positive, that is 0.325 meaning that each increase in ability by 1 unit will increase academic cheating by 0.438.

Model Feasibility Test

Based on the F test results obtained F count> F table and significant <0.05, then self efficacy, pressure, opportunity, rationalization, and ability to simultaneously influence the academic behavior of accounting students.

Table 3. Anova

Model	F value	F table	Sig.	Standard	Information
Regression	18,697	>2,297	0,000	<0,005	Simultaneous influence

Hypothesis Test

If T value> T table and Sig. <0.05, then the hypothesis is accepted. If T value <T table and Sig. > 0.05, then the hypothesis is rejected.

Table 4. T Test Results

Hypothesis	Value	Table	Sig.	Standard	Conclusion
Self Efficacy	0,203	-1,982	0,839	<0,05	Rejected
Pressure	-0,242	-1,982	0,809	<0,05	Rejected
Opportunity	3,099	-1,982	0,002	<0,05	Accepted
Rationalization	0,241	-1,982	0,810	<0,05	Rejected
Ability	2,083	-1,982	0,040	<0,05	Accepted

Based on the above table, it can be seen that opportunities and abilities influence the academic cheating behavior of accounting students, while self efficacy, pressure, and rationalization do not affect the academic cheating behavior of accounting students.

Coefficient Determination

Table 5. Coefficient Determination

Adjusted R Square	Information
0,435	Influence 43,5%

Based on the table above, it can be seen that the Adjusted R Square value is 0.435, so it can be said that the results of the tests performed give good results. This shows that about 43.5%, meaning that the percentage of self-efficacy, pressure, opportunity, rationalization, and ability on academic cheating behavior of accounting students is 43.5%, while the remaining 56.5% is influenced by other variables not included in the this research.

Discussion

Hypothesis 1 states that self-efficacy testing has no effect on academic cheating by accounting students. This means that student self efficacy does not affect student academic cheating behavior. The level of student

self-efficacy does not reflect the student's academic cheating behavior. Students with low self-efficacy consider themselves basically unable to do everything around them so they can commit academic cheating. This is in line with the research of Artani, et al. (2017) which states that self efficacy does not affect the academic cheating of accounting students.

Hypothesis 2 states that pressure testing has no effect on academic cheating by accounting students. because students do not feel pressured or burdened with things related to lectures so that students do not need to cheat to get things that are meaningful to them. And the low level of value competition with friends that causes respondents not too motivated to get a very high GPA, there are no demands from parents to get good grades, if parents push strongly so that their children get good grades, it does not rule out the possibility that students will do various ways to get these grades and students do not feel pressured about the time given in taking the exam. This is in line with the research of Artani, et al. (2017) which states that pressure does not affect the academic cheating of accounting students.

Hypothesis 3 states that opportunity testing influences academic cheating by accounting students. This is due to several conditions and situations that students feel could be an opportunity to commit academic cheating such as the presence of internet technology that makes it easy for students to commit fraud by copy and paste without mentioning the source, class conditions or seat selection as well as gaps during the exam. The higher opportunities can cause academic cheating committed by students will also be higher. This is not in line with Budiman's research (2018) which states that opportunities do not affect the academic cheating behavior of accounting students.

Hypothesis 4 states that the rationalization test has no effect on academic cheating by accounting students. This is due to reasons as justifications for committing academic cheating behavior that does not necessarily encourage academic cheating behavior, academic cheating is considered not a natural thing to do to accounting students, and student cheating is considered as unacceptable behavior by student behavior. This is in line with the research of Artani, et al. (2017) which states that rationalization has no effect on accounting student cheating behavior.

Hypothesis 5 states that ability testing influences academic cheating by accounting students. Some of the characteristics and abilities possessed by students so that they are involved in academic cheating are that students can suppress guilt after committing fraud, understand the criteria for assessing lecturers so they can find loopholes in committing fraud, and can think of ways to commit fraud based on the opportunities available. This is in line with the research of Artani, et al. (2017) which states that ability affects the academic cheating behavior of accounting students

5 CONCLUSION

Based on the results and discussion, it can be concluded partially the opportunities and abilities influence the academic cheating behavior of accounting students, while self efficacy, pressure, and rationalization do not affect the academic cheating behavior of accounting students.

Some limitations in this study are: 1) This study only uses 5 private tertiary institutions in Surakarta, because questionnaires are hampered by the Christmas and New Year holidays. 2) The variables used only use the self efficacy and fraud diamond variables (pressure, opportunity, rationalization, ability). While there are still other variables that can influence academic cheating behavior. 3) The limited sample in this study is for accounting students, so the results of the study cannot be generalized. 4) The low correlation coefficient value adjusted R square value obtained 43.5%. While 56.5% is influenced by other variables not included in this study.

Based on the research that has been presented, the suggestions that can be conveyed are as follows: 1) For further researchers, it is expected to be able to use or include all private universities in Surakarta. 2) For further researchers can add variables other than those that can affect academic cheating. 3) For further researchers can add samples in the study so that research results can be generalized. 4) In-depth research needs to be done using research instruments by multiplying the question items.

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THE APPLICATION OF ASOCA ANALYSIS ON COMPETITIVENESS IMPROVEMENT STRATEGIES MUSLIM CLOTHING IN THE ASEAN REGION

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Abstract   : *Indonesia is a strategic country, including the fourth most populous country and the country with the most Muslim occupation. This makes Indonesia a target place for marketing products or being the most productive market share for Muslim clothing. Since globalization, trade has become free so that Muslim clothing business people face a lot of competition, namely domestic competition and foreign competition. To win the competition must have a specific strategy that is increasing the competitiveness of its products. The problem arises namely: how is the Islamic view of trade and how is the strategy to improve the competitiveness of Muslim clothing? The problem solving method is descriptive qualitative analysis which aims to provide a descriptive description of the subject based on data from the variables obtained by the group of subjects studied. Islam also knows free trade because the principle of trade in Islam is actually freedom. This means freedom in conducting transactions between buyers and sellers on the basis of pleasure (sincerity) and there is no coercion. Muslim clothing business players can compete with Muslim clothing products from other countries in ASEAN and outside ASEAN through the application of ASOCA analysis and need to also develop a good planning schedule in the short and long term.*

1   INTRODUCTION

The country of Indonesia is a country that has a very good geographical location, because between the two continents (Asia and Europe) and two samudra (Pacific and Indian) a strategic position in the intercontinental trade route. The types of trade have the following names:

a. Sea silk trade is a route from China and Indonesia through the Malacca Strait to India.
b. Sea trade between India, China and Indonesia began in the first centuries BC.
c. Trade in the era of traditional kingdoms that have a political capitalist nature.

In the face of intense competition in the Asia and ASEAN region, companies must be able to meet the desires of consumers. Especially in winning competition in the ASEAN region with the entry into force of the agreement of the ASEAN Economic Community (AEC) or the ASEAN Economic Community (AEC). As for the efforts that companies must make to be able to compete with existing industries, there needs to be efforts so that the products produced are in demand by consumers so that these products have competitiveness with products from other countries, especially the Asia and ASEAN regions. Companies can choose how to compete through various methods including the lowest price or quality products. Competitiveness is productivity which is defined as the output produced by the resources of a company.

What strategies will the company use to improve the competitiveness of products produced in order to compete with Asian and ASEAN countries, for example China after the ACFTA agreement (ASEAN-Chinese Free Trade Area) which took effect on January 1, 2010 and ASEAN countries after the agreement MEA (ASEAN Economic Community) on January 1, 2016. Strategy is an effort in how goals can be achieved by using available resources and strive to overcome the difficulties and challenges that exist.

The importance of trade between ASEAN and the need for this community as a whole to look forward and have the main characteristics namely:

a. Single market and production base.
b. Competitive economic zone.
c. The area of equitable economic development.
d. Regions are fully integrated in the global economy.

With the existence of trade between ASEAN countries, each country can expand its market so that its products, for example Muslim clothing, can enter other countries, for example, enter Indonesia easily. This flood of Muslim clothing from outside the Muslim clothing business must be able to increase the competitiveness of its products in order to compete with Muslim clothing from other countries.

While those used to improve the competitiveness of Muslim clothing use ASOCA (Ability, Strength, Opportunities, Culture and Agility) analysis.

Indonesia is a predominantly Muslim country and is a good market for Muslim clothing products. To improve the competitiveness of Muslim clothing in order to succeed in their own country what should be done by manufacturers or Muslim clothing business people. Formulation of the problem, from the background description above, a problem can be formulated, namely: "How is the application of ASOCA analysis to the strategy to improve the competitiveness of Muslim clothing"?

2   LITERATURE REVIEW

These ASEAN communities form ASEAN as a single market and production base, making ASEAN more dynamic and comparative with mechanisms and measures to strengthen the implementation of new economic initiatives, form a highly competitive region, and make an area with equitable economic development and also integration with the world economy. With the existence of free markets in the ASEAN region, competition has become tighter, technological advances are fast and markets are increasingly comparable and dynamic.

The start of the establishment of the ASEAN Economic Community began at the Summit held in Kuala Lumpur in December 1997, where ASEAN leaders decided to change ASEAN by becoming a prosperous, stable and competitive region. And at the 12th Summit in January in Cebu, the Philippines approved and the signing of the Cebu Declaration on the Acceleration of the Establishment of the ASEAN Community in 2015. In particular the leaders agreed to accelerate the formation of the ASEAN economic community in 2015 and to turn ASEAN into a region with free trade goods, services, investment, skilled labour, and freer flow of capital. The ASEAN Economic Community is the realization of the ultimate goal of economic integration adhered to in the 2020 vision, which is based on the convergence of the interests of ASEAN members to deepen and expand economic integration through existing and new initiatives with clear boundaries. In establishing an ASEAN Economic Community (AEC), ASEAN must act in accordance with open, outward-oriented, inclusive, and market-oriented economic principles that are consistent with the multilateral rules and compliance with the system and the implementation of effective rules-based commitments.

The ASEAN Economist Community will overcome the development gap and accelerate the integration of Cambodia, Laos, Myanmar and Vietnam through the Initiative for ASEAN Integration and other regional initiatives. In addition to removing barriers that significantly interfere with cross-border economic activities in the ASEAN region and are implemented into four main pillars, namely:

a. Making ASEAN a single market and international production base (single market and production base) which includes elements of free flow of goods, services, investment, educated labour, and freer capital flows.

b. Realizing ASEAN as a region with high economic competitiveness (competitive economic region). This high competitiveness economy must have competition regulations, consumer protection, intellectual property rights, infrastructure development, taxation, and e-commerce.

c. Creating ASEAN as a region with equitable economic development (equitable economic development) which includes elements of small and medium business development.

d. Making ASEAN a region that is fully integrated with the global economy (integration into the global economy), through the element of building an industry to improve coordination of member countries and increase participation in global production networks.

The presence of the AEC is an opportunity to improve quality, quantity and actually can be the first round to develop various qualities related to the economy in the Southeast Asian region. AEC must be addressed as a good opportunity because all obstacles in the trade of goods and services in the Southeast Asian region will be removed. With the AEC, Indonesia should be able to improve the quality and quantity of exported goods, which

in turn will increase Indonesia's income. This free market competition from the investment side will be able to create a climate that supports the entry of foreign capital that can stimulate economic growth through job creation, increase technological development, use of natural resources, and younger access to world markets.

In the corporate environment that the strategy has a very important role for the achievement of company goals, because the strategy provides direction for action, and the way how the action must be carried out so that the desired goals are achieved. This strategy has an important role in achieving the management objectives of a company, namely:

        a. Strategy as a support for decision makers.

        b. Strategy as a means of coordination and communication

        c. Strategy as a target.

In the corporate environment, the strategy has a very important role for the achievement of objectives, because the strategy provides direction for action, and the way how the action must be carried out so that the desired goals are achieved. The strategy has three important roles, namely:

a. Strategy as a support for making decisions. Strategy as an element to achieve success, a form or theme that provides a unified relationship between the decisions to be taken by individuals or organizations.

b. Strategy as a means of coordination and communication. One important role of strategy is to provide a common direction for the company.

c. Strategy as a target or target.

In general, the concept of strategy is combined with the mission and vision to determine where the company is in the future. In setting goals is not only done to provide direction for the preparation of the strategy but also to form the aspirations of the company, thus the strategy can also play a role as a corporate target.

Many organizations run two or more strategies simultaneously, but a combination strategy can be risky if it is carried out too far. There is also an organization or company that is struggling to survive might use a combination of various strategies. The types of strategies are as follows:

a. Integration Strategy is a strategy used such as forward integration, backward integration, and horizontal integration.

b. Intensification Strategy is an intensive strategy because it requires intensive efforts.

c. Diversification Strategy is a strategy by differentiating or adding new products or services.

d. Defensive Strategy is a strategy through cost rationalization, divestment, or liquidation.

In the business world competitiveness is productivity which is defined as the output produced by labour. The competitiveness of a country globally according to the World Economic Forum (WEF) is defined as the ability of the national economy to achieve high and sustainable economic growth. Indicators of global competitiveness are measured from the macroeconomic conditions, bureaucracy, and technology of a country. Firm competitiveness is different from state competitiveness. A company has competitive competitiveness when the company has something that is not owned by competitors, does something better than other companies or is able to do something that cannot be done by other companies. The concept of competitiveness is competition, here the role of openness to competition with competitors becomes relevant because competitiveness must consider several things, namely:

a. Competitiveness covers a broader aspect of productivity or efficiency at a micro level, so the definition of competitiveness is the ability of an economy rather than the ability of the private sector or companies.

b. Economic actors are not only companies but also include the government, and households and others. All integrated into one in a synergistic economic system.

c. The aim and the final result of increasing competitiveness or an economy is nothing but increasing the level of welfare of the population in the economy.

But the word competitiveness will lose its meaning if an economy is a closed economy.

In economics we are familiar with conventional trading which can be interpreted as a process of exchange based on the will and voluntary of each party. Those involved in trading activities can determine the advantages and disadvantages of freely exchanging activities. Currently trading can be divided into two namely:

a. General trade is the activity of buying and selling goods and / or services continuously with the aim of transferring the rights to the goods and / or services accompanied by compensation or compensation.

b. Trading according to Islam is an element of freedom in exchanging transactions, but these activities are still accompanied by the hope of obtaining the good pleasure of Allah SWT and prohibiting coercion.

There are several things related to trade according to Islam:

a. The seller tries to provide the best service to consumers so that consumers will feel they have shopped according to Islamic sharia, where consumers do not buy goods as they wish but according to need.

b. The seller runs his business honestly namely the quality of goods sold according to the price, and the buyer is not stimulated to buy as many goods as possible.

c. The best thing is not the price that is regulated according to market mechanisms, but the halal status of goods sold is more important. With the concept of sharia trading, the majority of ordinary people will feel protected from inadvertent purchases of goods containing illicit elements contained therein.

In fact, the goods and commodities sold must apply to the open market, so that the buyer knows the market condition before making a large-scale purchase. The seller is not permitted to take advantage of the buyer's ignorance of the prevailing market conditions and prices.

Every activity of Muslims in life both vertically and horizontally has been regulated by provisions to be in accordance with what was ordered by Allah. The basis for each act must be based on legal sources that originate from the Koran and the Hadith. Likewise, trading in Islam must also be based on the legal basis derived from the Qur'an and Hadith. Islam is an ideology that comes from Allah, the All-Knowing and has a synchronizing economic order. This economic system is implemented by Islamic Government Institutions in the form of the Khilafah which has the characteristics of a protector (junnah) and a regulator (ra'in). The principle of khilafah in managing public life:

a. The government is fully responsible in managing the fulfilment of public life.

b. An absolute budget for public expenditure on public facilities and public facilities, the absence of which results in destruction.

c. Government institutions providing public goods and services for public livelihood are an extension of the state.

d. The state does not justify taking income from public facilities such as hospitals, public transport facilities and infrastructure including public roads.

e. Public goods industries with the status of public property must prioritize service functions rather than business functions.

f. Not justified the private government partnership model, KPS (Public Private Partnership, P3S).

g. Power is centralized, administration is decentralized.

h. Independence of the hegemonic and anti-colonial political agenda.

i. Service strategy refers to three things:
    1). Simplicity of rules
    2). Service speed
    3). Performed by competent and capable individuals

Trading according to Islam, explains various ethics that must be carried out by Muslim traders in carrying out buying and selling. And it is hoped that by using and adhering to the Islamic trade ethics, a trade business and Muslims will progress rapidly because they always get the blessings of Allah SWT. Islamic trade ethics guarantees that both traders and buyers will benefit from each other. The Muslim trade ethics include:

a. Shidiq (Honest)

b. Amanah (Responsibility)

c. No cheats

d. Keep the promise

e. Generous

f. Not forgetting the afterlife.

International trade can be interpreted as a trade transaction between one economic subject and another economic subject, both on goods and services. The economic subjects in question are residents consisting of ordinary citizens, state or government departments that can be seen from the trade balance. In Islam a special international trade policy is carried out by the government to protect all its citizens, not only to protect certain groups, but in a fair way to protect all its citizens.

ASOCA analysis is identification as a systematic factor for formulating corporate strategies. This analysis is based on logic that can maximize abilities, strengths, opportunities, culture or customs and intelligence or sharpness of thought (Agility) as a whole can minimize threats and win the competition in the business world.

In making a decision, companies should consider internal factors that include abilities, strengths, and weaknesses as well as external factors that include opportunities, culture, and intelligence or sharpness of consumer thought. ASOCA analysis is used if the determinants of the company's strategy are able to maximize

the role of the factors of ability, strength and benefit of opportunities and consumer intelligence while at the same time acting as a tool to minimize the weaknesses contained in the body of the organization and suppress threats that arise and must be dealt with appropriately. ASOCA's analysis can also be used to help strategy analysis and logical references in a systematic discussion of the company's situation and alternatives about the company's situation and the main alternatives that the company might consider.

3   METHODOLOGY

The stages carried out in this study are as follows: begins by conducting a survey through observing the competitiveness of Muslim fashion, besides looking for additional data from literature such as previous research and literature to find the theories needed. The next step is to manage the data obtained and compare with the theories that have been obtained and then conclude a strategy which should be done by Muslim clothing business to win the competition by increasing the competitiveness of Muslim fashion in the ASEAN Economic Community.

In this study using qualitative research types of research that intends to understand the phenomenon of what is experienced by research subjects such as behaviour, perception, motivation, actions and others holistically and in a descriptive way in the form of words and language in a specific context naturally by utilizing various scientific methods. In this study, it is intended to describe the strategy of increasing competitiveness in the face of MEA.

In this study, the method of collecting data that the authors do are:

1). Interview is an information gathering tool by asking a number of questions verbally to be answered verbally as well.

2). Documentation is a researcher looking for and obtaining primary data through archiving in the form of recorded images or photographs, texts and so on.

Qualitative data analysis is an effort made by working with data, organizing data, breaking it down into manageable units, licensing, searching and finding what is important and what is learned and then deciding what can be told. The analysis is carried out after the data needed in this study is collected. The analysis process of reading, studying, and analysing the data obtained regarding the implementation of strategies to improve the competitiveness of Muslim fashion traders. Furthermore, from the analysis process the authors draw conclusions from general problems to specific problems.

4   FINDINGS AND DISCUSSION

Basically Islam really appreciates the market mechanism in trade and trade departs from the provisions of Allah SWT, that trade must be done well and with the same likes as stated in the Qur'an in the letter QS An-Nisa: 29 which means: "O people Believers, you must not eat your neighbor's property in a false way, except in the way of trade that applies with equal likeness among you. And do not kill yourself, surely Allah is the Most Merciful to you ".

1. Islamic view of trade

Trade is an activity or trading activity. Islamic trade as trade in conventional economics, can be divided into two, namely:

a. Domestic trade is a trading activity that occurs within the country between fellow citizens and subject to the authority of the country concerned. In Islam, domestic trade does not require direct intervention from the government, it is sufficient to apply the Sharia-determined law of sale and purchase, here only general supervision is needed so that market participants are subject to Islamic law.

b. International trade (foreign trade) is trade activity carried out and takes place between citizens of different nations, not between individuals in the country. In international trade, every citizen, both Muslim and non-Muslim, has the right and freedom to import and export goods from or to any country they like without any ties or rules of thumb, with the terms that the goods exported and imported goods do not have a negative impact according to the rules fiqh (qawaidul fighiyyah), This is stated in the Koran in Al-Maliki's letter: "Every part of

a part is something that changes, if there is damage (dharar), then that part is prohibited while something that remains permanent."

In connection with exports and imports with non-Muslim countries, Islam allows it, as long as the traded goods are not strategic goods and are not used to fight the Muslims or as long as the goods are needed for the benefit of the people there is no prohibition. Although there is this freedom, the role of government in Islam is still needed as the influence of trade and oversight of business people in terms of the entry and exit of several commodities, especially strategic ones. In relation to influence, if the state sets certain conditions in international trade and citizens feel wronged with these conditions, then citizens can file a lawsuit or prosecution of a particular country.

In trading God also regulates the etiquette that must be obeyed when trading, where when the time has come for worship, trade activities need to be left to worship God as the word of Allah SWT in the letter Q.S. Al-Jumu'ah: 11: "And when they see commerce or play they disperse to go to him and they leave you standing (preaching). Say: What is in Allah's side is better than games and commerce, and Allah is the best provider of sustenance".

When carrying out trade transactions God commands that humans do it honestly and fairly. In addition to the Qur'an, there are also traditions about trades including: "From 'Abdallah bin' Umar radhiallahu'anhu that the Messenger of Allah sallamahu 'alaihi wa sallam said, A honest and trustworthy Muslim trader will (be gathered) with the Prophet, the people of Shiddiq and those who are martyred on the Day of Judgment (later) (HR. Ibn Majah. And Ad Daraquthni) ". This great hadith shows the superiority of a merchant who possesses these qualities, because he will be glorified with great virtue and a high position in the sight of Allah SWT by gathering together with the prophets, shiddiq people and martyrs on the day of doomsday.

The main objective of the trade liberalization policy is none other than developing countries throughout the world can open their markets to goods and investment from developed countries such as the United States and other countries which have superiority over developing countries. As a result, developing countries will continue to be the main consumers of the developed countries' investment and commodities. On the other hand, the policy makes developing countries more difficult to build a strong economic foundation because they continue to depend on industrialized countries. It is against this background that the countries in the Southeast Asian region who are members of ASEAN form a community called the ASEAN economic community.

