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Foreword by Vice Chancellor of Universiti Utara Malaysia

It is a great pleasure to be given the chance to write this foreword for the program book of The 7th International Conference on International Studies (ICIS) 2018 organized by The School of International Studies (SOIS), Universiti Utara Malaysia (UUM), Malaysia, in collaboration with Universitas Prima Indonesia (UNPRI), Medan, Indonesia.

I would like to welcome everyone to this conference which is held outside Malaysia for the first time ever. The choosing of Medan, Indonesia, as its location is very timely considering the strong ties that we have between Malaysia and Indonesia and it is hoped that this sort of continuous cooperation will be beneficial to both of us in Malaysia and Indonesia.

The theme of this conference, 'Sustaining International Affairs, Business, Sciences and Technology in The Era of 4th Industrial Revolution', is very timely in the context of the emerging importance and vast impact of 4th Industrial Revolution' on entire systems of production, management, and governance that nothing in our live, work and relation is spared.

I am sure the participants of this conference will come out with serious deliberations on what 4th Industrial Revolution entails, how it alters the way we live, work, and relate to one another, and what needs to be done to ensure that international affairs, business, sciences and technology can adapt to it in ways that will make our live, work and relation better.

I believe that good, healthy and positive interaction and exchange of idea, expertise and experience among esteemed international scholars in this conference, particularly those from Malaysia and Indonesia, will help nations in this Southeast Asian region grow in a quicker pace and catch up with, or even surpass, developments on the other side of the world.

In particular, it is hoped that this conference will lead into better networking and collaborative works among everyone presents, and the outputs from this conference will be converted into something worthy of not just public consumption but also of policy makers' consideration. With that, I wish all participants a fruitful discussion and an enjoyable time in this conference.

Professor Dr. Ahmad Bashawir Abdul Ghani

Vice Chancellor

Universiti Utara Malaysia

Foreword by Dean, School of International Studies (SOIS), UUM

I am delighted that The School of International Studies (SOIS), Universiti Utara Malaysia (UUM), Malaysia, managed to organise the biennial International Conference on International Studies (ICIS) for the seventh time this year, with the co-operation of Universitas Prima Indonesia (UNPRI), Medan, Indonesia, as its co-organiser.

Organising ICIS has been a cherished tradition of SOIS since it was initiated twelve years ago and we at SOIS are always anxious at the coming of ICIS for it always gives us the opportunity to exchange our ideas not just with fellow academicians but also with established and renowned practitioners in their respective fields.

The organizing of ICIS 2018 in Medan, Indonesia, is very timely as it signifies our effort at widening our appeal and reach outside Malaysia. With the current and future collaborations that we have with UNPRI and other higher academic institutions in the Southeast Asia, we are confident that SOIS will soon make its mark in the region.

I would like to state here my gratefulness to everyone of you who has worked hard to make sure that ICIS 2018 will be as successful as ever, despite being held outside Malaysia. Thanks in particular to the organising committee members besides to the keynote speakers, the paper presenters, the sponsors and the participants from various nations.

It is hoped that all participants of this conference will deliberate deeply on its theme, which is 'Sustaining International Affairs, Business, Sciences and Technology in The Era of 4th Industrial Revolution', so that in the end something very significant will come out of it on the best ways for us to deal with 4th Industrial Revolution.

I hope everyone will fully utilise ICIS 2018 as a good platform not just to exchange ideas but also to expand networkings so that after this conference ends more collaborative works on the topic can be done together. To our friends at UNPRI, thanks for being such a good host, and to our friends from UUM, have an enjoyable time here in Medan.

Associate Professor Dr. Muhammad Fuad Othman
Dean, The School of International Studies (SOIS),
Universiti Utara Malaysia (UUM)

Foreword by Director, ICIS 2018 Conference Organizing Committee

On behalf of The School of International Studies (SOIS), Universiti Utara Malaysia (UUM), Malaysia, and Universitas Prima Indonesia (UNPRI), Medan, Indonesia, as co-organisers of The 7th International Conference on International Studies (ICIS) 2018, I would like to welcome all participants to this biennial conference.

ICIS 2018 is special because it is the first ICIS series since it was initiated twelve years ago that is held outside Malaysia. For that we must thank our new UUM Vice Chancellor, Prof. Dr. Ahmad Bashawir Abdul Ghani, for his close rapport with our friends at UNPRI that facilitates the organizing of this conference in Medan, Indonesia.

It is hoped that the organizing of this conference in Medan, Indonesia, will enhance the quality of ideas being exchanged and widen the reach of the audience that both of us from Malaysia and Indonesia will have a lot to share from our different knowledge, expertise, experience and idea despite us having many similarities in our culture.

I would like to thank all of you who have made this conference a success, from the organising committee members who worked tirelessly to ensure that nothing is left from this conference, to the sponsors, the paper presenters and the participants who have directly and indirectly contributed to this conference in a way or another.

I sincerely hope that all the participants will have a good time during this conference and that the exchanges we have here will produce something significant to both of our nations, Malaysia and Indonesia. We look forward towards organizing more events in Indonesia and other places in collaboration with UNPRI and other universities.

Associate Professor Dr. Rusdi Omar
Director
Conference Organizing Committee

THE 7TH INTERNATIONAL CONFERENCE ON INTERNATIONAL STUDIES (ICIS 2018)
December 7-9, 2018, Universitas Prima Indonesia (UNPRI), Medan, Indonesia.

PART 9: INTERNATIONAL ENTREPRENEURSHIP

DIGITAL MARKETING TO IMPROVE SMALL MEDIUM BUSINESS ENTERPRISES COMPETITIVENESS IN INDONESIA

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Abstract

This study sought to outline how small and medium enterprises are using digital marketing to improve their competitiveness in today's digital era, The study addressed the following research questions how much the effect of digital marketing among small business enterprise in Indonesia. The method used is quantitative analysis method and the descriptive research design. Empowerment of Small and Medium Enterprises (SMEs) to be very strategic, because great potential in moving economic activities, and at the same time become the foundation source of income most people to improve their welfare. SMEs are required to make changes in order to increase their competitiveness. One way to compete in the competition in this era of globalization is to utilize information technology in the form of digital media Internet provides many advantages for businesses, such as the capability of reaching a new segment, which can sell products not only for the local market, but also for the global market. One form of information technology that can be applied by the Small and Medium Enterprises (SMEs) to expand its business is to maximize the use of e-commerce. The study relied on primary data, which was collected using questionnaires. The respondents were given 2 weeks to fill the questionnaires. The study used descriptive analysis. The collected data was subjected to analysis using Statistical Package for Social Sciences (SPSS) for windows. This study employed a census study, which meant a complete count meaning that the sample size for the study was 62 respondents. Regression analysis was also used to determine the relationships between the study variables. Inferential statistics that included the regression analysis was used to examine the degree of variance caused by the independent factors. The results showed that the performance of companies in small and medium enterprises will increase if the digital

marketing in running and developing business and improvement on the effectiveness of e-commerce users will be followed also by improving the performance of companies in small and medium enterprises that use digital marketing in Indonesia.

Keywords: Small and Medium Enterprises (SMEs), Business, Digital Marketing

Introduction

Small and medium enterprises (SME) in Indonesia have become the backbone of the country's economic development. A bit different with general definition of SME, Indonesia government put micro enterprise in the category of SME (Law of Republic Indonesia no. 20 of 2008 about SMEs); thus it is better known as Micro, Small, and Medium Enterprises (MSME). Small and medium-sized enterprises (SMEs) or small and medium-sized businesses (SMBs) are businesses whose personnel numbers fall below certain limits. Small in the development of his face a variety of problems, both internal and external. Internal factors that become barriers, among others, the ability, skill, expertise, human resources management, low levels of innovation. External factors, among others, capital support through outside parties both banks, financial institutions, as well as the Government, the less conducive business climate because of competition with each other, access to information, especially information market. SMEs need access to information.

SMEs often experience barriers in terms of marketing its products because of the limited access to market information which led to the low level of market orientation and weak competitiveness at the global level. The main advantage of digital marketing is that a targeted audience can be reached in a cost-effective and measurable way. Other digital marketing advantages include increasing brand loyalty and driving online sales. In terms of SME contribution to GDP within APEC, Indonesia and China had the two highest at 59% each. In Indonesia, SMEs also provided 92% of total employment.

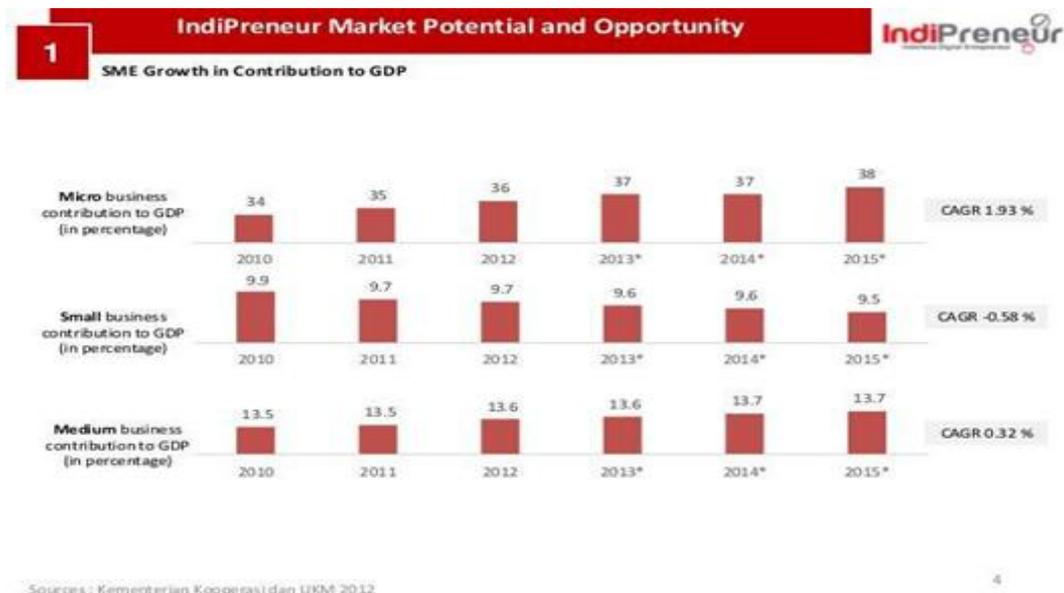


Figure 1 Contribution SMEs to GDP

Literature review

Digital Marketing according to Pradiani (2017) is a digital marketing is seen as the best medium as a means of capacity building are the most effective and efficient as well as being able to raise a significant volume of sales. According to Kotler and Armstrong (2008) internet marketing has five big advantage for companies that use it. First, both the small and large enterprise companies can do it. Second, there are no real limits in advertising when compared to print and broadcast media. Third, access and search information very quickly when compared to Flash or even letter by fax. Fourth, the site can be visited by anyone, anywhere in the world, anytime. Fifth, shopping can be done more quickly and alone. Hudspeth (2010) looked at the marketing of digital media technology utilisation glasses that change the conventional marketing concept into the digital marketing concepts that are more familiar with the development community mindset now.

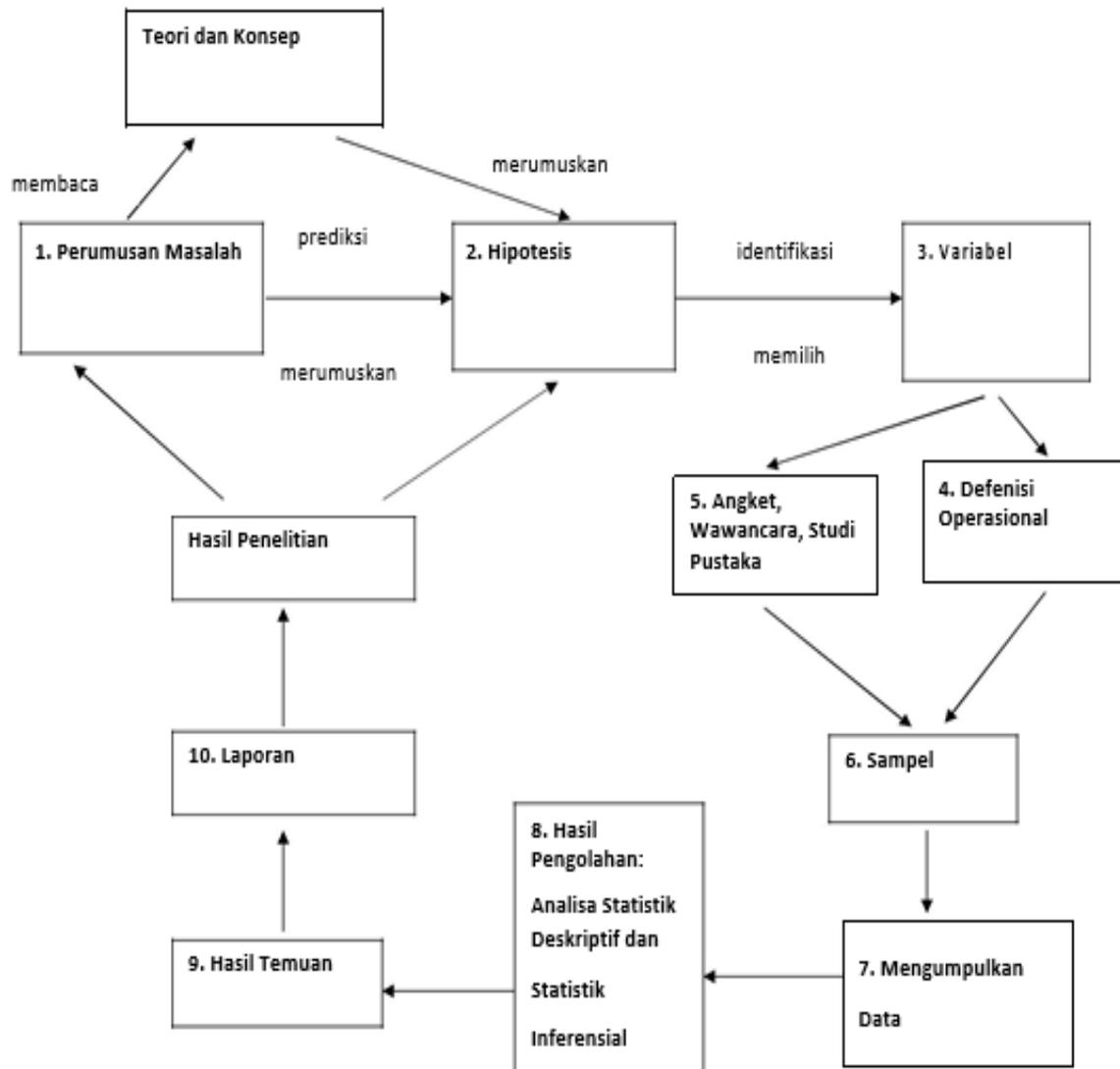
Historically the development of the media as a means of marketing is part of the integrated process of marketing products with traditional media which are then transformed with the use of digital technology in the form of the internet. Digital media-in this case the internet is becoming the deciding a marketing communications products. The existence of historical reasons digital media become the backbone in the marketing process, then bring up the digital strategy for action can bind to and market to the

Subscriber, stakeholders, the media, and anyone to be target the marketing is already prepared. In other words digital stratagi needed to influence the mindset of users to want to implement actions as desired, by utilizing digital media such as the internet, computer and communication technology. Kotler and Armstrong (2008) menyatakan the online marketing excellence-that is, it is a great tool to build relationships with consumers.

The company may interact with consumers to learn about the needs and desires of consumers that are more specific and to build a database of consumers. Online marketing can reduce costs and increase efficiency. Online marketers can avoid costs to defend his shop and the cost of the rental, insurance, and other equipment. Online marketing also offers great flexibility that allows marketers to make adjustments against supply and its programs. The Internet is a global medium that allows buyers and sellers to click from one place to another in a matter of seconds. The purpose of this research is to find out whether a program advertising and marketing through E-mail, affect the growth of the SMES internet users. The results of the penetilian Mujiyano, et, al., (2012) indicate that information technology products that can be utilized in the management of small business, both in the interests of businessmen as well as parties involved in the empowerment of small businesses, in the form of a portal E-marketing run by government agencies and the Association of small businesses in the territory of the city of Depok. Digital marketing strategy is essentially the same as traditional marketing, that includes the creation of customer value, customer value, seize and retain the value of the customer. It's just the concept of digital has changed the dimensions of the marketing mix that existed previously. Widianana (2012) et. Al., explains some of the digital marketing pemanfaatan indicators on SMES in East Java, among others, (1) Easy and clear Control, (2), (3) flexible (4) Effective (5) Useful (6) Efficient.

Tambunan (2008) explains common problems of MSME (Micro, Small and Medium Enterprises) in Indonesia are as follows: Lack of working capital; Marketing difficulties; Limited access to financial resources; Lack of technological skills and management; Low productivity; Limited access to productive resources, particularly capital, technology, information and markets; The still low quality of institutions and organization of cooperatives; Lack of business networks.

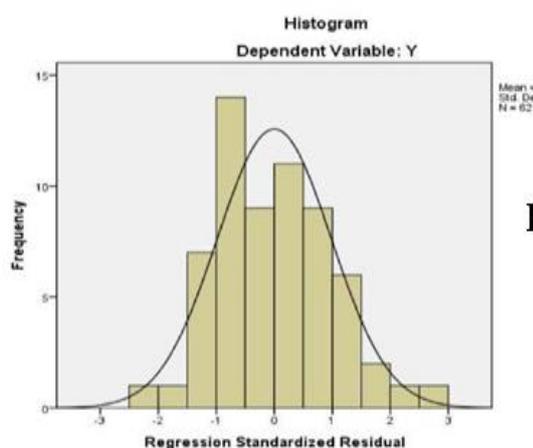
The flow chart of Research Approach and Design



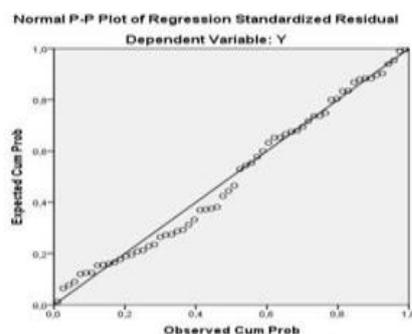
Research Method

This research aims to provide a valid Foundation and realibel on research studies so that the data and information generated can be trusted and is believed to be the truth both in terms of the methods or procedures done. This research can be categorized as hipotestis research testing i.e. research which was held to test the hypothesis (Jogiyanto, 2004), in terms of the relationships between variables this research is causal or due to research i.e. the research was held to explain the relationships between variables, either independent or dependent (Cooper Schindler, 2006). Whereas in terms of the dimension of time, these studies include research into cross sectional or one shot (Sekaran, 2003) which only involve a single point a certain time with many samples so that the resulting models are not designed to capture changes that occur to capture changes that occur due to the shift in time. The target population in this study are the SMEs in Medan that adopted the internet technology in the form of ecommerce in its business activities. This research uses the regression analysis. The target sample of 62 SME principals at Medan who adopt e-commerce in the conduct of its business activities. The technique of sampling in research is convenience sampling, i.e. samples became a member of the population that is easily accessible.

Result and Discussion



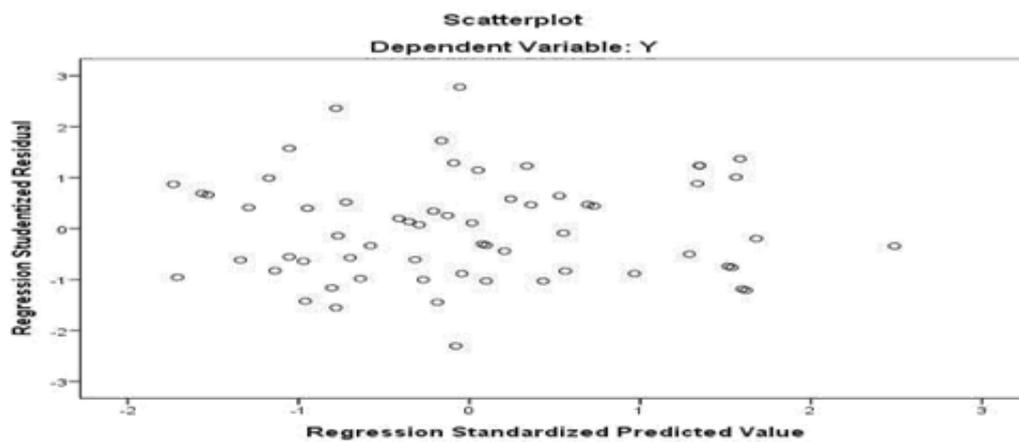
F Test



		Unstandardized Residual
N		62
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	2,82348346
Most Extreme Differences	Absolute	,088
	Positive	,088
	Negative	-,051
Test Statistic		,088
Asymp. Sig. (2-tailed)		,200 ^{c,d}

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
X1	,513	1,948
X2	,513	1,948

a. Dependent Variable: Y



Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,940	1,456		1,332	,188
X1	,095	,050	,336	1,917	,060
X2	-,121	,062	-,344	-1,965	,054

a. Dependent Variable: ABS_RES

F Test | ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	519,898	2	259,949	31,538	,000 ^b
	Residual	486,296	59	8,242		
	Total	1006,194	61			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

t Test

Coefficients^a

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,553	2,751		,565	,575
	(X1)	,243	,094	,326	2,584	,012
	(X2)	,416	,116	,452	3,578	,001

a. Dependent Variable: Y

While variable perceived ease of use influence on the growth of SMEs (PEOU) and perceived usefulness (PU) influence on the growth of SMEs (PU). This means that e-commerce easier to use then ever increasing benefit information system it can be said that the main factors of e-commerce was well received by the perpetrators of the SMES e-commerce because it is easy to use. The ease in this case is easy to learn. While the

benefit in this case is to increase the effectiveness and ease of work especially in e-commerce.

If not yet adopted e-commerce, it is advisable to start adopting its business activity in ecommerce because of e-commerce provides a variety of benefits against SME business activities such as expanding the marketing of products, make it easier to touch with consumers as well as efficient. In addition SMES that already adopted ecommerce.

2. If already adopted e-commerce in its business activity, it is recommended to continue to update the web site already owned to be able to keep in touch with consumers and to convince consumers that the site of the SME really there d an can continue to boost sales of its products.

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ANALYSIS OF DETERMINANTS OF COWORKING SPACE SUCCESS: CASE STUDY ON COWORKING SPACE IN INDONESIA.

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Abstract

Along with the development of creative economy in Indonesia, a number of operating coworking spaces are increasing. Of the many coworking spaces that operated, only a few succeeded and made profit. This study aimed to analyse factors that determined the success of coworking space. Informants in this study were Founders, Person In Charge and Association Managers of coworking spaces in Indonesia. By employing qualitative case study and engaged in interview and observation as data collection, it showed that the success of coworking spaces was determined by few factors, including collaboration, community, start up and service that are tailored to the local wisdom and background of the founder. Based on the results, it was expected that it can be served as a guidance for coworking space managers and those who will establish coworking space, especially in Indonesia.

Keywords: coworking space, collaboration, community, startup.

Introduction

The growth of creative economy in Indonesia is prominently promising. This can be proved by the increasing contribution of Gross Domestic Product (GDP) from creative economic sector to National GDP. The data can be seen as below.

Table 1. Creative Economy Contributions 2012 – 2016
(based on GDP at current prices)

GDP contribution of creative economy to National		
No	Year	GDP (%)
1	2012	7,41
2	2013	7,42
3	2014	7,43
4	2015	7,39
5	2016	7,44

Source: Analyzed by Researcher based on the data of

BPS and Bekraf, 2018

This promising growth does not guarantee that the sector is free from any problems. There are at least seven strategic issues that pose challenges as well as problems for the development of the creative economic sector in Indonesia, namely the quality and quantity of creative human resources, access to cultural and natural capital resources to create, access to funding and capital, access to technology and infrastructure, market access and networks, ecosystems that support, and institutions (Pangestu, 2016: 7).

One real effort that can be done to overcome these challenges and problems is to form creative spaces that can accommodate and inspire the emergence of a sense of creativity and integrate the creation-production-distribution process and marketing of existing creative economic potential (Putri & Ariyanti, 2016 : 184). The real manifestation of creative space referred to is in the form of coworking space.

In general, coworking space is a shared work space used by creative economic actors, startups and freelancers to carry out daily work activities, build networks or collaborate among fellow coworking space users, where coworking space provides various programs

and / or facilities to support the work of the coworkers. The shared workspace and its facilities are applied in the sharing between coworkers with a rental system for a certain duration.

As with the creative economy, coworking space businesses also face challenges and problems in their growth and development. The challenge and the main problem facing this business is how to optimize the need for coworking space in the community. According to data obtained from Asosiasi Coworking Indonesia as of May 30, 2018, a number of coworking spaces in Indonesia has reached number of 193 places, spread out across 27 cities (Asosiasi Coworking Indonesia, 2018). Of the many coworking spaces that operate, only a few succeed and gain a profit.

Based on the background of the problem described, the researcher is interested in figuring out what are the underlying factors that determine the success of coworking space.

Literature Review

Coworking Space is a place used by people from various backgrounds to share workspaces, facilities, places for meetings, socializing and collaborating (Phan, 2016: 56). This coworking space is designed in such a way and is different from the office design in general. The aim is to develop creativity and the spirit of collaboration. If the office is basically occupied by only one company or group of companies, then in coworking space, it is occupied by individuals and more than one business entity, usually still in the form of startup.

According to McGrath (2018: 80), coworking space give benefits for coworkers as well as coworker's work and performance. By utilizing coworking space, coworker get benefits from i.e.:

- a. Satisfaction (happiness),
- b. Social support (free from isolation and solitude, friendship),
- c. Ownership of the community.

While the benefits obtained for coworker's work and performance, namely:

- a. Increased productivity, better work, new skills,
- b. Collaboration and creativity,

c. Business opportunities.

Tjhoa (2017) added that having an office in coworking space provides many benefits, both material and non-material, including:

a. Save on operational costs

Using coworking space can reduce expenses for rent, electricity, internet, to small things, such as water, coffee and snacks.

b. Give inspiration and motivation

Working alone at home can feel lonely. Working around people with similar thoughts can provide more inspiration and motivation.

c. Have the opportunity to build connections and collaboration

In coworking space there is an opportunity to establish connections and collaboration with other coworkers. They can be partners to discuss and exchange ideas. Some coworking spaces have certain themes, such as international business or technology, which make it possible to establish connections with colleagues from the same industry. Moreover, there is some coworking space that provides a rental package which offers training or workshops that can make it easier to establish connections with other business people while increasing skills in a classroom atmosphere.

d. Flexibility

In coworking space it can work however and whenever desired. Plus, almost all coworking spaces offer monthly contracts, so they are not tied to long-term leases. Coworker can leave coworking space and move to a permanent office if the time comes.

e. Separation of work life with personal life

If you work at home, work is often mixed with personal life. By working in coworking space, personal life and work life can be separated. This certainly provide a positive impact on self-confidence and productivity.

Methodology

This study implied a qualitative method, with the application of case study perspective. The implementation of this study was conducted in four coworking spaces

and one coworking space association. First, coworking space that was managed by private sectors, including Clapham Collective, BetaHive Coworking Space, Success Fanatic Network (SFN) Labs Coworking Space. Second, it was done in coworking space which was managed by government that collaborated with Telkom, namely Digital Innovation Lounge (DILo). Last, it was in a coworking space association, known as Asosiasi Coworking Indonesia. The activities along with informants took place in coworking space, especially in the rooms that were already there, on the day and at working time of the coworking space or based on the mutual agreement between researcher and informants. This study was conducted in six months from June to November 2018.

The social situation in this study including four coworking spaces and one coworking space association located in Indonesia, whereby there was an interaction between coworking space management as service provider and coworkers as users. Informant of this study was the management of coworking space represented by Founder or PIC (Person in Charge). Purposive sampling was used by selecting informants who indeed hold much information that was needed in this study.

Interviews with coworking space management and observations of coworking space were used as data. Unstructured interview was employed, in which the guidelines of problems that needed to be asked was outlined to the Founder or PIC (Person in Charge). Along with interview, unstructured observation which was customized created by researcher based on the developments occurring in the field was also used to observe activity, room design and the specificity of coworking space.

The procedure used in this study consisted of several stages, namely identifying problems, determining the focus of research, formulating problems, conducting literature reviews and collecting relevant research, preparing questions and determining informants, conducting interviews and gathering information, making observations, analyzing data, checking the trustworthiness of data and write reports.

Results and Discussion

The results of this study were obtained by interviewing five informants, described as below:

- a. Secretary General of Asosiasi Coworking Indonesia (CID) and Director of Kekini Ruang Bersama, Felencia Hutabarat, who was subsequently given the initial FH.
- b. Regional Development Lead Sumatera of Clapham Collective, Cindy Lailani, who was subsequently given the initial CL.
- c. Founder of BetaHive Coworking Space, Imam Akbar, who was subsequently given the initial IA.
- d. Founder of Success Fanatic Network (SFN) Labs Coworking Space, Ikhsan Jauhari, who was subsequently given the initial IJ.
- e. Manager of Digital Innovation Lounge (DILo), Muhammad Akbar, who was subsequently given the initial MA.

The interview results with five informants can be seen in table 2.

Table 2. Interview Results with Five Informants

No	Initial	Interview Result	Determinants of success
1	FH	<i>"... Tingkat kesuksesannya tergantung si coworking space, KPInya apa. Kalau misalnya dia ngejanya adalah property management, seperti teman-teman yang ada di lokasi premium, tingkat kesuksesannya dengan banyaknya member, banyaknya perusahaan, atau banyaknya startup yang tercatat di situ. ... Teman-teman yang ada di lokasi lebih kecil, lebih spesifik fokusnya, tingkat keberhasilannya, ya komunitasnya kuat, terus banyak menghasilkan inisiatif-inisiatif yang memberikan perubahan kepada masyarakat, ... ada sekian banyak orang yang telah berhasil dijejaringkan oleh si coworking tersebut ..."</i>	Startup Community Services
2	CL	<i>"... faktor yang menentukan itu adalah di event ...dalam arti menyewakan event space dan juga semacam EO, jasa koordinasi event ... itu</i>	Services Collaboration Community

No	Initial	Interview Result	Determinants of success
3	IA	<p><i>paling tinggi nomor satu. Kedua, private office. ... Ketiga paling tinggi, services, ... jasa apapun yang ada di coworking space itu ... Keempat, dari coworking membership, yang non private office ... apa yang kita atau Cocowork Clapham anggap sebagai faktor penentu keberhasilan, kalau kita sih sesuai dengan value yang kita ingin bangun ... Yang pertama, kolaborasi ... Yang kedua, spirit of sharing ... Kemudian, culture of learning ... Keempat, impactful work ... Terakhir, charitable heart ... kenapa Saya bilang kalau coworking space itu dekat sekali dengan foundernya? Karena kalau foundernya di bidang entrepreneurship, otomatis itu akan mengikuti program-programnya. Karena visi awalnya kenapa dia buka adalah dia ingin membentuk komunitas ekosistem entrepreneurship di kota Medan ... Kita juga mengenal beberapa operator coworking space di Jakarta, misalnya foundernya itu fotografer. Nah, orang-orang yang di dalam coworking spacenya itulah orang-orang kreatif semua, fotografi, ...”</i></p> <p><i>“Kalau menurut kami dari Betahive Coworking Space, faktor keberhasilannya itu adalah perkembangan komunitas yang ada ... yang kita harapkan dari coworking space ini adalah kolaborasi ... berharap community-community bisa melaksanakan aktivitas di area coworking space ... faktor yang lainnya adalah ... dari startup-startup yang dilahirkan ... di Betahive Coworking Space, ada</i></p>	<p>Community Collaboration Startup</p>

No	Initial	Interview Result	Determinants of success
		<i>beberapa startup lokal yang memang kita lagi ... dari sisi coworking spacenya, kita melihat perkembangan mereka dan kita bantu bagaimana agar mereka bisa generate growth, bagaimana berkembang dengan cepat ...”</i>	
4	IJ	<i>“... kita di SFN Labs itu, kita fokusnya buat startup. Untuk sekarang sudah ada tiga startup ... kita ada mau ada empat startup lagi ... kita lebih banyak membantu startup untuk launching ...”</i>	Startup
5	MA	<i>“... sebagai Manager DILO Medan, memiliki sebuah indikator sendiri untuk menilai kesuksesan ... jumlah entrepreneur yang muncul dari satu event ke event ... jumlah startup ini menjadi indikator saya, khususnya jika mereka itu pernah berinteraksi dengan DILO ... berapa startup yang bisa masuk ke Digital Valley itu menjadi salah satu pertimbangan kami pribadi dan manajemen pusat ... partner-partner yang percaya dengan kami juga menjadi sebuah indikator lain, seperti Bekraf. Bekraf memiliki program-program yang tujuannya adalah biasanya pemetaan, pencarian data dan sebagainya, sehingga fokus kami adalah bagaimana membuat akurasi data, itu menjadi sebuah hal yang menjadi pertimbangan ... yang kedua, ... MoU dengan Kampus ... jumlah komunitas yang berperan, yang strategis ...”</i>	Startup Services Community

Source: Analyzed by Researcher based on interview results, 2018

Based on the interview results with five informants, it can be revealed that the factors that determine the success of coworking space, i.e.:

a. Community

Indicators of success from community factors were number of communities involved in coworking space activities, the strength of community bonding with coworking space and the breadth of coverage of work area of the community.

b. Startup

Indicators of success from startup factors is number of startups emerged up from coworking space, number of startups developed or fostered by coworking space and number of startups who carried out activities in coworking space.

c. Services

Indicators of success from service factors were variations of services provided by coworking space operators and were able to create profits for coworking space, such as event space, private office, coworking membership, and others.

d. Collaboration

In the point of collaboration, it was figured out that the good deal of intertwined collaboration between coworking space users, a good deal of collaboration between coworking space users and parties outside coworking space through activities in coworking space and a good deal of collaboration between parties outside coworking space through activities in coworking space were served as the indicator of success.

Based on the results of observations in the field, the determinants of the success of coworking space were closely related to two things, including:

a. Local wisdom from the operational sites of coworking space.

Examples:

In Bali and Yogyakarta, the activities and events of many coworking spaces were combined with culture and natural panoramas around the operational site of coworking space. Even the interior design was also adapted to the local culture.

b. Background from the founder of coworking space.

Examples:

The founder of Clapham Collective came from the field of entrepreneurship, thus the activities and events carried out there were more related to that field. The parents of the Founder of Betahive Coworking Space had a career in customs

sector so that the events carried out there had a lot to do with the field. The founders of Success Fanatic Network (SFN) of Coworking Space Labs came from the field of digital communication media so that the activities carried out and startups that were emerged up were mostly related to that field.

According to interviews and observations data while in coworking space, it can be revealed that the determinants of the success of coworking space were collaboration, community, startup and services tailored to the local wisdom and background of the founder.

By revealing the determinants of the success of coworking space, the founders and operators of each coworking space, especially those operating in Indonesia, need to optimize these four factors in coworking space operations thus number of successful and sustainable coworking spaces can continue to increase over time.

Conclusion

Coworking Space is a creative space that is designed in such a way as a place to meet and interact with people from various backgrounds with the aim of developing creativity and the spirit of collaboration as well as to produce products or services that serve as solutions to problems faced by society.

The increasing number of coworking spaces that are in line to the growth of creative economy sector does not guarantee that coworking space is free from problems. Of the many coworking spaces operating in Indonesia, only a small percentage succeeded and earn a profit. The success of coworking space in Indonesia is determined by factor of collaboration, community, startup and service that are tailored to the local wisdom and background of its founders. To be successful and sustainable, coworking space operators need to pay attention to these four factors in operationalizing coworking space.

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THE ANALYSIS OF INDONESIAN ONLINE CULINARY STARTUPS USING THE BUSINESS MODEL CANVAS APPROACH (CASE STUDY ON HEPIMAMA.COM)

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Abstract

In 2016, Indonesia online culinary contributed 41.4 percent of gross domestic product (GDP) in the creative economy so that the industry greatly contributed to the improvement of Indonesia economy. The increasing number of business units in the culinary industry makes the level of business competition increasingly tight so that business people need to do business activities by paying attention to the business model that they run. One of Indonesia's online culinary startups is Hepimama.com. This research was conducted to analyze the Indonesian online culinary startups on the Hepimama.com using the business model canvas approach

The study was conducted using a qualitative descriptive analysis method. The informant of this study is the founder of Hepimama.com. Information collected through in-depth interview technique until the information needed is enough to represent the research. Information was collected and then analyzed.

The results of the study show the business strategy for Hepimama.com in every element of the business model canvas. In the element of customer segments, the company focuses on sales and customer. The elements of the company's value propositions provide customers with ease and business development to the sales partners. The company channel element focuses on technology applications. Elements of customer relationship companies are needed to pay attention to customer service. The element of revenue streams of the company comes from sales commissions and registration fees. The key resources of a company consist of technology applications, sales partners and human resources. The key activity element is located in delivery services, product development and increasing sales partners. The main key partnership elements come from the seller and customer. The cost structure element of the company consists of operational costs, promotion and infrastructure of technology applications. Hepimama.com needs to pay attention to every business activity and develop strategies using business model canvas approach.

Keywords: Business Model Canvas, Business Model, Business Strategy

Introduction

The creative economy is one sector that has the potential to drive the growth of the Indonesian economy. Based on the GDP Report of the Creative Economy, in 2016, the creative economy sector contributed 7.42 percent to the economy in Indonesia. One industry that has the greatest value compared to other industries in the creative economy sector is the culinary industry. The culinary industry contributes 41.4 percent of gross domestic product (GDP) in the creative economy so that the industry greatly contributes to the improvement of Indonesia's economy

One of the technology companies in the online culinary industry is Hepimama.com. Hepimama.com was established in October 2017 and currently operates in Medan, Indonesia. Hepimama.com collaboration with catering business partners and selected restaurants in the city of Medan. Hepimama.com connects sales partners with customers directly with the help of technology applications. The ordering system uses a pre-order system or a minimum order of one day before.

The increasing number of business units in the culinary industry makes the level of business competition increasingly tight so that business people need to carry out business activities by paying attention to the business model that they run. Therefore, this study intends to analyze the Indonesian start-up culinary business model on the Hepimama.com website using the business model canvas approach so that the company can grow and win business competition. This work, based on Business Model Canvas from Osterwalder and Pigneur (2010), consists of nine elements of Business Model Canvas divided over customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, cost structure.

Literature Review

Literature study, this is the method used to collect all information or data from responsible sources.

Business Model Canvas

Business model describes the rationale of how organization creates, deliver and capture value (Osterwalder&Pigneur, 2010). It is important to show in the company about its

business performance to keep competing support business. In this business model canvas, there are nine building blocks which are related to each other, that consist of customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnership, and cost structure.

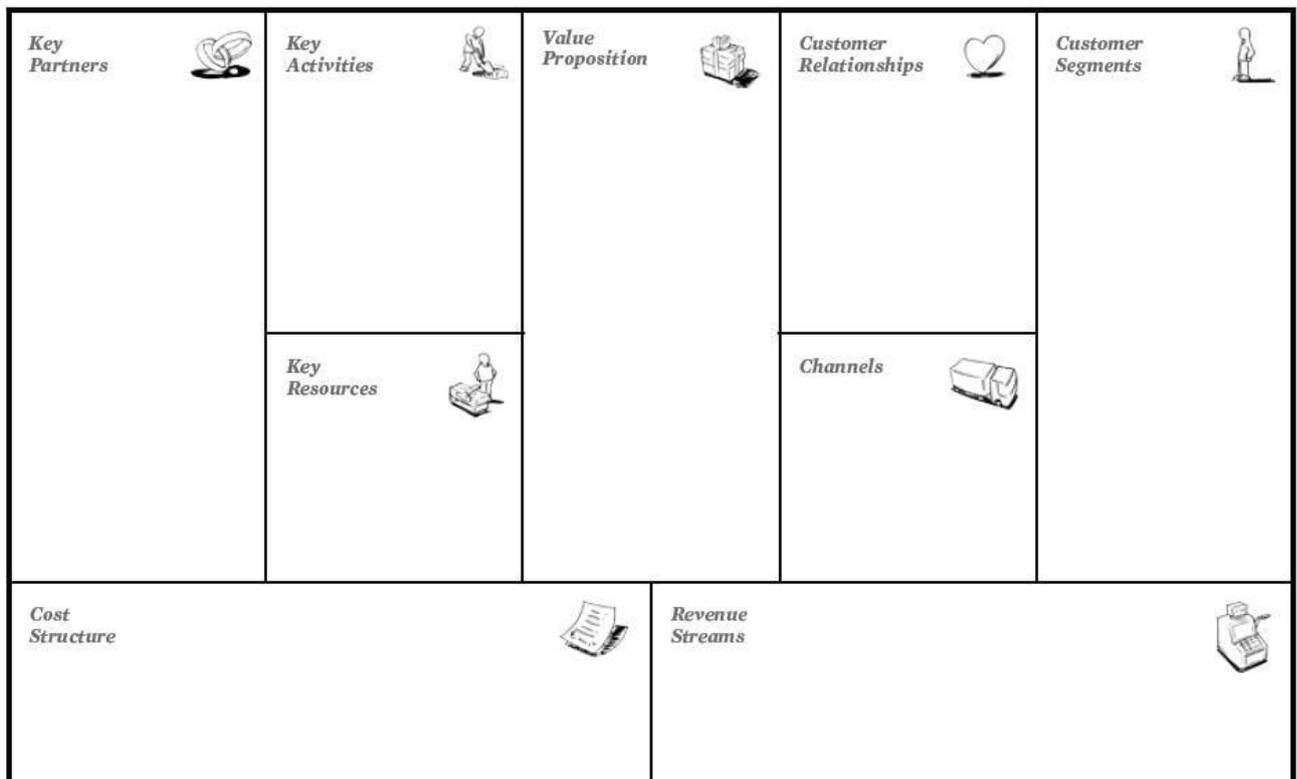


Figure 1. The Nine Elements of Business Model Canvas (Osterwalder&Pigneur ,2010),

Research Method

This research method is qualitative descriptive research with pointed out the Business Model Canvas of the Indonesian online culinary startups Hepimama.com. The informant of this study is the founder of Hepimama.com. Information collected through in-depth interview technique and then analyzed to understand their business model such as customer segments, value propositions, channels, customer relationship, revenue streams, key resources, key activities, key partnerships, cost structure.

Result and Discussion

Business model describes using the business model canvas of the Indonesian online culinary startups Hepimama.com. Based on in-depth interview, then the diagram of Business Model Canvas can be purposed as follows:

<p>Key Partners </p> <ul style="list-style-type: none"> - Sales partner - Customer - Sponsor - Investor 	<p>Key Activities </p> <ul style="list-style-type: none"> - Delivery services - Product Development - Increasing sales 	<p>Value Proposition </p> <p>For Sales Partner :</p> <ul style="list-style-type: none"> - Business development - Open market - Delivery service - Workshop or training 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Make contact with customer - Media social - Customer service (live chat) 	<p>Customer Segments </p> <p>For Sales Partner :</p> <ul style="list-style-type: none"> - People who have cooking skill - Restaurants - Catering business <p>For Customer :</p> <ul style="list-style-type: none"> - People who live in Medan - People who need food
<p>Key Resources </p> <ul style="list-style-type: none"> - Technology applications - Sales partners - Human resources 		<p>For Customer :</p> <ul style="list-style-type: none"> - Easy to use - Free delivery service - Various menu - Healthy food 	<p>Channels </p> <ul style="list-style-type: none"> - Website www.hepimama.com - Social media such as facebook and instagram 	
<p>Cost Structure </p> <ul style="list-style-type: none"> - Operational costs - Promotion costs - Infrastructure of technology costs 		<p>Revenue Streams </p> <ul style="list-style-type: none"> - Sales commissions - Registrations fees 		

Figure 2. Business Model Canvas For Hepimama.com

Based on the results of this research and the discussion, can be concluded:

- Customer segments, the business model on Hepimama.com does not only focus on the customer, but also on the sales partners. For sales partner, Hepimama.com focus on people who have cooking skill, restaurants and catering business. For Customer, Hepimama focus on people who live in Medan, people who need food and people who have internet access.
- Value Proposition, the business model on Hepimama.com has value for sales partners and customer. For the sales partners, Hepimama.com can develop business by opening new markets and increasing the quality of the products by doing training/workshops.

Hepimama.com also help sales partner who has problem for delivery their food to the customer by offering delivery services. For the customer, Hepiama.com offer convenience for ordering food and various menu and also gives rewards for loyal customer

- c. Channel, Hepimama.com has a good channel for reaching its customer through the website www.hepimama.com and social media such as facebook and instagram.
- d. Customer relationship, Hepimama.com has various way to keep relationship with customers through contact with customer, media social and customer service (live chat)
- e. Revenue streams, the revenue Hepimama.com comes from sales commissions and registration fee.
- f. Key resources, the important resource Hepimama.com is the implementation of application technology, sales partners and human resources
- g. Key activities, key activities on Hepimama.com are offering delivery services, develop the product through training/workshops and increasing sales through promotions
- h. Key partnership, key partnership on Hepimama.com is sales partner, customer, sponsor, and investor.
- i. Cost structure, the cost of Hepimama.com to run its business process are operational costs, promotion costs and costs for support infrastructure of technology applications

Conclusion

Based on the research, there are several suggestions for Hepimama.com to develop its business and increasing sales:

- a. Hepimama.com can pay attention to its business activity and develop the strategy by using the Business Model Canvas approach. Model
- b. Hepimama.com can increase revenue streams so that the company can sustainand compete with its competitors

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- c. Increase the channel of Hepimama.com by developing mobile apps such as Android or IOS, because the mobile user are increase.
- d. For the next researcher, can develop another Business Model for Hepimama.com for comparison.

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PART 10: INTERNATIONAL LOGISTIC AND SUPPLY CHAIN

INDUSTRIALIZED BUILDING SYSTEM (IBS) QUALITY TESTING AGAINST DISASTER RESILIENCE: A SUPPLY CHAIN PERSPECTIVE ON INTERNALIZATION

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Abstract

One of Malaysia government's efforts made is the rapid encouragement of increasing adoption for the Industrialized Building System (IBS) to replace the traditional construction method, thus to accelerate the development of the construction industry. IBS refers to a construction technique whereby building components are manufactured in a controlled environment, either on-site or off-site, and then installed or erected into construction. The role IBS or prefabrication in delivering competitive advantage in construction projects is widely acknowledged. However, little is done by way of research to determine the prospects of IBS to explore its potential for internationalization. This paper contextualizes the opportunities for internationalizing IBS. A questionnaire survey was conducted among the IBS supply chain members to examine the role of IBS quality testing against disaster resilience to penetrate foreign markets. The results revealed that technical and design factors are perceived to be more dominant regarding IBS quality testing against disaster resilience in order to develop commitment towards internationalization. The discussion concludes by identifying the potential of IBS quality testing against disaster resilience in contributing to the internationalization of construction business. This paper advances the concept of internationalization readiness and proposes a method for generating IBS development strategy.