Based on the description above, it can be concluded that basically Islam also knows free trade because the principle of trade in Islam is actually freedom, namely freedom to conduct transactions between sellers and buyers based on good pleasure (sincerity) and no coercion. Like the time of the Prophet that trade is always based on the principle of freedom, meaning that freedom is carried out by the parties concerned between the seller and the buyer. The freedom of trade can be seen from the actions of the Prophet who forbade city people to buy goods at low prices where the villagers were not given the freedom or opportunity to enter the city to sell their wares on the market. This is one of the causes of a long and long trading chain so that many people take advantage of the links. But if we compare with the current free trade system which is full of bonds and regulations. Trade institutions are free to contain many rules and do not free the seller and the buyer directly carry out the transaction.

2. Strategies for Increasing the Competitiveness of Muslim Clothing

The ASEAN Economic Community Agreement has been underway at the beginning of 2015, with the AEC there is actually a great opportunity for traders and producers of Muslim clothing to reach market potential and investment opportunities must be put to good use. To take advantage of this opportunity, there is also the biggest challenge for Muslim clothing business, namely how Muslim clothing business is able to determine the right strategy to win the competition. The role of government is particularly important to deliver them to be able to compete with other business actors in utilizing the AEC. Efforts that need to be done by the government include:

a. Improve product quality and standards

In order to increase this, the Muslim clothing business must be facilitated by the quality and product standard requirements required by the ASEAN market and outside ASEAN, namely by supporting technology to improve quality and productivity as well as introduction to business people in both Muslim clothing business and Muslim clothing traders.

b. Providing information access and promotion facilities abroad.

The most important part of the production process is the market problem. No matter how good the quality of the products produced, if the public or the market doesn't know, the product, which is Muslim clothing, will

be difficult to market. Therefore, information and promotion especially needed to be introduced in the ASEAN market must be further improved. The government provides facilities for overseas promotions by facilitating permits for exhibition activities. In the promotion of products abroad, it is also important for the government to pay attention to the readiness of Muslim clothing businesses in the supply of products to be marketed, it is better to avoid inviting Muslim clothing business people who are not ready. Hence, not only the quality and product design that must be considered but also the quantity and continuity of the product.

The number of Muslim clothes in the Indonesian market both from ASEAN countries, China and India are caused by globalization so that local Muslim clothing producers have difficulty selling because they lost in competition. And Indonesia is the largest Muslim population in Southeast Asia which has the greatest potential for marketing Muslim clothing. To win this competition, business people must have a business strategy involving decision making at the business unit level. In this level of strategy what is intended is how to compete. Useful approaches in formulating business strategies should be based on competitive analysis including:

a. The threat of new arrivals

New entrants in an industry can threaten existing competitors, because with the entry of new entrants can seize market share from Muslim clothing products.

b. Bargaining power of suppliers

Suppliers can put pressure on companies in an industry by raising prices and reducing the quality of goods to be sold. To overcome this, an agreement must be made with the supplier so that the price is determined for the product purchased.

c. Bargaining power of buyers

Purchases usually buy a product at a cheaper price and ask for high quality and better service. This makes competition between companies in the same industry. To overcome this there are several companies in determining the price in the hands of the company that is the price already listed in the product.

d. Bargaining power of substitute products

Substitute or substitute product is one of competition in running a business. Therefore, the products offered should be in accordance with the trend, comfortable to wear and have good quality.

e. Competition between competitors

There is competition in the form of a race to get a position by using strategies such as price competition, promotion, improving services and so on. To overcome this, it is better to improve the quality of its products and sell at competitive prices and the expectations of products that are sold in the market and to improve better service.

In addition to the analysis of competition in order to win in the competition, business people need a good marketing strategy through marketing mix, including:

a. Product

The product is a complex property that is both tangible and intangible, including packaging, color, price, company and retailer prestige, company and retailer services, which are accepted by the buyer to satisfy his desires or needs. The product produced must be various types of Muslim clothing products and the dominant product is more in demand by consumers, namely new products. In order to be able to compete and win market competition, one must create new products by making physical changes such as colors, models, designs and so on so that the public (consumers) are not bored with the products offered.

b. Promotion

Promotion carried out by Muslim clothing business is to socialize its products by:

1). Above The Line (ATL). Promotions that use high-profile media such as mass media including television. Usually use the services of advertising agencies. Able to reach massive target audiences.

2). Below The Line (BTL). Promotion using low profile medium. Able done alone, the reach of the audience is limited to the amount made and not as large as ATL, for example banners and newspapers.

c. Distribution (place)

Distribution is an activity carried out by each company to make products that have been created or produced can be obtained and available to target customers or consumers, which can be done in this activity is to expand the marketing network. What businesses must do is prioritize and prioritize service and customer satisfaction by establishing a distribution strategy to market their products by opening strategic branches that can be reached by customers or consumers.

d. Price

The price of an item or suit is a determinant of market demand, the price can affect a company's competitive position and also affect its market share. For companies that price will provide a net profit. The price of an item can also affect the company's marketing program. Related to the price of the product produced, Muslim clothing that must be paid by the customer (consumer) must be affordable and appropriate in the market.

e. People

All people involved in the provision of services or sales, or people who are directly or indirectly involved in the service process itself and affect consumer perceptions such as name, personal customer and other customers in the service environment. Business actors in selecting their employees must be based on the right man and raight place, including activities ranging from recruitment, training, motivation, retribution, and cooperation between employees.

f. Process

Process is an activity that shows how services are provided to consumers during the purchase of goods. Business processors often offer various forms of service for the purpose of attracting consumers. For example, free consulting services, product delivery, and service facilities that affect the company's image.

g. Physical environment (Physical evidence)

Physical environment is a state or condition that is also included in the atmosphere. Characteristics of the physical environment are the most visible aspects in relation to the situation are geographical conditions and institutional environment, decoration, space, sound, light, weather and layout that appear or important environment as an object of stimulation.

Every Muslim clothing business has different marketing strategies to improve its market competitiveness, the main thing is that Muslim clothing is of high quality, convenience, comfort and after sales service. In addition it must have the formulation of strategies that can be used as the embryo of success in marketing their products. The data analysis of this writing is a descriptive qualitative analysis which aims to provide a descriptive (descriptive) description of the subject based on data from the variables obtained by the subject group under study.

The strategy used to improve the competitiveness of Muslim clothing is by applying the ASOCA (Ability, Strength, Opportunities, Culture and Agility) analysis:

1. Internal factors
   a. Ability
   1). Has a sufficient number of Muslim clothing SMEs.
   2). Abundant labor and relatively cheap wages.
   b. Strength
   1). Has a strong brand name and is well known to almost all of Indonesia such as Rabbani, Itang Yunas Collection.
   2). Having Muslim clothing designers who are worldwide.
   3). The emergence of young designers with product innovations that fit current trends.
2. External Factors
   a. Opportunities
   1). Muslim majority population
   2). Public purchasing power tends to be consumptive.
   3). The growth of the economy of the community so that it affects lifestyles.
   b. Culture
   1). Already a Muslim dress culture
   2). Almost community activities wear Muslim clothing such as recitation, work and wedding receptions.
   c. Consumer intelligence / sharpness (Agility)
   1). Easy information obtained by consumers so many choices.
   2). Buy at the time of promotion only.
   3). Changes in consumer tastes.

After classifying various possibilities from internal and external in order to easily find the results of the ASOCA analysis can be seen below:

Table 1. ASOCA Matrix Diagram

Internal factors / External factors	Ability (Ab) • Have SMEs in Muslim clothes with quite a lot. • Abundant labor and relatively cheap wages.	Strengths (S) • Has a strong and well-known Brand name in almost all of Indonesia such as Rabbani, Itang Yunas Collection. • Having global Muslim clothing designers. • The emergence of young designers with product innovations that fit current trends.
Opportunities (O) • Muslim majority population • The purchasing power of people who tend to be consumptive. • The growth of the economy of the community so that it affects lifestyles	Strategy AbO • Increase the production of Muslim clothing. • Broadening marketing through marketing strategies, namely the marketing mix so that consumers can easily reach. • Provide better service • Increase the ability and quality of the workforce so that they are skilled.	Strategy (SO) • Increase and pay attention to the quality of the production of Muslim clothing • Intensive in advertising to further strengthen brand name. • Increase customer loyalty
Culture (C) • It's become a Muslim dress culture • Almost community activities wear Muslim clothing such as recitation, work and wedding receptions.	AbC Strategy • Producing apparel products that are diverse, both colors, designs and models according to customer needs. • Conduct SME guidance and assistance to produce products that are preferred by consumers • Establishing the right marketing targets	SC Strategy • Providing designers easy opportunities to create through national and international activities. • Conducting Muslim clothing exhibitions on a regular basis so that they are easily known by consumers
Agility (Ag) • Ease of information obtained by consumers so many choices. • Buy at the time of promotion only. • Changes in consumer tastes.	AbAg Strategy • Producing Muslim clothing that consumers want. • Follow the development of consumer tastes • Lowering prices so that consumers want to buy the product even if not at the time of promotion.	Sag Strategy • Determine the pricing strategy for appropriate Muslim clothing products. • Conducting market analysis in the form of a survey of consumer tastes before producing Muslim clothing

Based on the analysis described above it is expected that Muslim clothing business players can compete with Muslim clothing products from other countries in ASEAN and outside ASEAN. But it is also necessary to develop a schedule of plans both in the short and long term. Short-term plans include:

1. Hold promotional programs and be aggressive in advertising that can increase sales such as promo discounts at certain events.
2. Maintaining the quality of product ingredients by periodic control
3. Form a special team of controllers and assessors so that the quality of goods is guaranteed.
4. Always continuous improvement in human resource development programs, because it is something that is most important for the achievement of a strategic plan
5. Establish a good relationship with suppliers of raw materials.

Whereas the long-term strategic plan includes:

1. Continuously in researching and developing variations of Muslim clothing products so as not to lag behind competitors.
2. Understand and monitor developments, needs and trends in consumer behavior.
3. Continually fostering good cooperative relationships with suppliers and consumers so as to create synergies in dealing with existing competitors and competitors that will emerge.
4. Conducting surveys or expansion to other regions or countries in order to expand the marketing network.

5   CONCLUSION

By looking at the results of the discussion described above, the following conclusions can be drawn, basically, Islam also knows free trade because the principle of trade in Islam is actually freedom. This means freedom in conducting transactions between buyers and sellers on the basis of pleasure (sincerity) and there is no coercion. Islam really values the market mechanism in trade and trade departs from the provisions of Allah SWT, that trade must be done well and with the same likes.

The strategy to increase competitiveness diverted by Muslim clothing business people to be able to compete in the MEA era is through short-term strategic plans and long-term plans. The short-term strategic plan such as conducting promotional programs and aggressive in advertising that can increase sales such as promo discounts at certain events, maintain the quality of product ingredients by periodically controlling, forming a special team of controllers and evaluators so that the quality of goods is guaranteed, always continuous in improving human resource development programs, because it is something that is most important for achieving strategic plans and fostering good relationships with suppliers of raw materials.

Whereas the strategic plan in the long run is such as continuous research and development of variations of Muslim clothing products so as not to lag behind competitors, understanding and monitoring developments, needs and trends in consumer behaviour, continually fostering good cooperative relationships with suppliers and consumers so that creating synergies in dealing with existing competitors and competitors that will emerge, and conducting surveys or expansion to other regions or other countries in order to expand the marketing network.

By looking at the results of the discussion the suggestions that can be submitted are as follows, for Muslim clothing manufacturers, it is suggested that they should always try to increase the diversity of products, especially in the complete availability of products such as good size, colour and quality. For Muslim clothing traders, it is advisable to trade in order to increase the variety sold as diversity of brands, sizes, and colours. Besides that, it also carried out extensive promotions both through ATL and BTL and also increased customer service. For the Indonesian government to always accompany and provide capital loans with affordable interest loans for Muslim clothing SMEs.

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PRISON CONFLICT MANAGEMENT STRATEGY IN PREVENTING RIOTS

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Keywords   : Conflict Management, Riots, Prison, Strategy.

Abstract   : *In the implementation of formation there are still prisoners who are physically and mentally depressed, because of inhumane acts between fellow inmates or a crackdown by officers. As a result it can create security and order disturbances in prison. One of them is the riots that occurred in Prison due to the response of treatment given by Prison during prisoners undergoing guidance. Like the riot incident that was found in Langkat Narcotics Prison on May 16, 2019 which resulted from torture and ill-treatment of prisoners by officers. But there is a prison, the Class III prison in Cikarang which has a clean record of riots within prison in the 2016-2019 period. This research will raise the issue of how to form Prison conflict management in order to prevent riots in Prison. This study aims to determine the form of Prison conflict management in order to prevent riots in Prison. This research was conducted in Class III Prison Cikarang. This study uses a qualitative research approach. This research was conducted in October 2019. Data taken by observation, interview and document study techniques were then processed and analyzed qualitatively. The results of this study indicate that the Class III Prison in Cikarang has a form of conflict management that is able to create security and order and avoid the riots perpetrated by inmates.*

1   INTRODUCTION

Based on Article 3 of Law No. 12 of 1995 Concerning Corrections, Correctional Institutions are then called Prison as a place to provide guidance for WBP / Prisoners. In Prison Prisoners try to be fostered by Prison and surrender their living rights to be managed by Prison. With this Prison has the authority or power to foster and regulate the lives of prisoners as long as they are in Prison through Prison officers.

The full treatment, which is controlled by Prison, results in prisoners feeling in control, even feeling restricted and experiencing a very deep sense of suffering. This can occur because of abuse or even to the exclusion of the rights that are the basis of the life of every human being (prisoners) while carrying out the formation in prison. In addition, conditions of treatment in the form of services for prisoners through prison officers, prison buildings that are not feasible, as well as inhuman acts that

Therefore, Prison officers must always have experience to deal with and resolve conflicts that are full of complexity and diversity that occur within Prison. Because of the human nature and ego some officers tend to handle conflicts violently and defeat others, but others handle conflicts in a way that is mutually respectful, thus creating a solution that satisfies each party. The main objective that is important in creating security and order in correctional facilities is of course how an officer can take preventive measures in a conflict that might occur given the problem that has always been a conversation from the past is violence against prisoners committed by officers. which of course this condition has the potential to cause conflicts where the effects of frustration and excessive pressure and inhumane acts on prisoners will tend to lead to potential riots in prison.

Taken an example from the incident in the North Sumatra Langkat Narcotics Prison which was damaged and burned by hundreds of prisoners on Thursday, May 16, 2019. The riots were triggered due to torture and mistreatment by 3 (three) officers against an inmate. A prisoner who saw the abuse was an inhumane act that triggered the anger of hundreds of prisoners in Langkat Narcotics Prison (Kompas Daily, 16 May 2019). In

addition, there was also the same violent treatment of prisoners in which Siak Prison officers who slapped a prisoner triggered other prisoners to become angry and riot and damage that led to the burning of the Siak Prison. However, there is one prison, namely the Cikarang Lap which in the 2016-2019 period has a clean record of riots and even has achievements in the skills of its inmates. So the question arises how the management of Cikarang Prison conflict management to regulate the lives of prisoners not to riot, but when viewed from the prison management conditions in which prisoners give up their life rights to be controlled by prison officers and the conditions of misery experienced by inmates as a result of the process of undergoing punishments should make them more likely to rebel through riots due to their natural response when depressed while serving criminal sentences in prison.

The phenomenon of riots in prisons is very interesting to do more in-depth research, if prisons are always a bad news especially when riots occur in prisons. Therefore, the author aims to identify the form of conflict management that is carried out by the Cikarang Prison in maintaining security and order and avoiding riots by inmates. From the description above, the author is interested in conducting research related to the conflict management strategy carried out by Prison in order to prevent riots in Cikarang Prison

2 LITERATURE REVIEW

According to Megginson, Mosley and Pietri (1986) Owens (1991) conflict management strategies can be resolved in two ways, namely:
1. Cooperation (cooperativeness.) I.e. is willing to achieve the wishes of other parties.
2. Assertiveness, namely the desire to achieve one's own needs (Supriyanto, Soetopo, & Bafadal, 2016)

Management in Rusdiana's book entitled Conflict Management: there is an understanding of conflict management is the process between the two parties or the presence of a third party that discusses strategies to get out of conflict and get the desired solution. Conflict management is intended to be an integrated and comprehensive process in determining the goals of an organization to deal with a conflict. Conflict management is related to the vision, strategy and culture of the conflict management organization used will relate to these three things. Conflict management is proactive and emphasizes prevention efforts. (Rusdiana, 2015: 170).

Rusdiana in the book Conflict Management, Conflict from Latin, which is configure, which means hitting each other. Sociologically, conflict is a social process between two or more people (groups), one party tries to get rid of the other party by destroying it or making it helpless. Conflict can also be interpreted as a social process in which there are differences in perception so that certain individuals or groups want to outperform or even get rid of competing individuals or groups. (Maryati-Suryawati, 2006: 54). Conflict theory sees society as a system of group competition, which illustrates the struggle to obtain basic material resources. The main factor in this struggle is the problems of social organization itself or human traits (Yemsil and Anwar-Adang, 2008: 71).

3 METHODOLOGY

The research approach used is a qualitative research method with primary and secondary data sources namely through interviews, observations and document studies in Class III Laps in Cikarang. In this writing the authors use descriptive data analysis techniques by describing the form of Prison conflict management strategies in order to prevent riots in Cikarang Prison. Qualitative data analysis is an effort made by working with data, organizing data, breaking it down into manageable units, licensing, searching and finding what is important and what is learned and then deciding what can be told. The analysis is carried out after the data needed in this study is collected. The analysis process of reading, studying, and analysing the data obtained regarding the implementation of strategies to improve the competitiveness of Muslim fashion traders. Furthermore, from the analysis process the authors draw conclusions from general problems to specific problems.

4 FINDINGS AND DISCUSSION

Some riots that occur in prison are caused by many factors, one of which is caused by differences in regional culture and the characteristics of each prisoner as well as friction between prisoners and officials such as the

result of misunderstanding, differences of opinion, rivalry of power between prisoners, lack of cooperation due to authority and the responsibility of Estu Miyarso). Besides that, there is also psychological pressure due to restrictions on certain rights and limitations on freedom of movement.

So in this study the researchers sought to find out the form of conflict management approach undertaken by the Cikarang prison in order to prevent riots in prison.

Seeing the Cikarang prison which has a good track record and was not involved in the riot case for quite a long time, the training carried out certainly seemed to go well. Based on news reports about the riots in Penitentiary in Indonesia during the 2016-2019 period, there were no cases of riots that occurred at the Cikarang Penitentiary. With what happened to the Cikarang Prison shows the existence of the Cikarang Prison which has a very good conflict management approach so that it can become a pilot Prison for other Prisons, especially in the field of coaching that is carried out by the Prison getting appreciation by high-level leadership.

This does not mean that the life of prisoners in the Cikarang Prison does not feel the suffering experienced by inmates while in the Cikarang Prison. Every organization must have a problem, but it is just as explained above that conflict management is proactive and puts pressure on prevention efforts. (Rusdiana, 2015: 170). Therefore, of course there are certainly things that can lead to potential conflicts, this is in line with Lewis Coser's statement (1913-2003) that conflicts tend to develop among people who are in close relations. As for this matter, it was found in Cikarang Prison when conducting research that researchers still found acts that were generally the same as being carried out in other prisons who experienced riots in their prisons. One of them is violence committed between fellow inmates or between Prison officers against prisoners. For example, there is one prisoner in Cikarang prison named Agus. He received treatment that he never imagined would happen in his life when he was in prison.

"I am often treated arbitrarily, have been beaten up, told to masturbate using toothpaste (toothpaste), washing clothes, and the most I do not like when I was told to drink water from the mouth of my roommate. The first time I was placed in a room full of people, maybe one room could only be filled with 10 people, but in that room I had to stay with 50-60 people, I never thought I should push while in that room, it's hard to put things, let alone get enough rest. According to one officer, this is something that is always experienced by new inmates in Cikarang Prison. Because in this room we are given a different treatment from prisoners who have been in prison for a long time. It was like we could not get a visit from family, because we could not get out of the room (cell) for 2 weeks. Not to mention that the officers who gave us treatment were also different from the old prisoners, we got rough and unfriendly treatment given by prison officers, while the officers gave more friendly treatment to old prisoners. This made us feel very miserable during our early years while in prison "(explained on 10 November 2019 by Agus).

Agus suffered his suffering when he became a new inmate in the Cikarang prison. Not only by fellow inmates, but this is also done by Prison officers who give unpleasant treatment at the beginning of serving prisoners. In the initial stage of coaching or orientation, Agus experiences suffering in the form of violence, inhospitable treatment by officers, and even the loss of rights that prisoners should have. In addition, new inmates will get different treatment in the form of more stringent supervision carried out to the maximum with limited rights and fully controlled by officers.

In the admission stage of Cikarang prison orientation, Agus is monitored with a maximum level of security. The violence was not only done by Prison officers, but by prisoners who had been in the Cikarang prison for a long time. Agus experience shows that Prison is an institution that regulates the overall control of prisoners' lives in Prison.

The conditions carried out by the Cikarang Prison are trying to show power over the lives of prisoners by allowing the violence received by new inmates. So that the omission of violence received by prisoners in the early stages of coaching aims to facilitate the prison in conducting coaching for prisoners in the future.

The violence experienced by Agus during the orientation admission showed that there was a relationship between fellow prisoners. Old prisoners who tried to maintain their power, tried to show their power over new prisoners by force. Thus, conflict can also be interpreted as a social process where there are differences in perception so that certain individuals or groups want to outperform or even get rid of competing individuals or groups. (Maryati-Suryawati, 2006: 54). Conflict between old and new inmates is a form of conflict that is a threat. The conflict shows the old prisoners who consider the new prisoners to interfere with the old prisoners' group power. The old group of prisoners also conduct conflict management in the form of negotiations so that their interests within are still fulfilled despite changes (the arrival of new prisoners) in their groups.