Keywords: construction, prefabrication, quality, disaster, internationalization

Introduction

Industrialized Building System (IBS) technology is "the mass factory-produced building components off-site, then they are properly assembled and joined on-site to form the final units" (Sarja, 2003). IBS or off-site production is the focus of many government and private initiatives to increase the productivity of the building projects and construction industry, besides its quality features (Mao et al., 2013; Musa et al., 2014). Numerous initiatives have provided incentives for building projects and construction firms to become

more productive and competitive. Some of the technology adoptions are mandated, but increasingly IBS supply chain members are still uncertain with the competitive aspects of IBS benefits (Mohammad, 2013; Zakaria et al., 2013). IBS supply chain members have an important role in decisions related to the adoption of modern building technology such as IBS (Mohammad et al., 2014), which is also known as modern method of construction, precast, modular coordination, modern method of construction and off-site construction.

Although of evidence to support the use of modern building technologies such IBS, yet not been adopted as predicted (Akmam Syed Zakaria et al., 2018; Kamaruddin et al., 2013; Rahman, 2013). Generally, the IBS supply chain members view many of these IBS projects, which involves infrastructure development and building projects, as probable options for attaining a stable competitive advantage (Abedi et al., 2013). Therefore, the aim of this study is to provide answers to the following research question: how IBS supply chain members perceive the role of IBS quality testing against disaster resilience to penetrate foreign markets? Specifically, this study has two major objectives: 1) to explore the role of IBS quality testing against disaster resilience as an opportunity for internationalizing IBS and 2) to identify the most significant factor of IBS quality testing against disaster resilience that have influences on the potential of IBS to penetrate foreign markets as perceived by the IBS supply chain members. These objectives uphold the aspiration of the Malaysian Construction Industry Transformation Plan, 2016-2010 (CIDB, 2016) which focuses on internationalization by winning back market share domestically and competing in overseas markets.

Background

Currently, there is a drastic shift in system of housing construction technology from the traditional system to a broader implementation of IBS technology, as the concept of industrialization has been encouraged by both state and federal governments (Bari et al., 2018; Hamid et al., 2017; Rahim and Haron, 2013). Moreover, to promote faster completion of building projects, IBS is applied (Arashpour et al., 2016; Jiang et al., 2018). This has led into the dynamics of IBS technology to improve its quality features (Zhang et al., 2018) with the focus on testing IBS quality against disaster resilience. Based on this development, quality testing against disaster resilience can be considered as an

added value feature for IBS technology to highlight its potential to expand its construction market.

Despite all this relevance, little is known about how IBS supply chain members will meet the challenge of expanding the market in adopting IBS technology (Halil et al., 2016). Considering this knowledge gap, this study explores the IBS testing of disaster resilience to tap the opportunity of international markets for IBS. Furthermore, today it is widely known that the construction industry cannot expand IBS adoption in isolation but, instead, that it requires a collaboration of all members IBS supply chain regarding IBS innovation and quality improvements (Arashpour et al., 2017; Jiang et al., 2018). Hence, this matter should be handled with IBS supply chain perception as well as the influence of IBS testing against disaster resilience as an added value feature to IBS technology can be investigated. Relative to this knowledge gap, this paper focused at exploring the potential of IBS building components to expand its market internationally, other than Singapore.

Industrialized Building System (IBS)

IBS technology adoption brings benefits to the construction-project implementation phase, through exploiting the advantages of the manufacturing process (Hong et al., 2018), including an improved control on the building project (Lessing et al., 2015; Tam et al., 2015) and improved quality (Azam Haron et al., 2015; Zhang et al., 2018). IBS system of technology grant opportunity to enhance different types of project performance parameters, particularly cost (Arashpour et al, 2018; Wong et al., 2017) and time (Shahzad et al, 2015; Zaini et al., 2016). Even though several works have shown the probable advantages of adopting IBS in construction projects, yet the adoption and acceptance level is still very low (Nawi et al., 2015).

Past researchers have established that IBS enhance the construction productivity and minimizes site labor activities and operations (Alazzaz and Whyte, 2015). Many past studies aimed of IBS adoption studies at technical aspect majorly (Lessing et al., 2015) and managerial problems (Akmam Syed Zakaria et al., 2018). According to Hosseini et al., (2018) the policy that guides the technology of IBS over several years was centered on adequate comprehension relating to practices behind the technology as well as the scientific perspective of IBS technology itself.

From the case of foreign labor dependency that has taken place in Malaysia, the changes in adopting IBS technology will bring significant economic, social and sustainable impacts (Hamid et al., 2017) to the green technology problems (Bohari et al., 2015), and now to the international markets (Hung et al., 2015). Base on nature and extent of these scenarios, the stakeholders in the construction industry which consists of IBS supply chain members, have started to pay more attention to adopting IBS technology. This is gradually recognizing that IBS adoption regarding its advanced quality features must be equally important in addressing IBS problems. To achieve IBS goals, both the scale of IBS features, priorities and the potential need to be clearly understood.

There is increasing demands for infrastructure building and adopting IBS technology driven by the evolution of socio-economic situations (Li et al., 2016). This is as buttressed by public perceptions of the performance and IBS quality technology adopted (Musa et al., 2014), and also driven by the positive environmental impacts of building construction practices (Zhang et al., 2018). Furthermore, this development in IBS demands is foreseen to increase in the nearest years (Tam et al., 2015).

In specific building-project settings such as fast-track projects, unstable weather conditions and congested locations, adopting IBS technology represents the typical choice of building method (Hamid et al., 2018; Nawi et al., 2015) as it is relatively more convenient, particularly in the Malaysian context. However, in a normal construction environment, the consideration of IBS technology adoption is not obvious as an alternative to conventional building methods (Zhang et al., 2018). Hence, based on this argument, this paper is materialized to evaluate the members' perception of IBS supply chain based on their knowledge and understanding about IBS quality testing against disaster resilience as a potential to penetrate foreign markets.

IBS Quality Testing

Nasirzadeh et al. (2013) defines quality as meeting and conforming to the requirement of the projects' aesthetic, legal and functional specifications. Quality management is to ensure efforts in achieving the required level of quality for a product which is well planned and organized (Rumane, 2016). Quality management in construction projects involves maintaining "the quality of construction works at the required standard so as to obtain customers' satisfaction that would bring long-term

competitiveness and business survival for the companies” (Howarth and Greenwood, 2017).

The CITP (2016-2020) plan also recognizes that one of the reasons for the limitation of IBS adoption is due to the relatively small pool of IBS specialist and the lack of standards and guidelines for the testing of IBS products (CIDB, 2016). As this study emphasizes on the significant of IBS quality testing for disaster resilience, the highlight of this study includes insight into IBS testing for IBS technology attributes as an added value for exploring international markets. This is in line with one of the four strategic thrust of CITP (2016-2020) which is internationalization. One of the key outcome under the internationalization strategic thrust is that more construction related companies involve in exporting their products and services in the global market (CIDB, 2016). In this regard, the emphasis on quality testing for any product can improve its competitiveness, capability and capacity to venture internationally and ensure it achieves international standards. Hence, it enables the local IBS products of Malaysia with standardized testing to be marketed internationally.

Testing and inspection requirements are combined into specifications that emphasize on quality control and offer an organized location in which all quality control matters are classified to the bidders in a construction project (Harris and McCaffer, 2013). As for IBS technology, the changes of last-minute design especially after IBS panels are already being installed may influence the quality of IBS components itself due to the differences to the loads that have been calculated. In addition, design criteria also affect the methods of construction for both IBS and conventional construction (Holla et al., 2016).

IBS quality tests with new building concepts, materials, manufacturing process, and construction techniques would mean that every building project could be different in terms of disaster resilience, with the entities of building projects effectively able to design and construct a customized building project. During the testing process of building components, project members are concerned with new materials and innovation to improve project efficiency (Marsono et al, 2015). For instance, designers often consider precast concrete to deliver low maintenance, high-performance solution and the durable requirement for thermal performance, air leakage and rain penetration control in modern buildings (Wang and Adeli, 2014).

The system of precast concrete wall is acknowledged to offer security enhancement in the wake of any disaster as they offer protection from projectiles (Thrown, explosion, windborne and shot) and require little repair after the disaster (Georgopoulos and Minson, 2014). In relation to disasters, IBS technology features are also related to the sustainable system including economic, social, environmental and organizational criteria including prefabricated, produced outside the workshop, standard components, repeatability and modulation, and finally, they presented sustainable industrial building systems (Yunus and Yang, 2014).

Disaster Resilience

The United Nations Office for Disaster Risk Reduction (UNISDR) express resilience as the capacity of a system, society and community to dangers in resisting, adapting to, acceptance, transform and recuperate from the impact of hazards in an efficient and timely way. This involves the conservation and reinstatement of the important fundamental structures and functions by means of risk management (UNISDR, 2017). In relation to disaster resilience, building components are important not only in the process of post-disaster building reconstruction but also in terms of their durability, strengths and overall quality features (Ophiyandri et al., 2013). This requires an understanding of not only how the construction stakeholders perceive disaster environment and its exposure, but also of the quality features of building construction within which knowledge and understanding about disaster resilience are managed (Bilau et al., 2015).

Therefore, the aspect of disaster resilience is essential as a part of building quality features related to sustainable development which should be integrated into the practice of the construction industry in attaining competitive advantages (Bocchini et al., 2013). In the aspect of IBS technology adoption for market expansion, understanding the spectrum of IBS quality testing concerning anticipating disaster risks and attaining disaster resilience for instance (Shan et al., 2017) is one of the critical considerations for exploring its international market.

In the case of building construction, disaster resilience aspects should incorporate quality testing elements to ensure the quantification of disaster risk is considered. This also represents a new paradigm in the architecture and construction industry in

anticipating disaster risks (Ingirige, 2016), through the understanding of resilience concept (Hollnagel, 2017) and the notion of IBS quality features (Hosseini et al., 2016). Moreover, disaster resilience aspects have received much attention in recent years due to the issues of climate change, globalization and competitiveness, thus requiring a paradigm shift, from adopting the building technology itself to ensuring disaster resilience in construction projects (Cannon and Müller-Mahn, 2010).

Besides that, there are issues on the works' resilience of construction to natural disasters such as high emissions of carbon and energy utilization (De Jong et al., 2015). This reflects that the quality testing of IBS technology adoption is not only related to its technical aspects only, but also on the sustainability of construction workers. Therefore, long-term, viable changes need to happen to guarantee that damage from natural disasters is minimized and our built infrastructure can continue the future (Alexander, 2017). In this case, the occurrence of construction practices that lack efficient and risk harming the environment can be avoided.

Internationalization

One of the four strategic thrust in the new CITP (2016-2020) is internationalization (CIDB, 2016). The internationalization thrust aims to develop the construction industry of Malaysia to pioneer the notion both at local and global level includes ten companies to achieve 5* score rating, another fifty Malaysian companies to achieve G8 grade and ten more construction-related companies services' exporting at global market place (CIDB, 2016). According to the CITP (2016-2020), internalization is gradually becoming more and more crucial avenue for organization in Malaysia to attract growth above the local market. The internationalization idea will assist Construction industry in Malaysia to compete adequately at both local and international levels, hence raise their potential export earnings (Wang et al., 2017).

To have more stringent enforcement of material standards is internationalization of construction practices is another key element (Grubbauer, 2015). The standard for construction specifications will add value to construction projects that will result in effective cost reductions and lower wastage (Kibert, 2016). It will thus contribute to raising the performance and quality of domestic production and projects in the construction industry (Rumane, 2016). Ultimately, this standardization contributes to equalization in

play-field for local players against international competition bidding for Malaysian projects. This ability to maintain competitiveness on the home turf contributes to the outcomes of the Internationalization Thrust of CITP (2016-2020).

As for adopting IBS technology, the Internalization Thrust was designed with main aim of strengthen the export-ready players, while Malaysian leading organization pioneering the charge at global and local stages. Moreover, there are well articulated motivations in term of incentives for Malaysian construction companies to improve on their global competitiveness by take advantage of new market development and growth privileges and to retain market share locally (CIDB, 2016). There are three major issues to be tackled under the operations of Internalization Thrust and these are:

- a) Increasing local competitive market, most importantly by the presence of foreign players.
- b) Restricted accessibility to enablers so as to encourage international expansion as well as financing.
- c) Limited Malaysian players that get involved in the construction projects at international level.

Additionally, under the internationalization thrust, one main issues to be tackled is how to increase competitiveness of the local market, most importantly the foreign players participation and involvement. CITP aspires to tackle this issue by internationalizing construction practices and standards. Recommendations from CITP include:

- a) Recommend Malaysian standard as part of construction specification for all projects.
- b) Encourage adopting international standards for materials, artistry, safety, methodology, etc.
- c) Support consortia formation and strengthen overseas market intelligence by ensuring focused targeting of high potential export market.

Role of Supply Chain Members

According to Lundesjö (2015), supply chain was described as promising concept in the construction sector in which groups or individual come together in unity of purpose within a multi-disciplinary environment in designing, approving, developing and production of building products with sole aim that is in accordance with project

organization, while the significant decisions are made and executed in the process of design. Supply chain management comprises of planning and flow of supply chain control to speed up market time, minimize inventory phases, reduce general costs, and improve customer service and satisfaction, so as to meet the needs and wants of customer's efficiently (Hugos, 2018). In order to ensure profitability and competitiveness, supply chain management should be connected to procedure of business to attract both intra and intercompany management with the incorporation of managerial efficiency and market expansions (Prajogo et al., 2016).

In building technology adoption, the mitigating factor against the adoption of IBS are depends on human beings views and notions rooted in the chronological letdown of IBS practices to offer enhanced performance, technical hindrances (such as site specification, challenge of delivery, cost and interfacing challenges), lack of opportunities for economic of scale benefits, as well as the fragmented structure that is peculiar to the construction industry's supply chain (Behera et al., 2015; Russell et al., 2018). In order to ensure competitiveness and sufficient profitability, supply chain management should be connected to business procedure so as to gain the synergy of intra and intercompany management with the integration of managerial components and technical components. According to Goulding et al. (2015), in the construction sector, IBS supply chain refers to the management of contemporary IBS delivery process with the transformation from off-site to off-site operations, so that every project process execution and implementation should be logically strategized to minimized risks and optimized values.

Although IBS supply chain members value the IBS introduction into construction industry yet not as keen to develop or innovate the system, hence establishing the need for further acknowledgement of supply chain members in the utilization of IBS that connected to the environments (Lee et al., 2014; Patil et al., 2016). As far as members of IBS supply chain are also the construction sector entity, the consideration of their own perspective or thought in the area of internalization is the pivot elements at the stage. This represent the context of reputable nature of landscape competitive which signify IBS supply chain entities and the probable impact of IBS technology's embracing in expanding market (Lou and Kamar, 2012). Consequently, there is need of IBS members of supply chain to look far beyond IBS system acceptance in the Malaysian local market and to consider IBS added value in terms of quality testing against disaster resilience in

the context of international market. Construction supply chain coordinates inter-organizations decision making and supply chain members such as supplier, designer, general contractor, sub-contractor, and clients or owner typically create a decision as a set of possible solutions with the consideration of competitive advantages like market expansion (Pryke, 2009).

The Conceptual Model and Research Methodology

As discussed in the aforementioned sections, the four dominant IBS-related features, namely quality testing, disaster resilience, internationalization and supply chain provide a certain connection with the influence of IBS quality testing on the competitiveness of the Malaysian construction industry that reflects the potential of IBS technology for internationalization. The early assessment was seen as necessary and basic over most vital IBS quality testing that are important for disaster resilience considerations. In order to determine the most significant IBS quality test features that affected IBS technology adoption, a gap was identified on the basis of literature reviews to compare the current and the future state of IBS technology adoption in Malaysia along with the strategic actions that must be performed to achieve the future state of IBS technology adoption for internationalization. Figure 1 illustrates the conceptual representation of this gap identification. This conceptual representation serves as the research framework for this study.

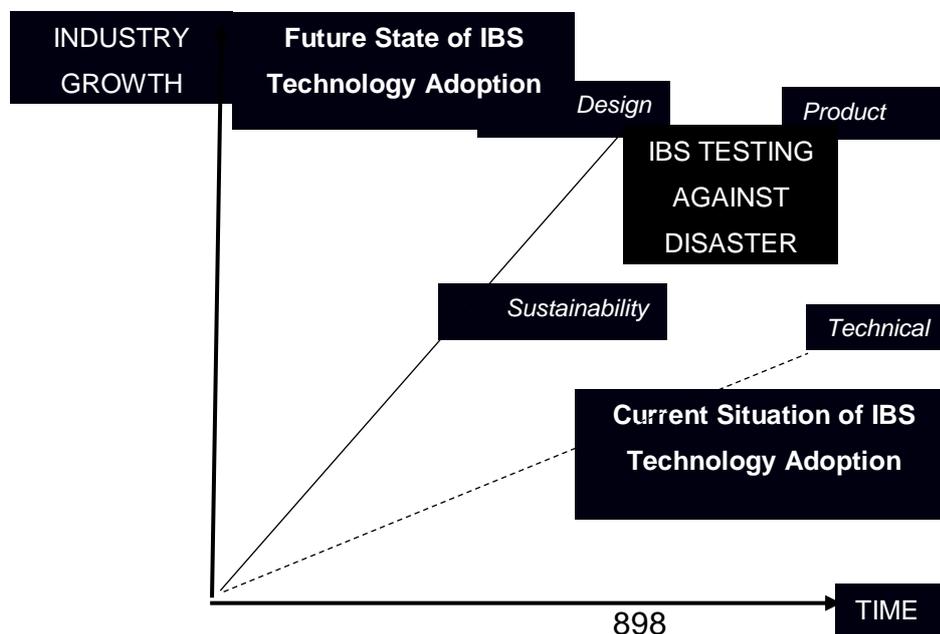


Figure 1: Concepts of Gap Identification for IBS Testing Against Disaster Resilience for Internationalization

This framework is based on the literature reviews of dominant attributes pertaining IBS quality testing against disaster resilience that are relevant for the adoption of IBS in construction projects with a gap identification for the exploration of wider market expansion for IBS. The aspects of IBS quality testing include IBS design, product, technicality and sustainability.

The methodology flow begins with an introduction on IBS technology adoption, quality testing aspects relevant to disaster resilience based in the aim of internationalization, with the focus on IBS supply chain management. The paper then structures the various elements of IBS quality testing against disaster resilience based on a research framework (Figure 1) which is used to explore the application of the quantitative research technique in this study.

A sample of construction companies was first selected based on information obtained from the Malaysian Builders Directory (2017/2018). Potential companies were selected as the research participants according to their professional positions as civil engineers, design architects, developers, quantity surveyors, consultants, contractors, project managers, manufactures and project owners/clients. A set of 300 close-ended questionnaires were distributed by postal and e-mail, company visits, Google forms and Survey Monkey. The survey was performed in 2017 – 2018 for ten (10) months. From the feedback, a final set of 72 questionnaires were selected and analyzed with 8 from each type of IBS supply chain members. The participants were verified in terms of their experience in IBS construction projects and backgrounds, i.e. work experience, academic qualifications and managerial position (Table 1).

Table 1: Research Participant Profiles

Background:	Profile:	Number (Percentage):
Managerial position	High	16 (21%)
	Medium	51(71%)
	Low	5(8%)
Academic qualifications	PhD	1(1%)
	Master's Degree	8(11%)
	Bachelor's Degree	38(53%)
	Diploma	15(21%)
	Others	10(14%)
Working experience in the construction industry	More than 15 years	30(42%)
	11 to 15 years	24(33%)
	5 to 10 years	12(17%)
	Less than 5 years	6(8%)

The focus of this study is to analyse the perception of IBS supply chain members on the importance of IBS testing against disaster resilience as an added value feature for IBS technology adoption to expand its market internationally. The differences in thoughts and conceptualization that emerge among IBS supply chain members affects their perceptions towards this matter. The assessment and the opinion of IBS quality testing against disaster resilience are based on the IBS supply chain members' judgments and perspectives based on their experience and exposures in IBS construction projects.

Results and Discussion

About 24 items in total were recognized by means of close-ended questionnaire. The questionnaire structures were established and back up with a review of related past research literatures on IBS quality testing against disaster resilience, with the focus on the internationalization of IBS technology adoption. Relying on the conceptual framework

as detailed in Figure 1, all the 24 items identify and listed in the questionnaire are categorized into 4 main sections of IBS quality testing concerning the disaster resilience of construction projects namely technical, design, product and sustainability factors.

The data analysis was conducted where the scores recorded against each items of IBS quality factors by all participants were computed. The recorded data from the questionnaire were analyzed using frequency analysis and the average index analysis. Statistical analysis in this quantitative method was done with the help of IBM SPSS statistics, software for predictive analysis, version 21.0. The mean was recognized to spot the importance of each level of every competitive element as indicated by the relative importance index (RII) using the formula: $\text{Index Average} = (\sum a_i \times x_i) / \sum x_i$, where a_i = constant, weighing factor and x_i = variables representing participants' frequency of response. Relative Importance Index (RII) technique was applied to estimate the relative necessity of various factors of IBS quality testing for disaster resilience. The five-point scale ranged from 1 (not relevant) to 5 (very relevant) was adopted using the concept of a Likert's scale and then transformed to relative importance index (RII) for each factor. The higher the RII, the more important was the feature of IBS quality testing. The RIIs were then ranked and the top 12 most important factors pertaining IBS quality testing against disaster resilience, with the focus of internationalization are shown in Table 2.

Table 2: Twelve (12) Most Important IBS Quality Tests against Disaster Resilience

Number:	IBS Quality Test:	Factor Group:	Relative Importance Index (RII):	Rank:
1.	Seismic-Force-Resisting System	Technical related	4.55	1
2.	Tests of alternative connection details	Technical related	4.41	2
3.	The strength and stiffness for a particular design	Design related	4.40	3

4.	Subject to project-specific testing	Design related	4.34	4
5.	Temporary designs for faster installation	Design related	4.33	5
6.	Design for high strength, moldable composite panels.	Design related	4.32	6
7.	Procedures for the pre-installation testing	Product related	4.27	7
8.	Structural stability tests	Product related	4.21	8
9.	Hardness, tensile, and proof load tests,	Product related	4.19	9
10.	Use of ultrasonic testing as a method of detecting defects	Technical related	4.18	10
11.	Non-destructive testing for various joints	Technical related	4.17	11
12.	In-plant quality control mechanical tests	Product related	4.16	12

The rest of the IBS quality tests against disaster resilience are categorized as twelve (12) least important factors pertaining IBS quality testing against disaster resilience, with the focus of internationalization as shown in Table 3.

Table 3: Twelve (12) Least Important IBS Quality Tests against Disaster Resilience

Number:	IBS Quality Test:	Factor Group:	Relative Importance Index (RII):	Rank:
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1.	Disaster recovery housing that could offer new sustainable models	Sustainability related	3.83	24
2.	The long-term effects of the housing energy requirements	Sustainability related	3.85	23
3.	Ensures fewer pollutants are released to the environment	Sustainability related	3.90	22
4.	Environmentally responsible housing along the shoreline of disaster stricken regions	Sustainability related	3.94	21
5.	Panels with apertures that allow natural ventilation	Sustainability related	3.97	20
6.	Test reports and certifications for product design	Design related	3.98	19
7.	Panel design is further tested by energy use considerations	Design related	4.06	18
8.	Various recommended test procedures for welding material	Technical related	4.09	17
9.	Inspection and testing services	Product related	4.10	16
10.	Assessment on the quality of the indoor environment	Sustainability related	4.12	15
11.	Testing of a series of full-scale beam-column	Technical related	4.13	14

12.	Inspection of cracks using penetrant testing	Product related	4.15	13
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According to the ranking of the factor group of IBS tests against disaster resilience, with the focus of internationalization, the results are as follows:

Table 4: Average of RII and Rankings of Groups of IBS Testing against Disaster Resilience

Group of factors:	Average RII:	Rank:
Technical related	4.25	1
Design related	4.24	2
Product related	4.18	3
Sustainability related	3.93	4

From Table 4, as perceived by the IBS supply chain members, the technical related group of IBS testing against disaster resilience was the most important group to influence IBS quality for internationalization. This was mainly due to the high consideration of seismic force resisting system (RII=4.55) which is highly related to disaster resilience, followed by test of connection details (RII = 4.41) and the use of ultrasonic testing (RII=4.18).

The second most important group was the design related group with the most significant type of IBS quality testing against disaster resilience were the strengths and stiffness of IBS design (RII=4.40), project specification testing (RII=4.34) and temporary house design (RII=4.33). As for the purpose of internationalization, IBS design has to be of standard quality with a high consideration on the attribute of strengths and stiffness.

After the design related group, the product related group of IBS quality testing against disaster resilience came in as the third most important group. The significant features of IBS tests were pre-installation testing (RII=4.27), structural stability tests (RII=4.21) and test on hardness, tensile and proof load (RII=4.19). As for IBS technology adoption, its installation aspects play an important role in complying project specifications in terms of quality assurance and the overall project performance.

The least important group was sustainability related group. The prominent feature of IBS quality testing related to sustainability is the quality of indoor environment (RII=4.12). This is followed by tests on IBS panels for natural ventilation (RII=3.97) and

environmental aspect (RII=3.94). As IBS technology adoption is regarded as at its development stage, the focus on sustainability elements were not considered as a main priority in IBS quality testing against disaster resilience for internationalization.

The overall results of this study on IBS quality testing against disaster resilience for internationalization vary from each other, according to the priority of IBS development, as perceived by the IBS supply chain members. IBS testing is an indicator of quality control, but IBS quality testing against disaster resilience is subjected to many variables and unpredictable group of factors, which result from many sources such as project's requirements or specifications, cost of testing process, availability of IBS technical expertise and IBS test equipment or mechanisms.

The internationalization of IBS technology adoption should be well comprehended as a lively procedure that occurred by bearing in mind IBS testing with an in-depth knowledge and processes that IBS requires in terms of its quality control and assurance. Moreover, the consideration of disaster resilience is considered as a new variable in IBS testing process which need an analysis on its testing needs and requirements.

Research of IBS quality testing with the consideration of disaster resilience offers important assistance in understanding technology development and innovation to expand its international markets. Overall, this study addressed the most significant features and groups of IBS quality testing against disaster resilience for internationalization. According to the preceding findings, the following recommendations can be made:

1) provides clear understanding that cannot be acquire by means of theoretical research on managerial issue. It needs to be verified with empirical and technical studies to test the validity of IBS quality testing against disaster resilience in a practical setting.

2) Second, IBS quality testing against disaster resilience in this research was intentionally done among supply chain members of IBS, using their judgements and perceptions. In order to gain a more realistic scenario, case studies (quantitative and qualitative) must be conducted to obtain a more realistic practice of IBS quality testing.

3) Third, from the implementing point of view, this study basically for technology growth understanding development in terms of its quality control as an added value feature to expand its domestic and international market.

4) Fourth, from the fundamental perspective, this study offers expected outcomes that is more general far beyond the qualitative perceptions. The use of survey research

on the assessment of IBS quality testing against disaster resilience provides an empirical basis to proceed with other studies on IBS quality testing, its consideration in disaster resilience aspect and the strategies of IBS internationalization.

This paper breaks new ground for further studies. First, it is recommended to conduct this research in a wider aspect with large number of samples for testing in the construction industry, with a variety of statistical analyses, thereby increases the generalizability of the results. Furthermore, this research could be conducted for other building technologies, other than IBS, or with other construction stakeholders or in other countries, to access whether the results are dependent on the supply chain members or industry specific factors for internationalization, rather than product or technology specific factors.

Conclusion

This paper has investigated the topic of IBS quality testing against disaster resilience, with particular attention to a group of IBS testing features as an added value in expanding IBS market and become more internationalized. Technical related test is acknowledged as one of the most important IBS quality testing within the construction industry, due to the high impact of this industry on project performance. Nevertheless, focus on the IBS supply chain members is still just in the practices of IBS technology adoption oriented to expand IBS market through the improvement of IBS quality features related to disaster resilience. This paper would enrich the theoretical knowledge about IBS quality testing against disaster resilience, by means of an empirical analysis in an industry where competitiveness through market expansion is crucial, i.e. internationalization, although quite unexplored. This paper shows that for the construction industry, IBS quality management is definitely not a matter of a single company but a matter of supply chain. On the other hand, in an industry where technical, design, product and sustainability elements are critical and strategic, it is not sufficient to foster IBS quality assurance at the supply chain level. Conversely, partnering between other construction stakeholders like the government agencies is necessary in the IBS design stage to foster quality assurance. Hence, this paper also reinforces conceptualization about the importance of quality aspect to expand the market of a building technology.

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PART 11: CROSS CULTURE

THE QUALITY OF THE ELDER'S LIFE UNDER THE FAMILY MEMBERS' CARE: A CASE STUDY IN NAKHON SI THAMMARAT, THAILAND

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Abstract

The aims of this research are to study the standard of living of the elders in Thung Song and Pak Pha-nang, Nakhon Si Thammarat, Thailand where economics and society conditions are increasingly change to globalization which effect to family's structure as the result of that the extend families are adapting to the nuclear families significantly and secondly to study the quality of the elder's life under family members' care. A sampling method was used systematic sample and calculated by Taro Yamane. The samples were collected from 396 elders with the age started from 60 years old. Questionnaires were used to collect data and statistics package program were used to analyze data. The statistical analysis consisted of frequency and percentages for analyze personal information, mean and standard deviation for analyze the quality of elder's life under family members' care, the last One-way ANOVA and Pearson's correlation coefficient for assumption testing. The results have identified that the most amount of elders are female 79.5%, age 60- 69 54%, graduated in primary level 53.8%, working as housewife/househusband 41.7%, married 59.6%, family's members are 4 to 6 55.1%, at least 1 elder lives in the same house with their families 93.4%, earn a salary from work 33.3%, salary 1-5,000 baht 56.6%, expenditure 1-5,000 baht 77.8%, receive welfare allowance 82.3%, no debt 82.3%, with the debt in the system 71.4%, 1-5,000 baht need to pay for the debt 11.9%, living in their own house 31.3%, living with the spouse or children 32.8%, Diabetes are the congenital disease 25.8%. The quality of the elders under the family members' care was the best. The highest level was the social relationship, the awareness of self-esteem, the relationships with family members and the medical treatment respectively. Mind, body and social welfare aspect were the good relationship.

Keywords: quality of life, elder, family members' care and, quality of life in 7 aspects relationship

Introduction

Economics and social in Thailand are changing to capitalism therefore they were affected to family's structure. In the past, Thai family's structure was an extend family but at the present it is adapting increasingly to nuclear family. Fond and relationship are adapting decreasingly because the family's member are concentrated on work for saving money which are overlook the relationship in their family. As the result of that, the ratios of living alone in elderly people are higher. In the next 15 years (2033), the elderly people will reach to 19 million (30% of population in Thailand). (Pramote Prasartkul, 2013). In addition to, the birth and the death rate of Thai society are slowing down combine with average life expectancy and medical technologies are more modern which influences to the uplifting amount of elderly people. Meanwhile, several problems need to be solving as soon as possible.

Nakhon Si Thammarat Background

Nakhon Si Thammarat has 23 districts but only 2 districts were chose to collect data by sampling method. Thung Song and Pak Pha-nang are different in geography and economic also the condition of the city; urban and rural society. Thung Song district is located in the middle part of the south in Thailand and the centre of transportation for land and rail. Pak Pha-nang district used to be the important water transportation route from Thailand to Terengganu Malaysia and other countries. (Wikipedia, 2016)

Situations and problems of Elderly people

Thailand is moving to Ageing Society which means more than 10% of populations are going to be elders. (Supajat Jansarn, 2014). In 2025, the amounts of elderly people will be higher than 15 million. Apparently, this situation need to be concern especially in terms of labour ratio (15-59 years old) is decreasing significantly (National Statistical Office, 2011). No saving money (65.4%) is the greatest problem of elderly people in Thailand. They need to rely on their children's income (40.1%). At the end, the children need to take higher responsible for taking care of their parents and the government need to allocate more budget in several types. According to those situations, the budget in the country would be less allocated to improve economic and society then the elderly people

with no saving money will consume lower respectively. Finally, it would impact to economic growth and changing of society.

Methodology

Populations in Thung Song and Pak Pha-nang, Nakhon Si Thammarat, Thailand were 32,456. Taro Yamane method was used to calculated sampling. 396 samples were classified by Thung Song 230 and Pak Pha-nang 166 respectively. A questionnaire was designed from analysis secondary and primary data. The questionnaire consisted of 3 parts, firstly personal information; gender, age, education level, occupation, marital status, family's member, amount of elderly people in a house, income, expenditure, benefits, debt, debt to pay per month, accommodation style, family's structure and congenital disease, secondly elderly people supervisions of family's member; body, mind, social relationship, self-esteem awareness, relationship between family's member, medical treatment and social welfare aspect the last; recommendation. Cronbach's Alpha was used to test reliability with 40 try out questionnaires

This quantitative study employs frequency and percentages for analyze the first part; mean and standard deviation for analyze the second part and the last, recommendation's explanation. For testing 2 assumptions, One-way ANOVA was tested the demographic characteristics and Pearson's correlation coefficient was tested quality of life in 7 aspects relationship.

Findings

Table 1 reveals about the level of elders living standard in Thung Song and Pak Pha-nang

Table 1: *Mean and standard deviation of the elder's living quality standard under the family members' care*

Living quality standard	\bar{X}	S.D.	Translate sequence	
1. Body	3.12	.353	Good	6

2. Mind	3.16	.285	Good	5
3				
. Social relationship	3.56	.307	The Best	1
4				
. Self-esteem awareness	3.55	.328	The Best	2
5 Relationship between family's				
. member	3.48	.323	The Best	3
6				
. Medical treatment	3.43	.338	The Best	4
7				
. Social welfare	3.11	.392	Good	7
Total	3.34	.153	The Best	

Table 2 reveals about assumption testing in different personal information to different the elder's living quality standard under the family members' care

Table 2: *The first assumption testing*

Assumption	Result
1.1 Different age affect to the elder's living quality standard under the family members' care A case study in Nakhon Si Thammarat was different.	Accept
1.2 Different education level affect to the elder's living quality standard under the family members' care A case study in Nakhon Si Thammarat was different.	Accept
1.3 Different marital status affect to the elder's living quality standard under the family members' care A case study in Nakhon Si Thammarat was different.	Accept
1.4 Different family's member affect to the elder's living quality	Accept

standard under the family members' care A case study in Nakhon

Si Thammarat was different.

1.5 Different income affect to the elder's living quality standard under the family members' care A case study in Nakhon Si Thammarat was different.	Deny
1.6 Different accommodation style affect to the elder's living quality standard under the family members' care A case study in Nakhon Si Thammarat was different.	Accept
1.7 Different family's structure affect to the elder's living quality standard under the family members' care A case study in Nakhon Si Thammarat was different.	Accept
1.8 Different congenital disease affect to the elder's living quality standard under the family members' care A case study in Nakhon Si Thammarat was different.	Accept

Table 3 reveals about the family members' care in 7 aspects

Table 3: *The second assumption testing*

the family members' care	Total	
	Correlation coefficient	Relationship level
Body	.511**	medium
Mind	.476**	medium
Social relationship	.491**	medium

Self-esteem awareness	.326**	low
Relationship between family's member	.463**	medium
Medical treatment	.459**	medium
Social welfare	.489**	medium

** p<.01 * p<.05

Discussion

The findings of this study found that the most elderly people are female with the age at 60 to 69, graduated in primary school, married and live with his/her spouse or children which are consistency of Duangjai Kamkong (2010) in basic information the amounts of female are higher than male and tends to be increase. Income from governance, work as a housewife/househusband, are consistency of Supajate Jansarn (2014) which are risk to inadequate of financial status and the biggest problem is the most elderly people have no saving money. They need to rely on subsistence allowance every month. The elders with salary at 1 to 5,000 Baht is the same report from National Statistical Office and 33.2% have income less than 20,000 Baht, 24.8% have income between 20,000 to 40,000 Baht per year. Almost 60% has the lowest income.

The overview of living quality standard under the family members' care a case study in Nakhon Si Thammarat is the best. Body, mind, social relationship, relationship between family's member, medical treatment and social welfare is positive relationship. Self-esteem awareness is medium relationship according to Tongperm Jamsri (2011) in terms of mind aspect the elders feel lonely, anxious, fear to be an incumbency to their descendants because of expenses, body aspect they attend to clean and wash their body and face frequently, in their free time they growth vegetable, cook and do the housework. The majority of congenital disease is diabetes. As the result, daughter or son, grandchild or relative should take care of the elders closely. Finding hobbies or activities and spending time with them as possible. Social relationship and relationship between family's member aspects are satisfied especially from their family's member. Wanasanun Heakam (2010) stated that the elders want to get attentive from people nearby. So, all family's member should admire them as special people, avoid to speak aggressively or

to make conflict in any circumstance. Furthermore, inadequate of financial status, all relative people are likely to afford them. The self-esteem awareness of elderly people is relative to quality's life in low level. The main responsibility of them is mentor their family and person in society that they satisfy to do and Chutidet Jiandon (2011)'s research claimed that they could support others and satisfy in their value. Sharing and meeting activities need to organize by people in public health coordinate with local organizations to promote and support the elders acknowledge in their ability.

Conclusion

Even economics and social in Thailand are changing gradually which are affecting to the social structure from extend family to nuclear family but this study reveals that the elders satisfy the most in social relationship especially in their relationship to family's members, high endeavor and less surrender, family's member caring as well by advice to eat appropriate to their age, participate to decide about checking or healing their illness, believe in religious, exercise 3 times a week and take the right to social security scheme.

Recommendation

Government agencies and private sector should participate in assist, promote or support the elderly people get a part time job to increase their income or can be a hobby. In addition to, promote the campaign about how to take care of them and check their primary health at their hometown.

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CROSS-CULTURAL ADJUSTMENT AMONG INTERNATIONAL STUDENTS IN UNIVERSITI UTARA MALAYSIA

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Abstract

This study is intended to understand the factors that requires cross-cultural adjustment faced by international students in University Utara Malaysia. The target respondent in this research is international students who are registered in University Utara Malaysia. The research is conducted through quantitative research techniques which is using a set of questionnaires and distributed to the international students in UUM.

Keywords: International students, Cross-cultural Adjustment, Social Support, English Proficiency.

Introduction

As the number of international students from various nation entering Malaysian universities for certain purposes increase, it is important to understand and to address their adjustment to this country. As a foreigner, an international student may face some barriers when studying in a country that has culture diversity. In order to survive in such situations, international students need to adjust their unfamiliar environments and at the same time they need certain skills on cultural understanding skills and language skills. Adjustment is not an easy process to the new comers from different countries with different background of culture and struggling in unfamiliar places where everything seems different.

Taking this into consideration, this study explores the elements that contribute to the cross-cultural adjustment among international students based on two perspectives which is language proficiency and social support factors. Language is one of the important things for adjustment process. Yusliza and Shankar (2010), indicate that the

ability to fluently speaking in English can be positively related to the adjustment. In fact, they highlighted that success in adjustment process depends on the student's capability to communicate in English. As a matter of fact, English is the most paramount medium of communication for that is being widely used in Malaysian universities.

Other than that, social support also plays an important role in career adaptability of students (Wang and Fu, 2015). As indicated by Olawole (2016), social support refers to the ability of the system to give support in circumstances when required. Thus, it is viewed that the international students do need the social support in order to develop the self confidence in dealing with unfamiliar situation in host country.

Problem of statement

There are numerous benefits that could be offered to universities when the number of international students is increasing. One of the benefits is international students create a cultural learning environment for domestic students through higher educational institutions. Through this cultural environment, students have the opportunities to learn new things as well as making bigger scale of friends network and develop relationships.

Although the increasing number of international students bring benefits, it is also viewed that this situation may cause barriers regarding with cultural diversity. According to Baklashovaa & Kazakov (2016), they need to fit themselves to the other possible barriers related to the language proficiency, personal problems and at the same time need to fit themselves to the schedules of classes and learning styles. They also face problems such as unfamiliar circumstances, financial problems, education styles, personal barriers and different food. A part from that, this has been shown that international students face many types of difficulties in host country and these issues should be considered in order to help them encounter cultural adjustment. It is viewed that many international students are suffering from a culture shock symptom such as extreme homesickness, isolated, feelings of helplessness and sadness. This lead to the depression, stress and anxiety. Failure to adjust with the host country's culture tend to having problem in completing their assignments and return home before they complete their studies.

Taking this into consideration, this research is trying to study how international students at Universiti Utara Malaysia (UUM) tackle the issues of cultural differences. In order to adapt the Malaysia's life and overall system they have to adjust their culture and come up with a strategy to tackle with problems that resulting from culture shock.

Literature review

Cross-cultural adjustment

As indicated by Podrug, Kristo, Matea Kovac (2014), cross-cultural adjustment can be defined as the process of adapting to the requirement of a new cultural environment, which means both changing perspectives and accepting beliefs to the host culture. Cultural adjustment is often quite challenging to the international students as they move from their cultural norm and need to cope to the new way of life in new situation. Zhang and Peltokorpi (2014) stated that, cross cultural adjustment is a complex process and it is important for students to learn and adapt so that they can function effectively in the host country. It could happen as soon as possible and sometimes last for a long time, depending on individuals (Liao, 2010).

As explored by Ward and colleagues have verified that adjustment during cross-cultural changes can be approximately divided into two categories which are socio-cultural and psychological (Ward & Kennedy, 1993, p.131; Searle & Ward, 1990; Stone Feinstein & Ward, 1990; Ward & Searle, 1991). As indicated by Podrug, Kristo, Matea Kovac (2014), psychological adjustment and socio-cultural adjustment are inter-related but there is a different in terms of theoretically and empirically. According to Brisset, Safdarb, Lewisb and Sabatier (2010), the differences in terms of theoretically is predicted by personality variables, life changes and social support while in terms of empirically can be differentiate by cultural distance, cultural identity, language ability, and cultural knowledge.

Socio-cultural adjustment

Shdaifat and Abdo (2014), termed the Socio-cultural adjustment as a social and interactive proficiency that affected by culture-specific factors such as language,

interactions with local people and length of stay in the host country. It includes a knowledge of the new culture's values and norms. In addition, the socio-cultural can be identified as how well an acculturating individual is able to manage daily life in the new cultural context and can be understood within the social learning concept (Podrug, Kristo and Kovac, 2014).

Socio-cultural adjustment is influenced by culture elements, such as culture distance, length of stay in the host country, language fluency of host country, length of stay in the host country and interactions with host nationals (Bhugra and Arya, 2005). Socio-cultural adjustment is therefore the process by which peoples learn to understand new environment in order to enhance their capability to live in unfamiliar cultural environment (Swagler & Jome, 2005). In order to fit in new environment, international students certainly require some adjustment especially in socio-cultural adjustment or even adaptation of the main values where necessary (Umar, Noon and Abdullahi, 2014).

Psychological adjustment

According to Podrug, Kristo and Kovac (2014), psychological adjustment refers to the feelings of well-being or satisfaction with changes and normally determined through negative affect that measured by mood disturbance or depression. Psychological adjustment is one of the major challenges that international students have to face in host country as they try to adapt with a new environment, behaviour or attitude changes (Boonchum, 2009). Normally depression and anxiety occur when international students trying to adjust their behavior with a new environment (Podrug, Kristo and Kovac, 2014). As explored by Thurber and Walton (2012), international students encountered depression, loneliness, anxiety, homesickness, physical health problems and also fear of failure which puts a lot of pressure on them to achieve well in their academics.

According to Nguyen and Benet-Martinez (2013), moving and study in the host country can cause stress and uncertainty because it is a process of dealing with diverse cultures and discovering balance between them. The process of discovering and changing to a new culture is called acculturation (Nguyen and Benet-Martinez, 2013). However, this process becomes a stressful experience for international students due to

facing challenge of different cultural norms and values (Berry, 2008). As a result, the stressors in this learning and changing process regularly influence on people's adjustment in the host country (Smith & Khawaja, 2011).

Social support

As indicated by Olawole (2016), social support can be described as the ability of the system to give support in circumstances when required. According to Stefanone, Kwon and Lackaff (2012), social support is an availability of emotional and material support from others that is accessed through social networks which is family, friends and significant other.

It is also important to understand how the relationship between social support and adjustment relates specifically to international students. Besides, Yasin and Dzulkifli (2010) mentioned that social support has been recognized to have significant impact on the achievement of the students and it is very important for individuals in their life.

Lack of support from family and friends tend to contribute significant levels of homesickness and loneliness (Poyrazli and Lopez, 2007). This could be because there are strong relationship between acculturative stress and psychological distress (Wei, Liao, Heppner, Chao and Ku, 2012). Some research highlights that social support is the most important factor that supporting positive behaviours toward university adjustment (Chao, 2012; Salami, 2011). Utami (2015) explores in her research that social support is one of the factors that emerges to improve adjustment of international students with opportunities to enhance knowledge of the new culture.

H₁: There is a positive relationship between social support and cross-cultural adjustment among international students in UUM.

English proficiency

Nowadays, English has becomes an international language and plays an important role in this era. People must be able to communicate in English because this

language has become a tool for everyone to broaden and to move outside particular boundaries (Wulandari, 2010).

As English is institutionalized in Malaysia, this language has become the main language for international students in Malaysian universities in order to communicate with each other. Leong and Ahmadi (2017) revealed that learners should have the capability to speak in English in order to communicate with other people easily and effectively, in particular when expressing their ideas, emotions, stories, requesting, talking and discussing and showing the various functions of language. According to Wulandari (2010), the function of language is used not only as a means of communication but also allows to build better relationships with other people.

Apart from that, language also is one of the important things for the adjustment process. According to Yusliza and Shankar (2010), English proficiency can be positively related to the adjustment. In fact, they highlighted that success in the adjustment process depended on the student's capability to communicate in English. This is because communications among people from different nationalities encourage them to learn, understand and overcome possible challenges of social and environmental (Lin, 2011).

H₂: There is a positive relationship between English proficiency and cross-cultural adjustment among international students in UUM.

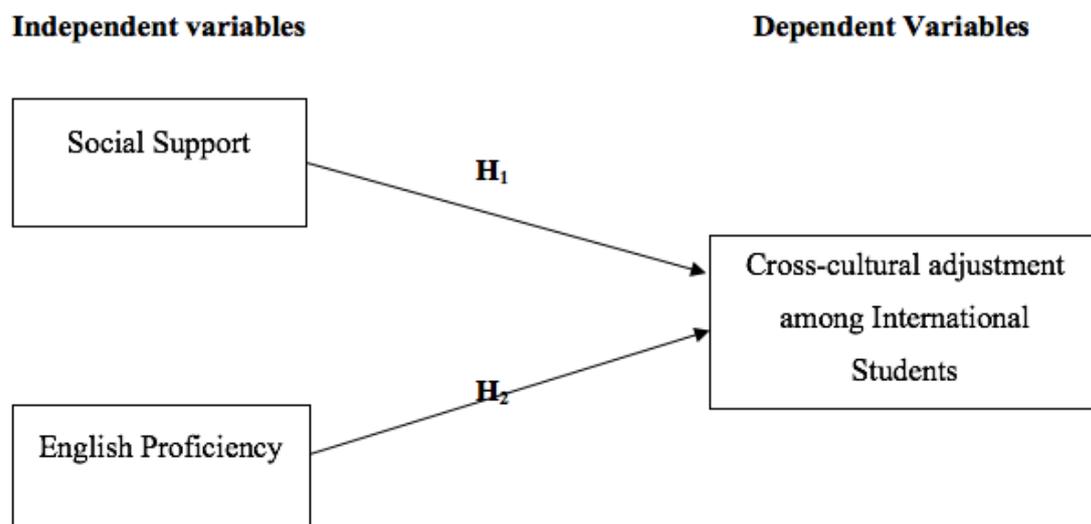


Figure 3.1: Schematic Diagram of the Theoretical Framework

Research methodology

The number of sample size in this study is 338. This study employs probability simple random sampling in which the questionnaires were distributed by the researcher to group of international students to participate in the survey. To analyse the data, an SPSS statistical tool is used in order to generate the findings.

Findings

The total of 338 questionnaires were distributed, and 338 were received. Thus, the response rate for this research is 100%. After the data are collected and run in SPSS, 49 outliers have been detected and removed. Hence, the useable data is 289 only. The hypothesis were tested by using multiple regression analysis. Table 1 presents the result of regression analysis for cross-cultural adjustment.

Table 1 indicates that social support are positively significant with the dependent variable (Cross cultural adjustment among UUM international students). This is because the p-value for social support is equal to 0.000 which is lower than the alpha value equal to 0.01 ($p < 0.01$). In addition, the English proficiency is also significantly related to the

dependent variable (Cross cultural adjustment among UUM international students). This is because the p-value for English proficiency is equal to 0.000 which is lower than the alpha value equal to 0.01 ($p < 0.01$).

As a conclusion, social support and English proficiency is significantly and positively influence to cross cultural adjustment among UUM international students and hypotheses are supported because of $p < 0.01$.

Table 1: Result of Multiple Regression Analysis

No.	Variables	Standard Coefficients Beta	Significant (p)
1.	Cross cultural adjustment		0.000
2.	Social support	0.528	0.000
3.	English proficiency	0.199	0.000

R = 0.618

R square = 0.382

Adj. R = 0.377

F Value = 88.229

Sig = 0.000

Discussion

Based on correlation done, social support appears to have a significant and positive relationship with cross-cultural adjustment. Thus, the first hypothesis (H1) is supported. This result is aligns with the former study by Yasin and Dzulkifli (2010), which states that social support have been recognized to have significant impact on the achievement of the students and it is very important for individuals in their life.

Besides, English proficiency also appears to have a significant and positive relationship with cross-cultural adjustment among international students in UUM. Correlation analysis shows that English proficiency has a positive and significant relationship with cross-cultural adjustment among international students in UUM. The result confirms H2, which predicts that English proficiency will influence cross-cultural adjustment among international students in UUM. This finding is in line with the finding by Yusoff and Chelliah (2010), English proficiency and adjustment appear to be positively related. Besides, they indicated that success of students depended on the students' capability to speak or communicate in English language.

Conclusion

This study will be beneficial to the international students as a guidance in adapting new culture at the host culture. This study has contributed to the body of knowledge by providing the evidence on how social support and English proficiency influences the cross-cultural adjustment among international students in Universiti Utara Malaysia. However, this study has a few limitations that need to be overcome. Therefore, recommendations for future research are also highlighted for the reference of future research.

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ANALYSIS OF FOTU VALUES IN NIAS TRADITIONAL MARRIAGE

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Abstract

Nias tribe has a distinctive marital process and is different from the marriage process of other tribes in the area of North Sumatra. One of the important and mandatory processes in carrying out customary in Nias is Fotu. Fotu is delivered verbally (Folk Speech) and has been carried out downwardly until now. The object of this research is Fotu. This study aims to analyze and describe the values of Fotu. This study uses a type of qualitative research with interview methods. This research uses pragmatic theory and the result of the study is analyzed by the theory of content analysis and descriptive analysis. Based on the result of the study, Fotu delivered verbally in the process of Nias' traditional marriage contains cultural values, namely religious values, ethical values, and aesthetic values. The values contained in Fotu are used as a way of maintaining marriage in Nias community.

Keywords: Culture Value, Fotu, Nias Traditional Marriage.

Introduction

Culture is the overall knowledge of humans as social beings that are used to understand the environment, their experiences and guidelines for their behavior. Edward Burnett Tylor (Liliweri, 2014: 4-5) provides a definition of culture as a complex collection of knowledge, belief, art, moral law, customs, and any other abilities or habits that humans acquire as members of society. While Koendjaraningrat stated that culture as an interpretation of tradition. One interpretation of this tradition is traditional knowledge. Then Liliweri (2014: 224-225) explains this traditional knowledge is not written because it is inherited based on oral tradition. This knowledge is in traditional songs, stories, legends, dreams, myths, fables, all of which are methods and practices as transmission tools from one generation to another.

Traditional knowledge as part of culture can be explained based on oral tradition. Oral tradition (Sibarani, 2014: 43-47; 125-126) is a traditional cultural activity of a society that is inherited from generation to generation through oral media from one generation to another, both traditions in the form of verbal words and traditions others that are not oral (non-verbal). Oral tradition can be in the form of various knowledge and customs which are passed down orally which include not only folklore, legend or myth. Oral tradition includes or relates to history, customary law, traditional ceremonies, religious ceremonies, traditional herbs, and treatments. All of that can be said as an oral tradition and the process of dissemination is usually carried out orally or spelled out (Karkono, 2013: 272-273). Oral tradition can also be called a cultural tradition. Important things that become contents and which need to be considered in the cultural content, cultural traditions or oral traditions are the meanings and functions, cultural values and norms as well as local wisdom.

Every region in Indonesia can almost certainly have a traditional culture including oral traditions or oral literature. One area in Indonesia that has traditional culture is Nias island in the province of North Sumatra. Sadieli (2017:84) explains that the cultural values of Nias can be traced or traced through oral traditions, patterned habits (customs) and inheritance from ancestors. Overall, there are four values contained in Nias tradition/culture, namely 1) religious values, meaning Nias people's appreciation of holy life, 2) philosophical values, meaning Nias people are interested in life wisdom, 3) ethical values, meaning Nias people who always prioritize goodness and decency, 4) aesthetic value, meaning Nias people who are interested in things that are fun, encouraging both attitudes, behavior and speech.

Nias (Ono Niha) has a tradition or culture inherited by the ancestors. Sadieli (2007: 43) explains that what is still coloring or maintained in the lives of Nias people is now the customs of marriage. Marriage customs are one of the social institutions that develop in the midst of society. Social institutions get the legitimacy of the entire community, especially supporters of indigenous peoples. Marriage in Nias is still carried out in accordance with the prevailing traditional ceremonies.

On the island of Nias there are traditional Nias marriages or cultural traditions that should not be forgotten, preserved and not neglected. In connection with this, Sadieli (2007; 47) asserts that Nias customs have been going on for a long time and generation

which then gave birth to a life view or way of life. The cultural tradition in question is "Fotu". Is one of the Nias customs carried out in the marriage procedure in Nias. Fotu is interpreted as advice, advice or advice and a way of life to fight for the family ark after a wedding party. The tradition of Fotu is delivered verbally to the bride and groom or the bride in a wedding ceremony. Fotu is delivered by a competent person, someone who is respected and specifically appointed. Fotu delivered in oral language (Folk Speech). Your picture must not be overlooked in the Nias traditional marriage procedure. Fotu or "Famotu" was delivered verbally to both brides, both men and women.

Fotu is one of the traditions that has been ratified in the marriage procedure in Nias. Famotu must be carried out in the marriage procedure. For this compulsory reason the marriage procedure is rooted in the word "aila", meaning that the things outlined by the "must" must be carried out. If not, there will be ridicule such as "si lö mangila hada" (people who do not know tradition), "ira alawe si lö mufotu" (women who have not received fotu), and many other names (Sadieli, 2007: 47). Fotu delivered verbally to the bride and groom at a traditional wedding ceremony has the potential to maintain the family's value (household ark) in the oral tradition of Nias. Fotu contains things that are Sumange BaLakhömi (great and noble). This majesty and nobleness is a priority feature in forming a family as a community cell. Therefore, fotu can be said to be a family life institution as well as a social institution for the community.

Fotu is a way of life that must be applied by the family as well as members of the community. However, in reality, fotu have not been maximally applied by families in this modern age. This real problem can be suspected due to various factors, first; Nias people who live in cities carry out the procedure of marriage in modern ways. Second; Speakers of oral traditions about Fotu have begun to diminish because competent parents have not regenerated the culture of fotu in the next generation. Third; Nias people are now interested in the implementation of marriage in a modern way, because it is considered a very traditional society. Fourth; Fotu is received by the bride and groom at the time of marriage have not been fully implemented in the household. As a result, divorce cases, domestic violence, infidelity, and other problems arise.

Fotu is part of the social institutions of society, cultural institutions as well as a reflection of the socio-culture of the people of Nias. Sadieli (2017: 47) emphasizes that if socially constructed traditions or habits are neglected, forgotten, excluded, identity

becomes blurred. So, *fotu* in Nias marriage needs to be preserved and transformed so that it remains valuable in the context of the life of Nias people. On the basis of the preservation and transformation of this great and sublime Nias marriage customs, this study was conducted.

Concept and Theory

Culture as a complex collection of knowledge, belief, art, moral law, customs, and any other abilities or habits acquired by humans as members of society (Edward Burnett Tylor in Alo Liliweri, 2014: 4-5). Edward explained that the word culture was used to explain the "culture" of humans as a whole. Culture as a pattern of thought and behavior that is known to the public. The important point of culture is tradition originating from history, for example traditions originating from ideas, from values installed by a group of people and from a cultural system.

Culture is considered as a product of human action, culture as conditioning element of action. Culture is also seen as "design for life", culture as a way of life for a particular group of people, culture as a standard for deciding "what", what to do about "what" and how to do "what". The cultural values of society can be summarized briefly referring to the following cultural figures of Koentjaraningrat (Alo Liliweri, 2014: 16-17): a) Systems of belief/religion include: belief systems, systems of values and life views, religious communication, religious ceremonies, b) Community systems or social organizations include: kinship, associations and associations, state systems, living systems, associations, c) Knowledge systems include knowledge of: flora and fauna, time, space and numbers, the human body, and behavior among humans , d) Languages, including: oral, written, e) Art includes, sculpture, relief, painting and drawing, dressing, vocal, music, building, literature, drama, f) Living livelihood systems or economic systems which include hunting and gathering food, farming, livestock, fisheries, trade, g) Living equipment systems and technology include production, distribution, transportation; communication equipment; consumption equipment in the form of containers; clothing and jewelry; shelter and housing, weapons.

In addition, there are several types of values. This type of value applies or exists in the cultural life of the community. The types of values are explained by Liliweri (2014: 57-72), namely, a) Personal values, are absolute or relative values and ethical values.

This value is used as an assumption that can be the basis for an ethical action. What is included in personal (subjective) values comes from beliefs and belief systems. These types of personal values are ethics/morals, teachings/ideologies (religion, politics), social values and aesthetic values. b) Family values, or the nucleus family is the smallest unit of a community. There are essential values in the family, namely belonging (sense of belonging), flexibility (controlled freedom), respect, honesty, forgiveness, generosity, feeling of wanting to know (curiosity), communication, responsibility, tradition and others. c) Material values, lies in the values that humans need every day. This value makes people see wealth as a means to achieve happiness, as well as an indicator to determine their own success and those of others. d) Spiritual values are values that refer to values that are not objects. Examples of spiritual values are truth, honesty, kindness, virtue, beauty. e) Moral values, are the standard for something that is good or evil, and it is the standard that regulates the choice of individual behavior called moral. Individual morals can come from society, government, religion, or even from ourselves. Examples of life choices that conflict with moral values are same-sex marriage, living together without official marriage by religion.

Nias tribe has cultural values that can be found in oral traditions. The cultural value of Nias can be traced through oral traditions (hoho/poetry, amaedola/proverbs), patterned habits (customs), and inheritance from ancestors. Sadieli (2017: 84-92) explained the cultural values of Nias oral tradition in general, namely a) Religious values. Human Nias gives the highest appreciation to holy things. Human Nias believes that all creations in this world were created by the highest of things as names, Sihai, Lowalangi, Silewe, and so on. The community has something that is believed and believed to be the prime causal of understanding and respect for the holy and holy life before the Creator. This conception is inherited downwardly so that Nias people have high spiritual values, b) Philosophical values. The tradition /oral culture of Nias contains philosophical values, namely the interest of the people of Nias to the wisdom of life. The wisdom of life is to harmonize with the surrounding world, fellow humans, and with the highest form. The Nias people try to realize this philosophical value by maintaining self-harmonization with the environment (nature), others and supreme being. Disharmony is a sign of life imperfection, c) Ethical values. The Nias people always fight for, uphold and carry out ethical values (ethics), namely goodness and morality. One manifestation of fighting for

ethical values is the ancestral heritage given to the current generation, *fondrakö* (customary law). *Fondrakö* binds Nias people to remain in the order of goodness and decency, d) aesthetic values. The aesthetic value in Nias society was revealed in the way of acting said, meaning that the act of communication of Nias people in essence upholds aesthetic values, namely striving for their partner to feel happy and not hurt. There are slogans in Nias language; "Ha li si sökhi", that is to say, the aesthetic value in human life is "speech"; *fefu hadia ia oi ni'angenanöi*, meaning that everything must be considered and considered properly. This proves that Nias people always love inner beauty (soul) and also speech. Aesthetic values in Nias oral tradition can also be seen in traditional houses, carvings and symbols used by people in Nias.

Regarding the cultural values in the oral tradition, cultural values were found in the oral/customary tradition "Fotu" carried out in the marriage procedure in Nias. Fotu includes oral traditions /cultural customs carried out by Nias people in the marriage procedure. One important process in Nias traditional marriage is Fotu. Fotu is a process carried out 1 week or 3 days before a traditional wedding party is held. *Fame'e Fotu* functions as a guide for married life. The *fame'e fotu* ceremony is something that should not be ignored. This traditional ceremony has the potential to maintain family life after the traditional wedding ceremony is completed.

In its implementation there are provisions for who is present at this event. From the side of the man (the prospective bride) is a biological mother, the wives of male siblings, traditional female leaders. The woman present (the bride and groom) was the biological mother of the woman, the wife of the sister of the female father, the wives of the *Salawa* and the wives of the traditional leaders, the wives/mothers of competent residents of the women's side.

After this event is finished, the gong, drum and *canang* are sounded. This *fame'e* was carried out by means of the bride seated in the midst of a meeting of the women who formed a circle. One by one the selected mothers delivered "Fotu" verbally to the bride and groom. Every mother is given the opportunity to take turns to convey "Fotu". Usually Fotu is delivered in oral language in the form of figurative language, proverbs, parables or stories. Fotu, which by the Nias community aims to form a harmonious family. There is a term that is often expressed when there is a mother or woman who is not good: *aila*,

ira alawe si lö mufotu (Embarrassed, the nature of women who have not obtained applied fotu).

Fotu is customs, rules, ways of life or guidelines for carrying out family life in the midst of society. Fotu as a literary work as well as an aesthetic object. Rene Wellek and Austin Warren (2016: 321) say any literary works including oral traditions are placed in a ranking to get their position as an aesthetic experience. Then literary works can be located as community standards and norms.

Fotu can be used as a standard and norm in society. Considering the usefulness of this cultural tradition to be well maintained, the theory used in the analysis is First; pragmatic theory. Fotu has the dimension of folk lorry, which means that this research leads to pragmatics, namely towards the usefulness of folklore for broad life.

Folklore has uses for anyone. Suwardi E (2009: 89) explains folklore is a work that cannot be separated from the problem of life. Life needs a moral frame, to run smoothly. Folklore also will offer things related to the way of life. So, folklore research from a pragmatic perspective is feasible to be captured in the direction of ethical values and to endow human wisdom. Therefore the criteria that are extracted or analyzed from folklore (fotu) can be linked to moral theories namely utilitarian, moral imperative, human rights, justice and or virtue. Folklores can disturb one's conscience to change attitudes and behavior. Second; content analysis theory. Vredembrecht (in Nyoman K.R, 2015: 48) explains that content analysis is related to the content of communication both verbally in the form of language and non-verbal. The contents referred to in this literary work or literary tradition are messages that are in accordance with the essence of literature and literature referred to in this study is Fotu. The content of communication that is in my photo is the message (value) contained as a result of communication that occurs between the person who conveyed the photo and the recipient of my photo. Third; descriptive analysis theory (Nyoman K.R, 2015: 53) that is done by describing the facts from the interview then followed by analysis with the aim of finding the elements and giving sufficient explanation of the values contained in fotu.

Methodology

This study uses a type of qualitative research with descriptive analysis and content analysis methods. The analytical descriptive method (Nyoman K.R, 2015: 53) is done by

describing the facts which are then followed by analysis. This research was conducted in the Diski KM 15 Binjai area. The researcher determined the informant with a purposive technique (M. Djunaidi and Fauzan A, 2012: 88), namely: 5 Nias women who had submitted and received their fotu in the process of traditional Nias marriage. Data collection is done by the technique of in-depth interviews. Researchers conduct research data collection by stages: a) conducting interview recording, b) conducting classification (classification) interview data, and c) conducting analysis. The researcher presented the data and qualitative descriptive analysis based on the recording during the interview and the values contained in the photo on the Nias traditional marriage procedures.

Exposure and Discussion of Fotu

From the results of the analysis, it can be explained that the values contained in Fotu are three, namely religious values, ethical values, and aesthetic values. Following is the translation of these values.

Religious value

Human Nias believes that all creations in this world were created by the highest of things as names, Sihai, Lowalangi, Silewe, and so on. The concept of this tradition is inherited downwardly so that the people of Nias have high spiritual values. Religious values are also contained in your photos that are delivered orally. The religious value in my picture is found that there is human dependence on God; "Böi miröi Daroma Li Lowalangi. Da'ö sa zangorifi ya'ami irugi zi lö aetu ". That is, never leave God. Because, God is the source of life for your household to the hereafter. God is the source of life in the family, so the values of spirituality in the family are a priority.

The statement was further emphasized by the statement: "Böi olifu ami Lowalangi. Da'ö lohe-lohe ba wa'auri, mangandrö khö Lowalangi, gofu hadia, zi sökhi si lö sökhi, mangandrö saohagölö khö Lowalangi. Ma hadia manö masala, ba da'ö lasao'ö khö Zo'aya. Khö Lowalangi mangandrö, asese möi ba Gereja". That is, do not leave God, however the issue of living both fortunately and unfortunately is all to be grateful for. All problems faced are left to God. To God, you must surrender, so often attend Church services and do various religious activities. These statements can be explained religiously that the Nias people pay homage to the holy by: a) Always remembering God

inluck and luck, b) always thanking God, c) All problems are left to God, d) be submissive/surrender to God, e) often follow or do worship (Church), f) Follow religious activities/activities.

Ethical Value

The Nias people always fight for, uphold and carry out ethical values (ethics), namely goodness and morality. Through Fotu of Nias people in family life remain in the order of kindness and morality. Ethical values found in traditional Nias wedding photographs: "Böi ofanö-fanö manö ha ya'ugö hulö simane me so'ö barö andre. Nilau-lau dödöu manö, tola-tola manö. Na no sa'ae öruhi khö ninau so wöli ya'ugö, ba angona'ö khö ndrongo ba angona'ö ninau ba awena mofanö ndra'ugö nogu ". That is, don't go alone, as you wish. If you have lived in your home-in-law, when and wherever you have to communicate first to your mother-in-law and also your husband.

Based on ethical values, a son-in-law, even anyone in a Nias family member, may not like to travel, but ethically still communicate first to family members. In addition, from the ethical dimension in the marriage life Nias was found moral: "Ba böi göi ha ma'ifu sala ba no göi öbözi". That is, if you make a few mistakes, don't be immediately scolded or beaten but directed. Ethically, the Nias community fights that in family life there will be violence in the household such as punching anyone. Fotu explain the ethical values in Nias traditional customs, namely "Tebai abua khöu na hadia niwaö ninau zowoli ya'ugö. Ba na hadia niwa'ö ndrongo ba böi fadahösi". That is, you should not be lazy to do what is said by in-laws and do not swear if your husband tells you good things. Fotu explains ethically that the law-in-law in the family is prohibited from being lazy if the parent asks for help or tells them to do a job and is forbidden to swear or do something based on his own desires without communicating it to the husband.

The other ethical values contained in fotu are the way to respect parents and guests through the giving of the betel nut: "bola nafo, da'ö zabölö moguna ba khöda andre. Da'ö zumange fondrege zebua, nogu ... ". That is, my child, one of the ways and traditions is important to respect and uphold guests. In Nias, one way to respect and uphold honorable guests when coming home is to give betel vine. Similarly, in the family, a son-in-law when respecting his parents at home, he offers betel nut. This is confirmed in your picture; "Bahiza öbidi nafo ö ninau. He tebai'ö sibai ba öfazawa'ö ba ae be'e ö

ninau, ö namau nafo ". That is, give your mother a betel nut. Even though it feels heavy, hurry up, give betel to your mother and father. One tradition to respect parents in Nias and that is done by the son-in-law is by offering or giving betel nut to parents. In connection with this tradition, if you receive honored guests, then you are welcomed with a dance and then proceed with giving or presenting betel nut to distinguished guests on official occasions.

It was also seen that the Nias community paid attention to ethics namely "böi foritiriti wiga nogu na'ösasai". That is, if you wash the dish, don't let it sound like a mess. Based on the tradition of Nias, the morality that must be maintained is that it is not permissible to clean the dishes until there is a messy sound to other people. This is considered disrespectful to guests, swearing, being lazy, angry or not receiving guests coming at home.

Furthermore, the ethical aspect explains the value: "He nogu ba na'ösou wakhe ba böi oföna'ö öbe ba zinga mbowoa, la wai solu'a-lu'a ndra'ugö dania. Ba böi ebu'a'ö gö ndrongoau nogu e ... Ö ninau ba ö namau, da'ö zi'ö föna. Ö zatua zi'öföna ba awena ö niha bö'ö faoma dongau ". That is, when you eat together, don't put aside or store your food first because it's considered a greedy person. Don't also put scoop on rice for your husband because it's considered rude. However, the first to be served at meal time is your father and mother-in-law. Then food for your husband and other brothers. Based on the tradition of Nias, the moral precaution that is maintained is to always respect the parents, including when eating together. A son-in-law who is still one house with his in-laws, maintains moral conduct to always prioritize parents in any situation. In the Nias tradition, respect for parents is highly respected. Based on the results of the interview, it was found that every Nias women who married traditionally had to accept and apply all of her photographs in family and community life. Because this is a tradition carried out for generations. "Fefu nono alawe simöi nihalö labe'e wotu ba lafalua wotu andrö bakha ba ngambatöra". That is, all married women receive and apply their fotu to family life. Therefore, every bride on Nias in the process of customary marriage is reminded of figurative language: "Böi be ba gölu-gölu mbu mö fefu niwaöma andre, ba böi be'e nono mbaru satöla, bahiza be'e ba mbörö dödomö. That is to say, this fotu should not be stored on a roll of hair on the head or in a torn bag but still be remembered and stored in the conscience. This figurative sentence is full of meaning, that is, if something is stored on

a roll of hair on the head, it will fall out when the hair roll is released. Similarly, if an object is stored in a torn bag, the object will fall. In other words, all of fotu are truly internalized and applied in family life and community life (Rosliani, 2017).

Aesthetic Value

The aesthetic values in the Nias community are revealed in the manner of acting. There are slogans in Nias language; "Ha li si sökhi", that is to say, the aesthetic value in human life is "speech". Examples of this aesthetic value can be understood through a number of informants, including: "He nogu naso ndra ga'au, ira ga'au owöliwa. Ba böi tötöi döi ra. Ba naso ga'au ono alawe ba böi tötöi döi nia nogu; 'Ga'a lawe', ba he na ira akhimö nogu, ba "akhi" ökaoni ". That is, if your husband or brother-in-law comes to visit at home, do not mention or call their names but call with the greetings "ga'a (brother or sister)". Likewise the husband's brother, the eldest, never calls his name but is called "Ga'a lawe" (sister) and to your siblings, don't call names but call "akhi" (younger siblings). Based on this, aesthetically a son-in-law or Nias community aesthetically, when speaking to the other person, they should not immediately mention names. Calling or calling with a name is considered not to say polite to the other person.

Another aesthetic value is in fotu: "Lö hadöi ina si lö sökhi fehede nogu, na бага wehede/gamuata nono ba бага gamuata nina". That is, none of the parents-in-law intentionally told their daughter-in-law badly. If the words of the son-in-law (children) are good, the speech and behavior of the parents-in-law are also good. This statement is further clarified by the statement: "Faoma mituturu lala nawömi ba zi sökhi". That is, as husband and wife tell each other goodness and truth. In family life, husbands and wives speak well to each other in fighting for good and truth. In other words, aesthetic speech is one measure of family harmony. Based on the fotu above, it can be understood that Nias in its tradition keeps good words to anyone, including the words of the son-in-law to in-laws or between husband and wife.

In Nias the words to the interlocutor are very concerned. Along with this tradition, there is an ancient proverb in Nias society namely "ami Li, moroi ba gö". That is, the word far feels good, rather than the taste of food . Based on this proverb, the meaning implies that good and true speech is an aesthetic value that must be upheld in Nias society. Nias people also prioritize greetings to others, namely "ö'owai ira fefu he naso göra he na lö'ö".

That is, say hello to everyone, both rich and poor or whatever their situation. This expression explains that in Nias, greetings are the main thing in realizing aesthetic values. Usually, anyone and anytime or meeting anyone must greet and deliver greetings "Ya'ahowu". Ya'ahowu means blessing or "may you be blessed". By greeting "Ya'ahowu" especially when shaking hands with one another, then fellow partners talk to each other to bless and support each other. The greeting becomes a requirement before starting the conversation with the partner. Usually if there are people who have not cultivated this, they are considered not to have good character.

Conclusion

Fotu is one of the important processes in the traditional marriage of Nias. Fotu was carried out for generations and continues to this day. Based on the results of the study, fotu is very valuable. The cultural values contained in fotu in the marital process of traditional Nias are religious values, ethical values and aesthetic values. Fotu is very reasonable to be maintained considering the cultural values contained in it. Fotu in the traditional marriage process of Nias are used as a powerful way to maintain the ark of family life. Therefore it is very appropriate if this tradition continues to be carried out so that the marriage in Nias society is not eroded by the effects of modern life.

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PART 12: FOREIGN DIRECT INVESTMENT

**PENGARUH CURRENT RATIO, STRUKTUR MODAL,
EARNING PER SHARE DAN RETURN ON EQUITY
TERHADAP DIVIDEND PAYOUT
RATIO PADA PERUSAHAAN LQ-45 YANG TERDAFTAR DI
BURSA EFEK INDONESIA PERIODE 2012-2016**

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Abstrak

Penelitian ini bertujuan untuk menguji dan menganalisis pengaruh Current Ratio, Struktur Modal, Earning Per Share dan Return On Equity terhadap Dividend Payout Ratio pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia tahun 2012-2016, baik secara parsial maupun secara simultan. Penelitian ini merupakan penelitian deskriptif kuantitatif. Populasi dalam penelitian ini adalah seluruh perusahaan LQ 45 yang terdaftar di Bursa Efek Indonesia yang berjumlah 45 perusahaan. Sampel dalam penelitian ini adalah 10 perusahaan yang diseleksi dengan kriteria tertentu. Metode

statistik yang digunakan adalah analisis regresi linear berganda. Hasil penelitian menunjukkan bahwa secara parsial, Current Ratio dan Struktur Modal berpengaruh negatif dan signifikan terhadap Dividend Payout Ratio sedangkan Earning Per Share dan Return On Equity berpengaruh positif dan signifikan terhadap Dividend Payout Ratio. Dan secara simultan Current Ratio, Struktur Modal, Earning Per Share dan Return On Equity berpengaruh signifikan terhadap Dividend Payout Ratio. Besarnya koefisien determinasi sebesar 0,582 menunjukkan bahwa Ln Dividend Payout Ratio hanya dapat dijelaskan oleh variabel Ln Current Ratio, Ln Struktur Modal, Ln Earning Per Share dan Ln Return On Equity sebesar 0,582 atau 58,2% sedangkan sisanya sebesar 41,8% dapat dijelaskan variabel lainnya yang tidak diteliti dalam penelitian ini. Kesimpulan penelitian ini adalah secara parsial dan simultan Current Ratio, Struktur Modal, Earning Per Share dan Return On Equity berpengaruh signifikan terhadap Dividend Payout Ratio pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia tahun 2012-2016.

Keywords: Current Ratio, Struktur Modal, Earning Per Share, Return On Equity, Dividend Payout Ratio

Pendahuluan

Dividen mencerminkan nilai suatu perusahaan. Jika perusahaan mencapai prestasi yang baik maka perusahaan tersebut akan banyak diminati oleh para investor, terlebih lagi apabila perusahaan tersebut rutin membagikan dividennya kepada pemegang saham. Perusahaan LQ 45 di Bursa Efek Indonesia tidak semuanya membagikan dividen kepada para pemegang sahamnya, baik itu dalam bentuk dividen tunai maupun dividen saham. Hal tersebut disebabkan oleh adanya pertimbangan yang berbeda dalam membuat keputusan kebijakan dan pembayaran dividen dalam setiap perusahaan.

Kebijakan pembayaran dividen ini dapat dilihat pada Dividend Payout Ratio (DPR) perusahaan. Besar kecilnya Dividend Payout Ratio yang dibayarkan kepada pemegang saham tergantung pada kebijakan dividen masing-masing perusahaan dan dilakukan berdasarkan pertimbangan berbagai faktor. Berbagai faktor-faktor yang dipertimbangkan oleh manajemen yang dianggap berpengaruh terhadap Dividend Payout Ratio adalah Current Ratio, Struktur Modal, Earning Per Share Dan Return On Equity.

Perusahaan yang mempunyai Current Ratio yang tinggi berarti aset lancar yang dimiliki perusahaan lebih besar dari hutang lancar akan tetapi tidak ada jaminan

perusahaan dapat memberikan dividen yang besar karena adanya perbedaan tingkat aktiva lancar yang dimiliki perusahaan.

Perusahaan yang memiliki struktur modal yang besar berarti hutang yang dimiliki lebih besar dari modal yang ada pada perusahaan sehingga kemampuan perusahaan dalam membayar dividen akan semakin kecil. Namun tidak selamanya perusahaan yang memiliki struktur modal yang besar menurunkan pembayaran dividen.

Perusahaan yang memiliki Earning Per Share yang tinggi berarti laba setelah pajak yang dimiliki perusahaan lebih besar dari jumlah saham pemegang saham sehingga setiap perusahaan dapat memberikan dividen dalam jumlah yang lebih besar. Namun tidak selamanya perusahaan yang memiliki Earning Per Share yang tinggi dapat meningkatkan pemberian dividen.

Perusahaan yang memiliki Return On Equity yang tinggi berarti perusahaan memperoleh keuntungan yang besar dari modal perusahaan yang ada sehingga perusahaan dapat meningkatkan pembayaran dividen kepada pemegang saham. Namun tidak selamanya perusahaan yang memiliki Return On Equity yang tinggi dapat meningkatkan pemberian dividen.

Penelitian ini memilih perusahaan LQ 45 dikarenakan perusahaan yang tercantum di jajaran LQ 45 merupakan perusahaan yang sudah diakui oleh pelaku pasar modal dengan melihat tingkat likuiditas dan kapitalisasi pasar. Namun dalam hal ini seluruh perusahaan harus berjuang keras untuk berada di jajaran LQ 45 karena tidak semua perusahaan yang ada di Bursa Efek Indonesia tidak semuanya mampu memperhatikan Current Ratio, Struktur Modal, Earning Per Share Dan Return On Equity karena hampir sebagian besar perusahaan di Bursa Efek Indonesia tidak mampu memberikan dividen kepada pemegang saham. Berdasarkan alasan inilah peneliti ingin melihat sejauh mana Dividend Payout Ratio dipengaruhi Current Ratio, Struktur Modal, Earning Per Share Dan Return On Equity pada perusahaan LQ 45 di Bursa Efek Indonesia. (<http://investasi.kontan.co.id/news/emiten-dermawan-dan-royal-membagi-dividen>).

Untuk hal ini maka peneliti ingin menguji apakah permasalahan beberapa perusahaan LQ-45 dibawah ini dengan menggunakan Current Ratio, Struktur Modal, Earning Per Share, Return On Equity dan Dividend Payout Ratio pada periode 2012-2016.

Perumusan Masalah

Rumusan Masalah dalam penelitian ini:

1. Bagaimanakah pengaruh Current Ratio secara parsial terhadap Dividend Payout Ratio pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia tahun 2012-2016?
2. Bagaimanakah pengaruh Struktur Modal secara parsial terhadap Dividend Payout Ratio pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia tahun 2012-2016?
3. Bagaimanakah pengaruh Earning Per Share secara parsial terhadap Dividend Payout Ratio pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia tahun 2012-2016?
4. Bagaimanakah pengaruh Return On Equity secara parsial terhadap Dividend Payout Ratio pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia tahun 2012-2016?
5. Bagaimanakah pengaruh Current Ratio, Struktur Modal, Earning Per Share dan Return On Equity secara simultan terhadap Dividend Payout Ratio pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia tahun 2012-2016?

Landasan Teori

Current Ratio

Menurut Kasmir (2012:111), rasio lancar atau *current ratio* merupakan rasio untuk mengukur kemampuan perusahaan membayar kewajiban jangka pendek atau utang yang segera jatuh tempo pada saat ditagih secara keseluruhan.

Menurut Murhadi (2013:57), rasio lancar (*current ratio*-CR) adalah rasio yang biasa untuk mengukur kemampuan perusahaan untuk memenuhi liabilitas jangka pendek (*short run solvency*) yang akan jatuh tempo dalam waktu satu tahun.

Indikator *Current Ratio*

Sunyoto (2013:101-102), pedoman atau standar umum yang digunakan untuk *current ratio* adalah 2:1.

$$\text{Current Ratio} = \frac{\text{Aktiva Lancar}}{\text{Hutang Lancar}}$$

Struktur Modal

Menurut Sinaga (2014:353), struktur modal merupakan perimbangan antara utang dengan modal yang dimiliki perusahaan. Salah satu isi penting yang sering dihadapi oleh manajer keuangan perusahaan adalah menentukan perimbangan yang tepat antara utang dengan modal.

Menurut Fahmi (2015:184), struktur modal merupakan gambaran dari bentuk proporsi financial perusahaan yaitu antara modal yang dimiliki yang bersumber dari utang jangka panjang (*long-term liabilities*) dan modal sendiri (*shareholders' equity*) yang menjadi sumber pembiayaan suatu perusahaan.

Indikator Struktur Modal

Menurut Fahmi (2015:186), indikator struktur modal adalah *Debt to Equity Ratio* dimana *Debt to Equity Ratio* merupakan salah satu rasio struktur modal. Rumus:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$$

Earnings Per Share

Menurut Rudianto (2013:198), earning per share ratio menunjukkan kemampuan manajemen dalam memaksimalkan tingkat pengembalian kepada pemegang saham atas setiap rupiah yang ditanamkan pemegang saham dalam perusahaan.

Menurut Fahmi (2015:83), earning per share atau pendapatan perlembar saham adalah bentuk pemberian keuntungan yang diberikan kepada para pemegang saham yang dimiliki.

Indikator Earning Per Share

Menurut Murhadi (2013:64), rumus Earning Per Share ini yaitu:

$$\text{Earnings Per Share} = \frac{\text{Net Income}}{\text{Jumlah Saham Biasa}}$$

Return On Equity

Kasmir (2012:204), hasil pengembalian ekuitas atau *return on equity* atau rentabilitas modal sendiri merupakan rasio untuk mengukur laba bersih sesudah pajak dengan modal sendiri.

Menurut Hamono (2014:235), *return on equity* merupakan ukuran kemampuan labaan perusahaan yang mencerminkan tingkat efisiensi, efektivitas operasi dan tingkat leverage perusahaan.

Indikator *Return On Equity*

Menurut Kasmir (2012:204), *Return On Equity* merupakan rasio untuk mengukur laba bersih sesudah pajak dengan modal sendiri. Rumus:

$$\text{Return On Equity} = \frac{\text{Earning After Interest and Tax}}{\text{Equity}}$$

Dividen Payout Ratio

Menurut Riyanto (2010 : 266), *dividen payout ratio* merupakan persentase dari pendapatan yang akan dibayarkan kepada pemegang saham sebagai “*Cash Dividend*”.

Menurut Darmadji dan Fakhruddin (2012:159), *dividen payout ratio* disebut juga rasio pembayaran dividen merupakan rasio yang mengukur perbandingan dividen terhadap laba perusahaan.

Indikator *Dividen Payout Ratio*

Menurut Murhadi (2013:65), Rumus perhitungan *Dividen Payout Ratio* adalah sebagai berikut:

$$\text{Dividend Payout Ratio} = \frac{\text{Dividen}}{\text{Net Income}}$$

Teori Pengaruh *Current Ratio* Terhadap *Dividen Payout Ratio*

Menurut Musthafa (2017:142), kalau likuiditas perusahaan baik, dividen dapat dibagikan lebih besar, begitu pula sebaliknya apabila likuiditas perusahaan tidak baik,

maka dividen bisa kecil atau bisa tidak dibagikan sebagai dividen tetapi ditahan oleh perusahaan yang disebut laba ditahan.

Menurut Najib (2015:259), semakin besar jumlah kas yang tersedia dan likuiditas perusahaan, semakin besar pula kemampuan perusahaan untuk membayar dividen.

Teori Pengaruh Struktur Modal Terhadap *Dividen Payout Ratio*

Menurut Hery (2015:191), apabila perusahaan memperoleh penghasilan lebih dari dana yang dipinjamnya dibandingkan dengan bunga yang harus dibayarkan kepada kreditur, maka kelebihanannya tersebut akan memperbesar pengembalian/imbal hasil (*return*) bagi pemilik.

Menurut Maisyarah (2016:108), perusahaan memiliki struktur modal yang tinggi (dengan indikasi hutang dalam jumlah besar) maka semakin kecil dividen yang dibayarkan oleh perusahaan kepada pemegang saham, dan begitu juga sebaliknya.

Teori Pengaruh *Earning Per Share* Terhadap Kebijakan Dividen

Menurut Darmadji dan Fakhruddin (2012:154), makin tinggi nilai EPS tentu saja menggembirakan pemegang saham karena makin besar laba yang disediakan untuk pemegang saham dan kemungkinan peningkatan jumlah dividen yang diterima pemegang saham.

Menurut Hanif (2017:76), semakin besar nilai EPS menunjukkan perusahaan mampu memberikan laba yang lebih tinggi bagi investor sehingga makin tinggi pula tingkat dividen yang akan dibayarkan.

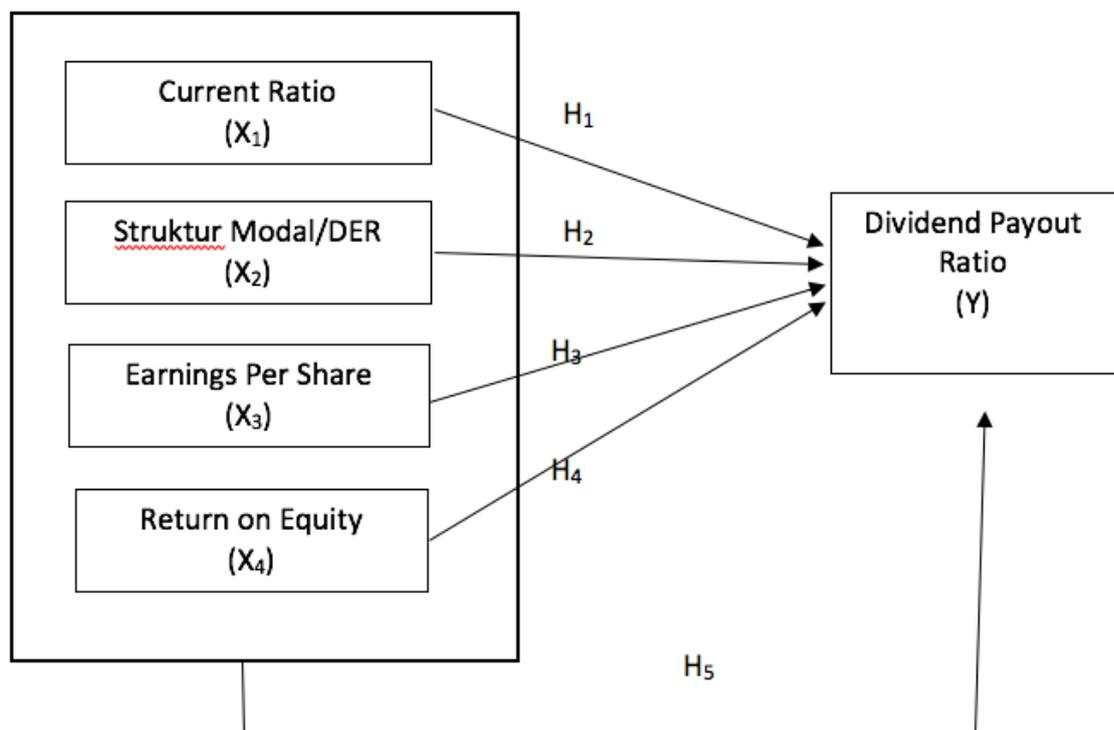
Teori Pengaruh *Return On Equity* Terhadap *Dividen Payout Ratio*

Menurut Husnan Dan Pudjiastuti (2012:298), peningkatan pembayaran dividen hanya dimungkinkan apabila laba yang diperoleh oleh perusahaan juga meningkat. Dan sebaliknya perusahaan yang tidak bisa membagikan dividen yang makin besar apabila laba yang diperoleh tidak meningkat.

Menurut Mulyawan (2015:260), profitabilitas yang baik bisa membayar dividen atau meningkatkan dividend. Demikian pula sebaliknya profitabilitas yang buruk tidak bisa meningkatkan dividen.

Kerangka Konseptual

Berdasarkan uraian teori dan penelitian terdahulu diatas, maka kerangka konseptual digambarkan melalui gambar di bawah ini:



Gambar Kerangka Konseptual

Hipotesis Penelitian

Hipotesis penelitian:

- H1 : *Current Ratio* berpengaruh secara parsial terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 di Bursa Efek Indonesia tahun 2012-2016.
- H2 : Struktur Modal berpengaruh secara parsial terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 di Bursa Efek Indonesia tahun 2012-2016.
- H3 : *Earning Per Share* berpengaruh secara parsial terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 di Bursa Efek Indonesia tahun 2012-2016.

H4 : *Return On Equity* berpengaruh secara parsial terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 di Bursa Efek Indonesia periode 2012-2016.

H5 : *Current Ratio*, Struktur Modal, *Earning Per Share* dan *Return On Equity* berpengaruh secara simultan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 di Bursa Efek Indonesia tahun 2012-2016.

Metode Penelitian

Jenis Penelitian

Jenis penelitian yang digunakan adalah penelitian deskriptif kuantitatif. Penelitian deskriptif kuantitatif adalah penelitian yang menggambarkan hubungan dengan menggunakan data numerik atau angka.

Populasi dan Sampel

Populasi yang digunakan dalam penelitian ini adalah seluruh perusahaan LQ 45 yang terdaftar di Bursa Efek Indonesia selama periode 2012-2016 yang berjumlah 45 perusahaan.

Dari populasi tersebut akan diambil sampel dengan teknik *purposive sampling*, yaitu teknik pemilihan sampel yang dilakukan dengan pertimbangan tertentu dan diperoleh 10 perusahaan sebagai sampel, sehingga total sampel penelitian 10 perusahaan selama 5 tahun adalah 50 data penelitian.

Teknik Pengumpulan Data

Teknik pengumpulan data dalam penelitian ini diperoleh melalui studi dokumentasi, dengan mengumpulkan data sekunder dari laporan keuangan perusahaan perdagangan yang dimuat dalam situs resmi Bursa Efek Indonesia, yaitu www.idx.co.id.

Jenis dan Sumber Data

Jenis dan sumber data penelitian ini menggunakan data kuantitatif yaitu data yang berbentuk angka atau numerik. Data ini diperoleh dari data sekunder yaitu data penelitian yang diperoleh melalui media perantara seperti website Bursa Efek Indonesia yaitu www.idx.co.id dan data dari ICMD (*Indonesia Capital Market Directory*).