There are indications that in Cikarang Prison there are groups of prisoners who have power over other groups of prisoners. This situation results in social conflicts that can facilitate the self-sufficiency of new prisoners to the old group of prisoners. Conflict situations like this do not recognize social problems and structures, because when in prison all the same is someone who is undergoing a criminal period. While adaptation according to Dhami, Ayton and Loewenstein (2007) in a book entitled "Prison Culture: Understanding and Implementing" by Josias Simon R. explains that adaptation in prisons is a function of the use of time in prison and the quality in prisons which is influenced by: first, is how to use the time while there. Second, adaptation cannot be separated based on a reflection of a person's characteristics before entering prison (Simon, 2012). Through adaptation will cause a balance between certain groups among prisoners.

The leader is an important factor in determining an appropriate conflict management strategy and can be applied to anticipate friction that results in security and order disturbances in correctional institutions from various sides as follows:

1. Coaching

Through coaching conducted by the Cikarang Penitentiary, prisoners are given openness in the form of information services, complaints, complaints about various problems that prisoners experience while they are in residential cells. Guidance conducted by the Cikarang Prison still leads to potential conflicts. The personal approach taken by prisoners towards officers shows that there are still conflicts individually within the prison.

This familial approach shows that there is a special relationship between officers and prisoners in the context of managing conflicts in prison. Prison strives to understand the situation that there are a number of interests needed by each group of prisoners, so that conflict based on interests can be reduced in number according to Leavit, HJ, that conflicts can be overcome by approach through negotiations capable of producing negotiations to reach agreement on the basis of understanding will result in a certain conflict resolution.

2. Prisoners' Activities

During the criminal period in prison, a series of activities will be implemented which aim to eliminate the fatigue and boredom that will occur in prison. So that Cikarang Prison seeks to hold activities that attract the prisoners themselves to be able to participate in activities while in prison.

Cikarang Prison provides every prisoner the opportunity to manage the emphasis on potential conflicts in Prison by actively participating in activities by expressing themselves. This is in line with Coser's opinion which states that giving an effort to express themselves for individuals or social groups to rise in a particular social structure can provide social balance. This depends on how the expression of individuals and social groups themselves. (Coser & Rosenberg, 1976). Efforts to avoid riots in the Cikarang prison are very important because the number of prisoners in the Cikarang prison is more than 1000 (one thousand) inmates.

The leniency felt by inmates is a form of control over conflicts carried out by the Cikarang prison. In the selection of prisoners who carry out activities outside prisons, they do not have certain criteria, but only prisoners who have served 2/3 of a criminal period and are well-behaved. When a formal regulation is deemed not optimal in managing a potential conflict, an informal agreement based on Prison culture becomes the media to suppress the potential conflict. The agreement made between Cikarang Prison officers and their prisoners to maintain Prison behaviour patterns that are in accordance with Prison culture or make negotiations based on mutual understanding bring conflicting social groups towards conformity. (Simon, 2012).

"... these are prisoners who are carrying out assimilation of prison outside work who have served 2/3 of the criminal period and are well behaved in prison. Yes we are prisoners who have long served a criminal period because they do not have the thought to run away as well, we also choose prisoners who are close to officers so that they can be easily trusted .. "(explained Prison officers on November 10, 2019).

By giving certain legal leniency when inmates undergo activities outside the Cikarang Penitentiary, they try to suppress potential conflicts. This allowance is made by Prison to prisoners as a management that avoids conflict (Deutsch & Coleman, 2000). In line with Coser's opinion, saying that a ban on the efforts of a social group to express its social goals within a particular community structure (Prison) will lead to conflict. The function of the conflict itself depends on how the expression is carried out (Coser & Rosenberg, 1976).

3. Resettlement Room

In an effort to create safe conditions in prison, Cikarang prison regulates the placement of all prisoners based on certain individual characteristics. Just as if there are new prisoners who come from tribes other than the

Sundanese, namely the Ambon Tribe, it is likely that there will be a potential conflict between inmates if the new prisoners are placed in a room with old prisoners from the same tribe. So the Cikarang Prison separates the prisoners into different residential blocks.

"... so that they do not feel different from the others because the prisoners are not native Sundanese tribe, so we designate to be the head of the room ..." Explanation of Mr. Daryoko, Kamtib Staff in Cikarang Prison.

Room leaders are used in prison by making one of the prisoners' representatives to be leaders who are responsible for the conditions in the occupied rooms. Election of chair of the rooms is done through agreement from other room occupants. So that the election of the room chief by other inmates makes the room chief as an extension of the officer with good relationship skills with the officer. So when one day a problem occurs in one prison room, the room leader will report everything to the Prison officer. For example, when the apple and daily check the number of prisoners, a room leader will tell the state of the room and the amount of contents in the room occupancy. Accordingly, by choosing a room chief from a different ethnic prisoner from another inmate or a minority will make the prisoners not feel differentiated and the result turns out they can maintain good relations with other inmates as well as towards officers.

Correspondingly, it can be said that there are two different groups in the context of new inmates coming from Ambon and the majority group of prisoners who are Sundanese. According to Coser, there are always groups that try to take power in a social structure (Coser & Rosenberg, 1976). In this context, Prison officers give authority so that one of the social groups gets power in the social structure of prisoners within the prison block. Coser also added that efforts to prevent a group of people from raising their strata in the social structure would actually eliminate social balance. In addition, Prison believes that having a minority of rooms in a minority does not create a potential conflict.

While the mismatch of prisoners' room placement can be submitted to the officer. So with the request on the basis of incompatibility that can make the potential for conflict with inmates can be the basis for consideration of officers moving prisoners' rooms. It can be said that there is a relationship between prisoners and prison officers related to the grouping of prisoners that leads to the regulation of potential conflicts. Deutsch himself considers hali like this as a negotiation of conflict resolution, so that the approach of officers with prisoners creates conflict management in the prisoner's social environment (Deutsch & Coleman, 2000).

5   CONCLUSION

The Cikarang Class III Penitentiary can maintain security which has the potential to cause a riot through conflict management that is applied in regulating the lives of prisoners. Prisoners' groups tend to have a large potential for conflict and can occur at any time. However, by optimizing conflict management, it can reduce the potential for riots within prison. Conflict management arrangements applied by Prison by internalizing the values and patterns of behaviour expected by Prison officers when prisoners undergo a criminal period in Prison.

Conflict management conducted by the Cikarang Prison is also by building relationships (relations) between Prison officers and inmates and fellow prisoners. The effort was made to be a step to control the conflicts that exist in prisoners. By grouping inmates that have been identified in such a way, so as to build a social structure that can be controlled by Prison.

Cikarang Penitentiary seeks to protect groups who want to control the lives of other prisoners in Prison by regulating the powers of other prisoners, for example through the appointment of a room chief. In addition, Cikarang Prison continues to strive to create social balance within Prison. This is considered important and must always be well maintained. Therefore, Prison does not only use formal regulations in controlling the behaviour of prisoners. If it is considered that there are formal regulations that can cause conflict, Prison will use informal agreements to control social balance within Prison. In addition, optimal conflict management through social relations between officers and inmates as well as fellow inmates will lead to social balance. Social balance is a condition that can be controlled by Prison to avoid riots. Then, this social balance is maintained in a culture in prison and becomes a pattern of prisoners' behaviour in prison.

Suggestion

Cikarang Prison can be said to be able to create conflict management in accordance with the expectations of the Prison in order to avoid riots within Prison. The application of social values in fostering, managing conflicts and emphasizing various potential conflicts is sought by the Prison so that prisoners are always under the control

of the Prison. However, the current conditions in the Cikarang Penitentiary do not mean that they are always safe for the following years.

Various improvements must always be done by the Cikarang Prison in order to continue to be able to maintain safe conditions. The Human Resource (HR) factor is a major problem for Cikarang Prison. The lack of competent and integrity HR is the most basic factor for the root of the riot problem. Consequently, Cikarang Prison must always provide Education and training to Prison officers to have competence and integrity with their duties and to continue to understand and understand the creation of safe conditions and avoid riots.

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COMPARATIVE ANALYSIS BETWEEN LOCAL AND EXPATRIATE CONSUMERS (CASE STUDY: LITTLE KICKERS INDONESIA)

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Abstract   : *Education is not only gained through a formal system but education can be gained through non formal ways. One kind of education that is important is Physical Education. Physical education is very important to have in both in and out of school. This shows that even though there are changes in educational curriculums, physical education is still a mandatory subject taught at schools. This research aims to determine the effect of price, location, and perceived value on purchase decision and to find out the difference of the influence of price, location, and perceived value on purchase decision between local and expatriates consumers at Little Kickers Indonesia. Survey of this research was conducted to all consumers in Little Kickers Indonesia at Kemang and Alam Sutra branch with total respondents is 82 people, with total of local and expatriate consumers for each are equal to 41. The results of this research show that price, location, and perceived value have a significant influence on purchase decision simultaneously both from local and expatriate consumers. The results of the comparative analysis show that only price variable that has significant differences which are tested between local and expatriate consumers in Little Kickers..*

1   INTRODUCTION

Education is not only gained through a formal system but education can be gained through non-formal ways. Education is not only gained through a formal system but education can be gained through non-formal ways. One kind of education that is important is P.E. (Physical Education). Physical education is an education process that uses sports as an educational tool. Physical education is very important to have in both in and out of school. A phenomenon which quoting from a research report titled "Physical Activity in the Early Years" (2015), children under five who can walk should be physically active for 180 minutes (3 hours) a day, including all activity intensities from light through to vigorous activity. However, the current level of physical activity in England shows that 91% of children aged 2-4 years do not meet the physical activity recommendations and 84% of children aged 2-4 years engaged in low levels of physical activity, classified as less than one hour per day.

From the phenomenon above, physical activity is very important especially for younger children that are more prone to diseases. One way of raising a child's interest to do physical activities, parents can sign their children for childcare or other institutions that provide a range of physical activities. In Indonesia, one example of a non-formal institution that provides physical activities for children is Little Kickers. Little Kickers is a franchise company that focuses on physical activities for children through football. In 2017, there was a price increase for NIS (Kemang) and SPARTAN (Alam Sutera) branches about 19%. According to Little Kickers Indonesia, Alam Sutera's venue did not have a significant development compared to Kemang after the price raise. And there is a significant difference in revenue between the venue of Alam Sutera and Kemang during 2017. The impact if the problem is not finished is that it will cause the revenue of Alam Sutera to not reach its target. Based on the illustration above, authors are interested to conduct a research to find out how price, location, and perceived value influence the level of local and expatriate consumers' purchase decision on services in Little Kickers Indonesia.

2 METHODOLOGY

In this research, authors were using quantitative methods with primary data. All the data in this research were taken from questionnaire with Likert scale for the measurement scale. The research design that was used in this research was associative and comparative. For the associative analysis authors used Multiple Linear Regression and for the comparative analysis authors used Independent Sample T Test. In this research, authors used non-probability sampling and quota sampling with the sample size of 82. From 82 samples, the author divided it into two samples to become 41 local consumers and 41 expatriate consumers to use the Comparative Test or Independent Sample T Test.

3 FINDINGS AND DISCUSSION

Little Kickers Indonesia is an early years sports education service providing soccer lessons for children aged 18 months until 7 years old. Little Kickers started in the UK in 2002. Christine Stanschus was living in London at the time and spotted a gap in the market when trying to find pre-school football classes for her son. Little Kickers Indonesia kicked off at the first venue in Kemang, South Jakarta. With a network of 1,500 coaches and 225 franchises in 32 countries. Little Kickers is now the world's biggest pre-school football academy.The profile of local respondents based on the level of classes that mostly use the services of Little Kickers Indonesia is the parents of the students who are in the level of Mighty Kickers.

According to Sekaran and Bougie (2016:72) theoretical framework represents your beliefs on how certain phenomena (or variables or concepts) are related to each other (a model) and an explanation of why you believe that these variables are associated with each other (a theory). Sekaran and Bougie also stated there are some process of building a theoretical framework includes:

1. Introducing definition of the concepts or variables in your model.
2. Developing a conceptual model that provides a descriptive representation of your theory.
3. Coming up with a theory that provides an explanation for relationships between the variables in your model.

Below is a figure of theoretical framework which used in this research:
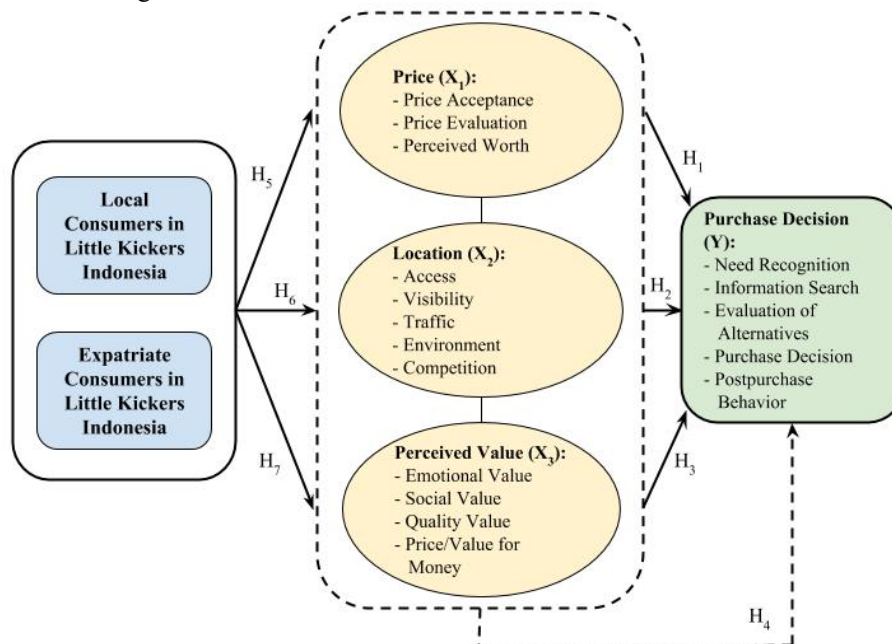
Figure 1. Theoretical Framework

Analysis of Local Consumers

Table 1. Normality Test

Variables	Sig.	Symbol	Alpha	Decision
Price	0.069	≥	0.05	Normal
Location	0.169	≥	0.05	Normal
Perceived Value	0.134	≥	0.05	Normal
Purchase Decision	0.301	≥	0.05	Normal

Table 2. Multicollinearity Test

Variables	Tolerance	VIF	Decision
Price	0.595	1.680	There is no multicollinearity
Location	0.496	2.016	There is no multicollinearity
Perceived Value	0.548	1.826	There is no multicollinearity

Based on the results of multicollinearity test above, there is no multicollinearity on all the variables because all the Tolerance values are above 0.10 and all the VIF value are below 10.

Table. 3 Multiple Linear Regressions of Local Consumers

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19.225	3.783		5.083	.000
	TotalPrice	.586	.239	.359	2.456	.019
	TotalLocation	.388	.276	.225	1.406	.168
	TotalPValue	.456	.263	.265	1.736	.091

Based on the table above, the results of multiple linear regression in this study obtained the regression equation of variable price, location, and perceived value of purchase decision for local consumers are as follows:

$$Y = 19.225 + 0.586X1 + 0.388X2 + 0.456X3 + e$$

This indicates if there is increases of 1 score on the variable Purchase Decision then the value of the variable Price will experience an increase of 0.586. Coefficient value of the Location variable is positive value of 0.388. This indicates if there is an increase of 1 score on the variable Purchase Decision then the value of the Location variable will experience an increase of 0.388. Coefficient value of Perceived Value variable is positive value of 0456. This indicates if there is an increase of 1 score on the variable Purchase Decision then the value of the variable Perceived Value will experience an increase of 0.456. Based on the table above, the results of partial hypothesis testing known that Price variables affect the variable purchase decision. This is because the significant value of the variable Price less than 0.05 is 0.019. In the Location variable, the results of partial hypothesis testing known that the Location variable does not affect the variable purchase decision. This is because the significant value of the Location variable is more than 0.05 which is 0.168.

In Perceived Value variable, the result of partial hypothesis testing is known that Perceived Value variable has no effect on variable purchase decision. This is because the significant value of Perceived Value variable is 0.05 that is 0.091.

Table 4. F Test (Simultaneous Test) of Local Consumers

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	958.579	3	319.526	13.814	.000[b]
	Residual	855.860	37	23.131		
	Total	1814.439	40			

Based on the table above, the significance value of F Test in this study is of the amount of which is < 0.05. It shows that all independent variables used in this study (Price, Location, and Perceived Value) are simultaneously influencing the dependent variable (Purchase Decision).

Analysis of Expatriate Consumers

Table 5 Normality Test of Expatriate Consumers

Variables	Sig. value	Symbol	Alpha	Decision
Price	0.138	$\geq$	0.05	Normal
Location	0.407	$\geq$	0.05	Normal
Perceived Value	0.157	$\geq$	0.05	Normal
Purchase Decision	0.184	$\geq$	0.05	Normal

Distribution of normal data, if the data has a significant value more than 0.05 and all the significant value variables above are more than 0.05.

Table 6 Multicollinearity Test of Expatriate Consumers

Variables	Tolerance	VIF	Decision
Price	0.410	2.436	There is no multicollinearity
Location	0.423	2.366	There is no multicollinearity
Perceived Value	0.603	1.658	There is no multicollinearity

Based on the results of multicollinearity test above, there is no multicollinearity on all the variables because all the Tolerance values are above 0.10 and all the VIF value are below 10.

Table 7 Multiple Linear Regressions of Expatriate Consumers

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9.466	3.203		2.955	.005
TotalPrice	1.177	.253	.578	4.649	.000
Total Location	.161	.223	.089	.723	.474
Total PValue	.603	.197	.315	3.068	.004

Based on the table above, the results of multiple linear regression in this study obtained the regression equation of variable price, location, and perceived value of purchase decision for expatriate consumers are as follows:

$$Y = 9.466 + 1.177X1 + 0.161X2 + 0.603X3$$

This indicates if there is an increase of 1 score on the variable Purchase Decision then the value of the variable Price will experience an increase of 1.177. Coefficient value of the Location variable is positive value

of 0.161. This indicates if there is an increase of 1 score on the variable Purchase Decision then the value of the Location variable will experience an increase of 0.161. Coefficient value of Perceived Value variable is positive value of 0603. This indicates if there is an increase of 1 score on the variable Purchase Decision then the value of the variable Perceived Value will experience an increase of 0.603. In the Location variable, the results of partial hypothesis testing known that the Location variable does not affect the variable purchase decision. This is because the significant value of the Location variable is more than 0.05 which is 0.474. In the Perceived Value variable, the result of partial hypothesis testing is known that the Perceived Value variable influences the variable purchase decision. This is because the significant value of Perceived Value variable less than 0.5 which is 0.004.

Table 8 F Test (Simultaneous Test) of Expatriate Consumers

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1486.279	3	495.426	40.224	.000[b]
Residual	455.721	37	12.317		
Total	1942.000	40			

Based on the table above, the significance value of F Test in this study is of the amount of which is < 0.05. It shows that all independent variables used in this study (Price, Location, and Perceived Value) are simultaneously influencing the dependent variable (Purchase Decision)

5 CONCLUSION

Based on data that has been described in the results of research and discussion in the previous chapter, the conclusions can be drawn from the results of this study are as follows, for local consumers analysis at Little Kickers Indonesia, Price (X1) has a significant influence towards Purchase Decision (Y) with value of 0.586 point. In the other way, for expatriate consumers at Little Kickers Indonesia, Price (X1) also has a significant influence on the Purchase Decision (Y) with value of 1.177 point. For the local consumers at Little Kickers Indonesia, Location (X2) has no significant influence towards Purchase Decision (Y) with value of 0.388 point.This also occurs in the analysis of expatriate consumers in Little Kickers Indonesia that Location (X2) also does not have a significant influence toward Purchase Decision (Y) with value of 0.161 point. For the local consumers at Little Kickers Indonesia, Perceived Value (X3) has no significant influence towards Purchase Decision (Y) with value of 0.456 point. This is the opposite of the analysis of the expatriate consumers in Little Kickers Indonesia that Perceived Value (X3) has a significant influence towards Purchase Decision (Y) with value of 0.603 point. For the analysis of local and expatriate consumers at Little Kickers Indonesia, Price (X1), Location (X2), and Perceived Value (X3) have a significant influence toward Purchase Decision (Y) simultaneously with Sig. value for both local and expatriate consumers is 0.000. This is seen after the t test (simultaneously) on the SPSS which gives a positive result because the significant value is less than 5% (Ha accepted). In the comparative analysis, only the Price variable (X1) that has a significant differences between local and expatirate consumers in Little Kickers Indonesia. Then for the Location variable (X2) and Perceived Value variable (X3), there are no significant differences between local and expatriate consumers in Little Kickers Indonesia. This is evidenced by the significant (2-tailed) value of Price variable (X1) is 0.034 which means it is less than 0.05 and significant (2-tailed) value of the Location (X2) is 0.307 and Perceived Value (X3) is 0.212 which means they are more than 0.05.

Recommendation

Considering the results of the analysis and discussion in the previous chapter, suggestions that can be given to Little Kickers Indonesia with the influence of Price (X1), Location (X2), and Perceived Value (X3) toward Purchase Decision (Y), are expected to be is a consideration for a better marketing strategy for services offered by Little Kickers Indonesia, to Little Kickers Indonesia is expected to reconsider the cost or price offered to all customers both local and expatriate. This is because price is able to be one of the most influential factors on consumer purchasing decisions. Furthermore, for the location and perceived value variable does not have a

significant influence on partial consumer purchasing decisions while in the expatriate consumer's only variable perceived value which has a significant influence on purchasing decisions partially. Little Kickers Indonesias' locations are strategic according to the research survey so it is recommended that Little Kickers Indonesia keeps on operating at its strategic locations and Little Kickers Indonesia must maintain its service quality in order to maintain perceived value for expatriate consumers and can create perceived value for local consumers so as to improve purchasing decision.Based on the results of independent samples t test in this research, there is a significant difference of the influence of price towards consumers purchase decision between local and expatriate consumers in Little Kickers Indonesia. So, the company should care about the price since only price that has a significant difference and the mean value for the local consumers is lower than the expatriate consumers.

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FACTORS AFFECTING THE VALUE OF COMPANIES IN THE FOOD AND BEVERAGE COMPANIES LISTED ON BEI

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Abstract : *The increasing number of companies in the era of industrialization today, requires companies to be able to compete in national and international markets. One good company can be seen from the value of the company, maximizing company value means increasing company performance in order to achieve the company's vision. The purpose of this research is to find out whether the influence between capital structure (DER), profitability (ROA), liquidity (CR), company growth and company size on firm value. The population in this study is the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange in the 2015-2018 period. The sample in this study were 11 companies that met the criteria in the study. Data analysis technique used is multiple linear regression. The results showed a significant influence is capital structure and profitability. The benefit of this research is to provide additional information to researchers who will develop knowledge in the field of financial accounting.*

1   INTRODUCTION

The number of industries that currently exist requires companies to be able to compete in maximizing the value of their companies. Maximizing the value of the company is to increase revenue and minimize the amount of this expenditure for the purpose of prospering the shareholders that must be achieved by the company. Companies are categorized as good if their resources are abundant and this is a positive value for investors. A company with high corporate value reflects a company with a good financial position (Andini & Wirawati, 2014). There are several factors that can affect the value of the company including capital structure, profitability, liquidity, company growth and company size. In maximizing the value of the company management is required to be able to know and fix the weaknesses that exist in the company. What should be done so that the company can attract the attention of investors to invest their capital in the company.

Empirical results from Safrida (2016) prove that capital structure has a positive and significant effect on firm value. This means that companies use more equity as a source of use of funds rather than using debt so that it affects the increase in firm value. However, this research is not in line with research conducted by Dhani & Utama (2017) that capital structure has no effect on firm value. Information about the company's capital structure can not be used as a benchmark predicting the value of the company, which means that the higher the capital structure is not too influential in increasing the value of the company.

Mardiyati et al (2012) states that profitability has a significant positive effect on firm value. High profit will give an indication of a good company prospect so that it can attract investors to join and invest in the company. The increasing demand for shares will cause the value of the company to increase. This study is not in line with research conducted by Rahayu & Sari (2018) which states that profitability has no effect on firm value. Research conducted by Anggarwal & Padhan (2017) shows that liquidity affects company value. This is not in line with research conducted by Lubis et al (2017), that liquidity has no effect on firm value.

Research conducted by Suryandani (2018) found that company growth had a significant positive effect on firm value. Because the magnitude of changes in total assets in the study year is greater than the previous year. This is not in line with Safrida's (2016) study that company growth has no effect on firm value.

Research conducted by Pratama & Wiksuana (2016) found that company size had a significant positive effect on firm value. However this is not in line with research conducted by Rumondor et al (2015) that company size has no effect on firm value.

Based on some of the studies described above there are inconsistent results. Based on some of the studies described above there are inconsistent results. So this study intends to examine "Factors Affecting Company Value in Food and Beverage Companies Listed on the IDX".

2   LITERATURE REVIEW

Stakholder Theory

Stakeholder theory is a theory which states that a company must be able to provide benefits to all its stakeholders, this is because the company is not an entity that operates for the benefit of the company's life itself (Ghazali and Chairiri, 2007). Each stakeholder has the same right in obtaining information on activities that occur in the company, such as shareholders, government, creditors, the community, and other parties who have an interest. For the survival of the company requires support from stakeholders because it can help the management in minimizing losses stakeholders and create value for the company

Company Value

Company value is the market price paid by prospective buyers at the time the company issues its shares on the capital market, an indicator of the value of the company being traded on the stock exchange is in the form of stock prices (Husnan, 2014). According to Hermuningsih (2013) the value of a company is closely related to stock prices because when stock prices rise this gives a positive signal to investors of the company's success. High stock prices increase market confidence in company performance and this also has a good impact on the company's future so that the company's value will increase.

Capital Structure

Capital structure reflects the balance between debt and equity owned by the company if the company requires large funds, it needs assistance from external parties for the business development process (Riyanto, 2015: 22). Rasiao used to measure the Capital Structure is Debt to Equity Ratio (DER).

Profitability

Profitability is the net profit generated by a company from its operational activities (Soliha and Taswan, 2002). Profitability illustrates the level of success of a company's management in generating profits so as to foster good trust in investors. This must be maintained and improved.

Liquidity

According to Mamduh (2004), liquidity means the company's ability to pay short-term obligations that must be paid immediately or when due. Liquidity can be used as a measure for companies to pay their bills on time. A liquid company if able to pay all its debts on time so that the company is said to be good. The ratio used to measure liquidity is the current ratio. If this ratio gets bigger the better the company's ability to pay off its debt in a timely manner.

Company Growth

According to Machfoedz (2007), growth (growth) is how far the company can place itself in a good economic share in the same industry. Usually companies with good growth have large assets or resources and also perform well.

Company Size

According to Safrida (2016), company size is able to influence firm value. The size of the company is the company's balance from the number of sales generated and overall assets. The bigger the company, the easier it will be to obtain funding sources.
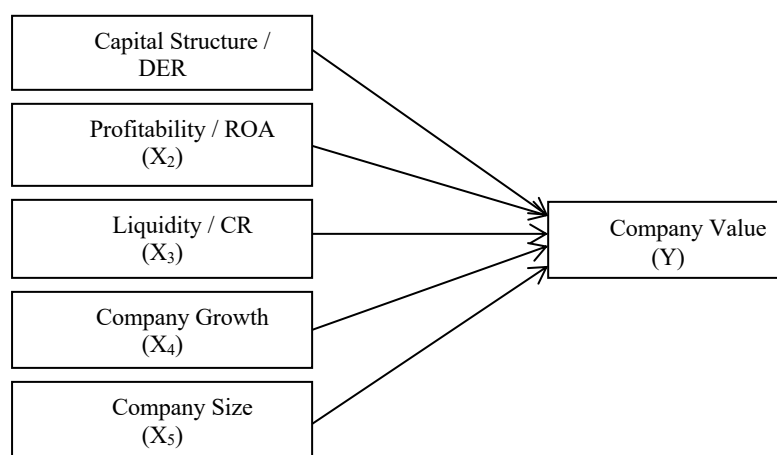
Figure 1. Research Framework

Effect of Capital Structure on Company Value

Safrida's research results (2016) show that capital structure influences firm value. While the research conducted by Lubis et al (2017) obtained the results that the variable capital structure does not affect the value of the company, so the researchers formulated the first hypothesis as follows:

H1: Capital Structure Influences Company Value

Effect of Profitability on Company Value

Mandey et al (2017) research results show that profitability affects firm value. While Rahayu & Sari's research (2018) shows that profitability has no effect on firm value, so researchers formulate the second hypothesis as follows:

H2: Profitability Influences Company Value

Effect of Liquidity on Company Value

Research conducted by Anggarwal & Padhan (2017) provides the result that liquidity has an effect on firm value. While the results of Zuhroh's research (2019) variable liquidity has no effect on firm value, so researchers formulate the third hypothesis as follows:

H3: Liquidity Influences Company Value

Effect of Company Growth on Company Value

Research conducted by Dhani & Utama (2017) gives the results that company growth influences company value. Meanwhile, according to Safrida (2016) concluded the results of his research that the variable company growth does not affect the value of the company, so researchers formulated the fourth hypothesis as follows:

H4: Company Growth Influences Company Value

Effect of Company Size on Company Value

Research conducted by Anggarwal & Padhan (2017) firm size variables affect firm value. Whereas Purwohandoko's research (2017) found that company size had no effect on firm value, so the researchers formulated the fifth hypothesis as follows:

H5: Firm Size Influences Company Value

3 METHODOLOGY

This research is a quantitative study that uses data analysis with statistical characteristics with the aim to test the hypotheses determined and the variables studied are Capital Structure (X1), Profitability (X2), Liquidity (X3), Company Growth (X4) and Firm Size against Value Company. The data source used in this study is secondary data in the form of financial statements of food and beverage manufacturing companies listed on the Indonesia Stock Exchange during the period 2015-2018. Research instrument in the form of documentation. The

population in this study Food and beverage companies listed on the Stock Exchange during the 2015-2018 period. In the selection of samples using a purposive sampling method. The data analysis method used is multiple linear regression.

The multiple linear regression model is as follows:
Multiple Linear Regression Analysis Test

$$Y = \alpha + \beta DER + \beta ROA + \beta CR + \beta TAGR + \beta Size + e$$

Information :
Y   : Company Value
A   : Constants
DER   : Capital Structure
ROA   : Profitability
CR   : Liquidity
TAGR   : Company Growth
Size   : Company Size
e   : error

Table 1. Measurement of Research Variables.

Variables	Measurement
Company Value (Y)	PBV
Capital Structure (X1)	DER
Profitability (X2)	ROA
Liquidity (X3)	CR
Company Growth (X4)	TAGR
Company Size (X5)	Total Asset

4   FINDINGS AND DISCUSSION

Descriptive Statistics Test

Table 2. Descriptive Statistics

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
PBV	44	0,21	30,17	4,9648	7,36207
DER	44	0.16	1,77	0,8347	0,46569
ROA	44	0.01	0,53	0,1236	0,10927
CR	44	0,58	8,64	2,5893	1,90928
TAGR	44	0,00	0,62	0,1528	0,12952
Size	44	26,66	32,20	29,0138	1,49436
Valid N (listwise)	44				

Based on the results of descriptive statistics in table 4.4, the number of observational data is 44. PBV variable with a minimum value of 0.21, a maximum value of 30.17, with an average value of 4.9648, and a standard deviation of 7, 36207. DER variable with a minimum value of 0.16, a maximum value of 1.77, with an average value of 0.8347 and a standard deviation of 0.46569. ROA variable with a minimum value of 0.01, a maximum value of 0.53, with an average value of 0.1236, and a standard deviation of 0.10927. The CR variable with a minimum value of 0.58, a maximum value of 8.64, with an average value of 2.5893, and a standard deviation of 1.90928. TAGR variable with a minimum value of 0.00, a maximum value of 0.62, with an average value of 0.1528, and a standard deviation of 0.12952. Size variable with a minimum value of 26.66, a maximum value of 32.20, with an average value of 29.0138, and a standard deviation of 1.49436.

Model Feasibility Test

Table 3. F test

F value	F Table	Sig.	Standard	Decision
52,644	2,612	0,000	< 0,05	Model Accepted

These results indicate that F value> F table (52,644> 2,612) and a significance value of 0,000 which means less than 0.05 (0,000 <0.05), it can be concluded that the regression model is feasible and influential simultaneously.

Hypothesis Test

Table 4. T test

Hypothesis	T value	T table	Sig.	Standard	Decision
H1	2,163	2,024	0,037	< 0,05	Accepted
H2	13,085	2,024	0,000	< 0,05	Accepted
H3	-1,833	-2,024	0,075	< 0,05	Rejected
H4	0,610	2,024	0,546	< 0,05	Rejected
H5	0,019	2,024	0,985	<0,05	Rejected

Based on the results of the t test above shows that H1 and H2 are accepted, which means DER and ROA affect the PBV. While H3, H4 and H5 are rejected which means CR, TAGR and Size have no effect on PBV.

Coefficient of Determination

Table 5. Determination Coefficient Test

Adjusted R Square	Conclusion
0,857	Influence 85,7%

The results of the coefficient of determination (Adjusted R^2) test showed that the independent variable in this study could explain the variation in the dependent variable of the firm's value of 85.7%. This can be seen from the Adjusted R Square value of 0.857. While 14.3% of the dependent variable firm value is influenced by other variables outside the model of this study.

Discussion

From the test results that have been done hypothesis 1 explains that DER has a positive and significant effect on PBV. The higher the DER value can increase PBV. This means that more companies use equity as a source of use of funds rather than using debt so that it affects the increase in the value of the company. These results are in line with research by Safrida (2016), Mandey et al (2017), Rahayu & Sari (2018) and Oktarina (2018).

Hypothesis 2 testing explains ROA positive and significant effect on PBV. With a high profitability ratio owned by the company will attract investors to invest in the company. The high investor interest has a positive impact so that it will raise stock prices and then the value of the company goes up. These results are in line with studies of Safrida (2016), Lubis et al (2017), Dhani & Utama (2017), Mandey et al (2017), Indriyani (2017), Suranto et al (2017), Dama & Tulung (2017), Anggarwal & Padhan (2017), Tahu & Susilo (2017), Oktarina (2018) and Zuhroh (2019).

Hypothesis 3 testing explains that CR has no effect on firm value. These results are in line with research by Lubis et al (2017), Tahu & Susilo (2017) and Zuhroh (2019) which states that CR has no effect on PBV. Due to the CR variable which is a comparison between current assets and current debt. If current assets increase, it means that there are funds that are not optimally utilized by the company, which results in the company not being able to optimally prosper the shareholders. So that PBV cannot increase.

Hypothesis 4 TAGR test results have no effect on PBV. These results are in line with research by Safrida (2016) and Purwohandoko (2017) which states that TAGR has no effect on PBV. From the results of the study

the increase in company growth does not affect the value of the company for investors. This means that information about the company's growth is not so important that it can be used as a reference in predicting the value of the company.

Hypothesis 5 size hypothesis testing results do not affect the PBV. This result is in line with research by Indriyani (2017) and Purwohandoko (2017) which states that size does not affect PBV. This is not in line with the theory which states that the larger the size, the easier it will be to obtain external funding. The possibility that can occur from the results of this study companies are more likely to like internal funding, so the size does not affect the use of external funding sources.

5   CONCLUSION

The purpose of this study is to determine the effect of DER, ROA, CR, TAGR and Size on PBV. By using a sample of 11 companies in a 4 year study period, 44 data were obtained. Based on the results of the regression analysis, the results show that DER and ROA affect PBV while CR, TAGR and Size do not affect PBV. This study has several limitations including, the research period in this study is only 4 years starting from 2015-2018. This research is only limited to food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange with the 2015-2018 research period. This study only examined 5 independent variables and one dependent variable. So it is estimated there are other independent variables that affect the value of the company. Company value in this study, only measured using PBV (Price Book Value). The suggestions for future researchers include, further researchers should expand the population in manufacturing companies listed on the IDX so that research results can be generalized to other sectors. For the next researcher, it is better to add or develop research variables related to company value such as dividend policy, investment policy, managerial ownership and institutional ownership. In measuring company value that is proxied by PBV, for further research other proxies such as Q-Tobin can be used.

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VALUE RELEVANCE & PREDICTIVE VALUE OF COMPREHENSIVE INCOME FROM ENTITIES LISTED IN ISE

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Keywords   : Comprehensive Income, Net Income, Value Relevance, Predictive Value.

Abstract   : *The increasing number of companies in the era of industrialization today, requires companies to be able to compete in national and international markets. One good company can be seen from the value of the company, maximizing company value means increasing company performance in order to achieve the company's vision. The purpose of this research is to find out whether the influence between capital structure (DER), profitability (ROA), liquidity (CR), company growth and company size on firm value. The population in this study is the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange in the 2015-2018 period. The sample in this study were 11 companies that met the criteria in the study. Data analysis technique used is multiple linear regression. The results showed a significant influence is capital structure and profitability. The benefit of this research is to provide additional information to researchers who will develop knowledge in the field of financial accounting.*

1   INTRODUCTION

The convergence of the International Financial Reporting Standards (IFRS) in Indonesia has an impact on the presentation of financial statements, one of which is the company's obligation to present a statement of profit or loss and other comprehensive income. This change requires companies to not only present net income, but also comprehensive income in their financial statements. The statement of profit or loss and other comprehensive income is different from the income statement because of the presentation of the company's comprehensive income. Comprehensive income considers all changes in equity, other than those caused by transactions with owners. It includes net income and other comprehensive income. Comprehensive income which consists of income and expense items (including reclassification adjustments) that is not recognized in the income statement, but which directly affects equity, is referred to as other comprehensive income (IAI, 2013).

IFRS convergence should be able to improve the quality of financial statements in Indonesia, which is illustrated by the quality of comprehensive income that is superior when compared to net income. This is consistent with the results of research from Biddle & Choi (2006) which states that comprehensive income improves the quality of financial statements. Conversely, according to Aldheimer & Huynh (2015), Dhaliwal et al., (1999), Păşcan (2014), it appears that comprehensive income does not improve the quality of financial statements when compared to net income.

This research is an explanatory research, where the aim of the research is to find out more about the quality of net income and comprehensive income, which is proxied by the value relevance and predictive value of both after IFRS convergence. Then, this research will compare the value relevance and predictive value of comprehensive income, which is presented in the financial statements after IFRS convergence, when compared to net income.

The results of this study indicate that both net income and comprehensive income have the quality of value relevance and predictive value. However, contrary to the objectives of the IASB regarding the establishment of IFRS, it is found that the value relevance and predictive value of net income is superior when compared to comprehensive income. So, it indicates that IFRS convergence in Indonesia has not been able to improve the quality of financial statements, especially related to the presentation of earnings.

In addition, from the robustness test conducted in this study, it is found that the component of comprehensive income that has a value relevance and predictive value is net income itself. If there is a significant component of other comprehensive income, it is only due to the specific period under study and the uncertain period of time. This shows that the value relevance and predictive value shown by comprehensive income mainly comes from the value relevance and predictive value of net income.

2   LITERATURE REVIEW

Earnings quality is one of the focus of financial statements, because they are used as a summary measure of firm performance by a wide range of users (Dechow, 1994). Alali & Foote (2012), Barth et al., (2008), Beest & Boelens (2009) and Liu & Liu (2007) in Cahyonowati & Ratmono (2013) state that high quality information in financial statements is indicated by a strong relationship between stock price / return and earnings and book value of the company's equity, or what is commonly referred to as value relevance. This is in accordance with research from Ohlson (1995). Ohlson (1995) proposed a model that reflect the price of a company in its share price, where the company's stock price is a function of the company's income and the book value of the company. Kothari & Zimmerman (1995) in their study stated that in addition to the price model, researchers can also use the return model to view information content from income. Dhaliwal et al. (1999) in his research found that net income and comprehensive income were both significant, whether on price or stock returns. Therefore, in this study both stock prices and stock returns are used as proxies to measure information content of income.

Meanwhile, according to Beest & Boelens (2009) and Dechow et al. (1998), the operationalization of the quality of financial statements is from its ability to predict the condition of the company in the future, which can be done by looking at the ability of the report to predict earnings and the company's ability to generate cash flow in the future. To measure the predictive value of income, the first proxy used is the ability of earnings to predict the company's operating cash flow. Fraser & Ormiston (2013) state that the operation of a business depends on its success to generate operating cash flow. That's why, operating cash flow becomes important in its function as an analytical tool to determine the financial health of a business. In relation to operating cash flow, a company's income can be used to predict the company's operating cash flow in the future, especially one year after the fiscal year. This is because one of the changes in income is influenced by changes in company sales, which basically will affect the company's operating cash flow in the next fiscal year. Dechow et al., (1998) also found that company's income is a good predictor of the company's operating cash flow in the following fiscal year.

The second proxy used to measure the predictive value of income is its ability to predict future income. Graham and Dodd (1951) in Frankel & Litov (2009) state that past records can be used as an initial basis for assessing the future. Finger (1994) states in her research that income is a significant predictor of future income. Based on the facts and theories above, the following hypotheses will be tested in this study:

H1: Presentation of net income illustrates the quality of financial statements, which is proxied from value relevance.
H2: Presentation of net income illustrates the quality of financial statements, which is proxied from predictive value.
H3: The presentation of comprehensive income illustrates the quality of financial statements, which is proxied from value relevance.
H4: The presentation of comprehensive income illustrates the quality of financial statements, which is proxied from predictive value.
H5: Presentation of comprehensive income significantly increases the quality of financial statements when compared to net income, which is proxied from value relevance.
H6: Presentation of comprehensive income significantly improves the quality of financial statements when compared to net income, which is proxied from predictive value.

3   METHODOLOGY

This research is a basic research that aims to develop general knowledge about the quality of net income and comprehensive income, with value relevance and predictive value as a proxy, and to test which one is superior. The paradigm used is a quantitative approach.

The data used in this study are secondary data in the form of financial statements that have been published by companies listed on the Indonesia Stock Exchange (IDX) based on the IDX Fact Book except for financial sector companies, along with the company's stock prices for the period 2011-2014. Data obtained from the official website of the IDX and Yahoo! Finance with non-probability sampling as sample selection techniques, namely purposive judgmental sampling, the number of samples used in the study is 172 to 271 firm-years, depending on the regression model.

The model used in this study adopted the model in the study of Dhaliwal et al. (1999), namely:

a. To test H1:

$$P_t = \alpha_0 + \beta_1 * NI_t + \varepsilon_t \quad \text{(1)}$$
$$R_t = \alpha_0 + \beta_1 * NI_t + \varepsilon_t \quad \text{(2)}$$

b. To test H2:

$$CF_{t+1} = \alpha_0 + \beta_1 * NI_t + \varepsilon_t \quad \text{(3)}$$
$$NI_{t+1} = \alpha_0 + \beta_1 * NI_t + \varepsilon_t \quad \text{(4)}$$

c. To test H3:

$$P_t = \alpha_0 + \beta_1 * COMP_t + \varepsilon_t \quad \text{(5)}$$
$$R_t = \alpha_0 + \beta_1 * COMP_t + \varepsilon_t \quad \text{(6)}$$

d. To test H4:

$$CF_{t+1} = \alpha_0 + \beta_1 * COMP_t + \varepsilon_t \quad \text{(7)}$$
$$NI_{t+1} = \alpha_0 + \beta_1 * COMP_t + \varepsilon_t \quad \text{(8)}$$

Where:

P	= Market value of common equity at fiscal year-end
CF	= Net cash flow from operating activities
NI	= Net income
COMP	= Comprehensive Income
R	= Daily percentage returns compounded over the fiscal year.

The value of this variable is calculated from the daily stock price throughout the fiscal year, then the returns are sought through the natural logarithm from (P_d+1/P_d), and then averaged, then compounded with the formula of $[(1+R_d)^{365}-1]$. P is price, d is day, and R is return.