Variabel Dependen (Y) *Dividen Payout Ratio (DPR)*

Menurut Murhadi (2013:65), *Dividen Payout Ratio* merupakan rasio yang menggambarkan besarnya proporsi dividen yang dibagikan terhadap pendapatan bersih perusahaan. Rumus yang digunakan dalam menghitung *Dividen Payout Ratio*:

$$\text{Dividen Payout Ratio} = \frac{\text{Dividen}}{\text{Net Income}}$$

Variabel Independen (X)

Current Ratio (X1)

Menurut Murhadi (2013:57), *Current Ratio* adalah rasio yang biasa untuk mengukur kemampuan perusahaan untuk memenuhi liabilitas jangka pendek (*Short Run Solvency*) yang akan jatuh tempo dalam waktu satu tahun. Rumus yang digunakan dalam menghitung *Current Ratio*:

$$\text{Current Ratio} = \frac{\text{Aktiva Lancar}}{\text{Hutang Lancar}}$$

Struktur Modal (X2)

Menurut Sudana (2015:164), Struktur Modal (*Capital Structure*) berkaitan dengan pembelanjaan jangka panjang suatu perusahaan yang diukur dengan perbandingan utang jangka panjang dengan modal sendiri. Struktur Modal diukur dari *Debt to Equity Ratio* (DER), dengan rumus:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$$

Earnings Per Share (X3)

Menurut Darmadji & Fakhrudin (2013:154), *Earning Per Share* atau laba per lembar saham merupakan rasio yang menunjukkan bagian laba untuk setiap saham. Rumus untuk menghitung *Earning Per Share* adalah:

$$\text{Earning Per Share} = \frac{\text{Net Income}}{\text{Jumlah Saham Biasa}}$$

Return On Equity (X4)

Menurut Kasmir (2012:204), *Return On Equity* atau rentabilitas modal sendiri merupakan rasio untuk mengukur laba bersih sesudah pajak dengan modal sendiri. Rumus untuk menghitung *Return On Equity*:

$$\text{Return on Equity} = \frac{\text{Earning After Interest and Tax}}{\text{Equity}}$$

Metode Analisis Data

Uji Asumsi Klasik

Uji Normalitas

Menurut Ghozali (2016:154), uji normalitas bertujuan untuk menguji apakah dalam model regresi, variabel pengganggu atau residual memiliki distribusi normal.

Uji Normalitas ini dapat dilihat dengan dua cara yaitu dengan uji statistik dan analisis grafik.

Uji Multikolinearitas

Menurut Ghozali (2016:103), Uji multikolinearitas bertujuan untuk menguji apakah pada model regresi ditemukan adanya korelasi antar variabel independen. Model regresi yang baik seharusnya tidak ada korelasi antar variabel independen.

Uji Autokorelasi

Menurut Ghozali (2016:107), uji autokorelasi bertujuan untuk menguji apakah dalam suatu model regresi linear ada korelasi antar kesalahan pengganggu pada periode t dengan kesalahan pada periode t-1.

Uji Heteroskedastisitas

Menurut Ghozali (2016:134), uji heteroskedastisitas bertujuan untuk melihat apakah di dalam model regresi terjadi ketidaksamaan variance dari residual suatu pengamatan ke pengamatan yang lain.

Analisis Regresi Linier Berganda

Analisis Regresi Berganda bertujuan untuk melihat pengaruh atau hubungan antara variabel bebas terhadap variabel terikat. Model regresi yang digunakan adalah seperti berikut:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Keterangan :

3. = *Dividend Payout Ratio*

- a = Konstanta
- b1 = Koefisien regresi Variabel X1 (*Current Ratio*)
- b2 = Koefisien regresi Variabel X2 (Struktur Modal)
- b3 = Koefisien regresi Variabel X3 (*Earning Per Share*)
- b4 = Koefisien regresi Variabel X4 (*Return On Equity*)

Pengujian Hipotesis Secara Simultan (Uji F)

Menurut Ghozali (2016:96), uji statistik F pada dasarnya menunjukkan apakah semua variabel independen atau bebas yang dimasukkan dalam model mempunyai pengaruh secara bersama-sama terhadap variabel dependen/terikat.

Pengujian Hipotesis Secara Parsial (Uji t)

Menurut Ghozali (2016:97), uji Statistik t pada dasarnya menunjukkan seberapa jauh pengaruh satu variabel pejelasan / independen secara individual dalam menerangkan variasi variabel dependen.

Pembahasan

Statistik Deskriptif

Tabel Statistik Deskriptif

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Current Ratio	50	.606	6.148	2.36100	1.333901
Struktur Modal	50	.133	4.278	.99496	.945236
Earning Per Share	50	29.080	4580.037	1136.17841	1239.367274
Return On Equity	50	.046	5.626	.67846	1.300953

Dividen Payout Ratio	50	.00000635	.00039479	.0000822423	.00008306751
Valid N (listwise)	50				

Sumber : Olahan Data SPSS, 2018

Variabel *Current Ratio* (CR) yang menunjukkan nilai minimum sebesar 0,606 pada PT Unilever Indonesia Tbk. (UNVR) tahun 2016 dan nilai maximum sebesar 6,148 pada PT Indocement Tunggal Prakarsa Tbk. (INTP) tahun 2013.

Variabel Struktur Modal (SM) yang menunjukkan nilai minimum sebesar 0,133 pada PT Indocement Tunggal Prakarsa Tbk. (INTP) tahun 2016 dan nilai maximum sebesar 4,278 pada PT Tambang Batubara Bukit Asam (Persero) Tbk. (PTBA) tahun 2016.

Variabel *Earning Per Share* (EPS) yang menunjukkan nilai minimum sebesar 29,080 pada PT Kalbe Farma Tbk. (KLBF) tahun 2012 dan nilai maximum sebesar 4580,037 PT Tambang Batubara Bukit Asam (Persero) Tbk. (PTBA) tahun 2016.

Variabel *Return On Equity* (ROE) yang menunjukkan nilai minimum sebesar 0,046 pada PT Adaro Energy Tbk. (ADRO) tahun 2014 dan nilai maximum sebesar 5,626 pada PT Tambang Batubara Bukit Asam (Persero) Tbk. (PTBA) tahun 2016. Variabel *Dividend Payout Ratio* (DPR) yang menunjukkan nilai minimum sebesar 0,00000635 pada PT Adaro Energy Tbk. (ADRO) tahun 2016 dan nilai maximum sebesar 0,00040257 pada PT Gudang Garam Tbk. (GGRM) tahun 2016.

Hasil Uji Asumsi Klasik

Uji Normalitas

Tabel Hasil Uji Normalitas Sebelum Transformasi Data
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		50
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	.00006431

	Absolute	.181
Most Extreme Differences	Positive	.181
	Negative	-.140
Kolmogorov-Smirnov Z		1.279
Asymp. Sig. (2-tailed)		.076

a. Test distribution is Normal.

b. Calculated from data.

Sumber: Olahan Data SPSS, 2018

Berdasarkan Tabel diatas menunjukkan bahwa hasil pengujian statistik dengan model *Kolmogorov-Smirnov* sebelum transformasi data menunjukkan bahwa nilai *unstandardized residual* yang diteliti telah terdistribusi normal karena nilai *Asymp.Sig (2-tailed)* sebesar 0,076 lebih besar dari 0,05.

Tabel Hasil Uji Normalitas Setelah Transformasi Data

One-Sample Kolmogorov-Smirnov Test

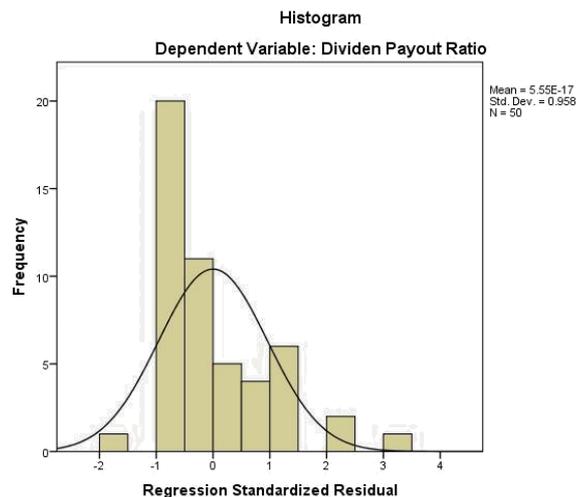
		Unstandardized Residual
N		50
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	.72926954
	Absolute	.113
Most Extreme Differences	Positive	.081
	Negative	-.113
Kolmogorov-Smirnov Z		.799
Asymp. Sig. (2-tailed)		.546

a. Test distribution is Normal.

b. Calculated from data.

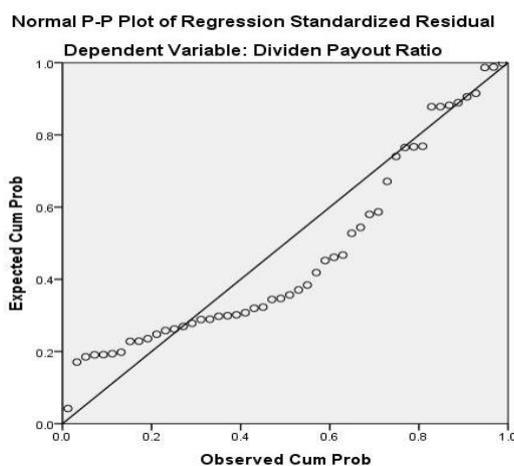
Sumber: Olahan Data SPSS, 2018

Berdasarkan Tabel menunjukkan bahwa hasil pengujian statistik dengan model Kolmogorov-Smirnov setelah transformasi data menunjukkan bahwa nilai unstandardized residual yang diteliti telah terdistribusi normal karena nilai Asymp.Sig (2-tailed) sebesar 0,546 lebih besar dari 0,05.



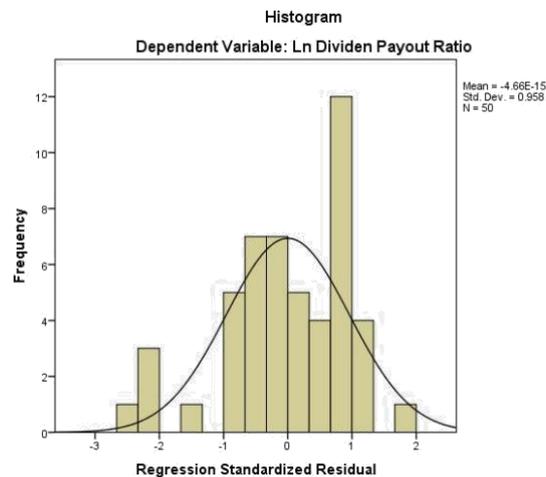
Gambar Grafik Histogram Sebelum Transformasi Data

Pada gambar di atas terlihat bahwa grafik histogram sebelum transformasi data tidak memperlihatkan pola distribusi yang normal dimana data distribusi yang berbentuk lonceng mencent ke kiri maupun ke kanan atau tidak mengikuti garis kurva yang telah ditetapkan.



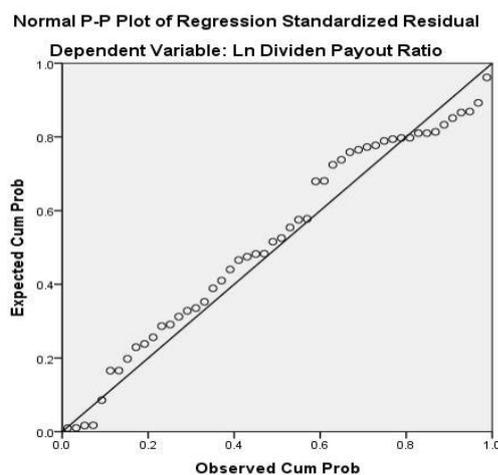
Gambar Grafik Normality P-P Plot Sebelum Transformasi Data

Pada gambar tersebut memperlihatkan grafik Normality *P-P Plot* sebelum transformasi data menunjukkan bahwa titik-titik belum menyebar di sekitar/menjauh dari arah garis diagonal yang menunjukkan pola data berdistribusi bersifat tidak normal.



Gambar Grafik Histogram Setelah Transformasi Data

Pada gambar di atas terlihat bahwa grafik histogram setelah transformasi data memperlihatkan pola distribusi yang normal dimana data distribusi yang berbentuk lonceng tidak menceng ke kiri maupun ke kanan atau mengikuti garis kurva yang telah ditetapkan.



Gambar Grafik Normality *P-P Plot* Setelah Transformasi Data

Pada gambar diatas memperlihatkan grafik Normality *P-P Plot* setelah transformasi data menunjukkan bahwa titik-titik belum menyebar di sekitar/menjauh dari arah garis diagonal yang menunjukkan pola data berdistribusi bersifat tidak normal.

Uji Multikolinearitas

Tabel Hasil Uji Multikolinearitas Sebelum Transformasi Data

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 Current Ratio	.333	3.002
Struktur Modal	.082	12.160
Earning Per Share	.448	2.234
Return On Equity	.083	12.077

a. Dependent Variable: Dividen Payout Ratio

Berdasarkan Tabel diatas menunjukkan bahwa *Current Ratio* memiliki nilai tolerance $0,333 > 0,10$ dan nilai VIF $3,002 < 10$, *Struktur Modal* memiliki nilai tolerance $0,082 < 0,10$ dan nilai VIF $12,160 > 10$, *Earning Per Share* yang memiliki nilai tolerance $0,448 > 0,10$ dan nilai VIF $2,234 < 10$, *Return On Equity* memiliki nilai tolerance $0,083 < 0,10$ dan nilai VIF $12,077 > 10$. Jadi dapat disimpulkan bahwa adanya multikolonieritas antara variabel independen dalam model regresi tersebut.

Tabel Hasil Uji Multikolinearitas Setelah Transformasi Data

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 Ln Current Ratio	.377	2.652
Ln Struktur Modal	.242	4.139
Ln Earning Per Share	.721	1.386

Ln Return On Equity	.478	2.093
---------------------	------	-------

a. Dependent Variable: Ln Dividen Payout Ratio

Berdasarkan Tabel diatas menunjukkan *Current Ratio* memiliki nilai tolerance $0,377 > 0,10$ dan nilai VIF $2,652 < 10$, Struktur Modal memiliki nilai tolerance $0,242 > 0,10$ dan nilai VIF $4,139 < 10$, Ln *Earning Per Share* memiliki nilai tolerance $0,721 > 0,10$ dan nilai VIF $1,386 < 10$, Ln *Return On Equity* memiliki nilai tolerance $0,478 > 0,10$ dan nilai VIF $2,093 > 10$. Jadi dapat disimpulkan bahwa tidak ada multikolonieitas antara variabel independen dalam model regresi tersebut.

Uji Autokorelasi

Tabel Hasil Uji Autokorelasi Sebelum Transformasi Data

Runs Test

	Unstandardized Residual
Test Value ^a	-.00003
Cases < Test Value	25
Cases >= Test Value	25
Total Cases	50
Number of Runs	28
Z	.572
Asymp. Sig. (2-tailed)	.568

a. Median

Berdasarkan Tabel diatas hasil uji autokorelasi sebelum transformasi data menunjukkan bahwa nilai test $-0,00003$ dengan nilai Asymp. Sig. (2-tailed) sebesar $0,568$ tidak signifikan pada $0,05$ yang berarti hipotesis nol ditolak, sehingga dapat disimpulkan bahwa residual random (acak) yang mengartikan tidak terjadi permasalahan autokorelasi antar nilai residual.

Tabel Hasil Uji Autokorelasi Setelah Transformasi Data

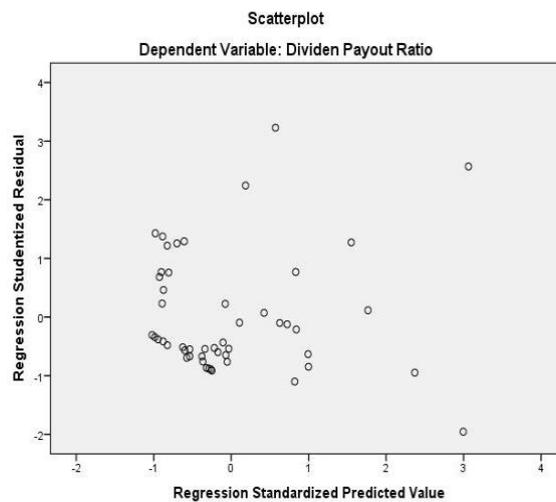
Runs Test

	Unstandardized Residual
Test Value ^a	.03913
Cases < Test Value	25
Cases >= Test Value	25
Total Cases	50
Number of Runs	29
Z	.857
Asymp. Sig. (2-tailed)	.391

a. Median

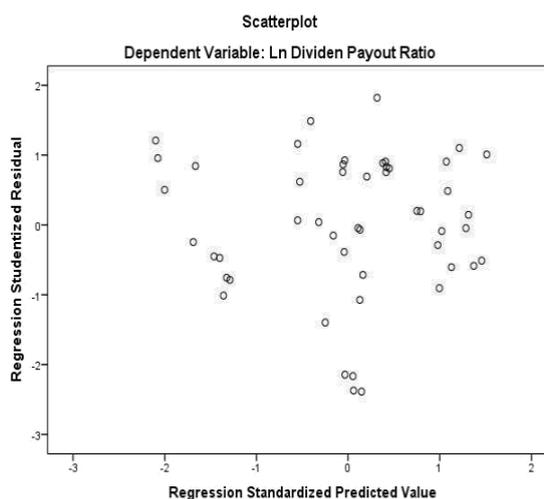
Berdasarkan Tabel hasil uji autokorelasi setelah transformasi data juga menunjukkan bahwa nilai test $-0,03913$ dengan nilai Asymp. Sig. (2-tailed) sebesar $0,391$ tidak signifikan pada $0,05$ yang berarti hipotesis nol ditolak, sehingga dapat disimpulkan bahwa residual random (acak) yang mengartikan tidak terjadi masalah autokorelasi antar nilai residual.

Uji Heteroskedastisitas



Gambar Grafik *ScatterPlot* Sebelum Transformasi Data

Pada gambar grafik scatterplot sebelum transformasi data menunjukkan bahwa titik-titik membentuk pola yang jelas di atas maupun di bawah angka 0 pada sumbu Y. Dengan demikian, dapat disimpulkan bahwa terjadi masalah heteroskedastisitas pada model regresi ini.



Gambar Grafik *ScatterPlot* Setelah Transformasi Data

Pada gambar diatas grafik scatterplot setelah transformasi data menunjukkan bahwa titik-titik menyebar secara acak serta tersebar baik di atas maupun di bawah angka 0

pada sumbu Y. Dengan demikian, dapat disimpulkan bahwa tidak terjadi heteroskedastisitas pada model regresi ini.

Tabel Hasil Uji Park Sebelum Transformasi Data

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-22.563	1.155		-19.527	.000
Current Ratio	.341	.282	.274	1.207	.234
¹ Struktur Modal	2.309	.802	1.313	2.878	.006
Earning Per Share	.000	.000	.213	1.092	.281
Return On Equity	-1.812	.581	-1.418	-3.120	.003

a. Dependent Variable: LnU2i_1

Berdasarkan Tabel menunjukkan hanya nilai signifikansi variabel *Current Ratio* (0,234) dan nilai signifikansi variabel *Earning Per Share* (0,281) >0,05 sehingga variabel *Current Ratio* dan *Earning Per Share* tidak memiliki masalah heteroskedastisitas sedangkan nilai signifikansi variabel lainnya yaitu variabel Struktur Modal (0,006) dan *Return On Equity* (0,003) < 0,05 sehingga variabel Struktur Modal dan *Return On Equity* memiliki masalah heteroskedastisitas. Maka dapat disimpulkan bahwa model regresi ini memiliki masalah heteroskedastisitas.

Tabel Hasil Uji Park Setelah Transformasi Data

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

(Constant)	.433	1.849		.234	.816
Ln Current Ratio	-.342	.904	-.090	-.378	.707
¹ Ln Struktur Modal	.063	.678	.028	.093	.926
Ln Earning Per Share	-.285	.251	-.195	-1.133	.263
Ln Return On Equity	.193	.368	.111	.524	.603

a. Dependent Variable: LnU2i_2

Berdasarkan Tabel diatas menunjukkan bahwa masing-masing nilai signifikansi yaitu nilai signifikansi variabel Ln *Current Ratio*(0,707), nilai signifikansi variabel Ln Struktur Modal (0,926), nilai signifikansi variabel Ln *Earning Per Share*(0,263) dan nilai signifikansi variabel Ln *Return On Equity* (0,603) lebih besar dari 5% atau 0,05, maka dapat disimpulkan bahwa tidak ada asumsi heteroskedastisitas dalam model regresi ini.

Hasil Analisa Data Penelitian

Tabel Hasil Analisis Regresi Linier Berganda

Coefficients^a

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-13.660	.651		-20.992	.000
Ln Current Ratio	-1.119	.318	-.529	-3.517	.001
¹ Ln Struktur Modal	-1.125	.239	-.886	-4.716	.000
Ln Earning Per Share	.679	.088	.835	7.681	.000
Ln Return On Equity	.163	.129	.168	1.258	.215

a. Dependent Variable: Ln Dividen Payout Ratio

Analisis Data Regresi Linier Berganda:

$$\text{Ln DPR} = -13,660 - 1,119\text{Ln CR} - 1,125\text{Ln SM} + 0,679\text{Ln EPS} + 0,163\text{Ln ROE}$$

1. Konstanta (a) = -13,660. Artinya jika variabel Ln *Current Ratio*, Ln Struktur Modal, Ln *Earning Per Share* dan Ln *Return On Equity* dianggap nol, maka Ln *Dividend Payout Ratio* mengalami penurunan sebesar 13,660.

2. Variabel Ln *Current* = -1,119. Artinya bahwa setiap kenaikan variabel Ln *Current Ratio* sebesar 1 satuan, maka akan terjadi penurunan Ln *Dividend Payout Ratio* sebesar 1,119 satuan dengan asumsi variabel lain dianggap nol.

3. Variabel Ln Struktur Modal = -1,125. Artinya bahwa setiap kenaikan variabel Ln Struktur Modal sebesar 1 satuan, maka akan terjadi penurunan Ln *Dividend Payout Ratio* sebesar 1,125 satuan dengan asumsi variabel lain dianggap nol.

Variabel Ln *Earning Per Share* = 0,679. Artinya bahwa setiap kenaikan variabel Ln *Earning Per Share* sebesar 1 satuan, maka akan terjadi peningkatan Ln *Dividend Payout Ratio* sebesar 0,679 satuan dengan asumsi variabel lain dianggap nol.

4. Variabel Ln *Return On Equity* = sebesar 0,163. Artinya bahwa setiap kenaikan variabel Ln *Return On Equity* sebesar 1 satuan, maka akan terjadi peningkatan Ln *Dividend Payout Ratio* sebesar 0,163 satuan dengan asumsi variabel lain dianggap nol.

Koefisien Determinasi

Tabel Hasil Uji Koefisien Determinasi

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785 ^a	.616	.582	.76099

a. Predictors: (Constant), Ln Return On Equity, Ln Current Ratio, Ln Earning Per Share, Ln Struktur Modal

Berdasarkan tabel dapat dilihat bahwa nilai *adjusted R square* sebesar 0,582 menunjukkan bahwa Ln *Dividend Payout Ratio* hanya dapat dijelaskan oleh variabel Ln *Current Ratio*, Ln Struktur Modal, Ln *Earning Per Share* dan Ln *Return On Equity* sebesar 0,582 atau 58,2% sedangkan sisanya sebesar 41,8% dapat dijelaskan variabel lainnya yang tidak diteliti dalam penelitian ini.

Pengujian Hipotesis Secara Simultan (Uji F)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.879	4	10.470	18.079	.000 ^b
	Residual	26.060	45	.579		
	Total	67.939	49			

a. Dependent Variable: Ln Dividen Payout Ratio

b. Predictors: (Constant), Ln Return On Equity, Ln Current Ratio, Ln Earning Per Share, Ln Struktur Modal

Berdasarkan tabel menunjukkan bahwa nilai Fhitung 18,079 > Ftabel 2,58 dan nilai signifikansi 0,000 < 0,05. Hal tersebut menunjukkan bahwa hipotesis diterima, artinya *Current Ratio*, Struktur Modal, *Earning Per Share* dan *Return On Equity* berpengaruh signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia tahun 2012-2016.

Pengujian Hipotesis Secara Parsial (Uji T)

Coefficients^a

Model	Unstandardized Coefficients		Standardize	t	Sig.
	B	Std. Error	d Coefficients Beta		
(Constant)	-13.660	.651		-20.992	.000
Ln Current Ratio	-1.119	.318	-.529	-3.517	.001
¹ Ln Struktur Modal	-1.125	.239	-.886	-4.716	.000
Ln Earning Per Share	.679	.088	.835	7.681	.000
Ln Return On Equity	.163	.129	.168	1.258	.215

a. Dependent Variable: Ln Dividen Payout Ratio

Berdasarkan Tabel diatas, maka hasil perhitungan statistik dengan menggunakan bantuan program SPSS dapat dijelaskan sebagai berikut :

1. Variabel pertama yaitu *Current Ratio*(X1) mempunyai nilai thitung-3,517 < ttabel-2,014 dan nilai signifikansi 0,001 < 0,05, dengan demikian hasil hipotesis menunjukkan *Current Ratio* berpengaruh negatif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016.
2. Variabel kedua yaitu Struktur Modal(X2) mempunyai nilai thitung-4,716 < ttabel-2,014 dan nilai signifikansi 0,000 < 0,05, dengan demikian hasil hipotesis menunjukkan Struktur Modal berpengaruh negatif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016.
3. Variabel ketiga yaitu *Earning Per Share*(X3) mempunyai nilai thitung7,681 > ttabel2,014 dan nilai signifikansi 0,000 < 0,05, dengan demikian hasil hipotesis menunjukkan *Earning Per Share* berpengaruh positif

dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016.

4. Variabel keempat yaitu *Return On Equity*(X4) mempunyai nilai thitung 1,258 < ttabel 2,014 dan nilai signifikansi 0,215 > 0,05, dengan demikian hasil hipotesis menunjukkan *Return On Equity* tidak berpengaruh dan tidak signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016.

Pengujian *Current Ratio*, Struktur Modal, *Earning Per Share* Dan *Return On Equity* Terhadap *Dividend Payout Ratio*

Pengujian simultan berdasarkan hasil perhitungan pada Tabel IV.11 dapat diketahui nilai Fhitung 18,079 > Ftabel 2,58 dan nilai signifikansi 0,000 < 0,05, sehingga diambil suatu keputusan bahwa *Current Ratio*, Struktur Modal, *Earning Per Share* dan *Return On Equity* secara simultan berpengaruh signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016. Hasil ini menunjukkan bahwa semakin tinggi *Current Ratio*, Struktur Modal, *Earning Per Share* dan *Return On Equity* maka semakin tinggi *Dividend Payout Ratio*.

Dividen merupakan pembayaran yang diberikan kepada pemilik perusahaan atau pemegang saham atas modal yang mereka tanamkan di dalam perusahaan. Dalam hubungannya dengan jumlah pajak yang dibayarkan, maka pembayaran dividen berbeda dengan pembayaran bunga karena dividen tidak dapat mengurangi jumlah pajak yang dibayar oleh perusahaan. Sehingga apabila *Current Ratio*, Struktur Modal, *Earning Per Share* dan *Return On Equity* semakin besar maka perusahaan dapat meningkatkan pembayaran dividen.

Pengujian *Current Ratio* Terhadap *Dividend Payout Ratio*

Pengujian hipotesis ini menunjukkan bahwa nilai thitung -3,517 < ttabel -2,014 dan nilai signifikansi 0,001 < 0,05, dengan demikian hasil hipotesis diterima menunjukkan

Current Ratio berpengaruh negatif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016.

Current Ratio berpengaruh Terhadap *Dividend Payout Ratio* dikarenakan perusahaan dianggap dapat membayar hutangnya setelah 3 atau 4 bulan. Menurut Astiti (2017:9), semakin kuat posisi likuiditas suatu perusahaan terhadap prospek kebutuhan dana di waktu-waktu mendatang, makin tinggi *Dividend Payaout Ratio* nya. *Current Ratio* dihitung dengan membagi aktiva lancar dengan hutang atau kewajiban lancar. Semakin besar *Current Ratio* menunjukkan semakin tinggi kemampuan perusahaan dalam memnuhi kewajiban jangka pendeknya. Sebagaimana *cash ratio*, makin tingginya *Current Ratio* juga menunjukkan keyakinan investor terhadap kemampuan perusahaan membayar deviden yang dijanjikan. Dari hasil penelitian menunjukkan *Current Ratio* memiliki pengaruh terhadap *Dividend Payaout Ratio*, namun pengaruhnya negatif. Pengaruh ini mungkin disebabkan karena mengatakan bahwa *Current Ratio* memiliki pengaruh negatif terhadap *Dividend Payaout Ratio* mungkin disebabkan karena perusahaan ingin berfokus pada pengembangan asset perusahaan, sehingga dana yang ada digunakan untuk pengembangan asset perusahaan.

Pengujian Struktur Modal Terhadap *Dividend Payout Ratio*

Pengujian hipotesis ini menunjukkan bahwa Struktur Modal (X_2) mempunyai nilai thitung $-4,716 < t_{tabel} -2,014$ dan nilai signifikansi $0,000 < 0,05$, dengan demikian hasil hipotesis menunjukkan Struktur Modal berpengaruh negatif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016.

Struktur Modal berpengaruh terhadap *Dividen Payout Ratio* dikarenakan semakin besar ketergantungan perusahaan dana eksternal (hutang) semakin intensif pengawasan oleh penyedia dana eksternal (kreditur) terhadap kinerja manajemen sehingga memperkecil potensi masalah keagenan (*agency problem*) antara manajer dengan pemegang saham. Menurut Maisyaroh (2016:118), semakin kecil *agency problem* tersebut maka ketergantungan perusahaan pada dividen sebagai sarana

monitoring semakin kecil. *Collaterizable assets* merupakan aktiva tetap yang dimiliki perusahaan dalam menjalankan kegiatan operasional dan bisa digunakan sebagai jaminan atas pinjaman yang diberikan oleh kreditur. Jadi perusahaan memiliki struktur modal yang tinggi (dengan indikasi hutang dalam jumlah besar) maka semakin kecil dividen yang dibayarkan oleh perusahaan kepada pemegang saham, dan begitu juga sebaliknya.

Pengujian *Earning Per Share* Terhadap *Dividend Payout Ratio*

Pengujian hipotesis ini menunjukkan nilai thitung 7,681 > ttabel 2,014 dan nilai signifikansi 0,000 < 0,05, dengan demikian hasil hipotesis menunjukkan *Earning Per Share* berpengaruh positif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016.

Menurut Hanif (2017:80), hasil penelitian yang menyatakan *Earning Per Share* berpengaruh signifikan terhadap *Dividend Payout Ratio* dikarenakan dengan *earning* yang lebih besar akan lebih mampu untuk membayar dividen, sedangkan perusahaan yang menghadapi ketidakpastian tentang keuntungan masa depan akan mengambil kebijakan pembayaran dividen yang lebih rendah atau tidak membagikan dividen.

Pengujian *Return On Equity* Terhadap *Dividend Payout Ratio*

Pengujian hipotesis ini menunjukkan bahwa nilai thitung 1,258 < ttabel 2,014 dan nilai signifikansi 0,215 > 0,05, dengan demikian hasil hipotesis menunjukkan *Return On Equity* tidak berpengaruh dan tidak signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016.

Hasil penelitian yang menyatakan tidak berpengaruh dikarenakan nilai ROE dalam penelitian ini cenderung mengalami penurunan dari tahun 2012-2016 kemungkinan ROE tidak mempunyai pengaruh terhadap kebijakan dividen dalam hal ini kebijakan dividen tunai yang diukur menggunakan *dividend payout ratio* pada perusahaan mengutamakan laba yang dihasilkan untuk ditahan untuk menambah modal guna meningkatkan pertumbuhan perusahaan, terutama dengan keadaan

pasar batubara beberapa tahun terakhir yang sedang menunjukkan tren penurunan, hal ini mempengaruhi jumlah pendapatan yang diterima perusahaan sehingga laba menurun. Keadaan ini membuat perusahaan harus menahan laba lebih banyak dan mengurangi jumlah dividen yang dibagikan kepada para pemegang saham agar likuiditas perusahaan tetap terjaga.

Kesimpulan

Berdasarkan pengujian hipotesis dengan menggunakan uji t dan uji F, diperoleh hasil sebagai berikut:

1. Secara parsial, *Current Ratio* berpengaruh negatif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016 karena nilai thitung $-3,517 < t_{tabel} -2,014$ dan nilai signifikansi $0,001 < 0,05$.
2. Secara parsial, Struktur Modal berpengaruh negatif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016 karena nilai thitung $-4,716 < t_{tabel} -2,014$ dan nilai signifikansi $0,000 < 0,05$.
3. Secara parsial, *Earning Per Share* berpengaruh positif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016 karena nilai thitung $7,681 > t_{tabel} 2,014$ dan nilai signifikansi $0,000 < 0,05$.
4. Secara parsial, *Return On Equity* berpengaruh positif dan signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016 karena nilai thitung $1,258 < t_{tabel} 2,014$ dan nilai signifikansi $0,215 > 0,05$.

5. Secara simultan, *Current Ratio*, Struktur Modal, *Earning Per Share* dan *Return On Equity* berpengaruh signifikan terhadap *Dividend Payout Ratio* pada perusahaan LQ-45 yang terdaftar di Bursa Efek Indonesia periode 2012-2016 karena nilai Fhitung $18,079 > F_{tabel} 2,58$ dan nilai signifikansi $0,000 < 0,05$. Hal ini dikarenakan nilai ROE dalam penelitian ini cenderung mengalami penurunan dari periode 2012-2016.

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PART 13: INTERNATIONAL BUSINESS PRACTICES

CONSUMERS PERCEPTION TOWARDS MOTIVATIONAL FACTORS OF CSR AMONG FAST FOOD CHAIN RESTAURANT IN MALAYSIA

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Abstract

There are many fast food chain restaurants which is available In Malaysia. One of the increasing focus points towards the society practiced by the many business sectors in today's business is Corporate Social Responsibility (CSR). However, the awareness on the existence on this policy is yet to be well established in various business organizations. As the time goes on, more and more fast food chain restaurant has taken corporate social responsibility as a strategy to gain and maintain their competitive advantage. The aim of this research is to investigate the motivational factors of CSR which has been done by fast food chain restaurant in Malaysia and also the perception from consumers. This study will investigate the reason and the motivational factors that push forward for fast food chain restaurant in Malaysia to be engaged in CSR and also their view towards CSR activities carried out by fast food chain restaurant. This study will be using questionnaire based on Likert scale. Finally, this study is expected to contribute a deeper understanding towards the motivational factors of engaging in CSR apart from profit and fame and also CSR activities done by fast food chain restaurant in Malaysia. In order to analyse the data, SPSS software will be use.

Keywords: CSR, fast food chain restaurant, consumers, activities and motivational factors of CSR

Introduction

As a response to the growing awareness of and concern about social and environmental issues, an increasing number of companies are proactively publishing their CSR-related principles and activities (Kilian and Hennigs, 2014). Along with the public's increased demand for businesses to actually operate responsibly, stakeholders want to be informed about what companies do right and what they do wrong (Kilian and Hennigs, 2014). This is because recently organizations have been pushed by non-governmental organizations (NGOs), activists, communities, governments, media and other institutional forces.

During the past years, business organizations in Malaysia have rapidly become more interested in Corporate Social Responsibility (CSR). During the early years of its establishment, business organization, consumers and customers have less awareness on CSR and most of the business organization, consumers and customers were less aware on the real purpose of CSR. As the years goes by, business organization, consumers and customers begun to know what CSR is and how it is done. While many huge organizations are starting to engage in CSR, small organizations like food chain restaurant also have started to involve and engage in CSR by giving contribute to the well-being of social and environment welfare in Malaysia.

Many organizations have included CSR into all factors of business operations to cope with numerous stakeholders, along with employees, suppliers, customers, investors, community and the environment .With the economic globalisation, environment pollution and lack of resources, many organizations have not only tried to control profits and losses but additionally engaged in practices and activities, both voluntary or compulsory, to portray a greater environmentally and socially responsible organizations system (Chang-Wook, 2012).

In different phrases, organizations are incorporating social, economic, philanthropic and ethical practices into their organisational culture as an excellent organizations practice (Carroll, 1979). Mahajan (2011) listed the following elements as reasons for expanded public scrutiny of CSR: globalisation, governmental and inter-governmental bodies, advances in telecommunication technologies, consumers and investors, numerous extreme and high-profile breaches of company ethics and citizens and the growing awareness of the boundaries of government legislatures.

The advantages from undertaking CSR, there is growing interest awarded to CSR in developed countries like Japan, Germany and the USA due to the fact as Adams (2002) stated, CSR reporting is a mechanism to undertake such responsibilities of accountability. This fact is different as (Ip, 2008) stated CSR awareness in Asia remains instead low. Malaysia accomplished 3 decades of important economic increase and plans to be an excessive-income advanced economy by 2020. In doing so, the government followed a brand new framework known as the new economic model (NEM) in 2010. To clarify, this model seeks to permit the community whom are the people to benefit from the wealth of

the country (National Economic Advisory Council in 2010). Despite the fact that the government considers the contribution of organizations to society essential, Amran and Nejati (2009) stated that CSR in Malaysia continues to be in its infancy, regardless of being a part of the government agenda.

According to Ismail et al. (2015), CSR in Malaysia is a quite current development. Moreover, in 2007, Bursa Malaysia released a new law that each one public organization is required to reveal CSR activities in their annual reports (Bursa Malaysia, 2011). In 1991, the Malaysian government presented its vision 2020 that Malaysia can be a developed country. It seeks to create a united country with strong ethical values and a being concerned and economically simply society. The NEM shaped in 2010 is a tool to reap this goal. Vision 2020 consists of nine strategies, four of that are associated with CSR. Furthermore, the Malaysian regulatory body issued a new code on corporate governance in 2012 which were first introduced in 2000, then revised in 2007 to increase the awareness toward accountability of Malaysian listed organizations. This initiative was supported through the high Minister's Award in 2007. These initiatives render Malaysia as an interesting case to study for CSR.

The communication of CSR practices has received plenty recognition within the past few decades via promotional campaigns, company websites and annual reports. Due to established institutions, requirements and legal system in developed nations, CSR practices are predominantly taken into consideration as a Western phenomenon. However, weaker institutions of developing countries present huge challenge regarding CSR practices in developing countries consisting of Asian countries (Mishra and Suar, 2010). For this reason, it is pertinent that research on CSR practices have to give due consideration to the relevant institutional context of a specific country or region (Brammer et al., 2012).

Due to the globalization, companies react faster to today's social and environmental issues by imposing CSR policy into their corporate strategies. This trend is growing rapid especially in food industry, because of the reality that multinational foods, agencies have a high effect on society and environment. Consequently, CSR is specifically focused on large food corporations, which rely on human, natural and

physical resources. In other hand smaller businesses should also adapt CSR practices inside their strategies as well.

One combined-techniques study from the United Kingdom examined the awareness and perceptions of CSR for McDonald's and KFC. (Schroeder and McEachern, 2005) focusing on students from an English and Scottish university. The majority of fast food purchasing decisions had been made on impulse. Exploratory factor analysis was used to discover four central attitudes towards fast food buy behaviour: brand value, nutritional value, ethical value, and food quality. (Schroeder and McEachern, 2005). General findings were an excessive level of awareness of McDonald's CSR initiatives and expectation of most of the people of respondents that fast food organizations need to be concerned in healthy eating initiatives, animal welfare, and community activities. (C. J. Morgan et al., 2016).

Maintaining focus on the consumer is important for the fast food industry as well as different customer service corporations. Regardless of the efforts of these organizations, to our knowledge, no studies have thoroughly examined consumers' perceptions of the social responsibility of fast food companies. (C. J. Morgan et al., 2016).

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is perhaps a terminology with a wide and broad definition. According to Siwar and Siti Haslina (n.d.), the notion of CSR was established by the European Union to promote it among the business society as well as the environment. According to the European Commission (as cited in Siwar & Siti Haslina, n.d.), Corporate Social Responsibility (CSR) "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". Green and Peloza (2011) have criticized this notion by referring it as "notoriously ill-defined" (p.48). Godfrey and Hatch (as cited in Oberseder et. al, 2011), the idea of CSR is actually straightforward (p.3).

However, Wokutch and Fahey (as cited in Green and Peloza, 2011), various disagreement exist on the definition of CSR due to the fact that the definitions are

somehow value-laden (p.49). European Commission (as cited in Siwar and Siti Haslina, n.d.) states that CSR can be analysed from two different dimensions:

“a) Internal – socially responsible practices that mainly deal with employees and related to issues such as investing in human capital, health and safety and management change, while environmentally responsible practices related mainly to the management of natural resources and its usage in production.

b) External – CSR beyond the company into the local community and involves a wide range of stakeholders such as business partners, suppliers, customers, public authorities and NGOs that representing local communities as well as environment” (p.2).

Esa and Nazli Anum (2012) discusses that CSR is the “provision of information regarding human resource aspects, product and service, involvement in community projects including philanthropic activities and environmental matters” (p.292).

The model of CSR was first presented as pyramid by Carroll in 1991. It consists of four aspects which are economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility. According to Carroll (as cited in Mustafa, 2013), the main aspect of social responsibility for a business organization is economic responsibility, which in business institution is considered as the basic unit of a corporation. The corporation which provides goods and services to the consumers with an acceptable and satisfying price is considering being economic responsibility done by a corporation towards to society. Economic responsibility towards the employees of a business organization is done when the organization pays their employees at the same time care for their interest as well as the companies stakeholders. This is done with all the profit an organization gets from doing business. Carroll (as cited in Mustafa, 2013) indicated that performing legal responsibility consistently within the experience of laws and government with compliance of the various federal, local regulations and state were of utmost importance. Fulfilling its obligation would depict an image of a successful corporation. As stated by Rahim et al (cited in Mustafa, 2013) legal responsibility is inclusive of abiding all types of laws governing the consumers and products, environment as well as employment whilst adhering to the context of laws and regulations of competitive marketplace. Unlike economic and legal responsibility, ethical responsibility focuses on how

the society accept towards the activities and practices which goes beyond the limitations of legal responsibilities. Carroll (as cited in Mustafa, 2013) states that ethical responsibility is reflecting the concerns for what consumers, community, employees and of stakeholders views as fair, protection of stakeholders moral rights or just or in keeping with the respect, those standards and expectations are fully embodied by ethical responsibilities.

Understanding the concept of ethics, corporate integrity and ethical behaviour goes beyond the requirement of regulations and law. Balancing these three components, legal, ethical and economic responsibilities are important as these three components are related to one and another component in CSR pyramid (Mustafa, 2013)

The final component in the pyramid of CSR is Philanthropic Responsibility, which is the activities and CSR done voluntarily by the organization without expecting for any profit in return. Most of the activities are done to benefit the society and community with the expectation of becoming a good corporate organization. According to Carroll (as cited in Mustafa, 2013), Philanthropic Responsibility is the involvement of managers and employees in voluntary acts as well as charitable activities within their local community are important, which indicates a sense of awareness in enhancing a community's quality of life.

Variables

Philanthropic Responsibility

As stated by (Baystrom & Malstad,2013), Philanthropic responsibilities consist of organizations actions based on society's expectations that businesses should be good corporate citizens such as conducting programs promoting human welfare and goodwill.

Society desires organization to contribute their money, facilities and employee time to humanitarian programs or purposes, but society does not look upon the organization as unethical if they do not accomplish the level of philanthropic responsibility. It is important for managers and employees to take part in voluntary and charitable activities within their local communities, especially in projects that enhance a

community's quality of life. Even though society desires organization to be philanthropic, it is voluntary on the part of organization (Carroll, 1991). Thus the following hypothesis is proposed:

H1: There is a positive relationship between FFCR Philanthropic Responsibility and consumer perceptions.

Ethical Responsibility

Ethical responsibilities are built on the legal responsibilities of a firm. Ethical responsibilities embody standards, norms, and expectations that reflect what society regard as fair. "despite the fact that economic and legal responsibilities embody ethical norms about fairness and justice, ethical responsibilities embrace those activities and practices which are expected or prohibited via societal members despite the fact that they're no longer codified into law" (Carroll, 1991. p.41). Ethical responsibilities can also be described as the responsibilities of organizations to do what is accurate, simply, and fair despite the fact that they are not required through regulation to do so (Crane et al., 2010)

As stated by Carroll (1991), organization performance can be decided by the organization's consistency in showing morale and ethical standards. If an organization practises good corporate citizenship, the activities conducted by the organization are being trusted. In addition, ethical responsibility recognises that organization integrity and ethical behaviour must cross beyond the necessity of laws and regulations. Therefore, it is essential to have a balancing economy, legal and ethical responsibilities. Organization which are engaged in doing something economic and legal wise correctly, that organization at the same time need to be also benefit ethically. Thus the following hypothesis is proposed:

H2: There is a positive relationship between FFCR Ethical Responsibility and consumers perceptions.

Legal Responsibility

In order to fulfilment partly of the "social agreement" among organization and society, organizations are estimated to chase their monetary missions surrounded by the basis of the law, as due to this all the process and activities need to obey the law. (Johan et.al,2014).

Carroll (1991) stated that it is essential for legal responsibility to be carried out in a manner that is consistent with the expectations of governments and laws obeying with the numerous federal, state and local rules. Successful organizations have to be known as one which fulfils its legal obligations. Apart from that it is also essential to provide goods and services that at least meet minimal legal requirements. Thus the following hypothesis is proposed:

H3: There is a positive relationship between FFCR Legal Responsibility and consumers perceptions.

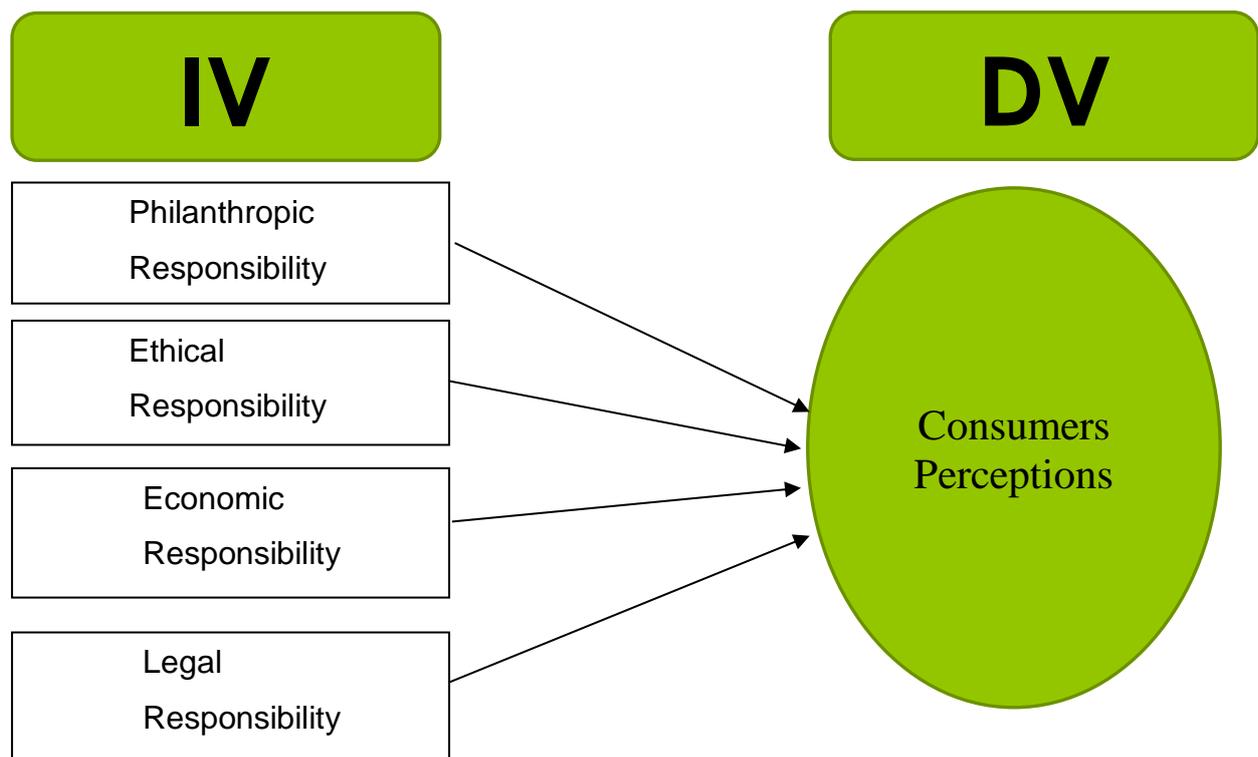
Economic Responsibilities

Organizations are created as a part of the economic sector with the intention to supply goods and services to the community with the profit as the main attraction for entrepreneurship. Hence, the main role is to produce products and services which are required and requested by the consumers and at the same time come up with a reasonable profit.(Johan et.al,2014).They also are having other expenses such as paying wages to their employees, increase value and take care of the interests of stakeholder.(Carol,1979). For an organization, Economic Responsibility is look upon as the basic obligation.(Rahim et.al,2011).According to McAlister, Ferrell, O. C and Ferrell, L. (2003), the economy is influenced by the ways in which the corporation relates to its stakeholders, such as shareholders, employees, suppliers, competitors, community, and even the natural environment. Thus the following hypothesis is proposed:

H4: There is a positive relationship between FFCR Economic Responsibility and consumers perceptions.

Theoretical framework

Based on the literature review and hypothesis a theoretical framework is developed as shown below:



Implementation of CSR in Malaysia

In a study conducted by Salmi Mohd Isa (2012), she states that the business organizations in our country practicing CSR are fairly consistent. This indicates that CSR has gained its importance along with the transition of time. According to Ramasamy and Yeung (as cited in Salmi Mohd Isa, 2012), “CSR Framework launched by Bursa Malaysia in September 2006 has provided useful guidance for Malaysian public listed companies (PLC) to assist them to develop meaningful CSR agendas, policies and initiatives” (p.2). Many scholars have recognized the fundamentality of the implementation of CSR in a developing country like Malaysia. According to Fathilatul Zakimi, Ruhaya Atan and Md. Suhaimi (2014),

“As a developing country, the CSR awareness in Malaysia was started as early as the year 2000. The Non-governmental Organizations such as the Federation of Malaysian Consumers Association, Consumers Association of Penang and the World Wide Fund for Nature (WWF) of Malaysia are the institutions that pioneered the agenda in Malaysia. Later, in 2002 one of the Professional Accounting Professional Association namely, the Association of Chartered Certified Accountants (ACCA) have initiated the first CSR reporting awards for Malaysian Companies namely Malaysia Environmental and Reporting Awards (MESRA). In 2009, changes its name to Malaysia Sustainability Reporting Awards (MESRA) to reflect changes in the International CSR development, from responsibility to sustainability.

Motivation

The general definition of motivation which is commonly known to all is factors or aspect that push forward to do or engage in doing something. According to business dictionary motivation is *“Internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal. Motivation results from the interaction of both conscious and unconscious factors such as the intensity of desire or need, incentive or reward value of the goal, and expectations of the individual and of his or her peers. These factors are the reasons one has for behaving a certain way. An example is a student that spends extra time studying*

for a test because he or she wants a better grade in the class.” While Merriam-Webster dictionary define motivation as “the act or process of motivating, the condition of being motivated and a motivating force, stimulus, or influence: incentive, drive.”

There are many reasons to why a firm or organizations engage in CSR activities from various aspects. There are two drivers which are known as internal drivers and external drivers that motivates or push forward for a firm or organization to do CSR activities regardless the type and size of the business. Internal drivers are the motivational factors that happened from inside of the organization such as the employees, management, stakeholder, investor and etcetera. While external drivers is the motivational factors which came from outside from organization such as customers, competitor, law and regulation, globalization and etcetra.

Many researchers give many reasons that motivate an organization to be actively or involved in CSR. Haigh & Jones, 2007 identify six sets of influences that might promote social responsibility actions within the firm: internal pressures on business managers, pressures from business competitors, investors and consumers, and regulatory pressures coming from governments and non-governmental organizations. While the external pressures is from investors, consumers, regulatory and popular mobilizations know as NGO's. Weber (2008) indicates five key areas where CSR creates positive relations and also the reason to be involved in CSR, which are:

- I. Positive effect on organization's image and reputation.
- II. Positive effect on employee motivation, retention and recruitment.
- III. Cost savings.
- IV. Revenue increases from higher sales and market share.
- V. CSR-related risk reduction or management.

While Weber (2008) give five aspects which motivate an organization to do CSR, Polonsky & Jevons (2009) give different aspect than Weber (2008). Polonsky & Jevons (2009) states that improved financial performance, contribution to market value, a more general positive impact on societal stakeholders; a connection with consumers and improved product quality can motivates an organization to be engaged in CSR activities.

Apart from that Polonsky & Jevons (2009) also state there are internal reason which organization tend to do CSR such as increased employee commitment and reduced employee turnover; not to mention improved society overall.

A business organization tend to involve in CSR activities due to four reason which are organizations may have altruistic intentions; they may use CSR activities as “window dressing” to appease various stakeholder groups; for potential benefits of recruitment, motivation and retainment of employees; for customer-related motivations as CSR may entice consumers to buy organization’s products and services according to Sprinkle & Maines, (2010).

According to P. Mahajan, (2011), states that many factors and influences, including the following have led to increasing attention being devoted to CSR:

- I. **Globalization**- coupled with focus on cross border trade, multinational enterprises and global supply chains is increasingly raising CSR concerns related to human resource management practices, environmental protection and health and safety amongst other things.
- II. **Governmental and Inter-Governmental Bodies**- have developed compacts, declarations, guidelines, principles and other instruments that outline social reforms for acceptable conduct.
- III. **Advances In Communication Technology**- is making it easier to tract corporate activities and disseminates information about them.
- IV. **Consumers And Investors**- are showing increasing interest in supporting responsible business practice and are demanding more information on how companies are addressing risks and opportunities related to social and environment issues.
- V. **Numerous Serious and High-Profile Breaches of Corporate Ethics**- have contributed to elevated public mistrust of corporations and highlighted the need for improved corporate governance.
- VI. **Citizens**- in many countries are making it clear that corporations should meet standards of social and environmental care, no matter where they operate.

VII. **Increasing Awareness of the Limits of Government Legislature-** to regulate initiatives to effectively capture all the issues that CSR addresses.

The studies done on CSR by Feldman & Vasquez-Parraga (2013) summarizes potential 6 motives for organization to be involved in CSR which were obtained from numerous literature sources. The 6 motivation factors are as stated below.

- I. CSR actions influence consumers' reactions to that company and its products.
- II. Specific company strategies are found to include CSR actions in order to attract and retain customers.
- III. Consumers use trade-off criteria between CSR product features and traditional product features such as price, quality, convenience and lack of information, corporate brand dominance or product quality.
- IV. Consumers' evaluations of company CSR may be linked to their perspectives of how responsible a company is in relevant areas such as economic, legal, ethical, and philanthropic.
- V. Consumers' evaluations of the fit between companies' CSR activities and consumers' characteristics or interests positively affect consumers' perceptions of companies' CSR activities.
- VI. Consumers who receive communication about company CSR activities increase their CSR awareness, which in turn, generates positive attitudes towards buying products from CSR companies.

Hence, in the end all this factors contribute to better corporate reputation and better financial performance of the organization. (Petkevičienė,2015) Therefore, according to Polonsky & Jevons (2009), CSR should not be viewed simplistically as another promotional opportunity to be leveraged, although some firms do mistakenly try to use CSR in a superficial tactical fashion.

Consumers Perceptions

According to Investor Words consumer is define as *“an individual who buys products or services for personal use and not for manufacture or resale. A consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements. Any time someone goes to a store and purchases a toy, shirt, beverage, or anything else, they are making that decision as a consumer”*.

Whereas according to Cambridge Dictionary consumer is *“a person who buys goods or services for their own use”*. While Business Dictionary gave a similar meaning *“a purchaser of a good or service in retail and an end user, and not necessarily a purchaser, in the distribution chain of a good or service”*.

In order to survive in the current business world, apart from their families and employees there are other factors a business organization need to take care of which are their community and society. These community and society come from a large part of a business organization and one of them is their customers, whom without them a business organization could not be run and also gaining profit which eventually will lead to loss. Business organization tend to give their CSR attention towards the four dimensions of CSR as created by Caroll(1991) which compromising economic, legal, ethical, and philanthropic.

In the past years, many research have been carried by researcher from various view which are mainly from the business organization view. However, there are few or limited studies of CSR have been carried out from consumer's or customers perception. (Sen & Bhattacharya, 2001; Ramasamy & Yeung, 2009)

Consumer or customer are the end user in a business supply chain, thus they are also a part of the CSR. Many studies tend to ignore the role of consumers or customer as a part of CSR by not focusing on them. Consumer or customer they are not only the end user in a business supply chain but also in CSR. When an organization are carrying out CSR activities regardless of from which aspect, the impact and effect will be towards consumer or customer. Thus it is important and there is a need to take consideration their

view towards CSR for making way towards improvement for both side as the consumer view influences the overall corporate image and reputation. (Bruhnn, 2013).

These days, consumers are more aware about the organizations' responsibility thru better education and via the influence of the media. It may no longer be accepted for business organizations to disregard CSR. (Eshra & Beshir, 2017) The role of organizations in society does no longer focus only on earning profits, however alternatively on performing responsibly towards stakeholders (Harrison & Freeman, 1999). A few researchers determined that customers commonly have tremendous responses towards companies which have social, responsible activities (Saleh et al. 2015). Regarding CSR, public opinion can be defined as a social control view "as it shows how public opinion can be a constraining force silencing opposition to dominant ideas" (Morsing & Beckmann, 2006, p. 70) and where public opinion, although, not tangible, is considered a very real social force (Bruhnn,2013). According to (Alexander,Francis, Kyire, & Mohammed, 2014; Shamma & Hassan, 2011; Lee et al., 2011) as cited by (Wu & Lin,2014) the fulfilment of social responsibility not only strengthens the consumers' identification with the enterprise but also builds a long-term relationship and value system between the consumer and the enterprise.

Conclusion

Due to the globalization, companies react faster to today's social and environmental issues by imposing CSR policy into their corporate strategies. This trend is growing rapid especially in food industry, because of the reality that multinational foods, agencies have a high effect on society and environment. Consequently, CSR is specifically focused on large food corporations, which rely on human, natural and physical resources. In other hand smaller businesses should also adapt CSR practices inside their strategies as well.

FACTORS THAT INFLUENCE RETURN ON EQUITY

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Abstract

This factor in this study is (1) the effect of working capital on roe in manufacture companies list on the year 2015-2017, (2) the effect of operating costs on roe on manufacture companies list on the year 2015-2017, (3) the effect of sales against roe in manufacture companies list on the year 2015-2017. The research subjects are manufacture companies list on the year 2015-2017 while those that are the object of this research are working capital, operational and sales costs. The sample used was 40 companies, data used in the financial statements of each company for 3 years obtained from the Indonesian stock exchange. The method used in this study is based on descriptive studies with quantitative approaches. This factor in this study is (1) the effect of working capital on roe in manufacture companies listed on the year 2015-2017, (2) the effect of operating costs on roe on manufacture companies listed on the year 2015-2017, (3) the effect of sales against roe in manufacture companies listed on the year 2015-2017. The research subjects are manufacture companies listed on the year 2015-2017 while those that are the object of this research are working capital, operational and sales costs. The sample used was 40 companies, data used in the form of financial statements of each company for 3 years obtained from the Indonesian stock exchange. This method used in this study is based on descriptive studies with quantitative approaches.

In this study, data processing and hypothesis testing was carried out using statistical tests such as the classic assumption test, normality test, multicollinearity test, heteroscedasticity test, autocorrelation test, and multiple linear regression analysis. Based on the results of linear regression it is known that working capital has a significant effect on roe. Operational and sales costs have a non-significant effect on roe. Therefore, the existence of this research can be used by companies to improve roe.

Keywords: working capital, operating costs, sales, roe (return on equity)

Introduction

Background problems

In the current era of globalization, the level of competition in the business world is getting higher and only business entities that have good performance or performance will be hired. There is no company established to experience bankruptcy. Therefore,

management must carry out management functions which include planning, organizing, and controlling well so that the company goals can be achieved. In addition, the company needs to carry out capital management properly so that sufficient capital is available in carrying out the increase in operational activities. Working capital is an asset needed by a company to carry out daily activities. Excessive working capital conditions will reduce the level of efficiency of the company because many funds are unemployed. Conversely, if the lack of working capital will be able to disrupt the smooth running of the company's business activities, this will reduce profits from the company. High working capital turnover is also expected to occur in a relatively short time. So that the working capital invested in the company will quickly return. The higher the level of turnover of working capital means the possibility of increasing profits is also greater. High profits affect the level of profitability of the company.

Every company always needs working capital to finance its daily operational costs. operational costs are costs that are not directly related to the company products but are direct related to the company's activities. Management of costs, especially operational costs, can not be separated from the planning and supervision of the costs themselves. The size of the cost will have a direct effect on the calculation of profit and loss obtained at the end of the period because the operational costs themselves are an element of the calculation of profit and loss. Therefore, the company must spend a small amount on cost control and must continue to be increased so that the company can optimize costs and continue to increase sales so that the company gets the maximum profit in obtaining company profits. If the company can reduce operating costs, the company will be able to increase net income. Likewise vice versa, if there is a waste of costs will result in reduced net profit. With the decline in operating costs not necessarily decreases profitability. Therefore there must be an increase in sales so that it will affect the company's profits, high profits affect the level of profitability of the company, then it can be seen in the income statement, namely by looking at changes in sales every year 2015 to 2017.

By looking at the real numbers of financial statements contained in the Indonesia stock exchange for several years where ROE, sales, operating costs, and working capital from year to year fluctuated. This research was conducted by using types and secondary data

sources, namely data obtained by the author not directly to the company intended but obtained through the Indonesia stock exchange (BEI).

Problem Formula

Based on the back ground described previously, the researcher formulates the problems as follows:

1. How does the working capital affect roe in manufacture companies on the Indonesia stock exchange in 2015-2017?
2. What is the effect of operating costs on roe on manufacture companies on the Indonesian stock exchange in 2015 - 2017?
3. How is the effect of sales on roe on manufacture companies on the Indonesia stock exchange 2015-2017?
4. What is the effect of working capital, operating and sales costs on roe on manufacture companies on the Indonesia stock exchange 2015-2017?

Theory basis

WORKING CAPITAL

Kasmir (2016: 250) working capital is capital used to carry out company operations. Working capital can also be interpreted as investment invested in current asset or short term asset such as cash, securities , accounts receivable , inventories and other current assets.

OPERATING COSTS

Werne (2013: 37) operational costs are: costs associated with the company's operations which cover sales and administrative costs (selling and administrative expenses), advertising costs (advertising expense), and repairs and maintenance (repairs and maintenance expenses).

Sales

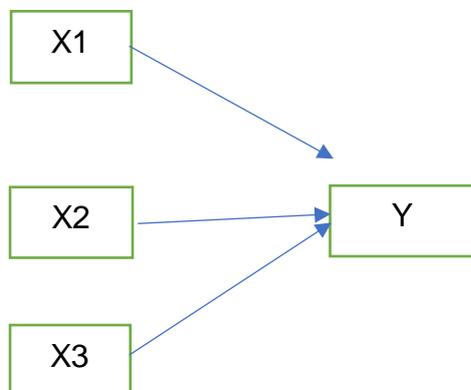
Mulyadi (2008: 202) sales are: activities carried out by sellers in selling goods or services in the hope of gaining profits from the existence of these transactions and sales can be interpreted as a transfer or transfer of ownership rights to goods or services from the seller to the buyer.

Roe

Sartono (2012: 124) return on equity (ROE) is: measuring a company ability to obtain profit available to the company shareholder.

Thinking framework

Sugiyono (2014: 128) says that the frame of mind is a conceptual model of how theory relate to various factor that have been identified as important problem. The thinking framework of this research is as follows:



Research methods

This study uses a type of descriptive research with a quantitative approach. Sugiono (2014: 81), quantitative descriptive research is a method use to describe or analyze a research result but not used to make broad conclusions.

Population

Population is a generalization area consisting of object or subject that have certain qualities and characteristic set by researchersto be studied and conclusion drawn (Sugiono, 2014: 148). So, the population in this study amounted to 120 financial statements in manufacturing companies listed in the number of 40 (fifty) companies in the period 2015-2017.

Sample

The sample is part of the number and characteristic of the population (Sugiono, 2014: 149). The sampling method in this study uses a non-probability sampling technique that is using a sample or also called a census that is a sampling technique used when the entire population is used as a sample. So, the sample used in this study amounted to 120 financial statements at manufacturing companies listed on the Indonesian stock exchange (IDX) in the period 2015-2017.

Data collection methods

This study uses secondary data. Secondary data is data obtained by other parties, not directly obtained by researchers from the subject of research. Secondary data is usually in the form of documentary data or report data that is available. There are three data collection techniques used in this study, namely: documentation, literature review and internet.

Data analysis techniques

Data analysis is done by using computer program assistance, namely: SPSS (statistical package for social science). Descriptive analysis is used to analyze data by describing or describing collected data as they are without intending to make general conclusions or generalizations (Sugino, 2014: 238).

Classic assumption test

To get the accuracy of the model to be analyzed, it is necessary to test several classical assumptions that underlie the regression model.

Normality test

The normality test aims to test whether in the regression model, the independent variable or dependent variable is normally distributed (Ghozali 2013: 160).

Multicollinearity test

The multicollinearity test aims to test whether the regression model is found to be a correlation between the independent variable (Ghozali, 2013: 105).

Heteroskolinearity test

Danang Sunyoto (2011: 134), in the multiple regression equation it is also necessary to examine the same or not the variance of the residuals from observations one with the other observations. If the residual has the same variance, it is called homoskedasticity and if the variance is not the same or different then heteroscedasticity occurs.

Autocorrelation Test

Danang Sunyoto (2011: 134), a good regression equation is one that does not have an autocorrelation problem, if there is an autocorrelation, the equation is not good or not suitable to be used as a prediction. A new autocorrelation problem arises if there is a linear correlation between periodic disturbance t (located) with period $t-1$ confounding error (previously).

Multiple linear regression analysis

Danang Sugiono (2014: 277), multiple linear regression analysis intends to predict the state (rise and fall) of the dependent variable (criterion), if two or more independent

variable as predictor factors are manipulated (increase in value decreases). So multiple regression analysis will be done with a minimum number of variables. According to Sugiono (2014: 277) multiple linear regression equations are set as follows:

$$Y = a + b_1x_1 + b_2x_2 + \varepsilon$$

Information:

y = earnings management

a = constant coefficient

b₁, b₂,... = regression coefficient

x₁ = good corporate governance

x₂ = earnings power

ε = error, interference variable

The coefficient of determination (R-Square test)

The coefficient of determination is a measure to determine the suitability or accuracy between the estimated value or regression line with sample data. If the correlation coefficient value is known, then to get the coefficient of determination can be calculated using the following formula:

$$Kd = r^2 \times 100\%$$

Where:

Kd = coefficient of determination

r² = correlation coefficient

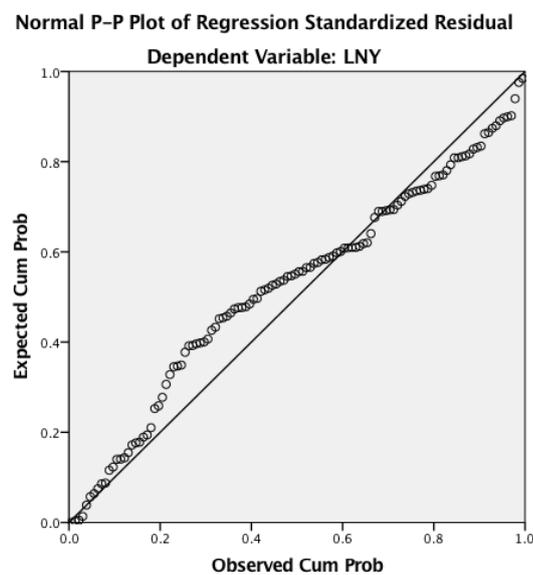
The criteria for analysis of the coefficient of determination are: if Kd detects zero (0), then the influence of independent variables on the dependent variable is weak. And if Kd

detects one (1), then the influence independent variables with strong dependent variables.

Research results

Classic assumption test

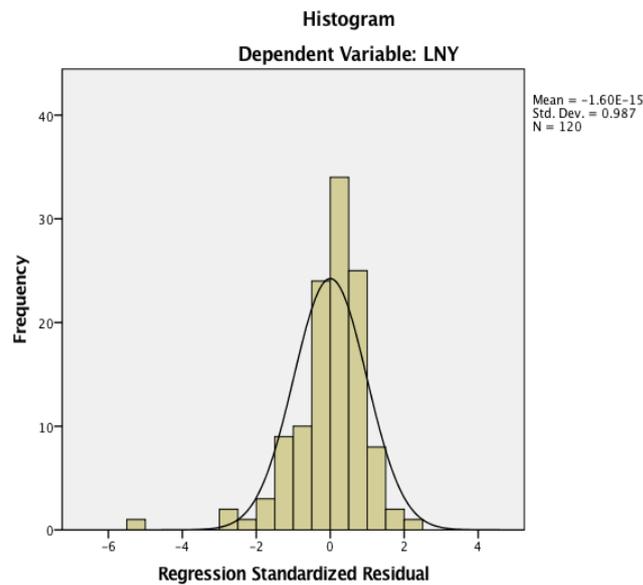
Normality test



Source: data processed 2018

The picture above shows that the scattering points almost approach and follow a diagonal line so that it can be conclude that the data spread normal and are included in the requirements of normal distribution data.

Histogram graph



Source: data processed 2018

In the picture above the data that spread around the diagonal line and follow the direction of the diagonal line, the data is normally distributed and the data after the transformation spreads more evenly and follows the diagonal line.

Multicollinearity Test

Table of results of Multicollinearity test

Coefficients^a

		Collinearity Statistics	
		Tolera	VIF
Model		nce	
1	(Constant)		
	LNx1	.165	6.052

LN _{X2}	.151	6.641
LN _{X3}	.117	8.521

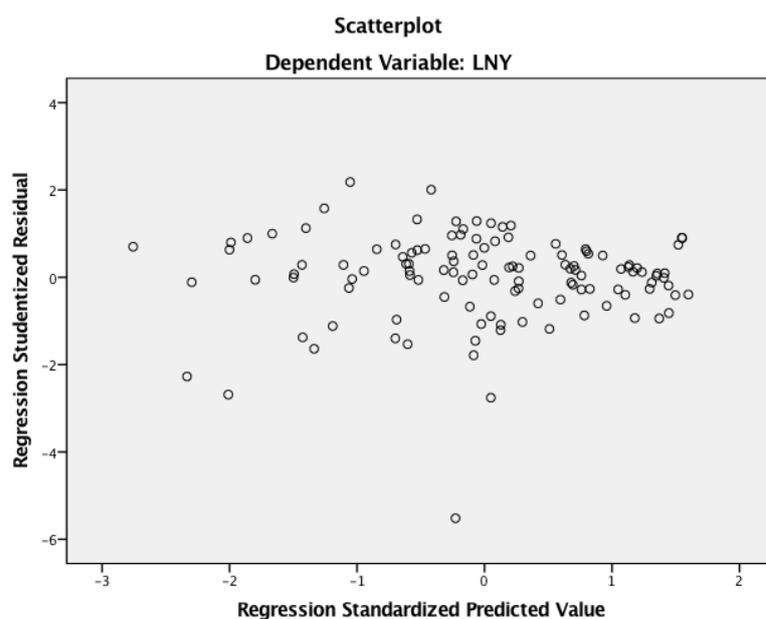
a. Dependent Variable: LNY

Source: data processed 2018

That the VIF value for the working capital variable (X1) is 6.052, and the operational cost (X2) is 6,641 and sales (X3) are 8.521. Because the value of VIF (X1) (X2) (X3) is less than 10, it can be concluded that the linear regression model has not found any multicollinearity. In addition, it can be seen that the tolerance value of working capital (X1) is 0.165, and operational costs (X2) of 0.151 and sales (X3) of 0.117. Because the value of tolerance (X1) (X2) (X3) is greater than 0.10, it can be concluded that the regression model has not found any multicollinearity.

Heteroscedasticity Test

Table of Heteroscedasticity test results



Source: data processed 2018

Based on the scatterplot graph that examines the effect of working capital (X1), operating costs (X2) and sales (X3) on roe (Y) in manufacturing companies listed on the IDX can be seen there are points that gather. It can be concluded that there is a cavity in the regression model, so it is not feasible to use.

Autocorrelation Test

Table of results of Autocorrelation test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.338 ^a	.115	.092	.84823	1.959

a. Predictors: (Constant), LNX3, LNX1, LNX2

b. Dependent Variable: LNY

Source: data processed 2018

Based on the above table, the results of the durbin-watson test (DW-test) show that the calculated DW value is 1.959 while the DWtable is 1.753, indicating that the Durbin-Watson value is 1.959 < 1.753 which means that this data has no autocorrelation in the regression model so there are no positive or negative autocorrelation problems.

Multiple Regression Analysis

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	-1.970	.108		-18.288	.000		

LNX1	.200	.099	.435	2.025	.045	.165	6.052
LNX2	.047	.117	.090	.399	.691	.151	6.641
LNX3	-.106	.134	-.202	-.792	.430	.117	8.521

a. Dependent Variable: LNY
 Source: data processed 2018

Table of results of Multiple Regression Analysis

The multiple linear regression equation obtained from the analysis results are:

$$y = -1.970 + 0.200X_1 + 0.047 X_2 - 0.106 X_3$$

The regression equation has the following meanings:

1. Constant value (1970) can be interpreted that if all independent variables have a value of zero (0) then the value of the dependent variable (beta) is 1,970 or if the other dependent variable is 0 then the level of rentability decreases by 19.7%.
2. The working capital coefficient (X1) yields 0.200 which means that every increase in sales of one unit then the beta variable (Y) will increase by 0.200 assuming that the working capital variable (X2) increases by one unit, the profitability level increases by 20.0% with the provisions of other variables are constant.
3. The operational cost coefficient (X2) produces 0.047, which means that every increase in operational costs for one unit of beta variable (Y) will decrease by 0.047 assuming that the other independent variable from the regression model are fixed or if the sales variable (X2) increasing one unit then the level of profitability decreases by 4.7% with the provision of other variables constant.
4. The sales coefficient value (X3) yields -0.106 which means that every increase in sales of one unit then the beta variable (Y) will decrease by -0.106 assuming that the other independent variable from the regression model are fixed or if the sales variable (X3) increasing one unit then the level of profitability decreases by -16.6% with the provision of other variables constant.

Hypothesis testing

T test

1. The constant value of 2.025 with the value of t calculated is greater than t table which is 1.658 ($1.658 > 2.025$) and significant value is smaller than 0.05 which means significant for working capital (X1) of the company.
2. The constant value of 0.399 with the value of t count is smaller than the t table which is 1,658 ($1,658 < 0.399$) and the significant value is greater than 0.05, which means it is not significant for the company's operational cost (X2).
3. The constant value is -0,792 with a calculated t value smaller than the t table that is -0792 ($1.658 < -0,792$) and a significant value greater than 0.05 which means there is no significant sales (X3) of the company.

F-test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.792	3	3.597	5.000	.003 ^b
	Residual	83.461	116	.719		
	Total	94.252	119			

a. Dependent Variable: LNY

b. Predictors: (Constant), LNX3, LNX1, LNX2

Source: data processed 2018

F count = 5,000

Value of f count <f table ($5,000 < 2,450$)

Conclusion: working capital (X1), operating costs (X2), working capital (X3) have a significant effect on roe (Y) in manufacturing companies

Conclusion

Based on the result of the data analysis and the discussion previously explained, the conclusions produced are as follows:

1. Based on the results of descriptive analysis, it can be seen that the working capital variable has a positive and significant effect on financial performance based on the net profit margin. This means that every time an increase in the value of the company's working capital will affect the amount of financial performance based on the net profit margin at the manufacturing company listed on the Stock Exchange 2015-2017.
2. Variable operational costs partially have a negative but not significant effect on financial performance based on the net profit margin. This means that whenever a decrease in the value of the company's operational costs will affect the magnitude of financial performance based on the net profit margin in manufactur companies listed on the Indonesia Stock Exchange 2015-2017.
3. The partial labeling variable has a negative but not significant effect on financial performance based on the net profit margin. This means that every decline in the company's sales value will affect the magnitude of financial performance based on net profit margins in manufactur companies listed on the Stock Exchange 2015-2017.
4. Working capital variables, operational costs and sales simultaneously have a significant effect on financial performance based on net profit margin. This means that in each occurrence of increased use of working capital, operating and sales costs together provide a significant influence on financial performance based on net profit margins in manufacturing companies listed on the year 2015-2017.

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THE EFFECT OF FINANCIAL PERFORMANCE AT THE CONSUMER GOODS INDUSTRY COMPANIES ON STOCK PRICE : PARTIAL LEAST SQUARE APPROACH ANALYSIS

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Abstract

The purpose of this research is to provide empirical evidence about effect of financial performance (level of leverage, total asset turnover and level of liquidity) on profitability and stock price of consumer goods industry companies. This research used 115 companies' financial reports as sample during 2013 – 2017 period. The result of this research prove that current ratio (p values 0,012) had significant influence on profitability (p values 0,008) then profitability level had significant influence on stock price of consumer goods industry companies in 2013 – 2017 period.

Keywords : Partial Least Square, Stock Price, Financial Performance

Introduction

Financial performance is a measure of the company's success in managing finances that is seen from the financial statements of each period. Financial performance can be assessed using various methods of financial statement analysis, one of which can be done by using financial ratio analysis. The assessment of company financial performance

can be done by analyzing profitability, liquidity, activity and *leverage* ratios (Valentino, 2013).

Profitability ratio is a ratio that measure the company's financial performance by assessing the profits generated by companies that sourced from capital or assets which owned by companies (Mahardika, 2016). This assessment will provide an overview of the prospects of future companies in the future. The increase of this ratio will provide a positive signal to shareholders.

Liquidity ratio is a ratio that measure the company's ability to fulfill its liabilities by using its assets. Liquidity ratio is divided into current ratio, quick ratio, cash ratio and cash turnover ratio (Saragih, 2015). The sufficient liquidity ratio concludes that financial performance in a good condition because it is able to fulfill its liabilities due.

Activity ratio is a ratio that measures the company's financial performance against the efficiency and effectiveness of the company's assets in making sales or company's profit. *Total asset turnover* is one of the activities ratio that can assess the effectiveness of total asset management. (Sari, 2014).

Leverage ratio or solvability ratio is the ratio that assesses financial performance by looking at the proportion of debt usage with the company's capital. *Debt to equity ratio* is a tool for measuring this ratio, value of this ratio must be controlled as a form of good debt management to encourage company performance (Dewi, 2015).

The company's financial performance assessment is routinely carried out to provide a reference for shareholders about the company's prospect. Various industry sectors have different prospects in each period. One of the interesting sectors to observes its financial performance is the consumer good industry sector. This sector is one of the stable industrial sectors and consumer goods are basic human goods that will continue have demand in the market so that the stock of the consumer goods industry sector will be an option because they have the potential to experience an increase in stock prices in the future (<http://www.kemenperin.go.id/artikel/7014/ManufakturDitopang-Sektor-Barang-Konsumsi> , 2014).

Stock prices is one measurement of the company's success in financial performance that is considered by the company and related to the company's value for the prosperity of the shareholders. A high stock price will give a high capital gains in

return and provide a good image for the company so that it will improve investor confidence and make it easier to get funds from external companies (Sambelay, 2017).

Review of Works

Assessment of financial performance will have an effect on value of the company's stock price. The better financial performance of a company will provide a greater level of profitability (profitability) and will increase the company's stock price (Utami, 2016). The consumer goods industry company must improve the company's financial performance as evidenced by the increase in the company's profit level so that it will increase the company's stock price.

The level of profitability of the company is expected to increase every period to drive the company's stock price. Consumer goods sector companies can analyze to determine factors that can increase the profitability of the company. Utami's research (2016) proves that total assets turnover, working capital turnover and debt to equity ratio affect the level of company profitability and company value. Variable return on assets (profitability) mediates the total assets turnover variable to influence firm value.

The higher the ratio of total assets turnover then gives the meaning that the company's assets are used optimally to generate sales so that it will increase the profitability of the company and encourage higher stock prices (Nugraha, 2016). The consumer goods industry sector company must increase total assets turnover then it will increase return on assets then increase the company's stock price.

The level of company liquidity is one that can increase the profitability of the company. Companies must have cash funds that can cover the company's operations so that the production process can run well to generate sales. The level of company liquidity must be controlled according to operational needs because excess liquidity can cause costs that are detrimental to the company (Kundiman, 2016). Current ratio as one of the liquidity ratios has a significant influence on stock prices in consumer goods industry companies (Valentino, 2013). The higher the value of the current ratio can increase return on assets to a certain extent and increase the price of shares in the company.

Management of corporate debt is also one of the factors that influence the level of profitability of the company. The level of leverage measured by the ratio of debt to equity ratio must be considered because the use of sources of funds (debt) that have fixed costs are expected to increase potential profits for shareholders but conversely excessive use

of debt can lead to large interest costs reducing the company's profitability (Mahardika , 2016). The increasing debt to equity ratio at a certain limit will increase return on assets and increase the company's stock price.

Study Hypothesis

In this study the research hypothesis has been determined as follows:

H1: Current Ratio (CR) has a positive effect on Return On Assets (ROA) consumer goods industry company.

H2: Total Assets Turnover (TATO) has a positive effect towards ROA of consumer goods industry companies.

H3: Debt to Equity Ratio (DER) has a positive effect on ROA for consumer goods industry companies.

H4: CR has a positive effect on the company's Stock Price consumer goods industry.

H5: TATO has a positive effect on Stock Prices consumer goods industry company.

H6: DER has a positive effect on Stock Prices consumer goods industry company.

H7: ROA has a positive effect on Stock Prices consumer goods industry company.

Research Methodology

This research takes data from consumer goods industry companies on the Indonesia Stock Exchange through the website www.idx.go.id. The number of companies is 23 consumer goods industry companies with a five-year period of financial statement data collection from 2013 to 2017 which is 115 audited financial statements. The method of research is carried out by quantitative methods. Researchers take financial data to calculate the ratio value of each variable then the data is processed and analyzed using the SmartPlas v3 program by calculating PLS-algorithm, bootstrapping and blindfolding. Indicators for each variable are used formulas:

Variable	Indicator
Stock Price (Y)	Closing price of the year (Watung, 2016:523)
<i>Return on assets (Z)</i>	$= \frac{\text{Earning After Tax}}{\text{Total Assets}}$ (Horne, 2013:182)
<i>Current ratio (X₁)</i>	$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$ (Fahmi, 2018:66)
<i>Total assets turnover (X₂)</i>	$= \frac{\text{sales}}{\text{total assets}}$ (Kasmir, 2016:186)
<i>Debt to equity ratio (X₃)</i>	$= \frac{\text{Total Utang}}{\text{Modal (Equity)}}$ (Harahap, 2016:303)

Discussion

This study
 SmartPlas

uses
 v3 and

measurement of the Partial Least Square outer model can be seen as a result of processing data as follows:

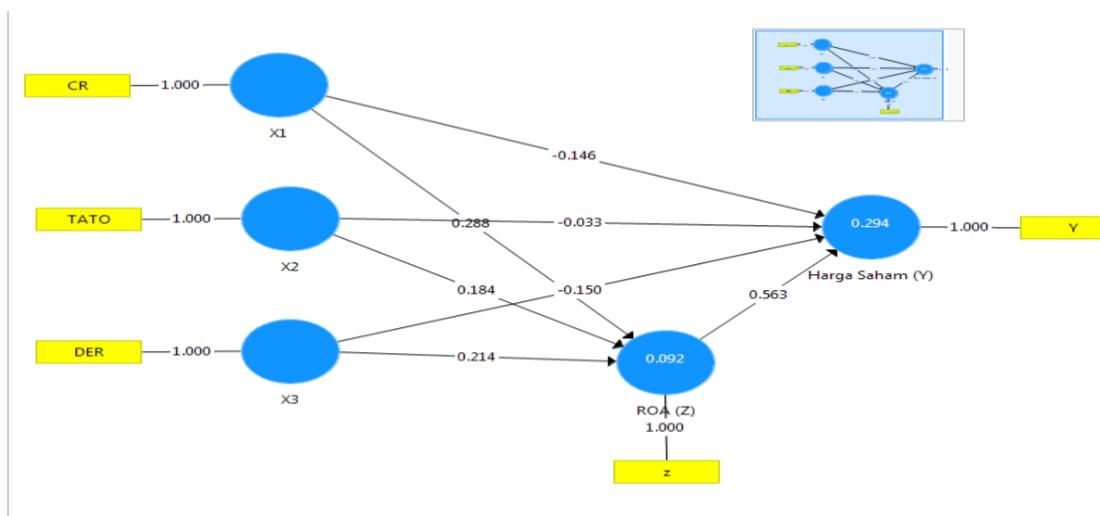


Figure 1. Algorithm PLS

	Harga Saham (...)	ROA (Z)	X1	X2	X3
Harga Saham (Y)					
ROA (Z)	0.563				
X1	-0.146	0.288			
X2	-0.033	0.184			
X3	-0.150	0.214			

Table 1. Variable Coefficient Value

Based on Table 1, the results of the equation of the research model can be obtained as follows:

$$\text{Stock price} = -0,146\text{CR} - 0,033\text{TATO} + 0,150\text{DER} + 0,563\text{ROA}$$

$$\text{Return on assets} = 0,288\text{CR} + 0,184\text{TATO} + 0,214\text{DER}$$

The stock price equation has a meaning for the CR and TATO variables which have a negative influence, meaning that every increase in CR and TATO variables is will reduce the value of stock prices of consumer goods industry companies. For DER and ROA variables, the direction of positive influence means that every increase in DER and ROA will increase the value of the share price of the consumer goods industry.

The return on assets equation has a meaning for the CR, TATO and DER variables that have a positive influence, meaning that every increase in the CR, TATO and DER variables will increase the ROA value of the consumer goods industry.

	R Square	R Square Adjus...
Harga Saham (Y)	0.294	0.269
ROA (Z)	0.092	0.068

Table 2. Determination Coefficient Value

Table 2 gives the results of the coefficient of determination based on the value of Adjusted R Square. The coefficient value of determination of stock price is obtained at 0.269 or 26.9%. This explains the ability of variations in the current ratio variable, total assets turnover, debt to equity ratio and return on assets to explain the variation in the variable share price by 26.9% and the remaining 73.1% explained by other variables not examined in this study.

For the coefficient of determination, return on assets obtained a value of 0.068 or 6.8%. This explains the variation ability of the current ratio variable, total assets turnover and the debt to equity ratio explaining the variation of the return on assets variable by 6.8% and the remaining 93.2% explained by other variables not examined in this study.

	Original Sampl...	Sample Mean (...)	Standard Devia...	T Statistics (O...	P Values
ROA (Z) -> Har...	0.563	0.509	0.212	2.656	0.008
X1 -> Harga Sa...	-0.146	-0.075	0.172	0.847	0.397
X1 -> ROA (Z)	0.288	0.289	0.114	2.526	0.012
X2 -> Harga Sa...	-0.033	-0.047	0.092	0.360	0.719
X2 -> ROA (Z)	0.184	0.188	0.111	1.653	0.099
X3 -> Harga Sa...	-0.150	-0.119	0.077	1.953	0.051
X3 -> ROA (Z)	0.214	0.206	0.134	1.591	0.112

Table 3. Partial Test Results

Based on Table 3, partial test results have been obtained by comparing the value of T statistics $> T_{table}$ and $P_{value} < 0.05$, the value of T_{table} for the number of samples 115 is 1.98137.

Based on the results of the partial test it can be seen that the current ratio variable has a positive and significant effect on return on assets. This result is not in line with the first hypothesis (H1) which have been set. This result is in line with the research conducted by Saragih (2015) and Mahardika (2016) which proves that the current ratio has a positive and significant effect on stock prices.

Based on the results of the partial test it can be seen that the total assets turnover variable does not affect the return on assets. This result is not in line with the second

hypothesis (H2) that has been set. These results do not support the research conducted by Putry (2013) which proves that total assets turnover has a positive and significant effect on return on assets.

Based on the results of the partial test, it can be seen that the debt to equity ratio variable does not affect return on assets. This result is not in line with the third hypothesis (H3) that has been set. These results do not support the research conducted by Utami (2016) which proves the debt to equity ratio has a positive and significant effect on return on assets.

Based on the results of the partial test it can be seen that the current ratio variable does not affect the stock price. This result is not in line with the fourth hypothesis (H4) that has been set. These results do not support the research conducted by Kundiman (2016) which proves the current ratio has a positive and significant effect on stock prices. The current ratio does not affect the stock price of consumer goods industry companies can occur because the consumer goods industry company is a company that produces basic commodities so that product turnover and product sales routinely remain takes place so that shareholders do not pay attention to the level of liquidity that tends to be fulfilled.

Based on the results of the partial test it can be seen that the total assets turnover variable does not affect the stock price. This result is not in line with the fifth hypothesis (H5) that has been set. These results do not support the research conducted by Utami (2016) and Nugraha (2016) which prove that total assets turnover has a positive and significant effect on stock prices. For consumer goods companies, total assets turnover tends to be stable and the turnover is high, so it does not directly influence the stock price.

Based on the results of the partial test it can be seen that the variable debt to equity ratio does not affect the stock price. This result is not in line with the sixth hypothesis (H6) that has been set. These results do not support the research conducted by Mahardika (2016) which proves the debt to equity ratio has a positive and significant effect on stock prices.

The partial test results for the seventh hypothesis use return on assets as a moderator variable between the current ratio variable, total assets turnover and debt to equity ratio to stock prices, the partial test results prove that return on

assets successfully contributes to moderating (providing reinforcement of influence) of the three variables current ratio, total assets turnover and debt to equity ratio to stock prices with the results of a positive and significant effect affecting stock prices. This result is in line with the seventh hypothesis (H7) that has been established and is supported by Utami's (2016) and Nugraha (2016) studies.

Conclusion

This study concludes that the current ratio has an effect on return on assets in consumer goods industry companies while total assets turnover and debt equity ratio do not affect stock prices in consumer goods industry companies. The results of the study also concluded that the current ratio, total assets turnover and debt to equity ratio did not affect the stock prices of consumer goods industry companies. Variable return on assets as a moderator variable is proven to be able to moderate the current ratio variable, total assets turnover and debt to equity ratio to influence the share price of consumer goods industry companies.

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FACTORS AFFECTING IN EARNING CHANGES

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Abstract

Investment at the present time is a common practice as a way of making money by using the money. With the increased investment, we need to understand how changes in a company's profits could be used to determine the financial condition of the company. This study aims to examine and explain whether the liquidity ratio and solvency ratio affect simultaneously and partially to changes in earnings at companies listed on the Indonesia Stock Exchange in 2015 - 2017. The method of the research used in this study is "descriptive quantitative." Research population has been 156 companies and purposive sampling technique so that the sample used in this study total about 61 companies. This study concludes that partially and simultaneously, both liquidity ratio and solvency ratio do not significantly affect in variable profits at companies listed on the Indonesia Stock Exchange in the year 2015 -2017. In conclusion, even these financial ratio take important rule in investor's decision, there are other important ratios that take part in forecasting the earning changes.

Keywords: Liquidity, solvability, and earning changes

Introduction

The company's ability to pay its obligations must be accompanied by its ability to generate profits so that the profit can eventually be used to finance its operations and from the operations, the company is able to generate profits to pay its obligations. It is important for a creditor to know the changes in profits of a company from one period to the previous period to find out the financial condition of the company.

The financial ratio is one way to indicate the performance and financial condition of the company. Some financial ratios could be used for the purpose of evaluating the performance and the condition of the company. It should be noted that each ratio has a specific purpose, usefulness and meaning. Existing financial ratios include liquidity, leverage, coverage, activity, and profitability ratios.

With existence of financial ratios, the creditors are expected to be capable to predict company's ability to fulfil its commitments and changes in profits that occur so that it can be a material consideration for the right decision.

Research is intended to examine empirical findings regarding financial ratios. This study sees a company from the perspective of a creditor, the risk of the creditor and how financial ratios can predict changes in earnings so that the researcher takes the liquidity ratio and solvency ratio in place of independent variables and changes in earnings in place of the dependent variable. The researcher proceeds the current ratio to represent the liquidity ratio and the total debt to equity ratio to represent the solvency ratio in this study. The ability of a company to generate profits must be accompanied by its ability to fulfill its obligations to creditors.

Literature

According to Kasmir (2012 : 104), financial statements report activities that have been done by company in a firm period. activities that have been done are stated in numbers, both in rupiah and other currency. These numbers in statement of financial will have more meaning if being compared one another. After making an evaluation, one can determine the company's financial position for a firm period. In the end we can consider the performance of top management in that period. This assessment we know by the name of financial ratio analysis

Liquidity Ratio

Liquidity ratio is a ratio to conclude the ability of the company to funding operations and achieve financial commitments when billed (Jumingan, 2008: 227). The purpose and benefits of liquidity ratios are to calculate the capability to meet short-term commitments (Wild et al., 2008: 38). This study uses the current ratio in measuring the company's liquidity. Current ratio formula (Prihadi, 2011: 177) is as below:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Solvency Ratio

Solvency ratio is a ratio to degree the asset of the company that are being funded from liability (Jumingan, 2008: 227). According to Jumingan (2008: 227), by knowing the solvency ratio, one could know about:

- (a) the position of the company against all of its obligations to other parties
- (b) the ability of the company to fulfill its fixed obligations
- (c) the balance between the value of fixed assets and capital.