H1 to H4 are tested by regression test, t test, F test, and coefficient of determination for all the models available. H5 and H6 are tested with Vuong likelihood ratio test which can state the explanatory power between the two existing models, whether the explanatory power is the same or different. Using the coefficient of determination (R^2), this test will assess which model has the closest distribution to the actual distribution model. The Z Vuong's Statistics formula is (Daraghma, 2010; Widiastuti, 2009):

$$Z_{vuong} = \frac{\{\ln (\sigma_w{}^2) - \ln(\sigma_x{}^2)\}}{[n^{0.5} \sum_1^n (\frac{e_{w,i}{}^2}{\sigma_w{}^2} - \frac{e_{x,i}{}^2}{\sigma_x{}^2})]^2}$$

$$\sigma_x{}^2 = \sigma_y{}^2(1 - R_x{}^2)$$
$$\sigma_w{}^2 = \sigma_y{}^2(1 - R_w{}^2)$$

Information:

R^2	= Coefficient of Determination
$\sigma_w{}^2$	= The residual variance for the model with NI_t as independent variable
$\sigma_x{}^2$	= The residual variance for the model with $COMP_t$ as independent variable
$\sigma_y{}^2$	= The variance of dependent variable (P_t, CF_{t+1}, NI_{t+1})
n	= Number of firm-years in the model
e	= *Error*

The null and alternative hypotheses of the tests are:

HO: $Z_{vuong}=0$, the two models have the same explanatory power

H1: $Z_{vuong} \neq 0$, the two models do not have the same explanatory power

If $Z_{vuong} < 0$, it implies that the model with NI_t as independent variable have bigger explanatory power. Conversely, if $Z_{vuong} > 0$, then the model with $COMP_t$ as independent variable have bigger explanatory power. The result of Z Vuong is significant at 5% significance level if Z Vuong calculated is bigger or smaller than +/- 1,96.

This research will also do *robustness test* to test the sensitivity of the results of hypothesis testing that have been carried out in the previous section. Robustness test is done by replacing the independent variable of comprehensive income in models (5) through (8) into some components of comprehensive income itself. The model used is:

$$Pt = \alpha_0 + \beta_1 * NI_t + \beta_2 * COMP_{FC-ADJ} + \beta_3 * COMP_{MKT-ADJ} + \beta_4 * COMP_{OTHER} + \varepsilon_t \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (9)$$
$$R_t = \alpha_0 + \beta_1 * NI_t + \beta_2 * COMP_{FC-ADJ} + \beta_3 * COMP_{MKT-ADJ} + \beta_4 * COMP_{OTHER} + \varepsilon_t \ldots\ldots (10)$$
$$CF_{t+1} = \alpha_0 + \beta_1 * NI_t + \beta_2 * COMP_{FC-ADJ} + \beta_3 * COMP_{MKT-ADJ} + \beta_4 * COMP_{OTHER} + \varepsilon_t \ldots (11)$$
$$NI_{t+1} = \alpha_0 + \beta_1 * NI_t + \beta_2 * COMP_{FC-ADJ} + \beta_3 * COMP_{MKT-ADJ} + \beta_4 * COMP_{OTHER} + \varepsilon_t \ldots (12)$$

Information:

P	= Market value of common equity at fiscal year-end
CF	= Net cash flow from operating activities
NI	= Net income
COMP	= Comprehensive Income
R	= Daily percentage returns compounded over the fiscal year.
$COMP_{FC-ADJ.}$	= Other comprehensive income from change in cumulative foreign currency translation adjustment, after tax
$COMP_{MKT-ADJ}$	= Other comprehensive income from change in the balance of unrealized gains and losses on marketable securities, after tax
$COMP_{OTHER}$	= Other comprehensive income from other component other than $COMP_{FC-ADJ}$ dan $COMP_{MKT ADJ}$, after tax

4   FINDINGS AND DISCUSSION

Table 2 shows the results of the linear regression test and the t test. Both tests show that all independent variables have significant positive effect on the dependent variable. The results of the F test are the same as the results of the t test because the models (1) to (8) just consist of 1 independent variable. In Table 3, it can be seen that the model with the greatest coefficient of determination is in the model with the NI_{t+1} as dependent variable. Based on the results of tests, it is found that both net income and comprehensive income illustrate the quality of value relevance and predictive value of the financial statements. This result is in accordance with El Shamy & Kayed (2005), that net income is significant positive to the price of shares, and the information content of net income is greater when compared to the book value of the company. Finger (1994) and Kim & Kross (2005) state that net income has predictive value. The predictive value of net income is due to a certain stability trend in income, so that the past record can be used as an initial basis to assess the future, or in this case the following year's net income.

The value relevance of comprehensive income can be explained by the nature of comprehensive income that require managers and analysts to consider all factors, both internal and external, which can affect owner's equity (Khan, 2012). With comprehensive income, all information related to changes in equity that do not come from owner's transactions can be obtained, in accordance with clean surplus accounting where all changes, not including the one from owner's transactions, will appear on the income statement. Comprehensive income that includes internal and external factors should be better related to the company's value when compared to net income.

Bratten et al., (2014); Choi & Zang, (2006) state that comprehensive income is predictive. These results, according to Choi & Zang (2006), are caused by elements in other comprehensive income which are unrealized gains and losses. Unrealized gains and losses give managers the freedom to determine the time of recognition of unrealized gains and losses. This causes the predictive value of net income to decrease due to the element of manager's freedom to choose a time of recognition that is profitable for the company. Thus, comprehensive

income should have a better predictive value because it involves all information related to company gains or losses obtained in the current period, both realized and unrealized.

For testing the 5th Hypothesis that compares the value relevance between net income and comprehensive income, the coefficient of determination between the model with net income as independent variable and the model with the comprehensive income as independent variable can be compared. When compared, R^2 from net income is greater than comprehensive income. This result is in accordance with the results of the Vuong test in Table 4, which found that although both of them have significant effect on stock prices and stock returns, in fact the relevance of net income is higher when compared to comprehensive income. These results are consistent with the research of Elliott & Hanna (1996); Hayn (1995); Sudipta Basu (1997), where the components of comprehensive income that tends not to repeat, namely in other comprehensive income, causes disbelieve in comprehensive income and ultimately reduce the value relevance of comprehensive income itself.

Although the explanatory power of net income is stronger, the superiority is insignificant because the value of Z Vuong is still smaller / greater than -/+1.96. This result can be explained by two reasons. First, the insignificant net income superiority can be caused by the most significant component of comprehensive income is the net income itself. In Appendix 4, it appears that on average, 85.4% of the components of comprehensive income in the company's years are net income. So, the significance of the net income dominates the test results of other components of comprehensive income, which may not have any value relevance.

The second reason for the insignificance of net income excellence can be explained by pros and cons that are still going in research between the benefits of net income and comprehensive income. This in the end brings confusion for users of financial statements in utilizing accounting information. There are users who prefer to use net income, but the use of comprehensive income is also gaining in popularity. As a result, net income and comprehensive income are both significant because each can be used to describe the relationship with stock prices and returns, although it is found that net income is still superior in describing stock prices and returns.

To test hypothesis 6 that compares the predictive value between net income and comprehensive income, it can be done by comparing the coefficient of determination between the models with each net income and comprehensive income as independent variable. The result of coefficient of determination, R^2 (adjusted R square) form net income for the regression model with operating cash flow for the following year and net income for the following year as dependent variable are again greater when compared to comprehensive income. These results are consistent with the results of the Vuong test in Table 4, which found that although both are equally significantly related to the following year's operating cash flow and net income, net income has a higher predictive value in describing the following year's operating cash flow and net income compared to comprehensive income.

These results are the same as stated by Beale & Davey (2001) in their research, that net income has better predictive ability when compared to comprehensive income. Pronobis & Zülch (2011) also stated that the predictive value of comprehensive income is not superior when compared to net income. In addition, according to Black (1993) in Dhaliwal et al., (1999), accounting variables such as income can maximize the information content if the income does not include many extraordinary and non recurring items. Because of the nature of comprehensive income components that are more volatile and tend not to be persistent, it causes a reduction in the ability of comprehensive income to predict future company performance when compared to net income.

Robustness test in this study is conducted to test the sensitivity of the results from hypothesis testing that had been done in the previous section. Additional analysis is carried out by breaking down comprehensive income in the regression model 3.5 to 3.8 into the constituent components of comprehensive income itself, namely net income (NI_t), other comprehensive income from change in cumulative foreign currency translation adjustment, after tax ($COMP_{FC-ADJ}$), other comprehensive income from change in the balance of unrealized gains and losses on marketable securities, after tax ($COMP_{MKT-ADJ}$), and other comprehensive income from other component other than $COMP_{FC-ADJ}$ dan $COMP_{MKT-ADJ}$, after tax ($COMP_{OTHER}$). The $COMP_{FC-ADJ}$ and $COMP_{MKT-ADJ}$ variables are chosen to be used as separate variables because the number of firm years that owns the two components is the most compared to the other components.

From the results of the robustness test in Table 5, it can be seen that the significant component of comprehensive income is only net income, except in equation (11) which shows that $COMP_{OTHER}$ is significant. This can be explained by comprehensive income which also has a predictive value towards future cash flows, only for an uncertain period of time (Palea & Scagnelli, 2017). This relates to other components of comprehensive income which are unrealized gain or loss. It can remain on the balance sheet for several periods before the gain or loss can be recognized. Other comprehensive income also recognizes several economic events that affect cash

flow. According to Pronobis & Zülch (2011), the results related to the predictive value of other comprehensive income components are highly dependent on the period under study, because for one period the results could be significant while the other periods were not. The predictive value of comprehensive income will be significant if the study period is more than one period.

These results can support the superiority of net income when compared to comprehensive income, because actually the value relevance of comprehensive income is caused by only one component, namely net income, while the other components do not describe the price and stock returns of the company. Likewise for predictive value, it is found that net income is the most significant component of the dependent variable among other components of comprehensive income. This means that the component of comprehensive income that has the most significant predictive value for the following year's operating cash flow and net income is only net income.

5   CONCLUSION

The testing of hypothesis in this research show that net income has a value relevance, meaning that net income has a significant influence on the dependent variable in the study, namely stock prices at the end of the fiscal year and stock returns. The effect of net income on stock prices and stock returns is positive which means it is in the same direction. The results also show that net income has a significant predictive value on the following year's operating cash flow and the following year's net income. The relationship of net income to the following year's operating cash flow and net income of the following year is positive which means it is in the same direction.

For testing the third hypothesis, the test results show that comprehensive income also has significant value relevance in describing stock prices and stock returns. The relationship owned by comprehensive income to stock prices and stock returns is positive which means it is in the same direction. For testing the fourth hypothesis, the test results show that comprehensive income has a significant predictive value on the following year's operating cash flow and net income. The relationship of comprehensive income to the following year's operating cash flow and net income is positive which means it is in the same direction.

Testing of the fifth hypothesis shows that net income has more value relevance and can explain the figures on stock prices at the end of the fiscal year and stock returns when compared to comprehensive income. But the superiority of the value relevance of net income is insignificant when compared to comprehensive income. For the sixth hypothesis test, it is found that net income has a higher predictive value in estimating operating cash flow and net income for the following year when compared to comprehensive income. But the superiority of net income prediction compared to comprehensive income is again insignificant. To improve the quality of research, the recommendation for future research is to use a longer research period to better capture the predictive value of comprehensive income, and cover the research period after 2014 in order to be able to show the impact of standard improvement after IFRS convergence. Lastly, other assessment of earnings quality can be used in addition of value relevance and predictive value.

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TABLE

Table 1: Descriptive Statistics for Regression Model (1)-(12)

	N	Minimum	Maximum	Mean	Std. Deviation
Regression Model (1)					
P_t	271	25,0000	25.267,2050	2.397,874393	4.059,6143322
NI_t	271	0,2021	5.206,7688	257,854513	535,9116512
Regression Model (2) dan (6)					
R_t	172	0,00066924	11,46758102	0,9716792740	1,32545513553
NI_t	172	0,00000620 6	14,1561421 7	0,224480718 1	1,0803085525 7
Regression Model (3)					
CF_{t+1}	219	0,0508	5.163,9037	365,644886	671,8919619
NI_t	219	0,2021	5.206,7688	286,404444	584,4951804
Regression Model (4)					
NI_{t+1}	271	0,2637	5.618,0830	257,061365	563.6242162
NI_t	271	0,2021	5.206,7688	257,854513	535.9116512
Regression Model (5)					
P_t	270	25,0000	25.267,2050	2.406,003743	4.064,9425871
$COMP_t$	270	0,1725	5.273,7154	280,565734	557,5308967
Regression Model (6)					
R_t	172	0,00066924	11,46758102	0,9716792740	1,32545513553
$COMP_t$	172	0,0000670	15,1356108	0,254791275	1,1594601437
Regression Model (7)					
CF_{t+1}	218	0,0508	5.163,9037	366,195674	673,3887645
$COMP_t$	218	0,2018	5.273,7154	311,902414	607,9790651
Regression Model (8)					
NI_{t+1}	270	0,2637	5.618,0830	25,353718	564,6502868
$COMP_t$	270	0,1725	5.273,7154	280,565734	557,5308967
Regression Model (9) dan (12)					
P_t	150	25,0000	22.448,8200	1.826,15880	3.126,9821703
NI_t	150	1,443	5.206,769	223,81937	581,241828

COMP_FC-ADJ	150	0,00000	233,27179	11,2575221	37,99768780
COMP_MKT-ADJ	150	0,0000	118,4795	4,074609	16,0421904
COMP_OTHER	150	0,0000	1.793,9683	28,327952	195,2720474
NI_{t+1}	150	1,2972	5.618,0830	229,555809	630,5486603
Regression Model (10)					
R_t	100	0,0000	11,46758102	0,93256988	1,4403125984
NI_t	100	0,000062	14,1561422	0,290740133	1,4103727886
COMP_FC-ADJ	100	0,0000	0,9794686	0,026623395	0,1142761469
COMP_MKT-ADJ	100	0,0000	0,5777343	0,01518354	0,072371341
COMP_OTHER	100	0,0000	0,7175873	0,02201943	0,092317943
Regression Model (11)					
CF_{t+1}	120	0,0508	5.163,9037	344,489828	700,8530342
NI_t	120	1,622	5.206,769	250,44504	643,535650
COMP_FC-ADJ	120	0,00000	233,27179	11,1408717	39,44670093
COMP_MKT-ADJ	120	0,0000	102,0342	3,422446	13,7118462
COMP_OTHER	120	0,0000	1793,9683	35,181870	217,9549770

Source: Processed Research Data

Table 2: Result of Linear Regression Test for Regression Model (1)-(8)

Regression Model	Dependent Variable	Variable	B	Sig. t
(1)	P_t	(Constant)	1,958	0,000**
		NI	0,521	0,000**
(2)	R_t	(Constant)	0,036	0,744
		NI	0,371	0,000**
(3)	CF_{t+1}	(Constant)	0,274	0,008**
		NI	0,875	0,000**
(4)	NI_{t+1}	(Constant)	0,362	0,000**
		NI	0,815	0,000**
(5)	P_t	(Constant)	2,024	0,000**
		COMP	0,477	0,000**
(6)	R_t	(Constant)	-0,070	0,484
		COMP	0,273	0,003**
(7)	CF_{t+1}	(Constant)	0,262	0,014**
		COMP	0,861	0,000**
(8)	NI_{t+1}	(Constant)	0,440	0,000**
		COMP	0,758	0,000**

Source: Processed Research Data

** significant at 5% significance level

Notes: For model with R_t as dependent variable, the score of all variables except R_t are deflated by market value of common equity at the previous fiscal year-end. For other models, the score of all variables except P_t are deflated by number of shares of common stock outstanding at fiscal year-end adjusted for stock splits and stock dividends. Samples used for each model are (in firm-years): (1) 271 (2) 172 (3) 219 (4) 271 (5) 270 (6) 172 (7) 218 (8) 270

Table 3: Result of Coefficient of Determination Analysis for Regression Model (1)-(8)

Model Regresi	Adjusted R Square	Model Regresi	Adjusted R Square
(1)	0,377	(5)	0,327
(2)	0,070	(6)	0,045
(3)	0,589	(7)	0,576
(4)	0,727	(8)	0,646

Source: Processed Research Data

Table 4: Vuong Test Result

Measurement	Dependent Variable			
	P_t	R_t	CF_{t+1}	NI_{t+1}
$\sigma_y{}^2$	0,376	1,757	0,582	0,482
$\sigma_{ni}{}^2$	0,234248	1,62523	0,238038	0,131104
$\sigma_{comp}{}^2$	0,252296	1,66739	0,245604	0,169664
$\{\ln(\sigma_{ni}{}^2) - \ln(\sigma_{comp}{}^2)$	-0,07422	-0,0256	-0,03129	-0,25783
$\sum_1^n (\dfrac{e_{ni,i}{}^2}{\sigma_{ni}{}^2} - \dfrac{e_{comp,i}{}^2}{\sigma_{comp}{}^2})$	-1,3247	-1,4526	-0,27046	-1,58701
$[n^{0.5} \sum_1^n (\dfrac{e_{ni,i}{}^2}{\sigma_{ni}{}^2} - \dfrac{e_{comp,i}{}^2}{\sigma_{comp}{}^2})]^2$	473,7705	362,9069	15,94612	680,0186
Z_{vuong}	-0,00016	-0,000071	-0,00196	-0,00038

Source: Processed Research Data

Table 5: Result of Linear Regression Test for Regression (9)-(12)

Regression Model	Dependent Variable	Variable	B	Sig. t
(9)	P_t	(Constant)	1.509,153	0,000**
		NI_t	2,045	0,000**
		COMP$_{FC-ADJ}$	-5,824	0,357
		COMP$_{MKT-ADJ}$	-17,884	0,234
		COMP$_{OTHER}$	-0,083	0,946
(10)	R_t	(Constant)	0,921	0,156
		NI_t	0,306	0,191
		COMP$_{FC-ADJ}$	-2,179	2,361
		COMP$_{MKT-ADJ}$	-0,913	2,030
		COMP$_{OTHER}$	-0,239	1,576
(11)	CF_{t+1}	(Constant)	77,365	0,012**
		NI_t	0,969	0,000**
		COMP$_{FC-ADJ}$	0,447	0,510
		COMP$_{MKT-ADJ}$	-0,441	0,822

		COMP_{OTHER}	0,600	0,000**
(12)	NI$_{t+1}$	(Constant)	-8,159	0,435
		NI$_t$	1,068	0,000**
		COMP$_{FC-ADJ}$	-0,052	0,829
		COMP$_{MKT-ADJ}$	0,111	0,846
		COMP$_{OTHER}$	-0,046	0,326

Source: Processed Research Data

** significant at 5% significance level

Notes: For model with R$_t$ as dependent variable, the score of all variables except R$_t$ are deflated by market value of common equity at the previous fiscal year-end. For other models, the score of all variables except P$_t$ are deflated by number of shares of common stock outstanding at fiscal year-end adjusted for stock splits and stock dividends. Samples used for each model are (in firm-years): (9) 150 (10) 100 (11) 120 (12) 150

DETERMINANT OF STOCK PRICE OF COAL MINING COMPANY LISTED ON BEI 2014-2018

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Abstract   : *Currently, the capital market business is very promising. Stock investment is in great demand with the hope of obtaining capital gains or dividends, so researchers want to know simultaneously and partially how the effect of Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) on stock prices as respondents of coal mining companies listed on the IDX in 2014-2018 as many as 11 samples. Raw data from panel regression analysis is obtained from financial reports (www.idx.com), so the results are obtained simultaneously, Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) have an effect. against the share price. The variable Net Profit Margin (NPM) partially has a negative effect on stock prices. The variable Return On Asset (ROA, Earning Per Share (EPS) and Dividend Per Share (DPS) has no effect on stock prices. The remaining coefficient of determination is 94% influenced by variables outside of this observation.*

1   INTRODUCTION

In the era of globalization, the business world is a very promising business, marked by the increasing number of companies that are experiencing rapid development, especially the capital market business in Indonesia. According to Tandelilin (2018) the capital market is a meeting place for investors and issuers to trade securities.

Investment is an important factor in the country's economic growth. Investment is generally divided into two, namely real investment (eg land, buildings and gold) and financial investment (eg bonds, stocks and deposits). Financial investment is an investment that is widely known by investors, because this investment is considered quite easy and practical. Financial investment has a use, namely the invested funds are easy to withdraw and can be withdrawn at any time (Sambelay, 2017). Capital gains or dividends are common expectations of investors in the capital market. Capital gain is the difference between the selling price and the buying price of the shares.

Every year the company's stock price experiences instability where unstable share prices make it difficult for investors to invest, so investors should not be careless in investing their funds, they must consider various basic information. The fundamental thing before investing capital is to assess the company's performance from financial statements with ratio analysis (Indrawati, 2016).

The findings of several researchers include: Astuti's (2018) study of Net Profit Margin (NPM) has no impact on stock prices. However, in Watung & Ilat's (2016) research, Net Profit Margin (NPM) and Return on Assets (ROA) have an impact on stock prices. In contrast to Andriyanto & Khoirunnisa (2018), Return On Asset (ROA) and Earning Per Share (EPS) have no impact on stock prices. According to Yunarni, Yusril, & Selva (2017) Earning Per Share (EPS) has an impact on stock prices. According to Ishaq (2018) Earning Per Share (EPS) and Dividend Per Share (DPS) have an impact on stock prices. According to Oktavian, (2019) Earning Per Share (EPS) has an impact on stock prices and Dividend Per Share (DPS) has no impact on stock prices. The purpose of this study is to determine the effect of Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) on stock prices simultaneously and partially.
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2   LITERATURE REVIEW

Signal Theory

"Signaling theory is an information in the form of a signal given to investors so that investors can reconsider whether to invest or not" (Suwardjono, 2005). With a signal in the form of disclosing financial statements, investors will get information and predict future financial performance in the hope of getting an increase in share prices and dividend distribution on their investment (Yuliawati & Darmawan, 2019).

Shares

According to Darmadji & Fakhrudin (2006), stocks are a very popular instrument to increase company profits. Stocks are also in great demand by investors because of the benefits that can be said to be very tempting. Share means proof of ownership of a company or entity. According to Darmadji & Fakhrudin (2012) there are several types of shares, namely common stock and preferred stock.

Share Price

Share prices occur because of negotiations on the capital market. The closing price occurs on the last day of trading (Datu & Maredesa, 2017).

2.4 Research Hypothesis

a. H_1 = Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) affect stock prices

b. H_2 = Net Profit Margin (NPM) has an effect on stock prices

c. H_3 = Return On Asset (ROA) affects stock prices.

d. H_4 = Earnings Per Share (EPS) has an effect on stock prices.

e. H_5 = Dividend Per Share (DPS) has an effect on stock prices.

Framework
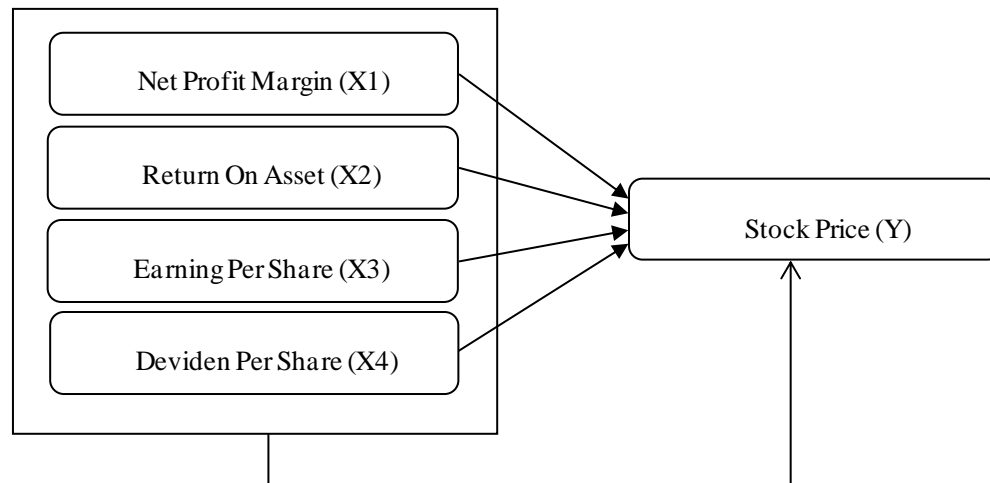
Figure 1. Thinking Framework

3   METHODOLOGY

Population and Sample

This type of quantitative observation uses 11 coal mining company respondents listed on the Indonesia Stock Exchange (IDX) for the 2014-2018 period with information / data obtained from financial reports. The research instrument used was documentation. purposive sampling is a technique used to collect data with the following criteria: (1) The company is listed on the Indonesia Stock Exchange in 2015-2019 (2) The company publishes financial reports for 4 (four) consecutive years (3) The company generates profits for 4 (four) consecutive years which were then analyzed using panel data regression.

Research and Measurement Variables

After the data is collected, data analysis will be carried out according to identification and grouping. The data analysis steps are as follows:

a. Stock price

The share price is obtained from the closing price occurring on the last day of capital market trading.

Net Profit Margin (NPM)

Net Profit Margin (NPM) is the net profit from sales. This ratio shows the gross profit from sales (Kasmir, 2012). The company's operations can be said to be good if the NPM value is high.

$$NPM = \frac{Net\ Profit\ After\ Tax}{Sales}$$

b. Return On Asset (ROA)

Return on assets (ROA) is a measure of the extent to which a company's ability to generate profits through its assets (Tandelilin, 2010). This means that investors can see the level of management effectiveness in managing assets.

$$ROA = \frac{Net\ Profit\ After\ Tax}{Total\ Assets}$$

c. Earning Per Share (EPS)

Earning Per Share (EPS) is the profit generated by the issuer for per share. Investors' interest in investing will increase by looking at the company's performance and stock prices. Darmadji & Hendi (2001) stated that EPS is the profit received by investors from each share owned.

$$EPS = \frac{Net\ Profit\ After\ Tax}{Number\ of\ Shares\ Outstanding}$$

d. Dividend Per Share (DPS)

Dividend per share is the profit received by investors which is equal to the number of shares owned by investors (Gallagher & Joseph, 2003).

$$DPS = \frac{Cash\ Dividend}{Number\ of\ Shares\ Outstanding}$$

4 FINDINGS AND DISCUSSION

From the normality test, it is obtained the Probability value of 0.15674 with a significance level of 0.05. Then the results of the normality test are normally distributed (0.15674>0.05).

The multicollinearity test showed that the variables of Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS), and Dividend Per Share (DPS) were less than 0.8, meaning that the research had no multicollinearity.

The results of the heteroscedasticity test in Table 5, which use a significance level of 0.05, state that there is no heteroscedasticity in this observation because the value is>0.05.

The results of the autocorrelation test showed that in this study there was no autocorrelation where dw was between du and 4-du (1.4136<2.102670<2.2760).

From the chow test, it is found that the fixed effect model is better to use where the Chi-Square Probability value is 0.0000 so that H0 is rejected and H1. Received.

From the results of the Hausman test, it is found that the fixed effect model is better to use where the probability value is 0.0000 so that H0 is rejected and H1. Received.

The results of the F test (simultaneous) obtained the value of fcount> ftabel (61, 07059> 2.79) and a significance of 0.0000<0.05, meaning that simultaneously the variables of Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) have a significant effect on stock prices.

The results of the t test showed that the variable Net Profit Margin (NPM) and Earning Per Share (EPS) had a negative effect on stock prices with a value of $-4,171497<2,009$ with a significance of $0.0002<0.05$ and $-2.457142<2,009$ with a significance of $0.0184<0.05$. The variables of Return On Asset and Dividend Per Share have no effect on stock prices with a value of $1.228028<2.009$ with a significance of $0.2266>0.05$ and $7.650791>2.009$ with a significance of 0.5634.

Based on the results above, the variable in Table 12, the share price can be explained by 94% of this study. The rest of the stock price variable is influenced by variables outside the research model.

a. The Influence of Net Profit Margin, Return On Asset, Earning Per Share and Dividend Per Share on Stock Prices
Net Profit Margin, Return On Asset, Earning Per Share and Dividend Per Share simultaneously affect stock prices, the cause may be that the company is able to bring in and manage the profit obtained through the variables Profit Margin, Return On Asset, Earning Per Share and Dividend Per Share which supported by research Oktavian (2019) and Astuti (2018) which state that Net Profit Margin, Return On Asset, Earning Per Share and Dividend Per Share simultaneously affect stock prices.

b. The Effect of Net Profit Margin on Stock Prices
Net Profit Margin (NPM) has a significant negative effect on stock prices. Such high sales result in lower net profit, this is due to several causes, for example an increased cost of goods sold or a decreased share price. As a result of the effect of low Net Profit Margin (NPM) on stock prices, the company's low effectiveness in earning profits. Minimizing sales expenses and increasing company productivity are the right decisions to be taken by company owners as an effort to increase the level of investor confidence in investing. The results of this study are in line with research conducted by Kusumadewi, (2018).

c. The Effect of Return On Assets on Stock Prices
Return on assets (ROA) has no impact on stock prices. This can be due to the fact that company profit, which is one of the indicators for calculating Return On Assets (ROA), is not the only indicator of investor decision making on stock prices. This research is supported by Amalya's research (2018).

d. The Effect of Earning Per-Share on Stock Prices
Earning Per-Share does not have a significant effect on stock prices. This may occur because the company is not efficient enough to manage the profits that are likely to be spent by the company to pay debts, cost of goods sold, and other operating costs.

e. The Effect of Dividend Per-Share on Share Prices
Dividend Per-Share has no impact on share prices. This may be due to the fact that many companies do not provide dividends to shareholders.

5 CONCLUSION

The conclusion from the analysis and discussion shows that the variable Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) simultaneously affect stock prices. Partially Net Profit Margin (NPM) has a negative and significant effect on stock prices, while Return On Asset (ROA), Earning Per Share (EPS) and Dividend Per Share (DPS) have no significant effect on stock prices. This observation year is still limited, namely only five years of research from 2014-2018. The sample of only Coal Mining Companies listed on the IDX in 2014-2018 is a limitation in this study, many companies in the Coal Mining group that are the sample of this study do not get profit, the research variable used is the independent variable (Net Profit Margin (NPM), Return On Asset (ROA), Earning Per Share (EPS), and Dividend Per Share (DPS). So it is hoped that further research will increase the sample and variables in the study. This observation

year is still limited, namely only five years of research from the year 2014-2018. Limitations in this study are using a sample of Coal Mining Companies listed on the IDX, many respondents in the Coal Mining Group who are the samples of this study who do not get profit, the research variables used are the independent variable (Net Profit Margin (NPM), Return On. Asset (ROA), Earning Per Share (EPS), and Dividend Per Share (DPS)). So it is hoped that further research will add to the sample and variables in the study.

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TABLE

Table 1. Sample Selection Process

No	Information	Total
1	Coal mining companies listed on the Indonesia Stock Exchange in 2014-2018	25
2	Companies that did not make a profit during 2014-2018	(14)
3	Sampled Coal Mining Companies	11
4	Year of research observation	5
Number of samples obtained		55

Table 2. Descriptive Statistics Results

Information	Minimum	Maximum	Mean	Std.Deviation
NPM (X_1)	100000	124067	113654,4	6447,787
ROA (X_2)	100000	139327	128513,0	9669,169
EPS (X_3)	-76961	352064	211866,4	100369,8
DPS (X_4)	-41599	100000	87315,71	29193,01
HS	169897	431597	311678,7	69361,95

Table 3. Normality Test Results

Jarque-Berra	Probability	Std	Conclusion
3,876853	0,143930	>0,05	Normal

Table 4. Multicollinearity Test Results

	NPM	ROA	EPS	DPS
NPM	1,0000	0,796067	-0,693383	0.308421
ROA	0,796067	1,000000	-0,556664	0,268351
EPS	-0,693383	-0, 556664	1,000000	-0,210270
DPS	0.308421	0,268351	-0, 210270	1,00000

Table 5. Heteroscedasticity Test Results

Variable	Unstandarized Residual	Coefficient	Conclusion
NPM	0,9945	>0,05	No Heteroscedasticity
ROA	0,4616	>0,05	No Heteroscedasticity
EPS	0,1298	>0,05	No Heteroscedasticity
DPS	0,4672	>0,05	No Heteroscedasticity

Table 6. Autocorrelation Test

Model	Durbin-Watson	Provisions	Conclusion
1	2,102670	DU< DW< 4-DU	There is no autocorrelation

Tabel 7. Hasil Uji Chow

Fixed Effect	Probability
Cross-section F	0,0000
Cross-section Chi-Square	0,0000

Table 8. Hausman Test Results

Test Summary	chi-sq. Statstic	Probability
Cross-section Random	48,899266	0,0000

Table 9. Panel Data Regression Analysis Results

Variable	Coefficient	t-statistics	Probability
C	772672.0	7,650791	0,0000
NPM	-4,576861	-4,171497	0,0002
ROA	0,8698845	1,228028	0,2266
EPS	-0,213486	-2,457142	0,0184
DPS	-0,072831	-0,582607	0,5634

Y = 772672,0 -4,576861NPM + 0,8698845ROA -0,213486EPS -0,072831DPS + e

Table 10. F Test Results

F-table	F-count	Probability	Std.	Conclusion
2,79	61,07059	0,0000	0,05	Eligible Regression Model

Table 11. t test results

Variable	t-table	t-count	Probability	Std.	Conclusion
NPM (H_1)	2,099	-4,171497	0,0002	<0,05	Rejected
ROA (H_2)	2,009	1,228028	0,2266	<0,05	Received
EPS (H_3)	2,009	-2,457142	0,0184	<0,05	Rejected
DPS (H_4)	2,009	7,650791	0,5634	<0,05	Received

Table 12. Result of Adjusted R2 Coefficient of Determination

Adjusted R Square	Conclusion
0,94	The dependent variable can be explained by the independent variable

INFLUENCE REGIONAL DEVICE UNIT WITH PERFORMANCE-BASED BUDGETING AS INTERVENING VARIABLES

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Abstract   : *This research examines the influence of quality of human resources, organizational commitment, improvement of administration system, communication, training or trainings on the performance of regional device work units (SKPD) through budget-based performance (ABK) as intervening variables. Research Data was obtained using questionnaire techniques to the Office of the Regional Device Unit of 37 SKPD in Mataram City West Nusa Tenggara (NTB). The difference of this research with previous research, namely using intervening variables with trimming models. The intervening variable is a variable between or mediating, the function that mediated the relationship between the independent variables and the dependent variables. The trimming model is a model used to improve a model of the line analysis structure by issuing a model of an exogenous variable that is not significant in its path (Heise, 1969:59; Al-Rashid & Sitepu, 1994:12; Kusenendi, 2005:12). Based on the findings, it can be addressed and discussed so as to give objective information that, the first hypothesis that reads the variable quality of HR (X1), the organizational commitment (X2), the improvement of the administration system (X3), communication (X4) and Training (X5) contributes in its entirety and affects the ABK (Z). Similarly, the second hypothesis that reads the variable of HR quality (X1), the organizational commitment (X2), the improvement of the administration system (X3), communication (X4), training or trainings (X5), and ABK (Z) contributes in its entirety and affects the SKPD (Y) performance. The difference is, not all variables are accepted, because based on the Coofisien test the sub-structure path of 1 (one) only coofisien quality variable path of HR (X1), organizational commitment (X2), and Improvement of administration system (X3), and communication (X4) Which statistically does not affect the ABK (Z), shows only training or trainings (X5) affects the ABK (Z). On the Coofisien line sub-structure 2 (two) only Coofisien variable path of organizational commitment (X2), improvement of the administration system (X3), communication (X4), and training or trainings (X5) that statistically does not affect the performance of SKPD (Y), Indicates that the quality of HR variables (X1), the improvement of the administration system (X3), and the ABK (Z) affect the performance of the SKPD (Y). It can be concluded that the quality of HR affects the performance of SKPD through the ABK is caused by a factor indicating that the quality of human resources is supportive in understanding and implementing a form of safety strategy applied by the Government, especially in terms of or discrepancies in financial statements. The government can achieve performance excellence by trying to optimize the quality of HR as a strategy asset in improving HR quality to SKPD performance through ABK. In addition, training or trainings also affect the performance of SKPD through the ABK due to the factors indicating that training or trainings related to the mastery and development of the use of ABK can lower the level of Knowledge and skills to government officials. The direction of the negative relationship of training or trainings to the ABK on the performance of the SKPD will affect the activities implemented by the Government does not work properly.*

1 INTRODUCTION

According to Russel (1993:397) employee performance depends on the ability, work effort and employment opportunities that can be assessed from the output. Timpe (1993), suggests that performance (work achievement) is an individual level of performance, i.e. the desired outcome of an individual's behaviour. Performance is the appearance of a person's work in the form of quality or quantity in an organization.

In Indonesia, at the regional government's working unit level (SKPD) includes the strategy plan (Renstra) SKPD, SKPD work plan, and the SKPD work and budget plan (RKA). Alignment between planning documents can be seen from the alignment of the performance indicators contained in these documents. In SKPD, the performance indicators contained in the SKPD Renja must support the achievement of performance indicators contained in the SKPD Renstra. Furthermore, the SKPD Renja indicator must be supported by the performance indicators contained in the RKA SKPD. The alignment of this performance indicator will logically be able to attribute the objectives to be included in the Strategy planning document (Renstra SKPD) with the operational activities undertaken by the SKPD.

As we know, human resources are all management decisions and practices that have direct or influential impacts to all people, or human data sources that work for the organization (Fisher et.al., 2009). In this case, it takes an auxiliary commitment as a benchmark in the reform of the importance of the use of human resources in providing public services effectively and efficiently. According to Mowday et. Al., (1979) The organizational commitment is a belief and strong support to the values and objectives that the organization wants to achieve. Workers with strong effective commitments will remain in the organization because they feel that they should work so (Johnson et al., 1987; Tett and Meyer, 1995); Lum et al., 1998). In connection with the organizational commitments, there needs to improve administration system. The performance-based budget drafting manual issued by the Financial and Development Supervisory Agency (BPKP) in 2005 is stated: The importance of the implementation of budget-based budgeting, apparently carrying the consequences Prepared, precise and fulfilled.

I think the local government (SKPD) unit through financial-based budget (ABK) in this case the management of the district's finances will not run properly without good communication between the Chairman and subordinate. Communication skills for a person can minimize, even eliminate conflicts between personal interests and the interests of the Organization (Effendi, 1989:134, 141). In line with the planning and budgeting activities involving all the implementing elements in the regional Device Unit (SKPD) ranging from programs and activities need to be trained or training in order to achieve more coordination and facilities Good. In designing and developing effective education and training programs, there are several phases, one of which is Dessler (1997; 250), namely; "We can conveniently think of a typical training or development program as consisting of 5 (five) steps; (1) Needs analysis, (2) Instructional design, (3) Validation, (4) Implementation, (5) Evaluation and Follow-up '. According to Milkovich and Boudreau (1991, 408) that the form of training in the organization there are 3 (three) stages, namely; "Needs Assessment, Training and Development, Evaluation." While Bernardin and Russell (1993, 299) raise similar opinions, namely; "Needs Assessment, Development, and Evaluation,".
.

3 METHODOLOGY

Types of Research

The type of research used in this study is associative research, which is research that seeks relationships between one variable and another. The relationship used in this study is a causal relationship which is cause-effect relationship so that there are independent and dependent variables in this study (Ghozali, Imam. 2005).

In the presence of intervening variables, this research can also be said to be a research track model of trimming. The trimming model is a model used to correct a model of the structure of the pathway analysis by removing it from the model of the ocsogenous variable that is not significant in its path (Heise, 1969:59; Al-Rashid & Sitepu, 1994:12; Kusnendi, 2005:12). So, the trimming model occurs when the Coofisien of the path is tested overall it turns out that there are no significant variables. Although there are one, two, or more variables that are not significant, researchers need to improve the model of the structure of the line analysis that has been hypothesized. How to use the trimming model i.e. recalculate the Coofisien path without including the Ocsogen variable that coofisien the path is not significant.

4 FINDINGS AND DISCUSSION

Data Description

The collection of data in this research is done by giving 2 (two) questionnaire to the Office of each unit of regional device of Mataram City amounting to 37 (thirty seven) SKPD or as many as 74 (seventy four) questionnaire. Among them 12 (twelve) the questionnaire did not return and was finally prepared to be processed 62 (sixty two) questionnaire as a sample. In connection with the explanation above, the return of the questionnaire (response rate) in this study was 100% (62/74x100%).

Test results Interpret analysis path Sub Structure 1 From the result of data processing sub structure 1 seen in table 1 until table 3 about Anova, coefficient, and summary relation between HR variable quality (X1), organizational commitment (X2), Improvement of administration system (X3), communication (X4), Training (X5) on performance-based budgets (Z).

The results of the analysis proved that on the model 1 there is an insignificant line coefficient of human resources (X1), the organizational commitment (X2), and the improvement of the administration system (X3), then the next need to use the trimming model (model 2), where The exogenous quality of human resources (X1), the organizational commitment (X2), and the enhancement of the administrative system (X3), are excluded. The calculation result for Model 2 is shown in table 4.

Based on the analysis results of the Model 2 sub structure 1 in table 6, obtained the value of the line coefficient X5 against Z of 0.523 with a coefficient of reflection or contribution (Rsquare) = 0.274 (see Model 2 in Table 5.26) and large residue coefficient of b6 5 = = 0.852. Thus obtainable line diagram of Model 2 sub structure 1 becomes Figure 1 as follows:

$\varepsilon_1 = 0,852$

$b_{6\,5} = 0,523$

ABK (Z)

Training or Trainings (X5)
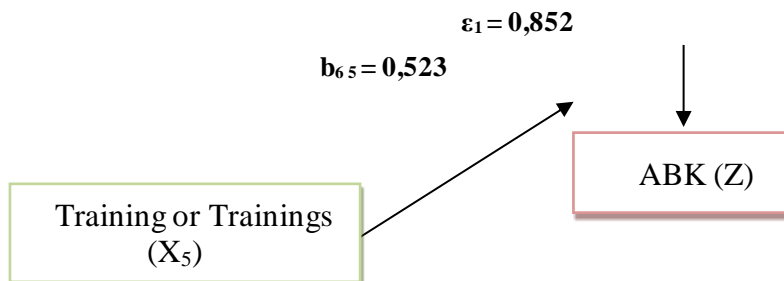
Figure 1.
Causal relationship empirical SUB-structure 1 variable X5 against Z To interpret the SUB-structure track analysis 2

From the result of data processing sub structure 2 seen in table 7 until table 9 about Anova, coefficient, and summary relation between human resources variable (X1), organizational commitment (X2), Improvement of administration system (X3), communication (X4), Training (X5), performance-based budget (Z) of SKPD (Y) performance.

The results of the analysis proved that on the model 1 there is an insignificant line coefficient of organizational commitment variables (X2), communication (X4), and training or trainings (X5), then the next need to be used trimming model (model 2), where the variable exogenous Organizational commitments (X2), Communications (X4), and training or trainings (X5) are excluded. The calculation result for Model 2 is shown in table 10.

Based on analysis result of Model 2 sub structure 2, obtained value: a) b2 1 = 0.340 [t = 2.634 and probability (sig) = 0.011] b) B2 3 = 0.209 [t = 2.336 and probability (sig) = 0.023] c) B2 6 = 0.589 [t = 5.785 and probability (sig) = 0.000]

Coefficients of Rsquare and large residue coefficient of Y ε_2 = = 0.613. Thus obtainable diagram Model 2 sub structure 2 becomes Figure 2 as follows:
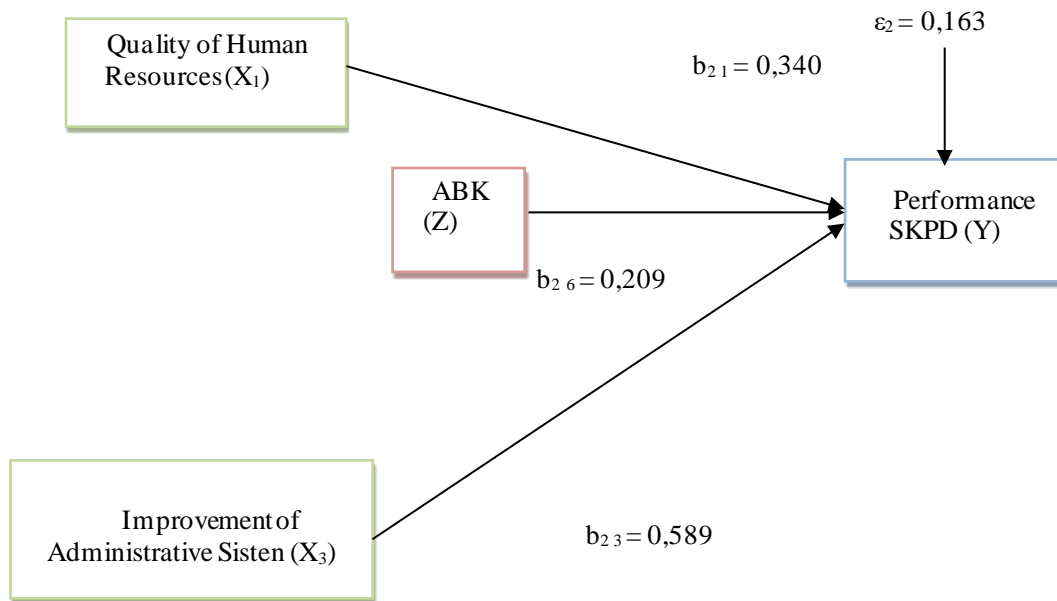
**Figure.2 Causal relationship to SUB-structure (2)
Variables X1, X3, and Z against Y**

5 CONCLUSION

The main purpose of this research is to know whether HR quality, organizational commitment, improvement of administration system, communication, and training or trainings affect the performance of SKPD through performance-based budgets as variables Intervening. The results of the study provided the quality of human resources influence SKPD through performance-based budgets, the organizational commitment has no effect on SKPD's performance through budget-based performance, the improvement of administrative systems Affects SKPD's performance through a performance-based budget, communication impacting SKPD performance through performance-based budgets and training or trainings has no effect on SKPD performance through performance-based budgets.