The benefits and objectives of the solvency ratio according to Wild et al (2008:

- (d) are to assess the ability to fulfill long-term liabilities.

Solvability ratio in this research uses total debt to equity ratio (DER) with formula:

$$\text{Debt to Equity} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Earning Changes

Net income is all income deducted by cost of goods sold, business costs, other costs, incidental costs, and corporate taxes (Jumingan, 2008: 142). Profit is one of the main objectives of the company in carrying out its activities. The profits obtained by the company will be used for various purposes by the owner and management. Profit will be used to improve the welfare of owners and employees for the services they given. Profit is also used to increase capital in order to increase production capacity or to expand marketing to various regions (Kasmir, 2012: 302).

Indicator used to measure changes in earnings by the formula:

$$\text{Earning Changes} = \frac{(\text{Net Profit } t) - (\text{Net Profit } t-1)}{(\text{Net profit } t-1)} \times 100\%$$

Hypothesis

In general, the hypothesis is:

H1: Liquidity ratio predict effect on earning changes

H2: Solvability ratio predict effect on earning changes

H3: Liquidity and solvency ratio predict effect on earning changes

Methodology

Place of Research

This research was directed at manufacturing companies listed on the Indonesia Stock Exchange (IDX) through intermediary media, namely by browsing the site www.idx.co.id.

Research Method

This research was conducted using a quantitative approach that highlights analysis on mathematical data (numbers) and managed by the method of statistical. Type of research conducted is quantitative descriptive research. Quantitative research in looking at the relationship of variables to the object under study is more of a cause and effect (causal) so that there are independent and dependent variables in the study (Sugiyono, 2008: 18).

Population and Sample

Population is defined as the totality of the unit of analysis being studied or the overall unit of analysis (Wijaya, 2011: 6). The population in this study amounted to 156 companies. The sample is part of the population or part that is chosen intentionally or not, from the population that is considered to represent the population (Wijaya, 2011: 6). The technique of the sampling uses purposive sampling technique. The amount of the sample was as many as 183 samples from 61 companies.

Data Collection Techniques

Data collection techniques using documentation and literature study techniques. Documentation technique is data collection carried out by studying company records or documents.

Types and Data Sources

The data's type collected is quantitative data. The source of data used in this research is secondary data gained from www.idx.co.id as annual report including financial statements of manufacturing companies and audited by Public Accountants Office for the financial year.

Classic Assumption Test

Normality Test

The test of normality is done to see whether the regression model of dependent and independent variable both have a normal distribution or not. A good model of regression is a model that is distributed normally (Wijaya, 2011: 128).

To find out whether this regression model is distributed normally or not, graph analysis and test of statistical are carried out. Graph analysis in this study used histogram and PP-Plots graph analysis while the statistical test used Kolmogorov-Smirnov (K-S) test.

Criteria of test in the chart histogram and PP-Plots curve are:

1. If the data extents around the diagonal line and follows its direction or the histogram displays a normal pattern of distribution, then the model of regression come to pass the normality's assumption.
2. If the data extents faraway from the diagonal and / or do not follow its direction or the histogram does not display a normal pattern of distribution, then the model of regression does not come to pass the normality's assumption.

Test of Statistical can be completed by using the Kolmogorov-Smirnov (K-S) non-parametric statistics.

The criteria in the Kolmogorov-Smirnov (K-S) statistical test are:

If the significant value is more than 0.05, means that residual data is normally distributed. If the significant value is less than 0.05, means that residual data are not normally distributed.

The results of test using the Kolmogorov-Smirnov, probability plot and histogram graph are:

Normality Test Prior Data Transformation

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			183
Normal Parameters ^{a,b}			
		Mean	,0000000
		Std. Deviation	4,29413900
Most Extreme Differences	Extreme	Absolute	,362
		Positive	,362
		Negative	-,309
Kolmogorov-Smirnov Z			4,900
<u>Asymp. Sig. (2-tailed)</u>			,000

a. Test distribution is Normal.

b. Calculated from data.

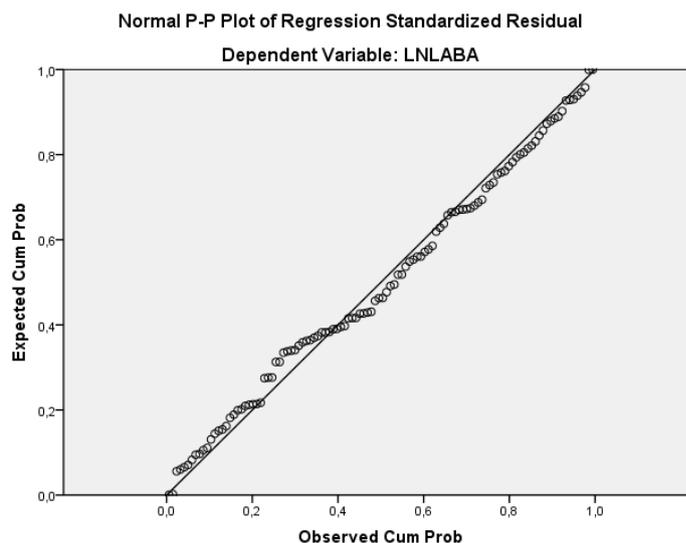
Above results of the Kolmogorov-Smirnov test, it can be understood that the data has data that is not normally distributed because the value of the significant value less than 0.05 (5%) which is 0,000. In order to make it normal, data can be transformed. The researcher conducts natural or LN logarithms against variables that are not normally distributed so that abnormal data can be normal.

Normality Test After Data Transformation

One-Sample Kolmogorov-Smirnov Test			Unstand ardized Residual
N			112
<u>Normal Parameters^{a,b}</u>	Mean		,000000
	Std. Deviation		1,48797
Most Extreme Differences	Absolute		,074
	Positive		,065
	Negative		-,065
Kolmogorov-Smirnov Z			,692
<u>Asymp. Sig. (2-tailed)</u>			,725

- a. Test distribution is Normal.
- b. Calculated from data.

Above results of the Kolmogorov-Smirnov test, it can be understood that the Kolmogorov-Smirnov value is 112 and not significant at 0.05 (because $p = 0.725 > 0.05$). So we can say that residuals are distributed normally.



From the above probability plot, it can be determined that data is distributed normally. This can be understood in above picture of points on a normal probability chart where the plot spreads in the direction of the diagonal line.

Multicollinearity Test

Multicollinearity test purposes is to exam whether any correlation between independent variables found in the regression model. To identify the multicollinearity in the model, we can use tolerance values and Variance Inflation Factor (VIF). (Ghozali, 2011: 106). The test results as display in the following table:

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	LNCR	,322	3,110
	LNDER	,322	3,110

Based on the results of these tests, the tolerance rate of each variable is more than 0.10 and the VIF value is less than 10, this means the independent variables pass the multicollinearity test.

Autocorrelation Test

The autocorrelation test purposes is to test whether any correlation between the confounding errors in period t and the interfering errors in the t-1 period (previous period) happens in the linear regression model. Test that been used in this research is run test. Test results as below table:

Runs Test

	Unstandardized Residual
Test Value ^a	-,13935
Cases < Test Value	56
Cases >= Test Value	56
Total Cases	112
Number of Runs	51
Z	-1,139
Asymp. Sig. (2-tailed)	,255

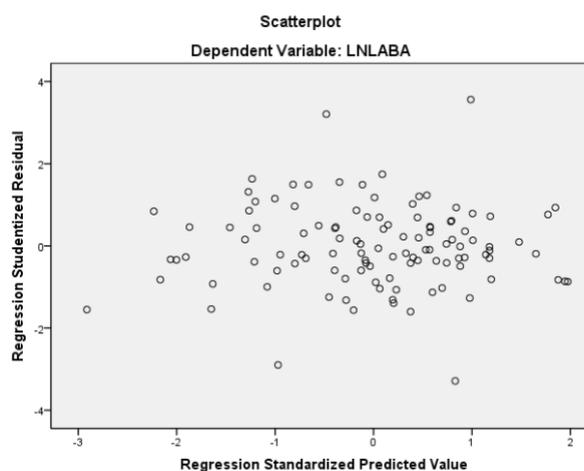
a. Median

The results of data processing show that the value is -0.13935 with 0.255 as probability and not significant (0.05). This means random residuals or no autocorrelation between residual values does occur.

Heteroscedasticity Test

Heteroscedasticity test purposes is to test whether variance from residual inequality occurs one observation to another in the regression model. The heteroscedasticity test used in this study is based on the plot graph of the dependent variable's predicted value (ZPRED) and the residual (SRESID). In addition, the heteroscedasticity test also uses the glejser test. Heteroscedasticity test results can be shown in a scatterplot graph between ZPRED and SRESID as follows:

Scatterplot Graph



Above scatterplot graph shows that the spread of the residual is irregular and does not form a shape. It display at scattered points or plots. The conclusion that can be taken is that there is no heteroscedasticity.

Results of Data Analysis

Regression Equations

Results of multiple regression obtained as below following table:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1,251	,235		-5,313	,000
LNCR	-,268	,379	-,119	-,708	,480
LNDER	-,001	,277	-,001	-,003	,997

The equation of Multiple regression is:

$$Y = -1.251 - 0.268X_1 - 0.001X_2 + e$$

Koefisien Determinasi

The determination coefficient (R²) is to measure the magnitude of independent variables's influence of net income (X1), operating cash flow (X2), liquidity (X3) and profitability (X4) on dividends (Y). The following is the coefficient of determination:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,118 ^a	,014	-,004	1,50156

a. Predictors: (Constant), LNDER, LNCR

b. Dependent Variable: LNLABA

The above table shows the amount of adjusted R² is -0.004. It shows that variations in earnings changes cannot be described by variations of both independent variables of liquidity and solvency.

Simultaneous Hypothesis Testing (F Test)

Simultaneous testing of hypotheses purposes is to define whether any joint effect among the independent and dependent variable. Simultaneous test results can be seen in below table:

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3,490	2	1,745	,774	,464 ^a
Residual	245,760	109	2,255		
Total	249,250	111			

a. Predictors: (Constant), LNDER, LNCR
 b. Dependent Variable: LNLABA

Based on the table above, with a 95% confidence level and a standard error of 5%, it is shown that the F-count value is 0.774, which is smaller than the F-table of 3.15, and a significant value of $0.464 > 0.05$ proves that simultaneously the liquidity ratio and solvency ratio are not significant effects on changes in earnings.

Partial Hypothesis Testing (t Test)

Partial test aims to determine the individual effect of independent variables on the dependent. Based on data processing, the results obtained as shown in the following table:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1,251	,235		-5,313	,000
LNCR	-,268	,379	-,119	-,708	,480
LNDER	-,001	,277	-,001	-,003	,997

Based on the above table with a 95% confidence level and a standard error of 5%, it is known that the liquidity variable has a t-count of -0.708, which is smaller than the t-table of 2.002, with a sig of 0.480 greater than alpha (0.05), it can be concluded that partially liquidity variables have no significant effect on earnings changes.

Based on the above table with a 95% confidence level and a standard error of 5%, it is known that the solvability variable has a t-count of -0.003, which is smaller than the t-table of

2,002 with sig 0.997 greater than alpha (0.05), this means that partially the solvency variable does not significantly effect the changes in earnings.

Conclusion

Conclusions of this research as follows:

1. Test shows that liquidity ratio does not predict significant effect on earnings changes.
2. Test shows that solvability ratio does not predict significant effect on earnings changes.
3. Test of this study indicate that simultaneously, liquidity and solvency ratios do not predict significant effect on earnings changes.

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CRITICAL SOFT SKILLS TO ACHIEVE SUCCESS IN THE WORKPLACE: AN EMPIRICAL STUDY ON EMPLOYEES OF COSMOPPOINT COLLEGE

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Abstract

This study aims to identify the types of soft skills that employees perceived as important at their workplace. The study was conducted using survey approach involving 100 employees of Cosmopoint College throughout Malaysia. The respondents of this study consist of employees from academic, human resource, marketing and operation departments. The results showed that communication skills was perceived by employees as the most important dimension in their soft skills, followed by problem solving skills, and teamwork skills. However, leadership skills was perceived as the least important skills. Finally, implications of results are discussed and future research directions are offered.

Keywords: Soft Skills, Communication, Leadership, Teamwork, Problem Solving, Human Resource Management.

Introduction

To survive in the competitive and dynamic business the world today, one needs to possess soft skills in addition to hard skills. When hiring, a lot of focus is often placed on the technical skills and qualifications required for the job; however, candidates with good soft skills, are generally the people that most employers want to hire. According to Bhanoot (2009, p.20), "More and more people are getting equipped with traditional degrees and certificates and one important point which differentiates raw talent from

skilled talent is soft skills". Furthermore, Nilsson (2010) study on enhancing individual employability found that soft skills are becoming more *important* than *technical vocational skills*. It is clear that employers want to hire employees who can contribute more than technical knowledge in the workplace. Thus, employees need to utilize soft skills in order to enhance their skills, knowledge and ability to perform their work efficiently.

Companies around the world are realizing the importance of soft skills for their employees (Balcar, 2014; Carnevale, 2013). In line with the *requirements* of the competitive *job market*, higher education institutions and the Malaysian government are working together to ensure young *graduates* will be equipped with the soft skills they need for future jobs. Unfortunately, majority of job seekers are struggling to get a job because they are lacking of soft skills required by the company. Several studies have reported that employers were not satisfied with the quality of local graduates because they are severely lacking in soft skills (Ismail, 2011; Nazron, Lim & Nga, 2017). Soft skills incompetence is also claimed to be one of the factors that contribute to local graduate's unemployment. The Star Malaysia in November, 20, 2017 by the title of '*Build Soft Skills from Young*', reported lack of soft skills has significantly contributed to graduate unemployment in Malaysia (Malhi, 2017).

Soft skills is defined as the "interpersonal, human, people or behavioral skills needed to apply technical skills and knowledge in the workplace" (Weber et al. 2009, p. 356). Being equipped with *soft skills* means individuals are able to effectively interact, apply *technical* abilities and knowledge that will help them *to become more effective at work*. *To succeed at work*, employees need to master a variety of *soft skills*. Some of the important soft skills that every employee *should possess* are effective communication, ability to work on a team, problem solving skills, and leadership abilities (Klaus, 2007; Fogle, 2011; Hargis, 2011; Wijan 2012).

Soft skills are considered as important factor for workplace success that positively influence employees' work performance (Ibrahim et al., 2017), retention of professionals (Cortez, 2014), and project success (Langer et al., 2008). One of the main benefits of developing soft skills in a workforce is that it enables companies to achieve performance optimization. This is when employees fulfil their potential and perform to the best of their ability and their performance has a positive impact on

organizational success. Numerous *scholars* claimed that soft skills played an important role in determining employee's work outcomes. *Lack* of proficiency in *soft skills* can limit employees' potential to be productive and efficient workers (Meeks, 2017). A plausible way of addressing the issues of lack of efficiency and poor performance among employees is to identify the critical soft skills competencies that enable them to become much more proficient in performing their tasks.

Research Objective

Soft skills are competencies that can help an individual to be successful in a job and achieve professional advancement. *Given* the rising recognition of the importance of *soft skills*, many organizations put strong emphasis on the acquisition of soft skill among its employees. This study proposed soft skills comprises of four major skills namely, communication, problem solving, teamwork and leadership. The main aim of this study is to identify which soft skills employees perceived to be most important for achieving success in the workplace.

Literature Review

Soft Skills in the Workplace

Soft skills are useful across all industries and job types. Employees must be equipped with the right soft skills so that they are able to better *meet* the *specific needs* of a particular *job*. Many scholars focused on the importance of preparing employees with the appropriate soft skills to be productive in the workplace. Lorenz (2009) refers to soft skills as "a cluster of personal qualities, habits, attitudes and social graces that make someone a good employee and a compatible coworker". In fact, *soft skills* comprise of appealing personality, positive attitudes and effective interpersonal skills which are crucial for workforce success.

The development of *soft skills* are a *crucial* for fostering a dynamic workforce. Previous studies have focused on the importance of preparing employees with the appropriate soft skills to be productive in the workplace (Bhanoot, 2009; Meeks, 2017). Nonetheless, in the context of Malaysia, which soft skills are most critical for workforce success has not been explored. Thus, the current research attempted to identify soft skills that could help employees to perform effectively at workplace.

Communication Skills

One of the most important skills to possess as a professional is the ability to *communicate* effectively. Effective *communication* may contribute to organizational success in many ways. Good communication skills allows employees to convey thoughts, explain ideas and interact with other successfully (Sharma & Sharma, 2015). Good communication skills involves the distribution of clear messages, effective listening, understanding instructions, and asking relevant questions. Previous empirical studies have shown that there is a significant and positive relationship between communication skills and employees' job performance (Femi, 2014; Dehghan & Ma'toufi, 2016). Having *good communication* skills will increase a person's ability to connect with and nurture good relationships.

Leadership Skills

Leadership is defined as the ability of an individual to inspire a group to achieve an objective (Northouse, 2010). The purpose of leadership is to guide others in order to fulfill organization's goals and mission. Those with good leadership skills possess the ability to create a vision for success, lead others by example and directing others to achieve greater results for organization. Effective leadership is the main factor that brings change to the working environment that contribute to organization success (Hao & Yazdanifard, 2015).

Problem Solving Skills

One of the important soft skills required by industry is problem-solving skill. Problem solving is defined as "a cognitive process of the brain that searches a solution for a given problem or finds a path to reach a given goal" (Wang, 2007). Weber et al. (2009) contended that soft skills contribute toward work performance of managers in terms of decision making and problem solving. Additionally, numerous studies have found that those with good problem solving skills can *effectively perform tasks and achieve success at work* (Ibrahim, Boerhannoeddin & Bakare, 2017; Abosede & Adesany, 2017).

Teamwork Skills

In order to build a good working relationship with peers and supervisors, it is important to acquire the ability to work and cooperate with others. Scholars have identified interpersonal skills such as the ability to work effectively in teams as an important employability factor (Wellman, 2010; Sanyal & Hisam, 2018). Teamwork skills allow an individual to operate well in a group setting in the workplace and effectively accomplish tasks. Teamwork skills involve the ability to work together in a cooperative environment to achieve common team goals through sharing knowledge and skills.

Methodology

This study used quantitative study and all the data were collected via survey method. Surveys were conducted among employees who are currently working at Cosmopoint College throughout Malaysia. Questionnaires, in the form of Liker-Scale and documentation sources were utilized throughout the study period. The sampling method used is simple random sampling. This technique is chosen because each person in the population has equal and independent chance of being selected to be part of the sample (Salkind, 2006).

The questionnaire is divided into two main sections. Section one gather *demographic* characteristics of the respondents which included information such as gender, age, marital status, working experiences and others. Section two was used to gather employees' opinion about their perception towards the importance of soft skills (communication, leadership, teamwork, and problem solving) and their opinion on which soft skills are the most important for them. A 5-point Likert scale ranging from 1 = Not Important to 5 = Very important; was used to measure all the items. Data analysis is performed using Statistical Package for the Social Sciences (SPSS). SPSS descriptive statistics were used to analyze the data which include frequencies, mean, and standard deviations.

Findings and Discussions

A total of 150 questionnaires were distributed to the potential respondents, and 100 questionnaires were returned, accounting for a response rate of 67 percent. Women constituted 54 percent of total sample, and 57 percent of respondents held a bachelor's

degree. In terms of age, 43 percent of respondents were within the age range of 31-40 years old, and another 43 percent were below 30 years old. The respondents were asked to specify their length of service, 51 percent of the respondents stated that they had worked less than 5 years, 30 percent have worked for their current organization for 6 to 10 years, 14 percent have gained 10 to 15 years of experience and 5 percent of the respondents have 16-20 years of working experience. Overall, 59 percent of respondents involved in non-academic roles while, 41 percent are academic staff.

Table 1: Perception level on four components of soft skills

Soft skills	Mean Value	Standard Deviation
Communication Skills	4.61	0.49
Leadership Skills	4.36	0.64
Problem Solving Skills	4.58	0.57
Teamwork Skills	4.48	0.59

Communication skills scored the highest mean ($M = 4.61$, $SD = 0.49$) with $p < 0.01$. The results demonstrate that the employees perceive communication skills to be the most important soft skills. Communication skills is also an important determinant of one's ability to perform task at work. Bee and Hie (2015) conducted an analysis on 150 job advertisements in Malaysia, and found that communication skills is the most desired soft skills in all types of occupations. The findings implied that companies are seeking employees who, apart from being highly qualified technically, also good communication skills. Good communication skills is needed by the employees so that they can easily absorb information and express their ideas in a clear, concise and meaningful way to others.

Next, the problem solving skills is the second most important soft skill at workplace ($M = 4.58$, $SD = 0.57$). Employees strongly adhere to the perception that problem solving skills are essential for work success. Problem solving requires the capacity to analyze problem, to generate possible solutions, *and take the appropriate course of action.*

Previous studies have shown that employers value candidates with good problem solving skills (Paadi, 2014; Ali et al., 2014). In addition, a study conducted by Abosede and Adesanya (2017) showed that employees with strong problem solving skills exhibited superior job performance. Thus, it is clear that having an employee with well-developed problem-solving skills is a significant competitive advantage for an organization.

Another types of soft skill that employees considered essential at workplace was teamwork skills ($M = 4.48$, $SD = 0.59$). The *result* was consistent with the *findings* of Patacsil and Tablatin (2017) who discovered teamwork skills is one of the most important soft skills that future employees should develop and acquire. Most organizations prefer to hire individual who can work well in teams to solve problems and accomplish various tasks together (Sanyal & Hisam, 2018). Being a good team player means willing to help each other accomplish the task and promote one another's success.

The least important soft skills based on respondents' opinion was leadership skills ($M = 4.36$, $SD = 0.64$). Braun et al. (2009) indicate that leadership development is lacking for employees in higher education. This is because most employees did not received any formal training to *develop their leadership skills*. *Furthermore*, leadership trainings are commonly offered to those who were holding posts at the managerial level.

Conclusion

This study has found that Cosmopoint employees strongly adhere to the perception that communication was the most important skill and leadership skills was the least important skill. Communication skills help facilitate productive co-worker relationships, and can have a positive impact on the overall success of an organization. By practicing the soft skills it help the employees to increase their level of confidence in performing their work. The management should pay more attention to the development of employees by offering more training programs in order to improve their soft skills in the workplace. Employees should also be encouraged to enhance their soft skills through continuous self-learning and appropriate job experience so that employees become *more* effective in the workplace.

This study has certain limitations that provide venues for future research. First, only one method of collecting data will be used, which is self-report questionnaire. In order to obtain more reliable results we recommend researchers to use both quantitative and qualitative methods to assess employee's soft skills. Second limitation derived from the context of the study. This study is limited to employees who are working at Cosmopoint College throughout Malaysia. In order to further validate the findings in wider and broader contexts, future studies should include employees of public and also private higher education in Malaysia.

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LIQUIDITY, INSTITUTIONAL OWNERSHIP DETERMINANTS FINANCIAL PERFORMANCE AND CAPITAL STRUCTURE

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Abstract

This study aims to analyze the influence of Liquidity and Institutional Ownership determinants on Financial Performance and Capital Structure by using secondary data 61 manufacture public companies listed on the Indonesia Stock Exchange in 2015-2017, sampling methods using purposive sampling, processed with SPSS program. Analytical techniques in this study using multiple linear regression which included normality test, classic assumptions and hypothesis testing. The results showed that partially liquidity has significant and effect on financial performance. Institutional ownership has no significant effect on financial performance. Liquidity has no effect but significant on the capital structure. Institutional ownership has no significant effect on the capital structure.

Keywords: Liquidity, Institutional Ownership, Financial Performance, Capital Structure.

Introduction

Global economic and business competition made lot of companies excited to invite investor to growth up their company. Competition in industry demands companies to perform well. Financial ratios are tools to help anticipate future conditions and predict some action or strategies for company future performance.

Liquidity ratios, leverage ratios, turnover ratios, profitability ratio and valuation ratios are parts of financial ratio (Chandra, 2005). The ownership structure of a company is not only determined by the amount of debt and equity, but also by the percentage of managerial and institutional ownership (Wahidahwati, 2002).

Literature Review

Liquidity

In this study choose current ratio because can saw how it determine company ability to fulfil its short term liabilities (S. Munawir, 2007:72). Rofiqoh (2014) and Dwilestari (2010) found that liquidity negatively affect capital structure, high liquidity of company can reduce company's debt.

$$\text{Current Ratio (CR)} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Institutional Ownership

Institutional ownership levels can decrease opportunistic behaviour of managerial. Shleifer and Vishny (1997) said that institutional shareholders have incentive to monitor corporate decision making. While Wahyudi and Pawestri (2006) found that ownership structure able to influence company in achieving its goal of increasing company value.

$$\text{Institutional Ownership} = \frac{\text{Jumlah saham pihak institusional}}{\text{Total saham beredar}}$$

Company performance

Company performance measured by Return on Asset (ROA) from profit after tax with total assets (Brigham & Ehrhardt, 2005). Weygandt, Kimmel and Kieso (2013: 700) states that ROA is measure of profitability by dividing net income with total assets.

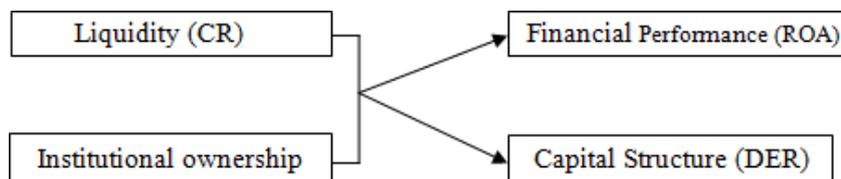
$$\text{Return On Asset (ROA)} = \frac{\text{Profit after tax}}{\text{Total Aktiva}}$$

Debt-equity Ratio

Company capital structure is combine by debt, equity and financial to fund long term assets. Wiagustini (2014) said that company funds is divided into internal and external funds. Internal funds from retained earning and accumulated depreciation, while external funds are issued new shares and use of debt. Sinthayani and Sedana (2015) found that trade-off theory explain the relationship between tax, risk of bankruptcy and use of debt due to company capital structure. Optimal capital structure obtained by balancing costs of debt and the benefits of financing through debt.

$$\text{Debt to Equity Ratio (DER)} = \frac{\text{Total Debt}}{\text{Shareholder's Equity}}$$

This paper intends to identify how current ratio and institutional ownership influences return on assets (as 1st dependent variable) and debt equity ratio (as 2nd dependent variable) as follow:



Hypothesis

H1: Liquidity has a positive and significant effect on financial performance.

H2: Institutional ownership has positive and significant effect on financial performance.

H3: Liquidity has a positive and significant effect on capital structure.

H4: Institutional ownership has positive and significant effect on capital structure.

Data and Methodology

Sample Data

Sample data was gathered from the financial records of 61 manufacture companies listed on Bursa Efek Indonesia, period of 3 years (2015-2017), the companies were selected according to the following criteria :

1. delisted companies
2. has complete financial report
3. used Rupiah currency
4. annual financial report ends on 31 December
5. has positive net income and leverage

The amount of data in this study is 183 came from 61 companies multiplied the observation period. Sample selection technique used in this research is purposive sampling method which the methods used take sample drawn the population on certain considerations or criteria in order to obtain samples representative. Used linear multiple analysis to estimate and prediction average

dependent variable based on independent variable value (Gujarati, 2003).

Analysis Method

Descriptive statistics

First step in this data processing is descriptive statistics which shown minimum, maximum, average and standard deviation data to find out detailed data expressions.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
X1	183	.58	15.17	2.7525	2.23374
X2	183	.18	1.00	.9414	.13931
Y1	183	.00	.53	.0873	.08556
Y2	183	.06	4.55	.8016	.72964
Valid (listwise)	N 183				

Description:

X1 = Liquidity (Current Ratio) X2 = Institutional
 ownerships

Y1 = Company performance (Return of Asset)

Y2 = Capital structure (Leverage/Debt Equity Ratio)

Shown in the table above that total samples are 183, current ratio/liquidity has a minimum value of 0,58 whereas the maximum value of 15,17 and average value of 2,75 with standard deviation value of 2,23. Institutional ownership has a minimum value of 0,18 whereas maximum value of 1,00 and average value of 0,94 with standard deviation value of 0,13. Company performance/ROA has a minimum value of 0,00 whereas maximum value of 0,53 and average value of 0,08 with standard deviation value of 0,08. Capital structure/Leverage has a minimum value of 0,06 whereas maximum value of 4,55 and average value of 0,80 with standard deviation value of 0,72.

Normality Data Test

This normality data test use central limit theorem (CLT) which states that for observation sample larger than 30, assumed to be normally distributed. This means that large samples from the same population will approximately equal to the mean of population, all samples will follow normal distribution pattern (Investopedia).

Multicollinearity Test

Multicollinearity test can be seen from (1) the value of tolerance and the opponent (2) variance inflation factor (VIF). Cut off value that is commonly used to indicate the multicollinearity presence. Tolerance is a value $< 0,10$ or equal to $VIF > 10$ (Ghozali, 2016: 103).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.002	.048		.050	.960		
	X1	.008	.003	.214	2.787	.006	.903	1.108
	X2	.066	.047	.108	1.406	.161	.903	1.108

a. Dependent Variable: Y1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.343	.356		3.773	.000		
	X1	-.172	.022	-.528	-7.900	.000	.903	1.108
	X2	-.071	.350	-.013	-.202	.840	.903	1.108

a. Dependent Variable: Y2

The tolerance result obtained from testing multicollinearity that showed more than 0,10 it can be concluded that the relationship has no multicollinearity. VIF for the results obtained from testing multicollinearity test figures show over 10, it can be concluded that the relationship has no multicollinearity. Thus all variables used in this study as a linear regression model has been qualified to predict the company performance and capital structure.

Autocorrelation Test

Autocorrelation test used Durbin Watson test to compared value in Table Durbin Watson, by lowering the lower limit of the critical value (lower bond or d_l) and the upper limit (upper bond or d_u). Statistical value of this test ranged from 0 through 4.

d value of 2,00 is when there are no autoThe tolerance result obtained from testing multicollinearity that showed more than 0,10 it can be concluded that the relationship has no multicollinearity. VIF for the results obtained from testing multicollinearity test figures show over 10, it can be concluded that the relationship has no multicollinearity. Thus all variables used in this study as a linear regression model has been qualified to predict the company performance and capital structure.

Correlation between residuals. At the time d close to 0, it indicates positive autocorrelation, if d approaching 4, it shows a negative autocorrelation (Widarjono, 2010cL 99).

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.207 ^a	.043	.032	.08416	1.752

a. Predictors: (Constant), X2, X1
 b. Dependent Variable: Y1

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.524 ^a	.274	.266	.62497	2.048

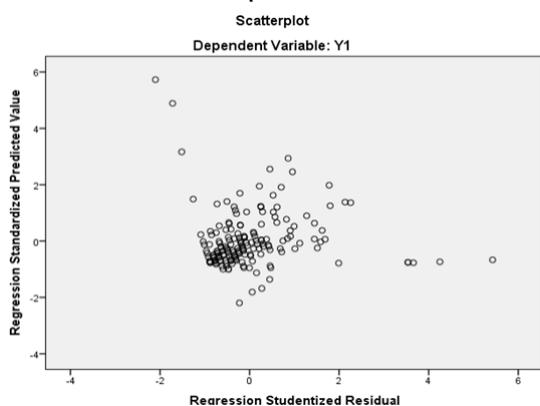
a. Predictors: (Constant), X2, X1
 b. Dependent Variable: Y2

Based on above table, it can be concluded that there is no autocorrelation between the study variable and have fulfilled classical assumption test because Durbin-Watson value close to +2.

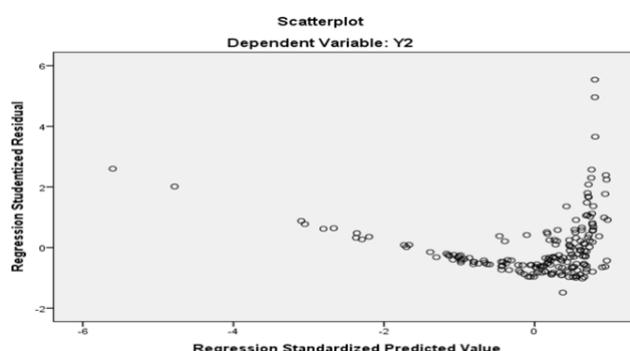
Heteroscedasticity Test

This test results is to find an influence differential variance of residual value, from the result of 1st equation, scatterplot shows that scattered point above and below around 0, but not spread and gather to the left, it can be concluded that in 1st equation regression has heteroscedasticity symptoms.

1st Equation test result



2nd Equation test result



For 2nd equation test result shows that scattered points above and below 0, but not spread and narrow to the right, it can be concluded that in 2nd equation regression has heteroscedasticity symptoms.

Hypothesis Test

Hypothesis test consist of 2 equation regression. 1st equation to test liquidity and institutional ownership influence to financial performance. 2nd equation to test liquidity and institutional ownership influence to capital structure.

1st Equation Regression Coefficient Determination (Adjusted R²)

Coefficient determination used to measure the ability of variable in explaining the dependent variable. Coefficient determination value seen from *adjusted R²* value on *model summary* on results of multiple linear regression analysis. The results of 1st equation regression shows that *adjusted R²* value of 0,043 or 4,3%. This shows that liquidity and institutional ownership influence 4,3% company performance's

transformation while 95,7% explained by other factors.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.207 ^a	.043	.032	.08416	1.752

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y1

Test F (Simultaneous)

Test F can be regarded as ANOVA. The statistical test F basically indicates whether all the independent variables or free inclusion on the dependent variable (Ghozali, 2011: 98). If the significance value < 0,05 data passed the test F, if > 0,05 means that there is no significant influence between the variable.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.057	2	.029	4.043	.019 ^b
	Residual	1.275	180	.007		
	Total	1.332	182			

a. Dependent Variable: Y1

b. Predictors: (Constant), X2, X1

T test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.002	.048		.050	.960		
	X1	.008	.003	.214	2.787	.006	.903	1.108
	X2	.066	.047	.108	1.406	.161	.903	1.108

Result of t regression for liquidity has 2,787 coefficient regression with significant value of 0,006. $2,787 > t$ table 2,66; significant value $0,006 < 0,05$, can be concluded that liquidity has effect and significant on financial performance.

Result of t regression for institutional ownership has 1,406 coefficient regression with significant value of 0,161. $1,406 < t$ table 2,66; significant value $0,161 > 0,05$, can be concluded that institutional ownership has no effect and no significant on capital

structure. This result not accordance with previous research by Rosalia B.R., Kartika H.T. and Suhendro (2016) found that institutional ownership has a positive effect on company financial performance.

2nd Equation Regression Coefficient Determination (Adjusted R²)

The results of 2nd equation regression shows that *adjusted R²* value of 0,274 or 27,4%. This means that liquidity and institutional ownership influence 27,4% capital structure while 72,60% influence by other factors.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.524 ^a	.274	.266	.62497	2.048

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y2

Test F (Simultaneous)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.586	2	13.293	34.034	.000 ^b
	Residual	70.306	180	.391		
	Total	96.892	182			

a. Dependent Variable: Y2

b. Predictors: (Constant), X2, X1

Test F shows value of 34,043 > F table 3,15; significant value of 0,000 < 0,05. It can be concluded that liquidity and institutional ownership has simultaneous and significantly effect on capital structure.

T test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.343	.356		3.773	.000		
	X1	-.172	.022	-.528	-7.900	.000	.903	1.108
	X2	-.071	.350	-.013	-.202	.840	.903	1.108

a. Dependent Variable: Y2

Result of t regression for liquidity coefficient regression of -7,900 with significant value of 0,000. $-7,900 < t \text{ table } 2,002$; significant value $0,000 < 0,05$. This test shows a negative and significant results, so can be concluded that liquidity has no effect but significant on capital structure. Result of regression for institutional ownership coefficient regression of -0,202 with significant value of 0,840. $-0,202 < t \text{ table } 2,002$; significant value $0,840 > 0,05$. This test shows a negative and no significant results, so can be concluded that institutional ownership has no effect and no significant on capital structure.

Conclusion

Base on test results and discussion as has been presented in previous section, could be conclude as follow:

1. The test results partially show that the liquidity variable has effect and significant on financial performance.
2. The test results partially show that the institutional ownerships variable has no significant effect on financial performance.
3. The results of this study indicate that simultaneously, liquidity variable and institutional ownership variable have significant effect on financial performance.
4. The test results partially show that the liquidity variable has no effect but significant on capital structure.
5. The test results partially show that the institutional ownerships variable has no significant effect on capital structure.
6. The results of this study indicate that simultaneously, liquidity variable and institutional ownership variable have significant effect on capital structure.

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FACTORS THAT INFLUENCE RETURN ON ASSET

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Abstract

This study aims to analyze effect of cash turnover, accounts receivable turnover and inventory turnover return on assets of company. The independent variables in this study are cash turnover, accounts receivable turnover and inventory turnover while the dependent variable is the return on assets. Return on Assets shows how net profits derived by an enterprise if measured by the value of the assets. The higher the return on assets of a company the better the condition of the company. The population of the research are financial statements published yearly by manufacturing companies listed on Bursa Efek Indonesia from 2015 to 2017. In this study employed a quantitative research approaches, and the type of research descriptive statistics, while the nature is explanatory descriptive research, with secondary data type. Data were collected using documentation and analysis of data was performed by multiple linear regression analysis using the F test and t-test at the 5% of significance level ($\alpha = 0.05$) and the coefficient of determination of R Square was 0.137, which means 13,7% change in the variable Return on Asset (Y) is explained by changes in cash turnover variable (X1), accounts receivable turnover (X2) and inventory turnover (X3) while the remaining is explained by other variables not included in this study. The results of this study showed that simultaneously cash turnover, accounts receivable turnover and inventory turnover significantly affect the Return On Asset, while partially, cash turnover and accounts receivable turnover do not have a significant effect on return on assets and inventory turnover significantly affect the Return On Asset at manufacturing companies listed on Bursa Efek Indonesia.

Keywords: cash turnover, account receivable turnover, inventory turnover, return on assets.

Introduction

One of the goals to be achieved by each company is to generate profits. In conditions of higher business competition, companies are required to be able to follow and fulfill market needs, for example by improving product quality and expanding business in order to survive and compete. The efforts made are expected to generate maximum profits for the company.

In order to find out how much the company is able to generate profits, a financial ratio analysis is used, namely the profitability ratio. Profitability ratio is used to analyze or measure the level of business efficiency in generating profits. The profitability ratio can also be used as a tool for measuring a company's financial performance.

Profitability can be measured using Return On Asset. Return On Asset shows how much the net profit is obtained by the company if measured from the value of assets. Return On Asset describes asset turnover measured by sales volume. The bigger the ratio the better. This means that assets can spin faster and earn profits.

Cash turnover as one of the factors that determine the size of the profits obtained by the company. The cash turnover ratio serves to measure the level of adequacy of the company's working capital needed to pay bills. A relatively small amount of cash will be obtained a high cash turnover rate and the profits obtained will be greater.

Account receivable turnover is one of the factors that determines the size of the profits that company will get. Some of the benefits obtained by the company, if doing good debt management, include the possibility of the company being able to pay all its obligations on time and allowing the company to be able to operate more efficiently because there are no difficulties to obtain the goods and services needed, which indirectly will have an impact on the level of profit the company is concerned.

Inventory turnover is also referred to as a factor that affects the size of the company's profits. The higher the inventory turnover, the higher the level of profitability. The existence of investments in inventory that is too large compared to the need to increase interest expense, increase the cost of storage and maintenance in the

warehouse, increase the likelihood of losses due to damage, decline in quality, obsolescence, so that all of these will reduce the company's profits.

Cash, accounts receivable and inventory must be managed effectively and efficiently because these three assets are the most important elements in the company. Therefore, the ability of the company's management in managing these assets can affect the level of profitability of the company. Cash turnover, accounts receivable turnover and inventory turnover if the turnover increases, the profits received by the company will increase.

But after looking at the financial statements of manufacturing companies listed on Bursa Efek Indonesia, there is a phenomenon where increases in cash turnover, accounts receivable turnover and inventory turnover are not followed by an increase in Return On Assets so researchers are interested in examining variables in this study.

Literature Review

Cash Turnover

According to Kasmir (2012: 140), the cash turnover ratio serves to measure the level of adequacy of the company's working capital needed to pay bills and finance sales.

According to Kasmir (2012: 141), the formula for calculating cash turnover is:

$$\text{Cash Turnover} = \frac{\text{Net Sales}}{\text{Net Working Capital}}$$

The higher the turnover, the better. Because this means the higher the efficiency of cash use. But excessive cash turnover can mean that the amount of cash available is too small for the volume of sales involved.

Account Receivable Turnover

According to Harahap (2015: 308), the accounts receivable turnover ratio shows how fast the receivables are collected. The faster the better, because the collection of receivables is done quickly.

According to Kasmir (2012: 176), the formula to look for accounts receivable turnover is as follows.

$$\text{Account receivable turnover} = \frac{\text{credit sales}}{\text{average accounts receivable}}$$

Account receivable turnover is a ratio used to measure how long the collection of accounts receivable for one period or how many times the funds invested in these receivables revolve in one period.

Inventory Turnover

According to Jumingan (2014: 128), inventory turnover shows how many times the inventory of goods is sold and held back during one accounting period.

According to Kasmir (2012: 180), inventory turnover in one period can be calculated using the formula:

$$\text{Inventory Turnover} = \frac{\text{Sales}}{\text{Inventory}}$$

Inventory turnover is a ratio used to measure the number of times the funds planted in the inventory rotate in one period.

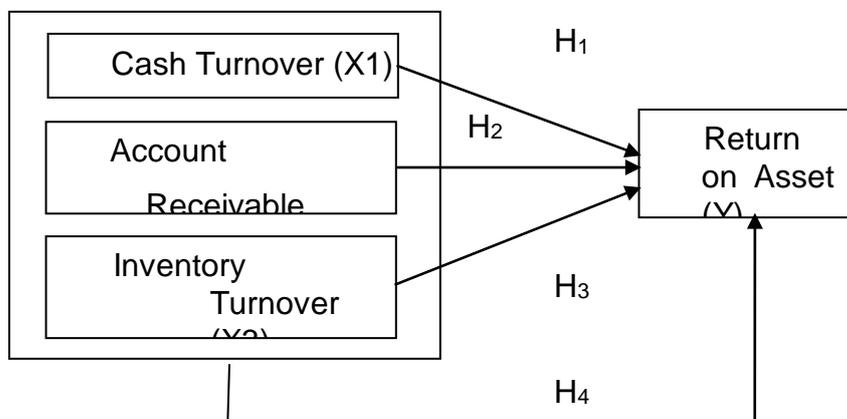
Return On Asset

According to Sugiono (2016: 68), Return on Asset measures the rate of return from business on all existing assets. Or this ratio describes the efficiency of the funds used in the company.

According to Suharli (2006: 295), Return on Assets can be formulated as follows:

$$\text{Return On Asset} = \frac{\text{Net Income}}{\text{Total Assets}}$$

Hypothesis



The hypothesis proposed in this study is as follows:

H1: Partially cash turnover has an effect on Return on Assets

H2: Partially accounts receivable turnover has an effect on Return on Assets

H3: Partially inventory turnover has an effect on Return on Assets

H4: Simultaneously cash turnover, accounts receivable turnover and inventory turnover affect Return on Assets

Method

The research approach used in this research is quantitative research methods. According to Sugiyono (2012: 13), quantitative research methods can be interpreted as research methods that are based on the philosophy of positivism, used to examine certain populations or samples.

The type of research used in this study is descriptive statistics. According to Sugiyono (2012: 206), descriptive statistics are statistics used to analyze data by describing or describing collected data without intending to make conclusions that apply to the general or generalizations.

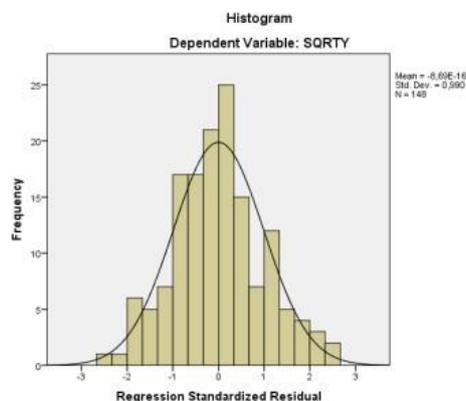
The population of the research are financial statements published yearly by manufacturing companies listed on Bursa Efek Indonesia from 2015 to 2017. Data were collected using documentation and analysis of data was performed by multiple linear regression analysis using the F test and t-test at the 5% of significance level ($\alpha = 0.05$) and the coefficient of determination of R Square.

Result and Conclusion

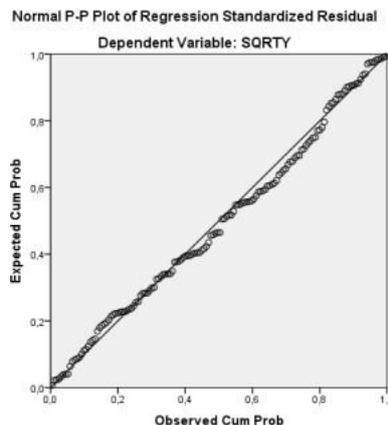
Classic Assumption Test

Before the regression model obtained is used to test the hypothesis, first the model is tested for classical assumptions. The classic assumption test used are 4, namely the normality test, multicollinearity test, autocorrelation test, heteroscedasticity test.

Normality test



Based on the picture it can be seen that the data has been normally distributed. This can be seen from a histogram graph that shows symmetrical data that does not deviate to the right or left.



Based on the picture it can be seen that the data has been normally distributed. This can be seen in the P-P chart. The plot forms a diagonal straight line and the points (data) on a normal probability chart — the plot spreads in the direction of the diagonal line.

Multicollinearity Test

Mode	Collinearity	
	Tolerance	VIF
1		
1 (Constant)		
	SQRTX1	,979 1,022
	SQRTX2	,987 1,013
	SQRTX3	,984 1,016

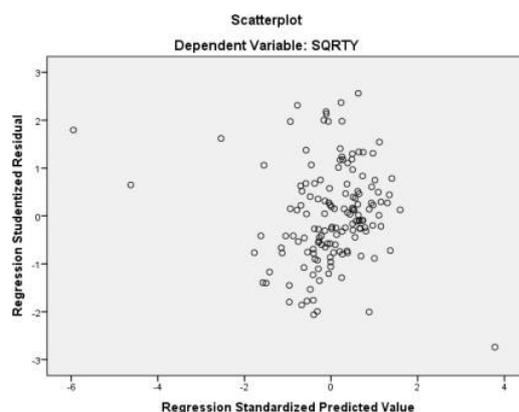
Based on the table, the tolerance value obtained for each variable is greater than 0.1 and the VIF value obtained for each variable is less than 10, meaning that the variable data on cash turnover, accounts receivable turnover and inventory turnover are free from the symptoms of multicollinearity. So it can be concluded that there is no multicollinearity between independent variables in the regression model.