The sample in the study is only taken at the Mataram city government, it is advisable that further research can expand the sample is not in the government of Mataram.

This research variables the quality of human resources, organizational commitment, improvement of administration system, communication, and training or trainings on SKPD performance through budget-based performance as a variable intervening model trimming, advised researchers can then use another variable that is to transform a variable model into a moderating variable that has the potential to affect SKPD performance through a performance-based budget (ABK) and increase employee performance in an activity in The next governmental environment.

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TABLE

Table 1. Anova 1 – Sub Structure 1

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	113.445	5	22.689	6.359	.000[a]
Residual	199.797	56	3.568		
Total	313.242	61			

Table 2. Coefficients 1 – Sub Structure 1

Variable	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
Quality of human resources	.149	.155	.959	.342
Organizational commitments	.171	.109	1.573	.121
Improvement of administration system	-.048	.115	-.417	.678
Communication	.106	.081	1.305	.197
Training or trainings	.472	.158	2.985	.004

Table 3. Summary 1 – Sub Structure 1

Model	R	R_{Square}	Adjusted R_{Square}	Std. Error of the Estimate
1	.602[a]	.362	.305	1.889

Table 4. Anova 2 – Sub Structure 1

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	85.749	1	85.749	22.616	.000[a]
Residual	227.493	60	3.792		
Total	313.242	61			

Table 5. Coefficients 2 – Sub Structure 1

Variabel	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
Training or Trainings	.667	.140	4.756	.000

Table 6. Summary 2 – Sub Structure 1

Model	R	R$_{Square}$	Adjusted R$_{Square}$	Std. Error of the Estimate
1	.523^a	.274	.262	1.947

Table 7. Anova 1 – Sub Structure 2

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	268.287	6	44.715	16.271	.000^a
Residual	151.148	55	2.748		
Total	419.435	61			

Table 8. Coefficients 1 – Sub Structure 2

Variabel	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
Quality of human resources	.340	.137	2.475	.016
Organizational commitments	.009	.097	.097	.923
Improvement of administration system	.238	.101	2.357	.022
Communication	-.050	.072	-.693	.491
Training or trainings	-.202	.149	-1.350	.183
Budget-based performance	.665	.117	5.671	.000

Table 9. Summary 1 – Sub Structure 2

Model	R	R$_{Square}$	Adjusted R$_{Square}$	Std. Error of the Estimate
1	.800^a	.640	.600	1.658

Table 10. Anova 2 – Sub Structure 2

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	261.841	3	87.280	32.122	.000^a
Residual	157.594	58	2.717		
Total	419.435	61			

Table 11. Coefficients 2 – Sub Structure 2

Variable	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
Quality of human resources	.340	.129	2.634	.011
Improvement of administration system	.209	.090	2.336	.023
Budget-based performance	.589	.102	5.784	.000

Table 12. Summary 2 – Sub Structure 2

Model	R	R$_{Square}$	Adjusted R$_{Square}$	Std. Error of the Estimate
1	.790[a]	.624	.605	1.648

EARNINGS MANAGEMENT AT THE COMPANY THROUGH DEFERRED TAX ASSETS RESERVES

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Abstract   : *Earnings management is the company's actions taken so that the company reaches a certain level of profit. Many ways can be done by companies in the framework of earnings management, one of which is to change the method or conduct a backup policy that has not been or not regulated how and the amount. One way for a company to carry out its profit management is by reserving deferred tax assets. Uncertainty over the income tax that must be paid by the company causes the regulator to allow management to make allowances with each other's valuation. Therefore, this can be one of the ways companies do profit management. This study uses non-financial companies listed BEI in 2016-2018 as research samples. The sample used must recognize deferred tax assets or deferred tax liabilities in their financial statements. Samples that pass the criteria will be tested with multiple linear regression to find out what accounts affect the reserves and whether there are indications that the company is doing earnings management. The results show that the provision for deferred tax assets themselves is affected by deferred tax assets from both fiscal losses and other records. This study also shows an indication of earnings management through the provision of deferred tax assets carried out by the company.*

1   INTRODUCTION

The company's financial statements are produced and prepared as a form of corporate responsibility to reflect the company's activities. This obligation is not only limited to internal company parties and stakeholders but also for tax purposes. The needs in Financial Accounting Standards cannot always fulfill the needs desired by the tax authorities. Therefore, the Indonesian Institute of Accountants responded to this difference by issuing a Statement of Financial Accounting Standards (PSAK) No. 46 Revised 2012 to meet the need for the enactment of income tax regulations issued by the tax authorities. In PSAK No. 46 itself, there are several statements indicating that management is given the freedom to determine the amount of allowance for income tax. This is often associated with the issue of earnings management by companies to present financial reports to their stakeholders. PSAK No. 46 also states that the carrying amount of deferred tax assets should be reviewed (at balance sheet date). The company must reduce the carrying amount if the taxable income is not sufficient to offset part or all of the deferred tax assets. The decrease must be readjusted if it is probable that the taxable profit is adequate (Indonesian Institute of Accountants, 2010). With the obligation to always conduct a review on the balance sheet date, each year management must conduct a revaluation to determine the balance of deferred tax assets and deferred tax asset reserves, while management's assessment is to determine the balance of tax asset reserves.

Accounting / Faculty of Business and Economics 87 the deferment can be subjective (Bauman et al, 2001). Therefore, accountants must be able to improve their judgment (judgment) in determining past and future income which will affect the valuation of deferred tax assets which can be used as an indicator of earnings management.

This study aims to see whether there is earnings management that occurs when there is a change in the company's deferred tax assets. This research is expected to increase knowledge and development about earnings management through the provision of deferred tax assets and accounts that affect the provision of deferred tax assets.

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2   LITERATURE REVIEW

Agency Theory

Agency theory emerged with the aim of solving this problem. The heart of agency theory itself is the conflict of goals inherent in individuals with different preferences who are involved in the same job (Eisenhardt, 1989). Agency theory is one part of games theory that studies contract design to motivate rational agents to act on behalf of the leader when the agent's interests conflict with the leadership's.

Profit management

Earnings management itself can be seen from 2 perspectives, namely from the financial reporting side and the contract perspective. From a financial reporting perspective, managers use earnings management to avoid reporting losses or to meet analysts and investors' expectations that are expected to prevent companies from reputational damage and negative stock price reactions. In terms of financial reporting, earnings management can also be used as a means of communication between management and investors. From a contractual perspective, earnings management can be used as a way to protect companies from unexpected events when contracts are rigid or incomplete. (Scott, 2015).

Earnings management itself can be interpreted as behavior carried out by company managers to increase or decrease earnings in the external financial reporting process with the aim of benefiting the company (Belkaoui and Riahi, 2007). Earnings management can also be defined as a collection of managerial decisions that result in not reporting short-term earnings and maximizing value as known by management (Ronen and Yaari, 2008). According to Cohen and Zarowin (2010), earnings management can be measured using two integrated approaches, namely accrual-based earnings management and real activities management. In this study, it is more focused on accrual-based earnings management because in this study a lot is related to the recording methods and accounting policies used.

Deferred Tax Assets and Deferred Tax Asset Reserve

Deferred tax assets are the amount of income tax recoverable (recovable) in future periods as a result of deductible temporary differences and the remaining compensation for losses (Indonesian Institute of Accountants, 2010). Deferred tax assets can also be interpreted as a consequence of deferred tax caused by temporary differences that can be deducted (Kieso et al., 2018). This deferred tax asset arises because of differences in the company's recording of taxable profit and commercial profit. This is due to differences in the IFRS adopted in Indonesia with tax regulations that cause companies to frequently calculate financial income before tax and taxable income. Deferred tax asset itself occurs when the commercial profit is less than the taxable profit. Because deferred tax assets arise from smaller commercial profits than taxable profits, company profits will tend to increase due to the recognition of deferred tax assets. A business should make a provision for valuation for deferred tax assets if there is a more than 50% chance that the company will not realize part of the assets.

These allowances should be recorded as income from continuing operations in the income statement. The need for provision for valuation is most likely if a business has a history of leaving expired items unused, or expects losses in the next few years. The tax effect of any valuation allowance used to offset deferred tax assets may also affect the estimated annual effective tax rate. The amount of this allowance must be reassessed periodically (Bragg, 2019). With this revaluation obligation, each year management must make an assessment to determine the balance of deferred tax assets and provision for deferred tax assets, while management's assessment to determine this is subjective (Burgstahler et al., 2001 in Suranggane, 2007). Therefore, an accountant must have the ability of judgment to determine past and future income which effect on the valuation of deferred tax asset reserves. The enactment of PSAK No. 46 concerning Income Tax Accounting provides the managerial freedom to determine the accounting policies used for the valuation of deferred tax assets which are used to indicate the existence of earnings management in the company.

PSAK No. 46

PSAK No. This 46 was issued for the purpose of regulating the accounting treatment for income tax. The main problem to be answered with this provision is to account for the tax consequences in the current and future periods for the recovery of recognized asset values or settlement of the recorded liabilities on the company's balance sheet and transactions in the current period that are recognized in the company's financial statements. In PSAK No. 46 This requires companies to treat the tax consequences of transactions and other events the same way they treat these transactions and incidents. For transactions that are recognized in the income statement, the tax consequences should also be recognized in the profit or loss.

Hypothesis

H_1: Changes in deferred tax assets from tax loss have a positive effect on earnings management.
$H2_2$: Changes in deferred tax assets from other records have a positive effect on earnings management.
$H3_3$ Changes in the company's earnings per share have a negative effect on earnings management.

3   METHODOLOGY

This research is a research with a quantitative approach. The sample used is non-financial business entities listed on the IDX in 2016-2018. This study uses a multiple regression analysis model to test the hypothesis. The multiple regression model used is:

$$\Delta DTVAt = \beta 1 \Delta NOLDTAT + \beta 2 \Delta ODTAT + \beta 3 \Delta DTLt + \beta 4 \Delta HEPSt + \beta 5 \Delta EPSt + \beta 6 \Delta MTBt + \beta 7 SIZE + \beta 8 EPS + \beta 9 DUMYEAR + \beta 10 DUMYEAR \times \Delta NOLDTA + \beta 11 DUMYEAR \times \Delta ODTA + \beta 12 DUMYEAR \times \Delta EPS + \varepsilon i$$

Information :
ΔDTVAt: change of provision for deferred tax assets as earnings management
ΔNOLDTAt: change in deferred tax assets from tax losses
ΔODTAt: change in deferred tax assets from other income
ΔDTLt: change in deferred tax liability
ΔHEPSt: changes in income before tax per share for the year before and 2 years before the sample year.
ΔEPSt: changes in income before tax per share for the sample year and the previous year.
ΔMTBt: the difference from the proportion of market value and book value of equity for the sample year and the previous year.
SIZE: company size
EPS: income before tax divided by the number of shares outstanding
DUMYEAR: value of 1 if the observation year 2018, value 0 otherwise
DUMYEAR x ΔNOLDTA: DUMYEAR multiplied by ΔNOLDTA
DUMYEAR x ΔODTA: DUMYEAR multiplied by ΔODTA
DUMYEAR x ΔEPS: DUMYEAR multiplied by ΔEPS
εi: error

The dependent variable in this study is ΔDTVA, which is the change in reserves for deferred tax assets as earnings management which can be found using the formula:

$\Delta DTVAt = (DTVAt - DTVAt - 1) CSHOt$
The independent variables used in this study are NOLDTA which is the recording of deferred tax assets from tax loss, ΔODTA which is the recording of other deferred tax assets, and ΔEPS which is the change in earnings per share whose formula can be defined as follows.
$\Delta NOLDTAt = (NOLDTAt - NOLDTAt - 1) CSHOt$
$\Delta ODTAt = (ODTAt - ODTAt - 1) CSHOt$
$\Delta EPSt = EPSt - EPSt - 1 \, EPSt = PItCSHOt$
The control variables used are as follows, followed by the search formula.
$\Delta DTLt = (DTLt - DTLt - 1) CSHOt$ DUMYEAR: 1 if year 2018, 0 other than 2018

$$\Delta HEPSt = EPSt - 1 - EPSt - 2 \ DUMYEARx\Delta NOLDTA: DUMYEAR \ x \ \Delta NOLDTA$$
$$\Delta MTBt = MVEtBVEt - MVEt - 1BVEt - 1 \ DUMYEARx\Delta ODTA: DUMYEAR \ x \ \Delta ODTA$$
$$SIZEt = \ln MVEt \ DUMYEARx\Delta EPS: DUMYEAR \ x \ \Delta EPS$$
$$EPSt = PItCSHOt$$

Furthermore, the dependent, independent and control variables will be analyzed using E-Views 10 using multiple linear regression.

The object of research in this research is all business entities listed on the Indonesia Stock Exchange (IDX) in the 2016-2018 period which are in accordance with predetermined criteria, namely business entities that report the amount of deferred tax assets and deferred tax liabilities in 2016, 2017, and 2018, is not included in the financial sector (category of banks, financial institutions, securities companies, and insurance), and uses the Rupiah as the functional currency in the consolidated financial statements. The number of issuers registered on the IDX in 2016 was 539 companies, in 2017 there were 555 companies, and in 2018 there were 659 companies. The total of the three years will be the population of this study. From the existing population, sample screening is carried out according to the criteria of the object of research.

4 FINDINGS AND DISCUSSION

The first result is the result of descriptive statistics which shows the maximum, minimum, and average values for each variable used.

Series:	Residuals
Sample 1 858	
Observations	857
Mean	-1.05e-12
Median	11.78484
Maximum	12740.70
Minimum	-8048.262
Std. Dev.	837.1445
Skewness	4.245907
Kurtosis	101.0450
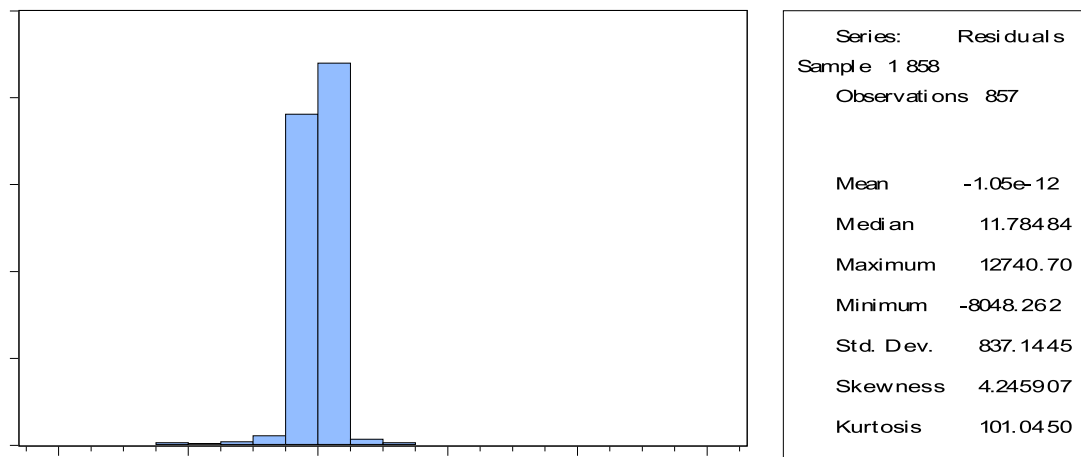
Figure 1. Normality Test Results

Although the test results show that the distribution is not normal, Central Limit Theorem states that for large samples, $n > 30$, regardless of shape distribution of individual values, can be transformed into a normal distribution approach (Gujarati, 2004). Therefore, the distribution of data in this regression model can be said to be close to normal, because the sample data used in this study were 857 samples.

In this study, the multicollinearity problem for these four variables can be ignored because the data to come from related accounts. For the other variables, they are free from the multicollinational problem because the VIF is below 10.

The autocorrelation test results show a Chi-Square probability value of 0.5820. By using the Breusch-Godfrey Serial Correlation LM Test, it can be said that there is no autocorrelation in the regression model because the Chi-Square probability value is greater than α, namely 0.05.

The results of this heteroscedasticity test indicate that the regression model is free from heteroscedasticity problems. This can be seen from the Probability F value which is greater than α 0.05 for the two tests used to see the heteroscedasticity problem.

To test the three hypotheses, samples from 2016, 2017, and 2018 were used. This research has gone through several regression models with variations in control variables, namely with all control variables, without DUMYEAR control variables, without EPS control variables, without EPS control variables and DUMYEAR, and without the control variables DUMYEAR, EPS, and SIZE.

From the simultaneous significance test (Test F) for all regression models from the first to the fifth test, it shows the prob value. below 0.05, which means that all independent variables, namely changes in deferred tax assets from tax losses, changes in deferred tax assets from other records, and changes in profit before tax per share have a simultaneous effect on changes in the company's deferred tax asset reserves.

From the results of the first regression, it is known that the coefficients that are positive (+), such as ΔDTL, ΔHEPS, ΔMTB, EPS, DUMYEARxΔNOLDTA, DUMYEARxΔODTA, and DUMYEARxΔEPS indicate a unidirectional relationship between dependent variables and these variables. Suppose that ΔDTL has increased by 1 unit, then ΔDTVA will also increase by 0.438 units. Whereas for negative coefficients (-) as in ΔNOLDTA, ΔODTA, ΔEPS, SIZE, and DUMYEAR, it shows that there is an inverse relationship between the dependent variable and these variables. The variables ΔNOLDTA, ΔODTA, ΔHEPS, ΔEPS, SIZE, EPS, and DUMYEARxΔEPS have a significant effect on ΔDTVA as the dependent variable, where prob. of the seven variables are below 0.05. Meanwhile, the variables ΔDTL, ΔMTB, DUMYEAR, DUMYEARxΔNOLDTA, and DUMYEARxΔODTA have prob. above 0.05 which indicates that this variable does not have a significant effect on ΔDTVA as the dependent variable.

The second regression result shows that the positive coefficients (+) are ΔDTL, ΔHEPS, ΔMTB, and EPS, while the negative coefficients (-) are ΔNOLDTA, ΔODTA, ΔEPS, and SIZE. All variables have a significant effect on ΔDTVA as the dependent variable except for ΔMTB where the value of prob. is below 0.05 and only the ΔMTB variable is above 0.05 which indicates that the variable does not have a significant effect on the ΔDTVA variable as the dependent variable.

The regression results of the three coefficients that are positive (+) are ΔDTL, ΔHEPS, ΔMTB, SIZE, DUMYEARxΔNOLDTA, DUMYEARxΔODTA, and DUMYEARxΔEPS, while the negative coefficients (-) are ΔNOLDTA, ΔODTA, ΔEPS, and DUMYEAR. The variables ΔNOLDTA, ΔODTA, ΔDTL, ΔHEPS, ΔEPS, and DUMYEARxΔEPS have a significant effect on ΔDTVA as the dependent variable where prob. is below 0.05. Meanwhile, the variables ΔMTB, SIZE, DUMYEAR, DUMYEARxΔNOLDTA, and DUMYEARxΔODTA have prob values. above 0.05 which indicates that this variable does not have a significant effect on ΔDTVA as the dependent variable.

In the fourth regression, the positive coefficients are ΔDTL, ΔHEPS, and ΔMTB. The negative coefficients are ΔNOLDTA, ΔODTA, ΔEPS, and SIZE. The variables ΔNOLDTA, ΔODTA, ΔDTL, ΔHEPS, and ΔEPS have a significant effect on ΔDTVA as the dependent variable where prob. is below 0.05. Meanwhile, the ΔMTB and SIZE variables have prob values. above 0.05 so it does not have a significant effect on ΔDTVA as the dependent variable.

In the last regression, the positive coefficients are ΔDTL, ΔHEPS, and ΔMTB and the negative ones are ΔNOLDTA, ΔODTA, and ΔEPS. The variables ΔNOLDTA, ΔODTA, ΔDTL, ΔHEPS, and ΔEPS have a significant effect on ΔDTVA as the dependent variable where prob. is below 0.05. Meanwhile, the variable ΔMTB has a prob value. above 0.05 so it does not have a significant effect on ΔDTVA as the dependent variable.

The first hypothesis in this study states that changes in deferred tax assets from tax losses have a positive effect on corporate earnings management. When viewed from the results of the partial test (t-test), the result is that changes in deferred tax assets from tax losses have a negative and significant effect on corporate earnings management. This means that if the company's deferred tax asset reserves are large, then the earnings management is small and vice versa. This is contrary to research conducted by Bauman and Bowler (2018) which states that changes in deferred tax assets from tax losses have a positive effect on earnings management. This result is supported by research conducted by Miller and Skinner (1998) which states that tax losses are recognized as assets Deferred tax is an important component in explaining the company's earnings management. This difference is due to the company's deferred tax asset reservation is the judgment made by the accountant so that the accountant can make an assessment other than the deferred tax asset account from tax loss. Another factor is also based on the fact that the tax loss can be recognized only from the last 3 years of fiscal loss, if it is more than 3 years then it cannot be recognized. Because these factors cause the direction of the effect of change, contrary to research conducted by Bauman and Bowler (2018).