Autocorrelation Test

Runs Test	
U	N standardized Residual
Test Value ^a	-,00946
Cases < Test Value	74
Cases >= Test Value	74
Total Cases	148
Number of Runs	67
Z	-1,320
Asymp. Sig. (2-tailed)	,187

Based on the table it is known that the test value is -1,320 with a probability of 0,187 which means that there is no autocorrelation between residual values.

Heteroscedasticity Test



Based on the picture it can be seen that there is no clear pattern, and the points spread above and below the 0 number on the Y axis, there is no heteroscedasticity.

Multiple Linear Regression Analysis

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients	Standard Error	Standardized Coefficient		
	B	Std. Error	Beta		
1 (Constant)	,133	,048		2,764	,006
SQRT X1	-,012	,003	-,279	-3,565	,000
SQRT X2	,011	,011	,077	,984	,327
SQRT X3	,050	,016	,250	3,201	,002

a. Dependent Variable: SQRTY

Based on the table, the following research hypotheses are obtained as follows:

$$\text{Return On Asset} = 0.133 - 0.012 \text{ Cash Turnover} + 0.011 \text{ Receivable Turnover} + 0.050 \text{ Inventory Turnover}$$

Information:

1. Constant value (a) = 0.133

This constant value indicates that if the independent variables namely cash turnover, accounts receivable turnover and inventory turnover are considered constant, then the average Return on Asset is 0.133.

2. Cash turnover (X1) has a regression coefficient marked negative at

-0.012, this shows that every one-time increase in cash turnover value will reduce the value of Return on Assets by 0.012.

3. Accounts receivable turnover (X2) has a positive coefficient of 0.011, this indicates that the accounts receivable turnover variable has a positive influence on return on assets, so every one-time increase in the value of receivable turnover will increase the Return on Asset value by 0.011.
4. Inventory turnover (X3) has a positive coefficient of 0.050, this indicates that the inventory turnover variable has a positive influence on return on assets, then every one-time increase in inventory turnover value will increase the value of Return on Asset by 0.050.

Determination Coefficient of Hypothesis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,370 ^a	,137	,119	,10598

Based on the table, the R Square value of the determination coefficient is 0.137, which means that 13.7% changes in the Return on Asset variable are explained by changes in the variable cash turnover (X1), accounts receivable turnover (X2) and inventory turnover (X3) together, the remaining 86.3% is explained by other variables not included in this study, such as working capital turnover, and others.

Simultaneous Hypothesis Testing

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	,257	3	,086	7,631	,000 ^b
Residual	1,617	144	,011		
Total	1,874	147			

a. Dependent Variable: SQRTY

b. Predictors: (Constant), SQRTX3, SQRTX2, SQRTX1

The test results show that the calculated F is 7.631 and F table is 2.66. So F count is bigger than F table.

Partial Testing of Hypotheses

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	,133	,048		2,764	,006
	SQRTX1	-,012	,003	-,279	-3,565	,000
	SQRTX2	,011	,011	,077	,984	,327
	SQRTX3	,050	,016	,250	3,201	,002

a. Dependent Variable: SQRTY

The test results show that the t count is -3.565 for X1, 0.984 for X2 and 3.201 for X3 and t table is 1.65543.

Conclusion

The conclusion of this study is:

1. Partially cash turnover does not significantly influence Return On Asset in manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017.

2. Partially accounts receivable turnover does not significantly influence Return On Asset in manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017.
3. Partially inventory turnover has a significant effect on Return On Assets in manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017.
4. Simultaneously cash turnover, accounts receivable turnover and inventory turnover significantly influence Return On Asset in manufacturing companies listed on the Indonesia Stock Exchange from 2015 to 2017.

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ASSESSING WEBSITE QUALITY FACTORS AFFECTING ONLINE SHOPPING: AN INDONESIAN PERSPECTIVE

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Abstract

The advancement in information technology does bring impacts in people's daily lives. This includes our purchasing and shopping methods. Buying products from international web sites has become an alternative way to shop and has been widely used by customers all over the world, including Indonesian customers. Due to immense popularity of buying online, this study is set to examine the adoption of purchasing products from international websites among Indonesian customers. A framework that illustrates the links between website quality factors, website dependability factors and online purchasing is presented in order to show all the relationships being hypothesized. This study, which is based on the theory of technology acceptance model (TAM), employs a quantitative method by surveying 122 respondents among Indonesian customers based in the city of Jakarta. From the finding, it shows that that website quality factors such as ease of use, perceived usefulness and cultural adaptation are all important factors that influence online purchasing.

Keywords: Ease of Use, Perceive Usefulness, Cultural Adaptation, Online Buying Attitude.

Introduction

Electronic commerce has become one of the essential business methods in this Internet era (Li & Zhang, 2002). Based on The UCLA Internet Report (2001), online shopping is in the top five Internet activities, which include email or instant messaging, website browsing, finding entertainment information and reading the news (UCLA, 2001; Li & Zhang, 2002). Coping up with the Internet phenomena, business operators

have extended their businesses into e-commerce to make their business more competitive (Seybold, 2001; Khamarudin, 2003). It is important to compete in this market segment as well because customers who prefer shopping and gaining knowledge about product online are growing.

In some cases, customers opt for shopping online because they can gain benefits like getting better information through the websites or getting additional advantages such as promotion incentives (Dholakia, 2000; Rook, 1987; Dawson & Kim, 2009), and complimentary goods (Dawson a& Kim, 2009). Another advantage in doing online shopping is that customers can browse and buy domestic or international goods or services that they need at any time they want (Vrechopoulos, Siomkos, Doukidis, 2001). Some customers are desperate to buy online because they cannot find the product in the local market. Due to this limitation, they have to use the Internet to buy the preferred product from international online stores.

In the case of Indonesia, online shopping is a famous channel to promote, sell or buy products. Many Indonesians are eager to spend their money nowadays (Cool Founder, 2010), as seen from the growth number of Internet users in Indonesia. According to The Jakarta Post (2018), the number of internet users in Indonesia has increased from 132.7 million in 2016 to 143.26 million in 2017. A study by global business consultancy McKinsey & Company reports that online sales of physical goods in Indonesia is expected to grow to \$65 billion by 2020 (Yuniarni, 2018). Both figures lead to the fact that most Indonesians have now come to embrace the existence of internet and e-commerce. Many Indonesians now are already browsing popular online vendors like Kaskus, TokoBagus, Berniaga, Multiply, Bhinneka, Lazada Indonesia, Tokopedia, Agoda, and Facebook. Even though the Indonesians are already familiar with local e-commerce or online shopping, the phenomena of purchasing product internationally has yet to be explored. It seems that buying products from oversea is not as familiar as domestic purchase.

The benefits of online shopping can attract more people to shop online. However, buying from foreign online stores is not yet popular in Indonesia, even though the domestic online shopping is already huge in the country. The reason is

partly because of there are not many international brands available in Indonesians malls and shops as they are available only in certain big shopping centers. The products are very expensive with limited choices and designs. They only target the rich people in Indonesia (Sentana, 2012). Therefore, Indonesian customers have to look for other alternatives in order to get the international product they want. The best alternative is through online stores. These products, which are not available locally, can be bought from established or reliable online stores like Amazon.com and E-bay.

Even though extending the business globally with localized web content is highly expected by the customers (Singh, Baack & Bott, 2010), it is hard to understand global buyers with all the cultural barriers and also the pressure to provide difference languages on the website makes the localizing a big obstacle (Violino, 2001). Similarly, Singh et al. (2010) emphasize that e-commerce can reach larger potential number of customers globally, but to start as online shopping stores that suit the global customers is hard and more complex. International customers prefer it if the online stores' contents are locally customized. However, some online stores fail to adapt to many local needs. For example some online vendors only provide guidance and changes on language.

A previous e-commerce study on India, China, Japan and US reveal that websites reflect so much of their cultural values, but with subtle differences (Singh et al., 2010). It means that the businesses need extra efforts to fulfill the differences demanded in every region. They go on further by saying that two thirds of online customers in several countries are not concerned about buying products from international online stores. From the Indonesian point of view, Soon Lee Lim, the general manager of Kantar World panel Indonesia brings to light that Indonesian customers are loyal to local brands and that the globally recognized brands are not automatically well accepted in the Indonesian market.

Research Questions

- 1) What are the implications of website quality factors on Indonesian customers' online buying attitude?
- 2) Which of the website quality factors affect the online buying attitude of Indonesian customers?

Research Objectives

- 1) To examine the implications of website quality factors on online purchase behavior of Indonesian customers.
- 2) To investigate which dependability factors affect online buying attitude of Indonesian customers.

Literature Review

With the worldwide globalization, many big brands expand their businesses online. It shows online purchasing has become popular among customers all over the world. Online purchasing actually help both customers and sellers and customers from any country can get products unavailable in their country, and sellers can spread their products unlimitedly to every country in the world and can gain profit. For younger generation, it is actually not that difficult to buy products from international online stores. All the consumers need are their cards, mailing address and delivery process. Shipping process might be expensive due to long distance, but customers will be proud that they can have the product that is unavailable locally within two weeks.

The technology acceptance model (TAM) has been one of the most influential theories in the information technology literature (Straub et al., 1997; Chen et al., 2002; Singh, et al., 2004). It basically predicts that beliefs lead to the development of attitudes in determining consumer behavioural intention and final behaviour. TAM is has been used to study international consumers' acceptance and use of multinational company web sites designed. In addition, this model is also applied to delve into how

cultural adaptation of international web sites affects the attitude and the customer purchase intention.

Website Quality Factors

Singh et al. (2004) propose that the perception towards a website will positively influence global customers' intention to purchase goods online. The effect of perceived usefulness (PU) and ease of use (EOU) are described to be strong in the early years of technology adoption and diminishes with time (Davis et al., 1989; Al-Gahtani, 2001). Along with PU and EOU, cultural adaptation on the website has also appeared to be an important determinant of international web sites usage (Singh et al., 2004). For all these reasons, this study highlights eases of use, perceived usefulness and cultural adaptation as the variables that affect consumers' online buying attitude, particularly when buying from foreign online stores.

Ease of use and online buying attitude

According to Van der Heijden (2003), the easier to navigate, search, and use a website, the more useful it will be perceived. Ease of use is measured by how easy it is for the website users to navigate the web site and to accomplish online tasks (Lederer et al., 2000; Zeithaml et al., 2000, Singh et al., 2004). Rogers (1962) theorizes perceived ease of use as the degree to which an invention is seen as being not too difficult to understand, learn or operate. Based on TAM, perceived ease of use is described as the extent to which a person believes that using a certain technology will be free of effort (Davis, 1989). In the current study, similar to that of Lederer et al. (2000), Zeithaml et al. (2000), Singh et al. (2004), ease of use is defined as as how easy it is for online customers to navigate an online store and accomplish their online purchase. Some studies have linked perceived ease of use to the success and quality of information system (Seddon, 1997), as well as customer satisfaction (Wang et al., 2001).

In short, the ease of use has an impact on customers' online buying attitude because ease of use makes it easier for customers to browse through various international online stores. As stated by Zeithaml et al. (2000), perceived ease of use is an important predictor of potential adopters' attitude and behavioural intention to use a technology, such as buying online. This study will discuss the actual buying from international web site by Indonesian customers. If the website is flexible and easy to operate, it will make Indonesian customers navigate through website and build a good interaction with the online stores and later on buy from the store. Thus, the following hypothesis is proposed:

H1: Perceived ease of use will positively affect the online purchase by Indonesian consumers.

Perceived usefulness and online buying attitude

Perceived usefulness is influenced by ease of use because the easier a technology is to use, the more useful it can be (Venkatesh, 2000; Dabholkar, 1996; Davis et al., 1989). As stated by Bhattacharjee (2002), perceived usefulness is a person's willingness to transact with a particular system. According to Monsuwe, Dellaert and Ruyter (2004), usefulness is a consumer's perception that using the Internet as a shopping medium enhances the outcome of shopping experience. It actually influences consumer attitude toward buying online and intention to buy over the internet. Based on a study by Van der Heijden, (2003), perceived usefulness associates with the website usage and adoption. From another point of view, good price, delivery performance and produce variety are the main credibility of the usefulness (Bhatnagar & Ghose, 2004; Ahnet al., 2004; Lee and Joshi, 2007; Karim, 2011). As argued by Zeithaml et al. (2000), perceived ease of use is a critical influence of potential adopters' attitude and behavioural intention to website usage. In his study on user acceptance of information technology, Davis et al. (1989) found a weak direct link between usefulness and attitude, and a strong link between usefulness and intention. In response to all these arguments concerning perceived usefulness and buying online, the following hypothesis is predicted:

H2: Perceived usefulness is expected to affect the online buying attitude of Indonesian customers.

Cultural Adaptation

Culture is claimed as the “soft” aspect of international marketing (De Mooji, 2000). It is argued as a major obstacle for companies extending their e-business globally is to understand the needs of global consumers and overcome the cultural barriers and language differences on the web site (Singh et al., 2004). On the web, one challenge is to decide how the information should be presented to people from different cultures (Singh et al., 2003). The presentation, the tone, and even the type of information are important facets of communication to be considered (Fock, 2000). Straub et al. (1977) stress that cultural differences may impact the adoption and use of new technologies, while Singh et al. (2004) affirm that cultural adaptation on the web site is one of the factors that can affect the adoption and use of international web sites by global consumers. Previous studies by Fink and Laupase (2000), Luna et al. (2002), Simon (2001) and Tsikriktsis (2002) provide the evidence of cross-cultural differences in the perception of web site content and support the use of localized web site communication strategy when targeting global online consumers.

A study by Singh et al. (2004) discovers that cultural adaptation on the web site is an important determinant of ease of use and attitude toward an international website. It confirms that international consumers prefer locally adapted web content, but do not provide any guidance, theory, or frameworks to achieve web site localization, nor do they show the emergence of localized-specialized approach to web advertising. The consumers want a proper adaptation when the international web site is localized into their culture. When localizing a web site to a specific country, special attention needs to be paid to local conventions, time and date formats, unit of measurements, addresses and phone numbers, layout and orientation of web pages, icons and symbols, language and rhetorical style, dialects, colours, and aesthetics Singh et al. (2003). This is especially true for Indonesian customers, who mostly speak Bahasa Indonesia, hence a small number of Indonesian customers understand other

languages. From these supporting evidence, the following hypothesis has been developed:

H3: Cultural adaptation on the website will positively affect Indonesian customers' online purchasing.

Research methodology

Specifically, the questionnaires were distributed to respondents who live and work in Jakarta, Indonesia, as well as have experience in purchasing products from international websites. The reason why this research is held in Jakarta is because it is the busiest city in Indonesia in terms of economic and fashion development. Jakarta is also updated in trend movement and Indonesians who live in Jakarta easily adapt and adopt fads. As for the sampling technique, this study used non-probability sampling technique. The convenience sampling is particularly applied as this method is best used to obtain completed questionnaires quickly and economically. Out of 200, the number of usable questionnaires received from the mail was 90, and from web site were 40 As a result, the total number of questionnaires that can be used is 122. The data is analysed using a quantitative method which is Statistical Package for the Social Science 19.0 (SPSS). Correlation analysis is used to test the hypotheses.

With regards to the measurement items, most of the items were adopted and only a few was modified from several related studies. The items for ease of use and perceived usefulness were taken from Chiu *et al.* (2009), while the items for cultural adaptation were adopted from the work of Singh *et al.* (2004). In terms of buying online attitude, it was measured using Goldsmith *et al.* (2002).

Results

Table 4.0 shows a summary of correlations between the independent and dependent variables. Pearson correlation coefficient with a range from 0 to 1 was applied to determine the strength of the connection between variables. It was observed that ease of use correlated significantly to online buying attitude ($r = 3.69$, $p < 0.01$). Perceived

usefulness also correlated significantly to buying online attitude ($r = 0.521$, $p=0.10$). As for cultural adaptation, this variable shows a significant relationship with online buying attitude ($r = 0.273$, $p<0.01$). Overall, all hypotheses predicted earlier are supported.

Table 4.0 Correlations

Variables		Online Buying Attitude
Ease of Use	Pearson Correlation	0.369**
	Sig. (2-tailed)	0.000
	N	122
Perceived Usefulness	Pearson Correlation	0.521**
	Sig. (2-tailed)	0.000
	N	122
Cultural Adaptation	Pearson Correlation	0.273**
	Sig. (2-tailed)	0.000
	N	122

N=122, correlation is significant at the 0.01 level ** $p<0.01$ (1-tailed)

Discussion

This study proves that website quality factors such as ease of use, perceived usefulness and cultural adaptation are all important factors which influence customer attitude towards online shopping. The correlation shows that all three factors of website quality have significant relationships with online buying attitude. These are in line with the argument by Davis et al. (1989) and Al-Gahtani (2000), who reveal that ease of use and perceived usefulness are important factors that influence online buying attitude. In relation to cultural adaptation, Singh *et al.* (2004) also has empirically proved that cultural adaptation influences customers' online shopping behaviour. In regard to ease of use, the result indicates that the relationship between ease of use and online buying attitude is positively significant. This finding is consistent with the statement by Monsuwe et al. (2004), who bring to light that ease of use leads to final online shopping outcome. The finding is also in line with Zeithaml et al. (2000)

and Singh et al. (2004) who found that ease of use significantly affects the intention to purchase products online.

The result shows that the relationship between perceived usefulness and buying online is significant. This result supports prior argument that perceived usefulness motivates customers to purchase products through online websites (Monsuweet al., 2004). Consistently, Zeithaml et al. (2000) uncover that perceived usefulness is one of the critical predictors of potential customer attitude and behavioural intention to website usage. As for the relationship between cultural adaptation and online buying attitude, the result is positive and significant as well. This is consistent with the finding of Singh et al. (2004), whose findings reveal that cultural adaptation is in fact influence online shopping. As contended by Singh et al. (2004), a major obstacle for wanting to extend e-business globally is to understand the needs of global consumers and overcome the cultural barriers and language differences on the website. Thus, the finding of the current study proves that if the website is culturally sensitive, consumers will buy their products online. It means that Indonesian customers do concern about the cultural adaptation observed on online stores.

Conclusion

Electronic commerce has become one of the essential business methods in the Internet era (Li and Zhang, 2002). Responding to Internet phenomenon, business operators have also expanded their business into e-commerce to make their business more competitive (Seybold, 2001; Khamarudin, 2003). In the case of Indonesia, online shopping is a famous media to promote, sell and buy products. However, buying from foreign online stores is not yet popular in Indonesia. In this study, the main focus is to uncover the factors that affect buying attitude of online customers in Jakarta, Indonesia. In general, online store operators should be aware that Indonesians are concerned about the ease of use, perceived usefulness and cultural adaptation when browsing or buying online.

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THE EFFECT OF INVESTMENT DECISION, CAPITAL STRUCTURE, DIVIDEND POLICY ON FIRM PERFORMANCE: EMPIRICAL EVIDENCE FOR THE INDONESIAN STOCK EXCHANGE LISTED COMPANIES

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Abstract

The objective of this research is to get an understanding on the effect of the investment decision, capital structure and dividend policy on financial performance using Structural Equation Model (SEM). It is expected that this model will give more comprehensive analysis on the effect of the investment decision, capital structure and dividend policy on financial performance of public companies, which includes the direct or indirect effect on one variable against the others variables. on public companies in Indonesian Stock Exchange in 2011-2014. This analysis was based on target population of 513 companies and the samples of 315 public companies in Indonesian Stock Exchange, with following findings. The investment decision, capital structure and dividend policy gave a direct effect on the value of the companies, respectively 2,34%, 5,06% and 4,62%. Indirectly, the investment decision effected the financial performance 7,82%, and then indirectly capital structure effected the financial performance 11,86%, and dividend policy effected the financial performance 12,96%. Total effect of investment decisions, capital structure and dividend policy on financial performance respectively 10,16%, 16,92% and 17,58%. Out of the three variables, the dividend policy had more dominant effect on financial performance. The investment decision, capital structure and dividend policy has a direct and indirect positive effect on eachothers. The theoretical finding on this research can be developed to make an investment decision, capital structure and dividend policy of public company. In other words, the three variables will have some means of effect on financial performance compare with other factors.

Keywords: investment decision, capital structure, dividend policy and financial performance.

Introduction

The Company is a form of corporation which carries on every type of business, is permanent, continuous and working within the territory of the Republic of Indonesia, for the purpose of obtaining profit and or profits (Article 1 Sub-Article b Law No. 3/1982 on Obligatory Company Registration). With maximum profit or profit it is the company can maintain the survival of the company. But today the business world is growing more rapidly. Many new companies are emerging so that makes business competition so tight and competitive. Therefore, corporate actors are required to be able to manage their resources more effectively and efficiently in order to support what has been the company's previous goals.

Investment and Dividend Decisions of companies listed on the IDX are fluctuating and some companies do not dividend because income decreases, for the capital structure of some companies the composition of long-term debt is greater than their own capital and some companies show their own capital is bigger than their long-term debt. Company size on Companies listed on IDX varies with big, medium and small category. The development of stock price changes in the listed sectors in BEI partly decreased and some experienced an increase and decrease as well as decrease and increase. According to Brigham and Houston (2009), the increase in debt is interpreted by outsiders about the company's ability to pay its future liabilities or the existence of low business risk, it will be responded positively by the market. There are two views on funding decisions. The first view is known by the traditional view that capital structure affects firm value. Another policy relating to corporate value is investment decisions, where investment decisions in this regard are short- term and long-term investments.

According to Hidayat (2010), investment decision is an important factor in the company's financial function, where the company's value is solely determined by the investment decision. The purpose of the investment decision is to obtain a high level of profit with a certain level of risk. According to Jumingan (2011: 239), Performance is a description of the achievements achieved by the company in its operational activities in terms of financial aspects, marketing aspect, fund raising aspect and fund

distribution, technological aspect as well as human resources aspect. One of the factors affecting financial performance is capital structure. Capital Structure is a balance between the use of loan capital consisting of: short-term debt that is permanent, long-term debt with own capital consisting of: preferred stock and common stock. Referring to the description on the background and the above problem identification formulated the following problems: 1) What is the investment decision condition, capital structure and dividend policy in the public listed company listed on the BEI. 2) What is the condition of Financial Performance in a public listed company listed on BEI. 3) How big influence of investment decision to financial performance at go public company listed in BEI. 4) How big is the effect of capital structure on financial performance on public listed companies listed on BEI. 5) How big is the effect of dividend policy on financial performance on Companies going public listed on BEI.

Relationship Decision Investment with Capital Structure

Research conducted by Khanqah (2013) on the relationship between investment decisions and financing decisions (capital structure) found that under conditions of low uncertainty there is a positive relationship between investment decisions and funding decisions. Franklin and Muthusamy (2011) conducted research on the impact of funding decisions (capital structure) on corporate investment decisions. The research concludes that financial leverage has a positive effect on investment level.

Relationship of Investment Decisions with Dividend Policy

Investment decisions are provisions made by the company in spending the funds it has in the form of certain assets in the hope of gaining profit in the future (Nahdiroh, 2013). Companies that choose to take advantage of investment opportunities will use some of the proceeds from retained earnings to invest. The choice will affect the dividend policy to be taken by the company. A study by Samuel and Gbegi (2010) on dividend policy, liquidity constraints and corporate investment in Nigeria concluded that investment decisions have a positive effect on dividend policy.

Relationship Decision Investment with Company Size

Research conducted by Yuko Kinoshita (2008) on the relationship of investment decisions with firm size resulted in the conclusion that in a country in this case the Japanese state that the company or investor when will take investment decisions then the benchmark is the size of the company. Different company sizes will affect investment decisions. In line with Yuko Kinoshita, research conducted by Almas Heshmati and Hans Lööf (2008) resulted in a positive relationship between investment decisions and firm size, the larger the size of the firm will increase the investor to invest as it is considered to be profitable.

Relationship of Capital Structure to Company Size

Firm size is one of the things that companies consider in determining their debt policy (Marjohan, 2014). Big companies among them have the advantage of activity as well as better known by the public compared with small companies so that the needs of large corporate debt will be higher than small companies. The results of many studies conclude that firm size is an important factor in determining capital structure, and many studies have found that large companies use more debt than small firms (Chen and Strange, 2006). This is because the larger the company, the more have a more stable cash flow, which can reduce the risk of using debt.

Relationship of Dividend Policy to Company Size

Denis and Osobov (2008), in their study of six major countries, namely the United States, Britain, Canada, Germany, France and Japan, found that one of the determinants of dividend payout was firm size. Damodaran (2014) states that established companies will have excess funds so that they do not have a serious problem if they have to divide most of the profits earned in the form of dividends, it is

even possible that the company took a policy by buying back its shares in market (outstanding stocks).

Influence of Investment Decision on Financial Performance

Investments by companies often provide opportunities for companies to increase their competitive advantage. Investment opportunities made with the right consideration can further improve the performance of the company. Conversely, investment opportunities that are not utilized properly will actually cause losses (decreased performance) for the company. In contrast to the results of Soejono (2010) study which states investment decisions have no effect on the performance of the company. Dewi and Suardana (2015) in his research found that investment decisions affect the value of the company through financial performance.

Effect of Capital Structure on Financial Performance

To make an investment, it takes a certain amount of funds, so that the funding decision (capital structure) becomes an integral part of the company. The company's funding decision concerns decisions about the form and composition of funding to be used by the company (Husnan, 2010). Mahmoudi et al (2013) found that there was a significant negative relationship between capital structure and firm performance in low-performance firms. Research Mireku et al (2014: 151-160) proves that the capital structure of the company affects the financial performance of their company. Instead Petersen and Rajan (2009) found a positive and significant relationship between profitability and debt ratios in studies designed for investigate the relationship.

Influence of Dividend Policy on Financial Performance

According Rozeff in Rahmadhana and Yendrawati (2012: 25-36), dividends contain information or as a cue to the prospect of the company. If the company increases the dividend payout, it can be interpreted by investors as a sign of management's

expectation about the future performance of the company. The agency theory Jensen and Meckling (2007) argue that dividends will reduce the conflict between agents and principals. According to Rozeff (2008), dividends can be used to reduce equity agency costs.

The Influence of Company Size on Financial Performance

Huang in Isbanah (2015: 28-41) and Talebria et al. (2010) in their study also found that there was no effect of firm size on financial performance. While in Lin (2006) and Wright et al. (2009) found that firm size had a positive effect on financial performance. Odalo et al. (2016: 34-40) in his research found that firm size has a positive and significant effect on financial performance.

Influence of Financial Performance on Corporate Value

Many studies examining the effect of financial performance on the value of the company include Ervinta and Zaroni (2013) stating that the better the financial performance will be reflected in the amount of EVA. A positive EVA means that the company's management has managed to maximize the company's value and the company's financial performance has increased. The improved financial performance will be in line with the increase in corporate profits. The greater the company's profit, the dividend to be distributed to shareholders also tends to increase. This will attract investors to invest in companies that have a positive EVA value so that the company's stock price will increase. Similarly, according to Chandra (2006: 389) research results show the value of the company will be more increased again if the company's financial performance can also increase.

Hypothesis

H1: There is influence of investment decision on financial performance

H2: There is influence of capital structure to financial performance

H3: There is influence of dividend policy on financial performance

Methods

This research uses a kind of causal quantitative research. Sugiyono (2013: 37) states quantitative causal useful to analyze variables with other variables or how a variable affects other variables. This research is included in the type of explanatory research, i.e. research that explains the position of the variables studied and the relationship between one variable with another variable (Umar, 2005: 173).

This research uses descriptive research type and verification research by using quantitative approach. Descriptive research is a type of research that aims to provide a more detailed description of certain symptoms or phenomena. Verificative research is a type of research that aims to test a theory or the results of previous research, so obtained results that strengthen or abort theory or the results of previous research.

This study aims to determine the effect of investment decisions, capital structure, dividend policy and firm size on financial performance and its implications on firm value using Structural Equation Model (SEM). This model is expected to result in a more comprehensive analysis of the impact of investment decisions, capital structure, dividend policy and firm size on the financial performance of the company go public and the influence of one variable on other variables directly or indirectly. Besides, we want to know the implication of financial performance to company value in company go public in Bursa Efek Indonesia in 2011-2014. By using the target population of 513 companies and a sample of 315 companies going public in Indonesia Stock Exchange obtained the following research conclusions.

Results and Discussion

Investment Decision Measurement indicates that the value of loading factor, investment decision indicator shows that market to book assets ratio and Earning to Price Ratio is the most powerful indicator in explaining investment decision variable

because it has loading factor 0.847 and 0.826. The subsequent sequence of capital expenditure to book value of assets ratio, current assets to total assets ratio and total assets growth.

Measurement of Capital Structure shows that the loading factor of capital structure indicator according to the rule of thumb is very meaningful and significant explain the variable of company's capital structure, that is having the loading factor above the value of 0,50, each starting from the strongest order book debt to equity a ratio of 0.851, book debt to assets ratio of 0.687, long term debt to equity ratio of 0.581 and market debt equity ratio with a factor loading rate of 0.503. Measurement of Dividend Policy.

The Dividend Policy Measurement shows that the second factor load factor of the dividend policy indicator shows the value of 0.755 for dividend yield and 0.576 for the dividend payout ratio above the value > 0.50, meaning that the dividend yield and dividend pay out ratio are strong and very meaningful in forming latent variables dividend policy.

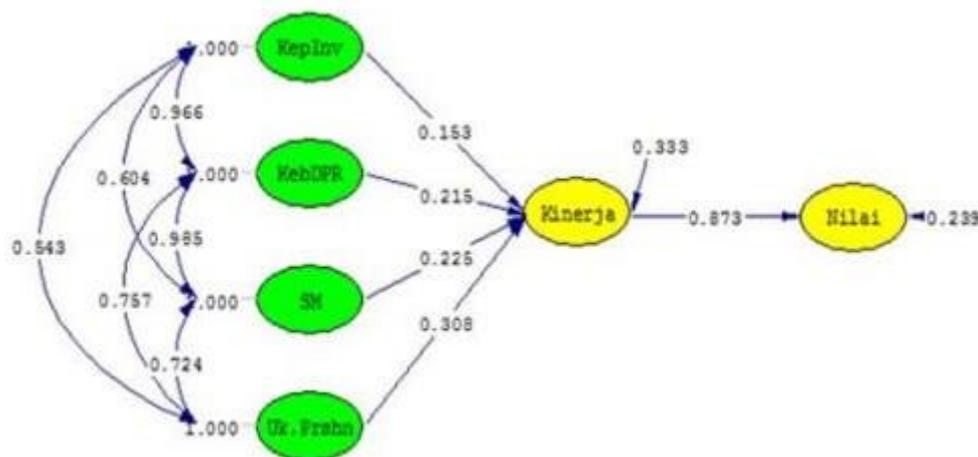
Financial Performance Measurement shows that the loading factor as a result of measurement using LISREL, shows that return on total assets with loading value of 0.831 has a very significant influence in measuring latent variable of company performance. Value loading over +0.50 is said to be very meaningful (Bachrudin & Tobing in Hasnawati & Sawir, 2015). Similarly, basic earning power indicator with loading value of 0.735 is very meaningful in measuring latent variable of company performance. From Structural Model 1 it is found that investment decision, Dividend policy, Capital Structure, firm size have significant effect to financial performance either simultant or partially. Based on the results of data processing Lisrel program 8.7 for structural model 1, in accordance with the proposed hypothesis is as follows:

$$\text{Performance} = 0.153 * \text{KepInv} + 0.225 * \text{SM} + 0.215 * \text{KebDiv}, (0.0704) (0.0858) \\ (0.0827)$$

2,169 2,619 2,597 4,487

The direct influence of investment decision variables on financial performance is 2.34%. While the indirect effect of 7.82%, namely through dividend policy variables, and capital structure. The indirect effect of investment decisions on financial performance is greater than its direct impact. This indicates that the company's performance can not only be influenced by investment decisions but must be supported by other variables, so that the direct and indirect influence of investment decision on financial performance is 10.16%.

Figure 1 Result Analysis



The direct influence of dividend policy variable on financial performance is 4.62%. While the indirect effect of 12.96%, namely through investment decision variables and capital structure, so that the direct and indirect influence of dividend policy on financial performance of 17.58%. The direct influence of capital structure variable on financial performance is 5.06%. While the indirect effect of 11.86%, namely through investment decision variables and dividend policy, so that the direct and indirect influence of capital structure to financial performance of 16.92%.

Based on the result, the influence of Investment Decision, Dividend Policy and Capital Structure to the biggest Financial Performance is a dividend policy variable of 17.58%. So, it can be seen that all variables are interdependent to improve a

company's financial performance. In addition to the above three variables are still many variables that give effect to the financial performance because based on the influence outside the model, that is equal to 0.333, meaning that the financial performance is influenced by variables outside the research model of 33.3%.

Partial Test Results of Investment Decision on Financial Performance for Investment Decision Coefficient on Financial Performance of 0.153, obtained by t-count 2,169 by taking the level of significance α of 5%, then the value of t table or $t_{0,05,1260} = 1.972$, so because t-count = 2.169 greater than t-table = 1.972, then H_0 rejected or in other words Investment Decisions affect the Financial Performance with the coefficient of the path of 0.153 so that any increase in investment decisions it will improve the financial performance of 0.153.

Based on the calculation, for the coefficient of Dividend Policy path to Financial Performance of 0.215, obtained the value of t count of 2.597 by taking the level of significance α of 5%, then the value of t table or $t_{0,05,1260} = 1.972$, so because t count = 2.597 larger than t-table = 1.972, then H_0 is rejected or in other words Dividend Policy Payout Ratio effect on Financial Performance with path coefficient of 0,215 so that every increase of policy of dividend Payout Ratio hence will improve financial performance equal to 0,215.

Based on the calculation, for the coefficient of capital structure path to the Financial Performance of 0.225, obtained t-count of 2,619 by taking the level of significance α by 5%, then the value of t table or $t_{0,05,1260} = 1.972$, so that because t-count = 2.619 larger than t-table = 1.972, then H_0 rejected or in other words the capital structure effect on Financial Performance with the coefficient of the path of 0.225 so that each increase in capital structure will improve the financial performance of 0.225.

The results showed investment decisions have a direct influence on financial performance as positive as 2.34%. While the indirect effect of 7.82% is through capital structure, dividend policy and firm size. These results are supportive and consistent with the opinions expressed by Sincar et al (2000) and Dewi & Suardana (2015). The indirect effect of investment decisions on financial performance is greater than its

direct impact. This indicates that financial performance can not only be influenced by investment decisions but must be supported by other variables.

The direct influence of capital structure variable on financial performance is 5.06%. While the indirect effect of 11.86%, namely through investment decision variables, dividend policy and firm size. The indirect effect of capital structure on financial performance is greater than its direct influence. This conclusion supports Myers (1977), Modigliani & Miller (1963), De Angelo & Masulis (1980), Masulis (1980), Bradley et al (1984), and Park & Evan (1996). The study also supports previous research by Peersen and Rajan (1994) who say that there is a positive and significant relationship between profitability and debt ratio and firms can use more debt to improve their financial performance because debt ability causes managers to increase productivity to avoid bankruptcy (Champion, 1999).

The direct influence of dividend policy variable on financial performance is 4.62%. While the indirect effect of 12.96%, namely through investment decision variables, capital structure and firm size.

The indirect effect of dividend policy on financial performance is greater than its direct influence. The results of this study support Pettit (1972) and Rozeff (1982), that an increase in dividend payments is interpreted as a management belief in improved outlook and financial performance. If the company increases dividend payout then it is interpreted as a sign of management's expectation about the company's performance improvement in the future. While Pramastuti (2007), if the management decides to divide the dividends, he must have confidence that his company will have good profitability in the future. From the investor's point of view, one important indicator for assessing the future prospects of a company is to look at the dividends paid.

The direct effect of firm size on financial performance is 9.49%. While the indirect effect of 12.59%, namely through investment decisions, dividend policy and capital structure. The indirect effect of firm size on financial performance is greater than its direct impact. The results of this study support Lin (2006) and Wright et al (2009) and

Odalo et al (2016: 34-40) which found that firm size has a positive and significant effect on financial performance.

Conclusion

Investment decisions as measured by Total assets growth, Market to book assets ratio, earning to price ratio, Capital expenditure to book value assets ratio, Current assets to total assets ratios, in public listed companies listed on the Stock Exchange experienced various fluctuations. Based on the result of loading factor shows that investment decision by using indicator of Market to book assets ratio able to give bigger contribution compared to other indicator. The capital structure measured by the Book Debt to Equity Ratio, Book Debt to the Asset Ratio, Long Term Debt to Equity Ratio, Market Debt Equity Ratio, shows that the capital structure of listed companies listed on the Stock Exchange is fluctuating. Based on the loading factor book debt to equity ratio has the most powerful influence in capital structure. Dividend policy, measured by dividend payout ratio and dividend yield, indicates that the dividend policy of listed companies listed on the Indonesia Stock Exchange is fluctuating. Based on the results of the factor dividend yield loading appears more meaningful than the dividend payout ratio.

The financial performance of the company go public in Indonesia is measured properly through the two indicators, namely return on total assets and basic earnings power indicates that the financial performance of listed companies listed on the BEI fluctuate varies. The return dimension on total assets has the highest percentage compared to basic earning power. Investment decisions, have an effect on the financial performance of listed companies listed on the BEI of 10.16%. The better the investment decision, it will improve the financial performance in the public listed company listed on the BEI. The capital structure has an effect on the financial performance of listed companies listed on the BEI of 16.92%. The better the capital structure, it will improve the financial performance in the listed companies listed on the BEI. A good capital structure is with a balanced debt and equity composition. Dividend policy has an effect on the financial performance of listed companies listed on the BEI

by 17.58%. The better the investment policy, it will improve the financial performance in the public listed companies listed on the BEI.

Referring to the results of research and usefulness of the results of this study, it is advisable:

- 1) Research on external factors that impact on financial performance needs to be considered, considering that external factors have not been included in modeling such as inflation rate, economic growth, currency exchange rate, politics, or industrial development. In addition, consideration should be given to the application of good corporate governance (GCG) by a public company to its financial performance and value decisions.
- 2) Conducting research with the category of go public companies that are on the main board and development board. In addition it needs to be studied also whether in crisis and normal economic conditions provide the same conclusion.
- 3) Further research can use other indicators that make up the latent variables of investment decisions, capital structure, dividend policy and financial performance.
- 4) For Companies go public, the results of this study can be used as a consideration, that the investment decision, capital structure, dividend policy and company size together have a considerable influence on financial performance and financial performance affect the value of the company, as well as if done separately. Therefore, it should be noted that related to investment decisions, capital structure, dividend policy and firm size because one action taken will have a direct or indirect impact on financial performance and implicate the value of the company.
- 5) For capital market players, especially investors, analysts, and related to investment in capital market. The results of this study have shown that the fundamental factors of the company especially dividend policy have a big influence on the financial performance of the company. Therefore, any investment decision in the capital market must still refer to fundamental analysis not based on rumor or unreasonable approach.

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ANALISIS PERAN KUALITAS AUDIT, AUDIT DELAY, DAN AUDIT TENURE TERHADAP FEE AUDIT INDUSTRI PERBANKAN YANG TERDAFTAR DI BURSA EFEK INDONESIA PERIODE 2012-2016

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Abstrak

Perusahaan Perbankan sebagai industri yang berperan dalam pasar modal dan lembaga keuangan dituntut untuk memperbaiki kinerja perusahaannya dalam menjalankan aktivitas operasionalnya yang dapat dilihat dari kebijakan penentuan fee audit menjadi salah satu aspek mutu terhadap kualitas audit, audit delay, dan audit tenure pada industri perbankan tersebut. Tujuan dilakukannya penelitian ini adalah untuk menguji dan menganalisis peran kualitas audit, audit delay, dan audit tenure terhadap penerimaan *fee audit* pada industri perbankan yang terdaftar di BEI periode 2012-2016. Metode penelitian ini menggunakan analisis regresi linier berganda (OLS) dengan menggunakan eviews 9.0. Secara simultan hasil penelitian dengan pengujian Hipotesis menunjukkan bahwa kualitas audit, audit delay dan audit tenure secara simultan berpengaruh positif dan signifikan terhadap fee audit. Pengujian hipotesis

secara parsial menunjukkan bahwa (i) kualitas audit berpengaruh positif dan signifikan, (ii) audit delay berpengaruh negatif dan signifikan, (iii) sedangkan audit tenure tidak berpengaruh signifikan. Nilai koefisien determinasi (R^2) adalah 0.725 berarti 72,5% variasi variabel fee audit (Y) dapat dijelaskan oleh variasi variabel kualitas audit (X_1), audit delay (X_2), dan audit tenure (X_3). Sisanya 27,5% merupakan sisanya variabel yang dijelaskan di luar dalam penelitian ini.

Kata Kunci: Kualitas Audit, Audit Delay, Audit Tenure, Fee Audit, OLS

Pendahuluan

Perusahaan-perusahaan besar yang sudah *go public* sangat membutuhkan sektor perbankan guna melancarkan kegiatan transaksi keuangan perusahaan. Hal ini mengakibatkan meningkatnya keperluan akan informasi laporan keuangan. Oleh sebab itu, sangat dibutuhkan profesi akuntan untuk mengetahui keadaan perusahaan apakah dalam kondisi baik dengan melakukan audit atas laporan keuangan. Kualitas pemeriksaan atas laporan keuangan berupa opini audit yang menggambarkan keadaan perusahaan tersebut.

Tandiontong (2016:80), menyebutkan bahwa kualitas audit (*quality audit*), dimaknai sebagai probabilitas seorang auditor dalam menentukan dan melaporkan suatu kekeliruan atau penyelewengan yang terjadi dalam suatu sistem akuntansi klien.

Ketepatan waktu mempublikasikan laporan keuangan perusahaan dapat meningkatkan fungsi dari informasi yang dihasilkan untuk dasar pengambilan keputusan untuk para investor dan calon investor. Panjangnya waktu penyampaian laporan keuangan akan menurunkan nilai kegunaan informasi laporan keuangan. Proses penyelesaian audit dapat diukur dengan menghitung jarak antara tanggal laporan keuangan sampai tanggal diterbitkannya laporan audit. Keterlambatan hasil laporan keuangan biasanya dapat terjadi karena waktu yang dibutuhkan dalam mengaudit laporan keuangan suatu perusahaan sangat panjang akan membuat semakin tingginya fee audit yang dikeluarkan oleh perusahaan.

Audit tenure merupakan jangka waktu perikatan yang terjalin antara Kantor Akuntan Publik (KAP) dengan audite yang sama (Werastuti,2013). Sedangkan, Wakum (2014), hasil penelitiannya menyatakan bahwa hilangnya independensi seorang auditor karena kedekatan yang berlebihan antara auditor dengan perusahaan

terkait sebagai akibat masa perikatan audit yang panjang telah membawa dampak pada terjadinya kasus manipulasi keuangan tersebut.

Akuntan publik bertanggung jawab untuk menambah tingkat kepercayaan laporan keuangan perusahaan, sehingga masyarakat dapat memperoleh informasi laporan keuangan yang terpercaya guna dasar pengambilan keputusan. Auditor yang independen dapat dikaitkan dengan *audit tenure* dalam melakukan pengauditan antara KAP dengan perusahaan klien. Masa perikatan yang panjang dapat dianggap sebagai tolak ukur peningkatan/penurunan pendapatan (*fee*) dalam pelaksanaan pengauditan.

Besaran *fee* yang diterima auditor dalam setiap pekerjaan dapat memberikan pengaruh pada proses audit. Auditor yang berkualitas biasanya membuat lebih sedikit kesalahan iki jam terbang dan pengalaman yang lebih banyak sehingga *fee* audit yang diterima akan lebih tinggi dari auditor yang belum terjamin kualitasnya. Suatu perusahaan tidak akan menggunakan auditor yang berkualitas baik dengan *fee* yang tinggi jika kondisi perusahaan sedang tidak dalam keadaan baik.

Menurut Al-Khaddash et al (2013), biaya audit berarti semua biaya yang dibayarkan perusahaan kepada auditor terhadap jasa audit dan bukan jasa audit, contohnya penasehat manajemen dan konsultan. Biaya audit terutama terdiri dari upah dan tunjangan tenaga kantor dan lapangan, biaya perjalanan dan biaya lainnya yang diperlukan untuk audit dan kegiatan pendukung yang terkait.

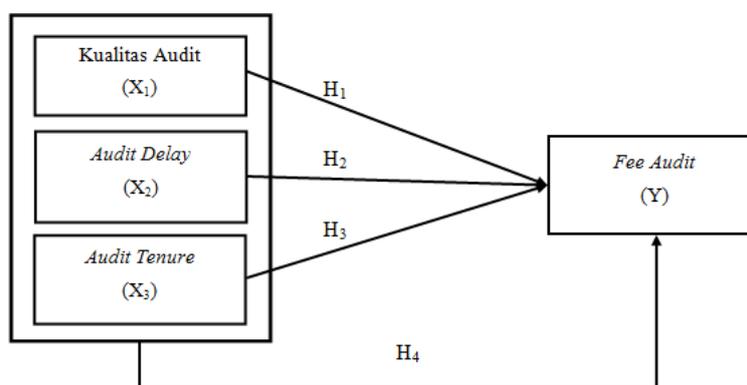
Sedangkan Pramesti dan Wiratmaja (2017) menyatakan bahwa *Fee audit* adalah biaya audit atau besaran jasa audit yang dikeluarkan oleh pihak penerima jasa (klien) kepada pihak pemberi jasa (auditor), sebagai tanggung jawab penerima jasa atas hasil kerja pemberi jasa (auditor).

Dengan kualitas yang rendah dan *fee* yang tinggi akan mempengaruhi tingkat kepercayaan informasi-informasi perusahaan tersebut. Penyebabnya itu tidak adanya sikap independensi/profesionalisme dari pihak auditornya atau adanya ketidaklengkapan data-data perusahaan sehubungan dengan pengauditan. Terjadinya keterlambatan publikasi laporan keuangan dapat menyebabkan manfaat dari informasi semakin berkurang dan tidak akurat. Hal itu disebabkan oleh karena adanya hubungan kedekatan antara klien dengan auditor. Itu akan mengakibatkan

timbulnya kecurigaan dan menyebabkan berkurang relevansi laporan keuangan perusahaan klien tersebut.