The second hypothesis states that changes in deferred tax assets from other records have a positive effect on corporate earnings management. When viewed from the partial test (t-test) for the five regression models, the result is a significant negative effect. This is also contrary to research conducted by Bauman and Bowler (2018) which states that changes in deferred tax assets from other recordings have a positive effect on earnings management. This is supported by research conducted by Schrand and Wong (2003) which proves that there is a negative relationship between changes in other deferred tax assets on earnings management. This result is also supported by the research of Miller and Skinner (1998) which also shows that an important indicator in determining the provision of deferred tax assets as earnings management is the deferred tax asset itself which indicates the significance of the relationship between the two. The different results of this research may be due to the existence of several accounts that only experience temporary differences and there are several accounts that experience permanent differences so that it could be that the provision is bigger to anticipate temporary differences in the future even though the recognized deferred tax assets are smaller.

The third hypothesis is that changes in earnings per share have a negative effect on changes in reserves for deferred tax assets. This is supported by research conducted by Bauman and Bowler (2018) which has results that are in line with the results of the partial test (t-test) from the first to fifth regression models. The negative relationship here means that if the change in earnings per share is large, then earnings management is small. This result is also supported by research conducted by Bauman, Bauman and Hasley (2001) which proves that companies do not use deferred tax asset reserves to increase company profits. In other words, the company carries out earnings management with the aim that changes in company profits do not fluctuate, but rather increase slowly from year to year. This is in line with the results of research on the first to fifth regression models which prove a negative relationship between changes in earnings per share and provision for deferred tax assets. However, the significant effect on this hypothesis indicates that there is an indication that the company conducts earnings management through provision for deferred tax assets. This is in line with the research of Phillips, Pincus and Rego (2003) who also found that provision for deferred tax assets can be used as a predictor for companies conducting earnings management.

Changes in the provision for deferred tax assets as earnings management are not only affected by changes in deferred tax assets from tax loss and other records, but can also be affected by changes in deferred tax liabilities or other factors. It is proven in the first to fifth regression models, changes in deferred tax liabilities also have a significant effect on changes in the company's deferred tax asset reserves. Company size is also one of the factors that influence changes in the company's deferred tax asset reserves as evidenced by the negative significant results in the first and second regression models.

5   CONCLUSION

Based on the results of testing and data analysis that has been carried out by researchers on the hypothesis, the conclusion of this study is that changes in the company's deferred tax asset reserves are influenced by changes in deferred tax assets themselves, both from tax losses and from other records. Changes in the deferred tax asset reserves also significantly affect changes in the company's earnings per share. This matter shows that the provision for deferred tax assets can be used as a predictor for analyzing corporate earnings management. There are other factors that affect the company's deferred tax asset reserves, one of which is the company's own deferred tax liability. Company size is also one of the factors that affect the company's deferred tax asset reserves. Small-scale companies tend to reserve more deferred tax assets than large-scale companies. The results of this study indicate that the provision of deferred tax assets as corporate earnings management is influenced not only by changes in deferred tax assets, both from tax losses and other records, but also from corporate deferred tax liabilities. Company size can also affect the provision of deferred tax assets, although under certain conditions, company size does not have a significant effect. Deferred tax asset reserves can be a predictor of whether a company does earnings management or not.

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TABLE

Table 1. Number of Research Objects

Information	Total
Business entities listed on the IDX 2016-2018	1753
Sample Selection Criteria	
Financial sector business entities	273
Business entities that do not present LK in full on the IDX	128
Business entities registered on the IDX for the 2016-2018 period	110
Business entities that do not use Rupiah as currency	237
Functional	148
Business entities that do not recognize deferred tax assets on	**857**

Table 2. Descriptive Statistics Results

Variable	N	Maximum	Minimum	Mean	Std.Deviasi
ΔDTVA	857	516244.8	-516244.2	-0.3815	24954.29
ΔNOLDTA	857	107324.4	-4479.495	121.5268	3669.833
ΔODTA	857	4483.422	-623565.2	-715.683	21301.86
ΔDTL	857	974.5624	-684.4611	2.584681	60.717
ΔEPS	857	588389.3	-243844.1	404.17	21770.68
ΔHEPS	857	588389.3	-344596.1	-52.6856	24770.99
ΔMTB	857	13081	-1050	18.56741	453.4748

SIZE	857	35.12316	20.497	28.05768	2.136351
EPS	857	243923.1	-6045.114	408.9874	8345.785
DUMYEARxΔNOLDTA	857	157.1655	-67.53331	0.4882	9.547755
DUMYEARxΔODTA	857	176.4821	-394.7719	-0.73303	17.44451
DUMYEARxΔEPS	857	2681.94	-3662.411	-2.35079	186.5386

Table 3. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
ΔNOLDTA	0.284444	4621.112	4616.044
ΔODTA	0.008924	4884.967	4879.453
ΔDTL	0.383072	1.704783	1.701696
ΔHEPS	1.18E-05	8.733963	8.733924
ΔEPS	0.000145	82.76374	82.73519
ΔMTB	0.004113	1.020962	1.019251
SIZE	209.9409	200.5376	1.154577
EPS	0.004009	337.2750	336.4660
DUMYEAR	3781.886	1.517261	1.012687
DUMYEARxΔNOLDTA	15.93736	1.407723	1.403140
DUMYEARxΔDODTA	3.763040	1.382305	1.379865
DUMYEARxΔEPS	0.029004	1.216316	1.216122

Table 4. Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	0.541599	Prob. F(2,842)	0.5820
Obs*R-squared	1.101079	Prob. Chi-Square(2)	0.5766

Table 5. Heteroscedasticity Test Results

Heteroskedasticity Test: *Breusch-Pagan-Godfrey*			
F-statistic	0.334876	Prob. F(12,844)	0.9828
Obs*R-squared	4.061076	Prob. Chi-Square(12)	0.9823
Scaled explained SS	196.6477	Prob. Chi-Square(12)	0.0000

Table 6. Regression Results

Variabel	Koefisien	*Prob*	Koefisien	*Prob*	Koefisien	*Prob*	Koefisien	*Prob*	Koefisien	*Prob*
C	1576.922	0.0001 *	1865.973	0.0000 *	40.616	0.9221	71.244	0.8717	23.537	0.4786
ΔNOLDTA	-2.381	0.0000 *	-2.378	0.0000 *	-4.225	0.0000 *	-4.757	0.0000 *	-4.753	0.0000 *
ΔODTA	-1.246	0.0000 *	-1.189	0.0000 *	-1.828	0.0000 *	-1.905	0.0000 *	-1.905	0.0000 *
ΔDTL	0.438	0.4797	1.319	0.0362 *	2.458	0.0001 *	4.371	0.0000 *	4.37	0.0000 *
ΔHEPS	0.008	0.0257 *	0.008	0.0190 *	0.01	0.0054 *	0.012	0.0022 *	0.012	0.0021 *
ΔEPS	-2.074	0.0000 *	-2.071	0.0000 *	-2.043	0.0000 *	-2.029	0.0000 *	-2.03	0.0000 *
ΔMTB	0.021	0.7457	0.024	0.7137	0.002	0.9795	0.002	0.9829	0.001	0.9941
SIZE	-58.317	0.0001 *	-69.829	0.0000 *	0.077	0.9958	-1.701	0.9136		
EPS	0.756	0.0000 *	0.889	0.0000 *						
DUMYEAR	-41.916	0.4957			-43.916	0.5088				
DUMYEARxΔEPS	1.343	0.0000 *			1.857	0.0000 *				
DUMYEARxΔNOLDTA	4.016	0.3147			4.589	0.2876				
DUMYEARxΔODTA	0.887	0.6476			2.463	0.2392				

FACTORS AFFECTING STOCK PRICES IN INSURANCE COMPANIES LISTED ON BEI

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Abstract   : *This study aims to analyze the effect of profitability, leverage and company size on stock prices. The data source is obtained from the financial statements of insurance companies listed on the IDX in 2014-2018. This type of research is quantitative. Population and sample using purposive sampling technique of 9 companies. The analysis method used is multiple linear regression, F test and T test. The results of the study show that the variables of profitability, leverage and firm size simultaneously influence stock prices. While the partial analysis shows that the profitability variable has no and no effect on stock prices, the leverage variable also shows that there is a negative and significant effect on stock prices, the firm size variable has a positive and significant effect on stock prices. With the Determination Coefficient (Adjusted R2) the influence of the variable profitability, financial leverage, and company size is 26.6%. while 73.4% is influenced by other variables. The benefit of this study is to provide additional information for researchers who will develop knowledge in the field of financial accounting.*

1   INTRODUCTION

The development of investment is currently getting more advanced, one of which is investing in the capital market. Many investors are active in developing investments at this time, by looking at the company's internal progress through financial performance. Investors will choose good stocks to invest in so that they will generate maximum profits. By measuring the performance of the company, it focuses on earning from the company's operating activities that utilize its assets because this shows that the company's profitability increases so that the stock price also increases.

The stock price is the first step that investors will take before making an investment decision, so that investors do not suffer losses. Therefore, investors must be able to understand the condition of the company's financial statements so that their investment returns provide high returns.

Profitability has an important meaning for the company in maintaining long-term survival. In Dewi's (2019) study, it was explained that profitability had an effect on stock prices, while research by Darmawan (2018) revealed that profitability had no effect on stock prices.

Leverage reveals that a company that has a debt that is greater than its own capital means that the company has a higher level of leverage. In Sari's research, Jariyah and Hidayat (2019) revealed that leverage has an effect on stock prices, while research by Saprudin (2019) found that leverage has no effect on stock prices.

Company size describes the size of a company which will be measured by the log of total assets. There are several studies that still show inconsistencies in results, including research by Wijaya (2017) that company size has a significant and significant effect on stock prices, but the results are different from research conducted by Nurlita, Yunita, Robiyanto (2018) which shows company size has no effect on price. stock.

Based on the background of the problem described above, the researcher intends to examine "the factors that influence share prices in insurance companies listed on the IDX". This observation is limited to the factors that control the stock price, namely profitability, leverage and company size. The formulation of the problems and objectives in this study are whether there is an effect of profitability, leverage, company size on stock prices and a reference for investors to invest in one of the insurance companies on the IDX during the 2014-2018 period.

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2   LITERATURE REVIEW

Signaling Theory

Signaling Theory is a company executive who has information about a company that will encourage to convey information to investors whether or not to invest in the company concerned and about the price or volume of shares regarding taking proof of share taking (Suwardjono, 2005).

Stock Price

The share price is the share value that is regulated by the market mechanism with the power of the buying and selling of certain shares and the selling price from one investor to another. The share price is calculated from the closing price (closing price) at the end of the transaction year (Jogiyanto, 2008). The stock price will continue to be monitored by investors and potential investors, because the stock price has a huge influence on the benefits that will be obtained. The higher the stock price of a company, the higher the value of the company.

Profitability

Profitability is a ratio that describes the company's ability to earn profits (Kodrat and Indonanjaya, 2010: 239). This ratio can be measured by the rate of return on investment that has been made by the company by using all the funds (assets) it owns. According to Darmawan (2018) calculating return on assets (ROA) is:

$$ROA = \frac{Net\ Profit\ After\ Tax}{Total\ Assets}$$

Leverage

According to Zaki, Islahuddin and Shabri (2017) leverage is a description of being able to use assets to have fixed expenses that will use assets to increase the level of income for company owners. This ratio is used to assess the coverage of capital to pay debts. This ratio is important for investors and potential investors to assess the company's ability to pay debts with the capital owned by the company. Leverage is measured using a debt to equity ratio (DER). The Debt to Equity Ratio according to Arison (2019) is calculated using the following formula:

$$DER = \frac{Total\ Debt}{Total\ Equity}$$

Company Size

The size of the company is a balance of the size of the company which is obtained by varying things, including the overall sales, overall assets and the average sales stage of the company. According to Hutabarat (2019) Company size can be calculated using the following formula:

$$Firm\ Size = (Ln)\ Total\ Assets$$

Framework

Profitability

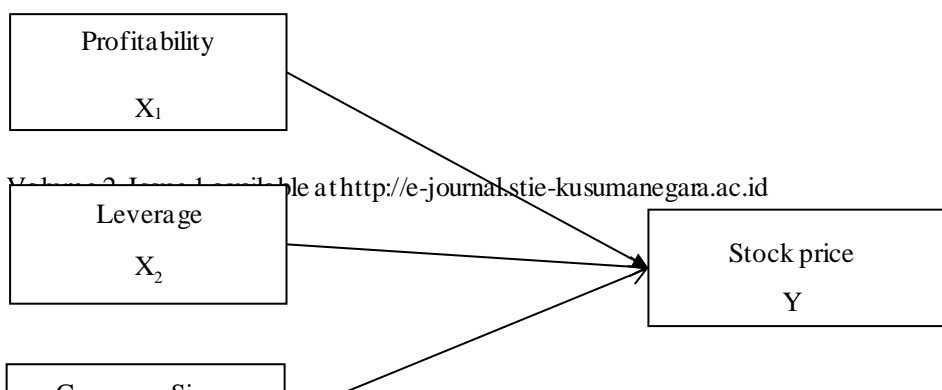X_1

Leverage

X_2

Stock price

Y

Figure 1. Framework

Research Hypothesis

Based on previous research and theoretical review, it can be concluded that the hypothesis in this study are:
1. Effect of profitability on stock prices
   This research was conducted by Dewi (2019) that profitability has an effect on stock prices. Which shows that the profitability to measure the effectiveness of the company so as to generate profits
   H1: Profitability affects stock prices
2. Effect of leverage on stock prices
   Research shows that financial leverage often uses a larger proportion of debt which can affect stock prices and vice versa if debt decreases it will increase share prices. This research was conducted by Sari, Jariyah and Hidayat (2019) showing the results that leverage has an effect on stock prices.
   H2: Leverage has an effect on stock prices
3. The influence of company size on stock prices
   This research shows that company size is often used as a benchmark because it has a very good performance so that many investors buy shares with a relatively stable market share. In the research of Hutabarat et al (2019), the results show that company size affects stock prices.
   H3: Firm size has an effect on stock prices.

3   METHODOLOGY

This study is a quantitative study that uses data analysis with statistical characteristics in order to test the specified hypothesis. The assessment is in the form of associative, which is an assessment used to determine the relationship between independent and dependent variables. This study uses secondary data quoted from the financial statements of insurance companies listed on the IDX during the 2014-2018 period.

In this study, the study selected the population of insurance companies listed on the IDX during the 2014-2018 period. The purposive sampling method is used to take the sample to be carried out, namely the population taken from this sample is a population that includes the sample criteria to be tested on researchers according to the reasons for the estimate. The criteria that acted as samples in this study were as follows:
1. An insurance company listed on the IDX that has delivered a complete annual report for a period of five years in line with the required study time, namely 2014-2018.
2. An insurance company listed on the IDX during the 2014-2018 period which generated profits for a period of five years.

Research instrument in the form of documentation. Annual report of insurance companies listed on the IDX during the period 2014-2018. In checking the hypothesis, multiple linear analysis is performed with the aim of understanding the significance of the relationship between the independent variable and the dependent variable being tested.

Multiple Linear Regression Analysis Test

$Y = \alpha + \beta ROA(X1) + \beta DER(X2) + \beta SIZE(X3) + e$

Information:

Y = Stock Price (Closing Price)
a = Constant
b1-b3 = Regression Coefficient
X1 = Profitability
X2 = Leverage
X3 = Company Size
b1b2b3 = Regression Coefficient
e = Disturbing variable

After that, test the hypothesis using 3 (three) test tools, namely the coefficient of determination (R2) which is used to assess how much the independent variable played in this study can describe its impact on the dependent variable. The F statistical test explains in order to find out whether there is a joint independent variable tested in the assessment of the dependent variable. The t statistical test is used to assess the relationship between each independent variable and the dependent variable Ghozali (2016).

4 FINDINGS AND DISCUSSION

From table 3 the sig value is stated at 0.086, it can be concluded that the data is normally distributed.

From table 4 it is known that all independent variables have a tolerance value > 0.1 and VIF < 10, so the variables in this study meet the multicollinearity requirements.
Based on the results of the autocorrelation test in Table 5 above, it can be concluded that the unstandardized residual variable does not have autocorrelation symptoms, because the residual unstandardized variable has a sig > 0.05.
The heteroscedasticity test above can be concluded that the profitability, leverage and company size used in this study as independent variables do not occur heteroscedasticity symptoms, because all independent variables have a significance value > 0.05.

From the table above, the multiple linear regression equation is:
$Y = -5299,663 + 17068,117 X1 - 207,098 X2 + 274,273 X3 + e$
Information :
Y = Stock Price (Closing Price)
a = Constant
b1-b3 = Regression Coefficient
X1 = Profitability
X2 = Leverage
X3 = Company Size
b1b2b3 = Regression Coefficient
e = Disturbing variable

From the regression equation model, it can be concluded that if kotansta is -5299.663 it can be concluded that if all the independent variables have a value of 0, then the stock price is 5299.663. the profitability regression coefficient is negative at 17068,117. It can be concluded that if the profitability variable increases by 1% with the assumption that the other variables are constant, it will be followed by a decrease in stock prices of 17068.117. The leverage regression coefficient is negative at -207.098. It can be concluded that if the leverage variable increases by 1% with the assumption that the other variables are constant, it will be followed by a decline in stock prices of 207.098. the regression coefficient of firm size is positive at 274,273. It can be concluded that if the

variable company size increases by 1% with the assumption that the other variables are constant, it will be followed by an increase in stock prices of 274,273.

Based on table 8, it can be seen that the number of Fcount> Ftable and the amount of significance <0.05, which means that the model is suitable for use in testing the impact of the independent variable on the dependent variable.

Based on table 9, the partial test above shows that profitability and leverage have no effect on stock prices. And company size has an effect on stock prices.

The value of Adjusted R Square means that the three independent variables only affect the stock price of 26.6%. However, the 73.4% lag was caused by variables other than in this study.

Tests that have been conducted show that the independent variables profitability, leverage and company size have an impact simultaneously on stock prices.

The first hypothesis testing is stated if the profitability variable has no effect on stock prices. This means that an increase in profitability is not always followed by an increase in stock prices. Concurrent matter with Darmawan's (2018) study reveals that profitability has no effect on stock prices.

The second hypothesis testing is stated if leverage has a negative impact on stock prices. Which means that a high level of liability will make it more difficult for the company to predict the company's future path. The greater the debt the company has, the tighter the supervision will be exercised by creditors. The findings of this study are consistent with the study of Sari et al. (2019), which suggests that if the leverage variable affects stock prices and explains that a high level of liability will be more difficult in predicting the company's future course of action. The greater the debt the company has, the tighter the supervision will be exercised by creditors.

The third hypothesis assessment is obtained if company size has a positive impact on stock prices. The results of this study indicate that a large company size is a guarantee for the company that will provide income to investors. The increase in assets followed by an increase in operating results will further increase the confidence of outsiders in the company. With the increasing trust of outsiders in the company. So that the greater the size of the company, the more it will increase the stock price. The resulting assessment is in accordance with the study conducted by Wijaya (2017) that company size has a significant and significant effect on stock prices. The larger the company size which can be seen from the total assets, the higher the company's stock price, whereas if the company size is getting smaller, the company's stock price will be lower.

5   CONCLUSION

The purpose of this study is to find the impact of profitability, leverage and company size on stock prices. By using data from 9 companies within 5 years of calculation and reduction of outlier data, as many as 40 data were obtained. Based on the regression analysis, the results show that the profitability variable has no effect on stock prices. Leverage and company size have an effect on stock prices.

The sample companies used in this study are only insurance companies listed on the Indonesia Stock Exchange, therefore the results of this study cannot be generalized to other companies.

In this study, the percentage of the Adjusted R Square test was only 26.6%, so 73.4% was a factor other than these variables that were not observed in this study.

The next researcher should expand the population in insurance companies listed on the IDX so that the research results can be generalized to other sectors.

The next researcher should add or develop research variables related to stock prices such as profitability, leverage and company size.

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TABLE

Table 1. Sample Selection

No	Information	Jumlah
1.	Insurance sector companies listed on the Indonesia Stock Exchange in 2014-2018.	16
2.	Insurance sector companies do not publish reports Financial or incomplete data for 5 consecutive years.	(6)
3.	Insurance sector companies that do not receive Profit in 2014-2018.	(1)
	Total sample of companies	9
	Total Observation (5 years x 9)	45
	Outlier	5
	Total data were processed	40

Table 2. Descriptive Statistical Test

Information	N	Minimum	Maximum	Mean	Std. Deviation
Y	40	157,00	7250,00	1890,3000	2048,14407
Profitabilitas (X1)	40	0,01	0,09	0,0517	0,02141
Leverage (X2)	40	0,17	14,41	2,0890	2,88876
Ukuran perusahaan (X3)	40	16,93	28,86	24,5763	4,14147
Valid N (listwise)	40				

Table 3. Normality Test Results

Variable	Sig.	Std	Information
Unstandardized Residual	0,086	>0,05	Normal

Table 4. Multicollinearity Test Results

Variable		Tolerance	VIF	Information
Profitabilitas	(X1)	0,997	1,003	Multicollierity does not occur
Leverage	(X2)	0,914	1,094	Multicollierity does not occur
Company Size	(X3)	0,915	1,093	Multicollierity does not occur

Table 5. Runs Test Autocorrelation Test Results

Information	Sig.	Std	Conclusion
Unstandardized Residual	0.149	> 0,05	There is no autocorrelation

Table 6. Heteroscedasticity Test Results

Information	Sig	Std	Conclusion
Profitability	0,841	> 0,05	There is no heteroscedasticity
Leverage	0,584	> 0,05	There is no heteroscedasticity
Company Size	0,076	> 0.05	There is no heteroscedasticity

Table 7. Results of Multiple Linear Regression Analysis

Model	Information	Regression Coefficient (b)
1	Constant	-5299,663
	Profitability	17068,117
	Leverage	-207,098
	Company size	274,273

Table 8. F Test Results

Model	F_{count}	F_{table}	Sig	Std	Information
1	5,720	3,259	0,003	<0,05	Eligible Regression Model

Table 9. t test results

Information	sig	Conclusion
Profitability (X1)	0,202	No effect
Leverage (X2)	0,049	Take effect
Company size (X3)	0,000	Take effect

Table 10. The coefficient of determination (R2)

Model	*Adjusted r square*	Conclusion
1	0,266	Independent variables can be affect the dependent variable

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