Berikut disajikan tabel di bawah ini beberapa perusahaan perbankan yang menggambarkan *fee audit*, *audit delay* dan *audit tenure* terhadap kualitas audit periode 2012-2016.

Kerangka pemikiran teoritis dalam penelitian ini dapat digambarkan sebagai berikut:



Keterangan:

H1 : Kualitas Audit berpengaruh positif terhadap *Fee Audit* pada perbankan yang terdaftar di BEI periode 2012-2016.

H2 : *Audit Delay* berpengaruh positif terhadap *Fee Audit* pada perusahaan perbankan yang terdaftar di BEI periode 2012-2016.

H3 : *Audit Tenure* berpengaruh terhadap *Fee Audit* pada perusahaan perbankan yang terdaftar di BEI periode 2012-2016.

Metode penelitian

Peneliti melakukan penelitian pada perusahaan perbankan yang terdaftar di BEI pada periode 2012-2016 yang mempublikasikan laporan tahunan dari *website* Bursa Efek Indonesia. Penelitian ini menggunakan data sekunder dengan jenis data runtun waktu (time series) yang menggunakan kuantitatif data berupa kuantitas, nomor, pengukuran dan statistik (Mustari, 2012:37).

Pendekatan penelitian yang digunakan penelitian ini adalah penelitian kuantitatif dengan hipotesis yang bertujuan untuk menguji/menganalisis pengaruh kualitas audit,

audit delay dan audit tenure terhadap *fee audit*. Menurut Sugiyono (2016 : 08), Penelitian kuantitatif merupakan metode penelitian yang digunakan untuk meneliti populasi atau sampel tertentu, teknik pengambilan dilakukan secara random dan pengumpulan data dengan instrumen penelitian, analisis data bersifat kuantitatif/statistik guna menguji hipotesis yang telah ditetapkan.

Populasi penelitian ini adalah perusahaan perbankan yang terdaftar di BEI Pada Periode 2012-2016 berjumlah 43 perusahaan. Kriteria sampel dalam penelitian ini adalah :

1. Perusahaan perbankan yang terdaftar di Bursa Efek Indonesia pada Periode 2012-2016.
2. Perusahaan yang mempublikasikan laporan tahunan (*annual report*) secara berturut-turut selama Periode 2012-2016.
3. Perusahaan yang menampilkan *professional fees* selama Periode 2012-2016.

Dari hasil penelitian berdasarkan kriteria diatas, maka didapatkan sampel sebanyak 22 perusahaan.

Penelitian ini menggunakan model teknik analisis data regresi linear berganda. Uji dalam penelitian ini dilakukan dengan menggunakan uji simultan (F-test) dan uji parsial (t-test) untuk mengetahui pengaruh antar variabel. Adapun fungsi dan persamaan dari regresi linear berganda tersebut adalah sebagai berikut :

$$FEE = f(KUALITAS, DELAY, TENURE)$$

Selanjutnya fungsi di atas dispesifikasi kedalam model estimasi dengan menggunakan model regresi linear berganda, yaitu: Persamaan regresi linier berganda dapat dirumuskan sebagai berikut:

$$FEE = \beta_0 + \beta_1 KUALITAS + \beta_2 DELAY + \beta_3 TENURE + e_i \dots (1)$$

Dimana:

- FEE : *Fee audit* adalah besaran fee anggota yang dapat bervariasi
KUALITAS : Kualitas audit adalah proses pemeriksaan sistematis mutu
DELAY : *Audit delay* adalah semakin panjang waktu penyelesaian audit

TENURE : *Audit tenure* adalah jangka waktu perikatan yang terjalin
ei : term of error

Untuk mengurangi human error, digunakan program komputer yang dibuat khusus untuk membantu pengolahan data statistik, yaitu program Eviews 9.0 dengan tingkat signifikansi pada level of confidence 95 persen atau $\alpha = 0.05$.

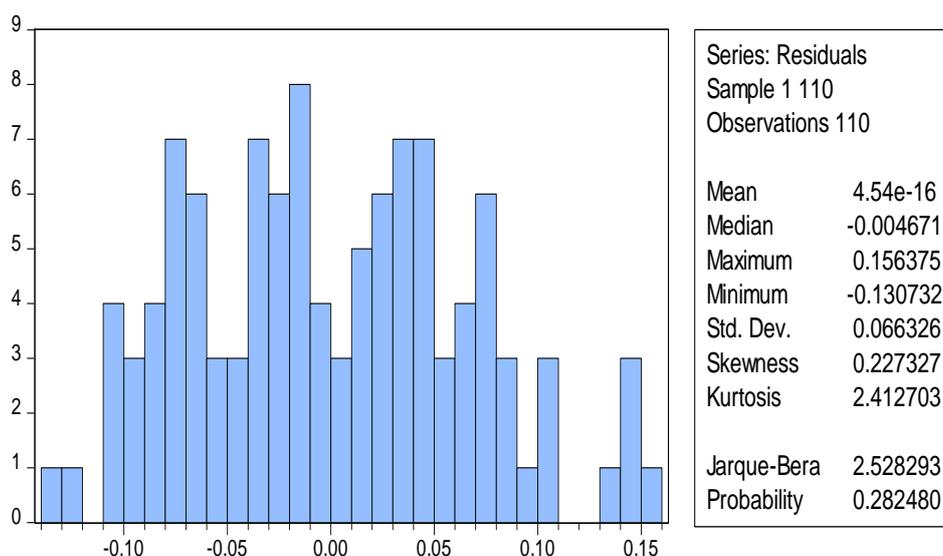
Hasil penelitian

Uji Asumsi Klasik

Diperlukan uji asumsi klasik untuk melakukan analisis regresi berganda. Pengujian tersebut dilakukan untuk menghindari atau mengurangi bias atas hasil penelitian yang diperoleh. Pengujian asumsi klasik yang digunakan dalam penelitian ini meliputi uji normalitas, uji multikolinearitas, uji autokorelasi (Erlina, 2011:102)

Uji Normalitas

Uji normalitas yang dimaksud dalam asumsi klasik pendekatan OLS adalah (data) residual yang dibentuk model regresi linier terdistribusi normal, bukan variabel bebas ataupun variabel terikatnya. Pengujian terhadap residual terdistribusi normal atau tidak dapat menggunakan Jarque-Bera Test.



Uji Normalitas banyak sekali macamnya, antara lain: lilliefors, kolmogorov smirnov, shapiro wilk dan shapiro francia, skewness kurtosis, jarque bera, dan lain-lain.

Keputusan terdistribusi normal tidaknya residual secara sederhana dengan membandingkan nilai Probabilitas JB (Jarque-Bera) hitung dengan tingkat alpha 0,05 (5%). Hasil uji normalitas residual di atas adalah: nilai jarque bera sebesar 2.528293 dengan prob. value JB hitung sebesar 0,282480 dimana $> 0,05$ sehingga dapat disimpulkan bahwa residual terdistribusi normal yang artinya asumsi klasik tentang kenormalan telah terpenuhi.

Heterokedastisitas

Heteroskedastisitas terjadi pada saat residual dan nilai prediksi memiliki korelasi atau pola hubungan. Pola hubungan ini tidak hanya sebatas hubungan yang linier, tetapi dalam pola yang berbeda juga dimungkinkan.

Heteroskedasticity Test: White

F-statistic	0.977155	Prob. F(8,101)	0.4583
Obs*R-squared	7.902207	Prob. Chi-Square(8)	0.4431
Scaled explained SS	5.183173	Prob. Chi-Square(8)	0.7378

Terjadi atau tidaknya heteroskedastisitas pada model regresi linier dapat dilihat dari Nilai Prob. F-statistic (F hitung). Apabila nilai Prob. F hitung lebih besar dari tingkat alpha 0,05 (5%) maka H0 diterima yang artinya tidak terjadi heteroskedastisitas, sedangkan apabila nilai Prob. F hitung lebih kecil dari dari tingkat alpha 0,05 (5%) maka H0 ditolak yang artinya terjadi heteroskedastisitas.

Nilai Prob. F hitung sebesar $0,4583 > 0,05$ sehingga, berdasarkan uji hipotesis, H0 diterima yang artinya tidak terjadi heteroskedastisitas.

Multikolinearitas

Uji Multikolinieritas digunakan untuk menguji apakah terdapat korelasi atau hubungan yang kuat antar variabel bebas dalam suatu model regresi. Model regresi yang baik

adalah model regresi yang tidak terjadi multikolinieritas atau korelasi antar variabel. Pengujian multikolinieritas dalam penelitian ini dilihat dari nilai *Tolerance* dan *Variance Inflation Factor* (VIF). Kriteria uji ini adalah, jika nilai *Tolerance* $\leq 0,10$ atau nilai VIF ≥ 10 , maka terjadi multikolinieritas antar variabel independen.

Covariance Analysis: Ordinary
Date: 11/15/18 Time: 02:28
Sample: 1 110
Included observations: 110

Covariance Correlation	LNDELAY	LN FEE	LN KUALITAS	LN TENURE
LNDELAY	0.220301 1.000000			
LN FEE	-0.020171 -0.525366	0.006691 1.000000		
LN KUALITAS	-0.072221 -0.488768	0.012660 0.491615	0.099108 1.000000	
LN TENURE	-0.008600 -0.071240	0.001454 0.069100	0.012816 0.158283	0.066149 1.000000

Hasil uji multikolinieritas, dapat dilihat nilai VIF untuk variabel DELAY 0.220301, FEE 0.006691, KUALITAS 0.099108 dan TENURE 0.066149. Karena nilai VIF dari ketiga variabel tidak ada yang lebih besar dari 10 maka dapat dikatakan tidak terjadi multikolinieritas pada ketiga variabel bebas tersebut. Berdasarkan syarat asumsi klasik regresi linier dengan OLS, maka model regresi linier yang baik adalah yang terbebas dari adanya multikolinieritas.

Autokorelasi

Guna memastikan apakah model regresi linier terbebas dari autokorelasi, dapat menggunakan metode *Brusch-Godfrey* atau LM (*Lagrange Multiplier*) Test.

Dependent Variable: LN FEE
Method: ARMA Maximum Likelihood (OPG - BHHH)
Date: 11/05/18 Time: 16:49
Sample: 2012 2121
Included observations: 110
Convergence achieved after 13 iterations
Coefficient covariance computed using outer product of gradients

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.250915	0.064380	50.49562	0.0000
LNAUDIT	-0.032140	0.013043	-2.464179	0.0154
LNKUALITAS	0.129478	0.017851	7.253242	0.0000
LNTENURE	0.009908	0.014659	0.675907	0.5006
AR(1)	0.771761	0.068145	11.32524	0.0000
SIGMASQ	0.001838	0.000203	9.056570	0.0000
R-squared	0.725291	Mean dependent var		3.191127
Adjusted R-squared	0.712084	S.D. dependent var		0.082173
S.E. of regression	0.044092	Akaike info criterion		-3.343831
Sum squared resid	0.202190	Schwarz criterion		-3.196532
Log likelihood	189.9107	Hannan-Quinn criter.		-3.284086
F-statistic	54.91648	Durbin-Watson stat		1.886879
Prob(F-statistic)	0.000000			
Inverted AR Roots	.77			

Nilai statistik durbin-watson telah mengindikasikan model telah terkoreksi dari masalah autokorelasi yang diperoleh dari kondisi yang ideal (*white noise*) dari model AR(1) sebesar 1,886879. Nilai DW sebesar 1,886879 > 0,05 sehingga, berdasarkan uji hipotesis, H0 diterima yang artinya tidak terjadi autokorelasi.

Nilai tersebut adalah nilai Durbin Watson (DW) Hitung yang bisa anda bandingkan dengan nilai DU dan DL pada tabel Durbin Watson. Kesimpulannya: Jika nilai DW > DU dan nilai (4-DW) > DU, maka dinyatakan tidak ada masalah autokorelasi, baik autokorelasi positif maupun negatif.

Uji Hipotesis

- 1) Koefisien Determinasi (R²) untuk menentukan apakah model regresi cukup baik digunakan, maka ditetapkan melalui koefisien determinasi. Nilai adjusted R² dapat naik atau turun apabila satu variabel independen ditambahkan ke dalam model regresi (Ghozali, 2006:87).
- 2) Uji Statistik F pada dasarnya menunjukkan apakah semua variabel independen yang dimasukkan dalam model mempunyai pengaruh secara simultan terhadap variabel dependen.

- 3) Uji Statistik t pada dasarnya menunjukkan seberapa jauh satu variabel independen secara individual atau parsial dapat menerangkan variasi variabel terikat.

Dependent Variable: LNFEET
 Method: Least Squares
 Date: 11/05/18 Time: 16:18
 Sample: 2012 2121
 Included observations: 110

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.418785	0.073343	46.61374	0.0000
LNDELAY	-0.065268	0.015661	-4.167446	0.0001
LNKUALITAS	0.080447	0.023588	3.410521	0.0009
LNTENURE	-0.002094	0.025253	-0.082940	0.9341
R-squared	0.348508	Mean dependent var		3.191127
Adjusted R-squared	0.330069	S.D. dependent var		0.082173
S.E. of regression	0.067258	Akaike info criterion		-2.524872
Sum squared resid	0.479507	Schwarz criterion		-2.426673
Log likelihood	142.8680	Hannan-Quinn criter.		-2.485042
F-statistic	18.90112	Durbin-Watson stat		0.533524
Prob(F-statistic)	0.000000			

Sumber : Data Sekunder Diolah 2018

Hasil uji F dapat dilihat Nilai prob. F (Statistic) sebesar 0,0000 lebih kecil dari tingkat signifikansi 0,05 sehingga dapat disimpulkan bahwa model regresi yang diestimasi layak digunakan untuk menjelaskan pengaruh kualitas audit, audit delay, kualitas audit, audit tenure terhadap fee audit industri perbankan yang terdaftar di Bursa Efek Indonesia. Itu artinya hipotesis H4 dapat diterima.

Hasil Uji Parsial (t) dapat dilihat pada nilai prob. t hitung (ditunjukkan pada Prob.) lebih kecil dari tingkat kesalahan (alpha) 0,05 (yang telah ditentukan) maka dapat dikatakan bahwa variabel bebas berpengaruh signifikan terhadap variabel terikatnya, sedangkan apabila nilai prob. t hitung lebih besar dari tingkat kesalahan 0,05 maka dapat dikatakan bahwa variabel bebas tidak berpengaruh signifikan terhadap variabel terikatnya.

- a. Kualitas Audit. Dari hasil regresi, nilai koefisien adalah 0.0009 dimana variabel tersebut berpengaruh signifikan terhadap fee audit industri perbankan yang terdaftar di Bursa Efek Indonesia Hal ini ditunjukkan dengan nilai thitung = 0.080447 dan nilai probability sebesar 0.0009 (di bawah $\alpha = 5\%$ atau 0.05). Hal ini menunjukkan bahwa hubungan antara kualitas audit dengan fee audit adalah positif dan signifikan. Sehingga dapat dikatakan bahwa jika nilai kualitas audit mengalami kenaikan maka fee audit akan mengalami kenaikan. Oleh sebab itu variabel kualitas audit terbukti berpengaruh secara positif dan signifikan terhadap fee audit, maka hipotesis (H1) diterima.
- b. Audit Delay. Hasil Uji Parsial (t) dapat dilihat apabila nilai prob. t hitung (ditunjukkan pada Prob.) lebih kecil dari tingkat kesalahan (alpha) 0,05 (yang telah ditentukan) maka dapat dikatakan bahwa variabel bebas berpengaruh signifikan terhadap variabel terikatnya, sedangkan apabila nilai prob. t hitung lebih besar dari tingkat kesalahan 0,05 maka dapat dikatakan bahwa variabel bebas tidak berpengaruh signifikan terhadap variabel terikatnya. Dari hasil regresi, nilai koefisien untuk variabel pendapatan perkapita adalah 0.0001 dimana variabel tersebut berpengaruh signifikan terhadap fee audit industri perbankan yang terdaftar di Bursa Efek Indonesia. Hal ini ditunjukkan dengan nilai thitung = -0.065268 dan nilai probability sebesar 0.0001 (di bawah $\alpha = 5\%$ atau 0.05). Hal ini menunjukkan bahwa hubungan antara audit delay dengan fee audit adalah negatif dan signifikan. Sehingga dapat dikatakan bahwa jika nilai audit delay mengalami penurunan maka fee audit akan mengalami kenaikan. Oleh sebab itu variabel audit delay terbukti berpengaruh secara negatif dan signifikan terhadap fee audit, maka hipotesis (H1) diterima.
- c. Audit Tenure. Hasil Uji Parsial (t) dapat dilihat apabila nilai prob. t hitung (ditunjukkan pada Prob.) lebih kecil dari tingkat kesalahan (alpha) 0,05 (yang telah ditentukan) maka dapat dikatakan bahwa variabel bebas berpengaruh signifikan terhadap variabel terikatnya, sedangkan apabila nilai prob. t hitung lebih besar dari tingkat kesalahan 0,05 maka dapat dikatakan bahwa variabel bebas tidak berpengaruh signifikan terhadap variabel terikatnya. Dari hasil regresi, nilai koefisien untuk variabel pendapatan perkapita adalah 0.9341

dimana variabel tersebut tidak berpengaruh signifikan terhadap fee audit industri perbankan yang terdaftar di Bursa Efek Indonesia. Hal ini ditunjukkan dengan nilai thitung = -0.002094 dan nilai probability sebesar 0.9341 (di bawah $\alpha = 5\%$ atau 0.05). Hal ini menunjukkan bahwa hubungan antara audit tenure dengan fee audit adalah negatif dan tidak signifikan. Sehingga dapat dikatakan bahwa jika nilai audit tenure mengalami penurunan maka fee audit tidak akan berpengaruh terhadap kenaikan.

- d. Nilai R-Square pada tabel di atas besarnya 0.348508 menunjukkan bahwa proporsi pengaruh variabel Inkualitas, Indelay, Intenure terhadap variabel Infee sebesar 34,85%. Artinya, peran kualitas audit, audit delay, dan audit tenure terhadap fee audit memiliki proporsi pengaruh sebesar 34,85% sedangkan sisanya 65,15% dipengaruhi oleh variabel lain yang tidak ada didalam model regresi.

Pembahasan hasil penelitian

Hasil penelitian menunjukkan bahwa variable kualitas audit berpengaruh signifikan terhadap *fee audit*. Hal ini ditunjukkan dengan nilai thitung = 0.080447 dan nilai probability sebesar 0.0009 (di bawah $\alpha = 5\%$ atau 0.05). Hal ini menunjukkan bahwa hubungan antara kualitas audit dengan fee audit adalah positif dan signifikan. Oleh sebab itu variabel kualitas audit terbukti berpengaruh secara positif dan signifikan terhadap fee audit, maka hipotesis (H_1) diterima.

Penelitian ini mendapatkan hasil yang sejalan dengan penelitian yang dilakukan oleh Widarti (2017) menyatakan bahwa Kualitas Audit berpengaruh signifikan terhadap *Fee Audit*, maka dapat disimpulkan semakin tinggi Kualitas Audit yang dimiliki auditor maka semakin tinggi pula *Fee Audit* yang diterima oleh auditor.

Hasil penelitian menunjukkan bahwa variable *audit delay* berpengaruh signifikan terhadap *fee audit*. Ditunjukkan dengan nilai thitung = -0.065268 dan nilai probability sebesar 0.0001 (di bawah $\alpha = 5\%$ atau 0.05). Hasil uji menunjukkan bahwa hubungan antara *audit delay* dengan *fee audit* adalah negatif dan signifikan. Sehingga dapat dikatakan bahwa jika nilai *audit delay* mengalami penurunan maka *fee audit*

akan mengalami kenaikan. Oleh sebab itu variabel *audit delay* terbukti berpengaruh secara negatif dan signifikan terhadap *fee audit*, maka hipotesis (H_1) diterima.

Hasil penelitian dalam penelitian ini sejalan dengan penelitian yang dilakukan oleh Philip Chan, Mahmoud Ezzamel dan David Gwiliam (1993) menyatakan bahwa *Audit delay* muncul sebagai variable yang penting dengan mendukung harapan/dugaan sebelumnya bahwa variable ini dapat memepengaruhi tingkat *fee audit*. Karena koefisien korelasi antara variabel ini dan biaya audit negatif, ada beberapa bukti yang menunjukkan bahwa tenggat waktu audit yang lebih ketat akan membebankan biaya tambahan. Hasil ini berlawanan dengan laporan oleh Firth (1985), sehingga perlu diperkuat dengan bukti yang nyata.

Hasil penelitian menunjukkan bahwa variable *audit tenure* tidak berpengaruh terhadap *fee audit*. Ditunjukkan dengan nilai t-hitung adalah -0.002094 dan nilai probability sebesar 0.9341 (di bawah $\alpha = 5\%$ atau 0.05). Hasil tersebut menunjukkan bahwa hubungan antara *audit tenure* dengan *fee audit* adalah negatif dan tidak signifikan. Sehingga dapat dikatakan bahwa jika nilai *audit tenure* mengalami penurunan maka *fee audit* tidak akan berpengaruh terhadap kenaikan. Hasil penelitian ini sejalan dengan penelitian yang dilakukan oleh Xu (2011) dalam (Chandra, Marcella Octavia) meneliti faktor yang mempengaruhi *fee audit* pada perusahaan di Chima dan penelitian ini menemukan total asset, jumlah anak perusahaan dan ukuran KAP merupakan faktor utama dan penetapan *fee audit*, sedangkan resiko dan audit tenure tidak memiliki dampak yang signifikan.

Kesimpulan

Berdasarkan hasil penelitian data dan pembahasan yang dilakukan, maka diperoleh kesimpulan sebagai berikut:

1. Kualitas audit berpengaruh terhadap *fee audit* perbankan yang terdaftar di Bursa Efek Indonesia pada periode 2012-2016.
2. *Audit delay* berpengaruh terhadap *fee audit* perbankan yang terdaftar di Bursa Efek Indonesia pada periode 2012-2016.
3. *Audit tenure* tidak berpengaruh terhadap *fee audit* perbankan yang terdaftar di Bursa Efek Indonesia pada periode 2012-2016.

4. Kualitas *audit*, *audit delay* dan *audit tenure* secara simultan berpengaruh terhadap *fee audit* perbankan yang terdaftar di Bursa Efek Indonesia pada periode 2012-2016.

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LOCAL PARTNER CHARACTERISTICS, FOREIGN PARTNER CHARACTERISTICS, KNOWLEDGE TRANSFER MECHANISM AND KNOWLEDGE TRANSFER IN INTERNATIONAL JOINT VENTURE FIRMS IN THAILAND

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Abstract

International joint ventures (IJVs) have been used by multinational firms as a competitive strategy in the face of global competition. The use of IJV enables partners to transfer knowledge from parent firms to the IJV firm and vice versa. Unfortunately, many previous studies have shown that knowledge transfer in IJV firms can be very difficult, and often become the source of IJV failure. The present study examines the relationship between antecedent variables (local partner characteristics, foreign partner characteristics, and knowledge transfer mechanism) and knowledge transfer in IJV firms in Thailand. A cross sectional data was gathered from 160 IJV firms in Thailand using survey questionnaires. The findings indicate the significant relationships between antecedent variables and knowledge transfer as well as IJV firms' performance.

Keywords: local partner characteristics; foreign partner characteristics; knowledge transfer mechanism; knowledge transfer

Introduction

As attractive as joint ventures might seem, they however frequently perform unsatisfactorily and comparatively are unstable. This seems to be true even when partners are two companies from the same industrial country. Killing (1982) as cited in Buppachat, Don, and Othman (2017) revealed that international joint ventures seem vulnerable where 36 percent of IJVs studied performed poorly.

As a developing country, Thai government has been actively promoting the country to foreign direct investment (FDI) activities. FDI enters Thailand in the form of wholly owned subsidiaries as well as international joint ventures (Chandrapalart, 2000). In Thailand, IJVs are used to utilize the knowledge of both local and foreign firms (Julian, 2001). According to the Annual Report by the Board of Investment of Thailand (BOI) (2012), Thailand is the most successful Asian country in attracting FDI and the attractiveness to foreign investors has been maintained for quite some time. According to Kirida and Chalunthorn (2014), Thai government has played the central facilitator of economic development role through its promotion and support. It has also taken a positive stand towards foreign investments pouring into the country, and acknowledging their significance to the development of the country in terms of economy and technology. The harmonization of Thailand's economic development and FDI policy has played an important role in the economic development of Thailand (Pornlapas et al., 2010; Kanjanavanikul, Wadecharoen and Teekasap, 2011; Pornlapas, 2016; Wadecharoen, 2015). The IJVs' ability to take advantage of their good international relations depends on the IJV firms' effectiveness to learn from their partners. Park, Im and Kim (2011) suggested that collaboration between the parents is required for successful knowledge transfer and knowledge acquisition. Smith, Lyles and Tsang (2008) noted that knowledge transfer has thus become an important research area within the broader domain of organizational learning.

Thai firms are rapidly evolving from making local strategic alliances approaches to entering advanced forms of collaborative IJVs. These plans involve a large number of different partners and generate more complex methods of information exchange and value creation between partners. IJVs in Thailand are not always successful and the parent companies are often dissatisfied with their joint venture firm performance (Groot & Merchant, 2000). As such, this study seeks to examine factors affecting successful knowledge transfer and performance in IJVs in Thailand. To date, there has been little study done on knowledge transfer in IJVs in Thailand.

Knowledge Transfer in IJVs

IJV firms can gain advantage by exposing their employees to other countries and this could lead to the establishment of new international markets, corporate culture sustainability, coordination and control as well as technology, knowledge and skills transference (Huang, Chi & Lawler, 2005; Shay & Tracey, 2009). According to Ramasamy, Goh and Yeung (2008) knowledge is known as a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experience and information. Pérez-Nordtvedt, Kedia, Datta and Rasheed (2008) posited that knowledge transfer means successful transfer results in the receiving unit accumulating or assimilating new knowledge. In the international business context, knowledge transfer is a required communication process which consists of “recipient”, “channel” and “message”. Further Giroud (2000) notes that transfer of knowledge and the transfer of tacit know-how and skills between partners potential create the advantages stemming from a close relationship, and information exchange.

Hitt, Dacin, Levitas, Arregle and Borza (2000) posit that a key to IJV's success is the acquisition of knowledge. Similarly, Park et al. (2008) indicate that one of the primary motives for IJV creation is the acquisition of new managerial knowledge or technological capabilities of parent firms. On this note, Das and Teng (2000) mentioned that cooperation between partners in an IJV can result in efficient utilization of a partner's knowledge and resources. Previous study Julian (2001) study in Thailand and found that IJVs are formed to utilize the knowledge of both local and foreign firms to make a significant contribution to their ventures. Similar with Park (2011) suggests that collaboration between the partners is required for successful knowledge transfer.

Moreover, Grant and Baden-Fuller (2004) knowledge is a key competitive asset for firms and the capacity to integrate knowledge, particularly tacit knowledge, will create a competitive advantage. According to Hitt et al., (2000) note that a key to IJV's success between foreign and local partners is the acquisition of knowledge. Meanwhile, Wong, Maher and Luk (2002) suggest that IJVs need to emphasize the

transfer of knowledge, for example, the transfer of soft technology, management knowledge and marketing knowledge. In a same line with Part et al., (2008) explain the importance of IJVs gaining competitive advantage and improved performance. If they can gain competitive advantage through knowledge transfer, there will be decreased risk, they can enter new foreign markets very quickly and can have access to supplementary resources of the partners.

Local partner characteristics

According to Gutterman (2012) the local partner's objectives when offered an IJV opportunity depend on the IJV's purpose and resources of the partners. For example, job creation, acquisition of technical know-how, guaranteed customers or suppliers, access to foreign partner's market, cost reduction and management skills. Similar with Zheng and Larimo (2010) study in China shows IJV can be successful if the local partners can learn from the IJV partners. The IJV involves sharing the capacity among others to make the firm more politically stable. Over the last decade, there has been a new focus on the effect of competitive strategy on the performance of the firm (Thompson, Gamble & Strickland, 2004; David, 2008).

Capacity to learn and success knowledge transfer

According to Tang (2011) confirm that absorptive capacity can be described as the stimulation and enthusiastic of an organization to sort out resources of management knowledge and ability to learn and understand from the partner. A continuous process of mass knowledge collection within an organization and development is path dependent results absorptive capacity (Chen, 2004). Furthermore, Wu and Lee (2012) show absorptive capacity is a key component for organizations to move forward and increase their high performance. According to them, firms with high levels of absorptive capacity of knowledge display higher ability for knowledge creation and they digest and understand opportunities results effective strategic assets and enhance competitive advantage.

Intent to learn and success knowledge transfer

Local partner's intent to learn refers to a situation where local partners intend to learn, share and access the foreign partners' knowledge and competencies (Rose, Uli, Kumar & Wahab, 2009). The perceived partner's learning intent is the extent to which the local firm believes that the partner is focused on learning during the alliance. A great deal of attention has recently been focused on knowledge acquisition as an important outcome for firms engaged in strategic alliances (Norman, 2004). According to Inkpen and Dinur (1998) without this intent, a partner is less likely to commit resources to knowledge acquisition and less likely to take actions to appropriate the local firm's knowledge. Learning intent is required for subsidiaries in their acquisition of the parent firm's skill-related knowledge. Meanwhile, Simonin (2004) examined the effects of learning intent as antecedent to knowledge transfer among IJV firms in the USA. He found that learning intent has a significantly positive relationship with knowledge transfer.

Experience and success knowledge transfer

Knowledge transfer can stem from the organizations and organizational members' direct experience (Trevino & Grosse, 2002). New knowledge may also be acquired via experience sharing and prior learning of the members of the organization (Lyles & Schwenk, 1992). The potential of the firm to change collaborative experience into competitive advantage hinges on the firm's capacity to absorb knowledge and lessons from its experience and its members' experience (Nonaka, 1994). In general, firms with prior alliance experience are more likely to establish a dedicated alliance function, which contributes to improved alliance performance (Kale, Singh & Perlmutter, 2000). Moreover experience in a particular country may be beneficial for assessing alternative potential partners, and for building a relationship that can support a mutually advantageous and sustainable IJV (Geringer & Herbert, 1991). According to Simonin (1997) investigated how collaborative experience and know-how affect knowledge acquisition; the author concludes that a firm should first internalized collaborative experience before the lessons learned become useful for a firm's future alliances.

Foreign partner characteristics

According to Gutterman (2012), IJV brings inherent business advantages to foreign partners seeking a local business partner. The objective to invest in other countries is because they want to improve access to the foreign markets, cost reduction, access to local management and favorable government treatment

Capacity to Transfer and Knowledge Transfer

Transfer capacity refers to the distinct characteristics of specific knowledge and the ability to influence learning in a way that is absorbable. The significance of foreign partner's capacity to transfer knowledge as one of the variables is reported by Wang et al., (2001). They report that the quality of knowledge of foreign partner and the ability to effectively transfer it to its partners is related to the amount of knowledge acquired. Foreign partner firms' capacity, which include the ability to impart the knowledge in a form that can be assimilated by the recipient, as an important determinant of knowledge transfer by foreign to local partners (Wang et al., 2001; Lane et al., 2001).

Willingness to Transfer and Knowledge Transfer

Tsai and Tsai (2005) state that knowledge transfer is necessary to understand and see how knowledge is transferred between the IJV partners using particular methods of knowledge transfer. According to Jacob and Ebrahimpur (2001), the issue of knowledge transfer within an organization is still problematic for managers. Organizations should pay more attention to design the strategies. They should ensure that knowledge is transferred is suitable when they transfer knowledge. Knowledge transfer requires the willingness to work together.

Knowledge Transfer Mechanism and Knowledge Transfer

Sparkes and Miyake (2000) knowledge transfer and the learning that occurs subsequently is a continuous process. Mechanisms used in facilitating learning such as training programs, experiential learning, learning-by-doing, etc. can also be used in

facilitating knowledge transfer. Transfer mechanism, such as, foreign delegations and global teams and rich communication media are more suitable for transferring tacit knowledge (Holtbrügge & Berg, 2004; Pedersen et al., 2003). On the other hand, written media is good for explicit knowledge transfer (Pedersen, et al., 2003).

Research Methodology

The focus of this study is on the International Joint Venture (IJV) firms, which are located in Thailand. These firms come from cross-industries of 7 sectors.

Population and sample

The potential respondents for this study are drawn from the office of the Board of Investment (BOI), Ministry of Industry and Thailand Board of Investment Director Index 2011 and BOI database. There are 1913 IJVs on the list, and after undergoing the selection criteria, only 476 IJVs left on the list as sample of the study. The questionnaire was distributed to senior management, chief executive officers (CEOs), managing directors (MD) and general managers (GM) in IJVs in Thailand in order to ensure that key informants feedback is obtained. A total of 160 questionnaires (response rate = 33.61 percent) were returned. The result shows that 3.8 percent of the respondents are Executives, 43.1 percent are Directors and 53.1 percent are Managers. With regards to the years the firms were established, the result shows that 47.5 percent of the firms have been established for less than five years, followed by 36.3 percent between 5-10 years and; the firms established for more than 10 years total 16.3 percent.

Measures

A survey questionnaire examined the content validity and construct validity. Content validity of the instrument was achieved by adapting the items that were used in the previous studies and gathering experts' opinions. Moreover, tested on the reliability, correlation, multiple regression. The variables in the questionnaire include capacity to learn, intent to learn, experience, knowledge transfer and IJV firms' performance.

Findings

Multiple regression

As shown in Table 1, results indicate that antecedent variables explain about 18.9 percent of the variance in knowledge transfer ($R^2 = .189$, $F = 7.19$, $p < .01$). The multiple regression analysis confirms that knowledge transfer is significantly related to antecedent variables

Table 1:

Evaluating the relation between antecedent variables and knowledge transfer

	Knowledge transfer		
	β	t	Sig
Local partner characteristics	.176**	2.252	.026
Foreign partner characteristics	.276**	3.576	.000
Knowledge transfer mechanism	.199**	2.731	.007
R^2	.189		
F	7.19**		

* $p < .05$ ** $p < .01$

As shown in Table 2, the multiple regression analysis confirms that knowledge transfer is significantly related to antecedent variables; local partner's intent to learn, the foreign partner's capacity to transfer, foreign partner's willingness to transfer; and knowledge transfer mechanism that very much predict knowledge transfer.

Table 2: *Evaluating the relationship between knowledge transfer and six dimensions of antecedent variables*

	Knowledge transfer		
	β	t	Sig
Capacity to learn	.160*	2.033	.04
Intent to learn	.298**	3.927	.00
Experience	.155*	1.97	.05
Capacity to transfer	.301**	2.87	.00
Willingness to transfer	.192*	2.47	.01
Knowledge transfer mechanism	.251**	3.25	.00
R^2	.220**		
F	7.19**		

* $p < .05$ ** $p < .01$

From the table 3, IJV firms' performance was regressed on multiple linear regressions consisting of seven predictor variables. Researcher combined antecedent variables with knowledge transfer because the antecedent variables are representative of knowledge transfer variable. Multiple regression analysis was also conducted to determine the significance of antecedent variables and knowledge transfer together in predicting IJV firms' performance. Knowledge transfer variable as the set of predictors in this regression equation explained 18.9 percent of the variance in IJV firms' performance ($R^2 = .189$, $F = 9.059$, $p < 0.01$). This means that knowledge transfer (KTU) is significant in the relationship with IJV firms' performance.

Table 3: *Evaluating the relationship between knowledge transfer and IJV firms' performance*

	IJV firms' performance		
	β	t	Sig
Size of IJV	-.029	-0.354	.724
Age	.017	0.208	.835
Nationality	-.020	-0.253	.801
Knowledge transfer	.44**	5.99	.00
R^2	.189**		
R^2 change	.188**		
F		9.059**	

* $p < .05$ ** $p < .01$

Discussion

This study tested the hypothesis with knowledge transfer and antecedent variables (capacity to learn, intent to learn, experience, capacity to transfer, willingness to transfer, knowledge transfer mechanisms and knowledge transfer) as set of overall knowledge transfer to the process of transferring knowledge and affect to IJV firms' performance. The result of the multiple linear regressions support for the hypothesized and found that there is a positively significant on the relationship between knowledge transfer and IJV firms' performance. The study found that the capacity to learn, intent to learn, willingness to transfer, knowledge transfer mechanism and knowledge

transfer are significantly related to IJV firms' performance but experience is not significant. This study has filled the gap of the IJV firms' performance with the attention to knowledge transfer. This study shows that IJV firms and organizational learning process is clear and that the crucial antecedents to the process of transferring knowledge are working rapidly and effectively to the joint venture firms between foreign and Thai partners.

Contribution of the Study

This study explains that knowledge transfer of IJVs in Thailand is a contributing variable to IJV firms' performance. This finding indicates that managers in IJVs in Thailand should focus and understand on the knowledge transfer between local and foreign partners and concurrently focus on the knowledge transfer mechanism. These variables are affected to the IJV performance in term of stability in the business. The logical justification for this finding is that the performance of IJV firms in Thailand were influenced by the knowledge transfer in term of managerial, marketing, human resource, and business strategy between foreign and local partners.

Moreover, This result indicates that Thai local partners have intent to learn from the foreign partner to enhance their knowledge, skills and competencies. In order ensure the success on IJV firms in Thailand; IJV managers should take the finding above into consideration. The emergence of Thai IJVs in the mainstream global economy will continue to create tremendous opportunities and challenges for the development of Thai managers in IJV firms.

Conclusion

The main purpose of this study is to examine the factor that determine the performance of IJV firms in Thailand. The results show knowledge transfer has a positive significant effect on IJV firms' performance and all antecedent variables are positive significant with the knowledge transfer. This study has found that to achieve better performance in IJV firms is a great challenge to managers and successful transfer of knowledge is

vital to IJV firms in Thailand. One of the main reasons that firms participate in IJV is to learn know-how and capabilities from their IJV partners. The partners strive to learn or internalize critical information or capabilities from each other, constitute an important class of such IJV firms. IJVs are transforming company structures and relationships among different cultures and focus on sharing knowledge between organizations to improve the effectiveness of IJV firms and to achieve competitive advantage in IJV firms all over the world.

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EFFECT OF WORK EXPERIENCE AND COMPETENCE OF AUDITORS AUDIT QUALITY IN NORTH SUMATRA BPK REPRESENTATIVE

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Abstract

This study aimed to determine the effect of work experience and competence of auditors on audit quality. The author conducted this study using associative approach. The population in this study were 116 respondents who work in the office of auditor BPK Representative of North Sumatra province with a total sample of 56 respondents. Data used in the form of qualitative and quantitative data which the data sources used in the form of primary data. Data collection techniques such as questionnaires and documentation study. Data analysis technique was analyzed with descriptive statistics, test data quality, multiple linear regression analysis, the classical assumption test, and hypothesis testing coefficient of determination with SPSS 20.0. These results indicate work experience significant positive effect on audit quality, competence auditor significant positive effect on audit quality, and simultaneously work experience and competence of auditors significant positive effect on audit quality. And the coefficient of determination based on test results can be seen that the value of coefficient of determination of 0.410 means that the effect of work experience and competence of auditors on audit quality only by 41% only, while the remaining 59% is influenced by other variables that are not used in this study.

Keywords: Work Experience, Competence Auditor, and Audit Quality

Introduction

Demands the implementation of public sector accountability and good governance in the last two decades is increasing. Public sector accountability associated with the need for transparency and provision of information to the public in order to fulfill the rights of the public. According Mardiasmo (2005), there are three main aspects that support the creation of good governance (good governance), namely monitoring, control and examination. Good governance is defined as an organizer of a solid management responsible in line with democratic principles and an efficient market, the avoidance of misallocation of funds and investments, and the prevention of

corruption both politically and administratively, to run budget discipline and the creation of a legal and political framework for the growth of activity business.

BPK as mandated by Presidential Decree No. 192 of 2014 on the Agency for Financial Supervision and Development (BPK), the Government Internal Supervisory Apparatus (APIP) who is directly responsible to the President, which confirmed that to implement the national development budget revenues and expenditures of state / regional basis transparent, accountable and free from corruption.

De Angelo (1981) in the Beautiful (2010), defines the quality of the audit as an assessment by the market where there is the possibility of the auditor will provide the discovery of a breach in the client's accounting system and any irregularity in the recording. Audit quality in the public sector is the probability that a government inspector or auditor can discover and report a fraud that occurred on an institution or a central government and local governments.

Work experience is an experience of auditors in auditing financial statements in terms of both duration and number of assignments that once handled (Suraida, 2005). Experience also formed auditors able to confront and resolve the obstacles and problems in the execution of their duties, and be able to control the emotional inclination towards parties under investigation. The more experienced an auditor will be more easy to detect errors.

Auditor competence are the qualifications required by the auditors to conduct the audit properly. According to Arens (2008, p 43) "The first general standard statement stating that the audit should be carried out by one or more persons who have sufficient technical expertise as an auditor. In conducting the audit, an auditor must have a good personal quality, knowledge, as well as specialized expertise in the field (Rai, 2008).

Audit on cases of alleged corruption case in the operational vehicle procurement project official Bank of North Sumatra. This audit was conducted at the request of the High Court of North Sumatra. In this case the state losses of Rp 10.8 billion sourced from the Budget Plan of Work (RAK) in 2013. The Bank of North

Sumatra Corruption is suspected in the procurement of 294 vehicles official operational. Of the 294 operational vehicles department there are six kinds of luxury cars, the Camry 5 units, Pajero Sport 12 units, 11 units of Innova, Toyota Rush 29 units and 237 units of Avanza and Xenia. This case involves a lot of names including: Zulkarnain selaku Committing Officer (CO), Haltatif as Director of CV Surya Pratama incoming List of People Search (DPO), and two people who have been detained by the police, Muhammad Yahya as the former Director of Operations (Dirops) PT. Bank of North Sumatra and M. Jefri Sitindaon as the former Assistant General Division III Bank of North Sumatra, sentenced respectively 2 years and 6 months imprisonment with a fine of Rp 50 million and the subsidiary three months. The first party that receives orders case are the BPK Bank of North Sumatra, no finding of fault by the BPK auditor cause prolonged in submitting the audit results to the North Sumatra High Court. So Kejati Sumatra to take action to bestow the case of Bank of North Sumatra to the Public Accounting Firm (KAP) to conduct an audit, the case was finally revealed by Public Accounting Firm (KAP) as described above. It was then into the public spotlight on the quality of the BPK audit existing today. Bank of North Sumatra and M. Jefri Sitindaon as the former Assistant General Division III Bank of North Sumatra, sentenced respectively 2 years and 6 months imprisonment with a fine of Rp 50 million and the subsidiary three months. The first party that receives orders case are the BPK Bank of North Sumatra, no finding of fault by the BPK auditor cause prolonged in submitting the audit results to the North Sumatra High Court. So Kejati Sumatra to take action to bestow the case of Bank of North Sumatra to the Public Accounting Firm (KAP) to conduct an audit, the case was finally revealed by Public Accounting Firm (KAP) as described above. It was then into the public spotlight on the quality of the BPK audit existing today. Bank of North Sumatra and M. Jefri Sitindaon as the former Assistant General Division III Bank of North Sumatra, sentenced respectively 2 years and 6 months imprisonment with a fine of Rp 50 million and the subsidiary three months. The first party that receives orders case are the BPK Bank of North Sumatra, no finding of fault by the BPK auditor cause prolonged in submitting the audit results to the North Sumatra High Court. So Kejati Sumatra to take action to bestow the case of Bank of North Sumatra to the Public Accounting Firm (KAP) to conduct an audit,

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Based on the case of the public believes that the BPK auditors in performing the audit lacked work experience and considerable skill, and competence is questionable. The impact is the BPK audit quality become increasingly questionable, especially from the standpoint of the community and auditees.

Problem Formulation:

The problems of this study are as follows:

1. Is work experience had an influence on the quality of the BPK audit Representatives of the Province of North Sumatra?
2. Does competence of auditors have an impact on audit quality in North Sumatra Province BPK Representative?
3. Is work experience and competence of auditors have an influence on the quality of Representatives BPK audit on Sumatra?

Theoretical review

Quality Audit

Audit quality is the probability of an auditor can find and report violations of the accounting system based on the standard akuntansi and auditing standards that have been established and produce laporan audit results are clear and easy to understand, has a recommendation and can be followed up.

Wooten (2003) in Rainhard (2017) describes the audit quality can be affected by several factors:

a. fault detection

Quality audit is an audit to detect errors or weaknesses that occur. Detecting errors or weaknesses in the accounting system of the auditee is affected by how well the audit team conducted an audit, which is influenced by the quality control system and management resources.

b. Based on the standard

The audit team carrying out the assignment of audit services required to adhere to standards produced by badan regulatory standards have been set.

c. A strong commitment to audit services

auditee require the services of an audit of the auditor. Thus, the auditor should be able to and can meet the needs of the services to the auditee.

d. The precautionary principle

The auditor must give careful attention and to all aspects of the audit, including audit risk evaluation, formulation and audit objectives, scope or comprehensive sets and responsibilities of the audit, the sufficiency and appropriateness of audit evidence, the selection of audit testing, and evaluation of the audit results. If the auditor to apply the precautionary principle in all aspects of the audit, this will increase the audit results.

e. *Review* and control by supervisor

Audits should be supervised enough audit from planning to reporting. It is useful to assess the weaknesses that may occur in the audit process.

f. The attention given by the management

Adequate management attention begins when planning the audit until the audit report will provide assurance that all aspects are carried out in achieving audit quality have been met by the auditors.

Work experience

Tubbs (1992) in Badjuri (2012) proposed that as an auditor become more experienced, then the auditor will be aware of the errors that occurred. According Suraida (2005), work experience is to audit the financial statements in terms of both duration and the number of tasks that have ever dealt with.

According to Ika (2009) revealed that:

"Experience has an impact on every decision made in the audit so expect every decision made is the right decision. This indicates that the longer the tenure of being owned auditor the auditor will be better the quality of audits produced".

Besides experience also formed auditors able to face and overcome the barriers and problems in the execution of their duties, and be able to rely on emotional inclination towards parties under investigation.

Auditor competence

According to Rai (2008) "The competence of auditors are the qualifications required by the auditors to conduct the audit properly, and in auditing the auditor should have good personal quality, knowledge, as well as specialized expertise in their field".

Competence in the General Standard Statement First in SPKN is: "Examining collectively should have sufficient professional skills to carry out inspection tasks". With this statement Inspection Standards organizations examiner is responsible for ensuring that each inspection conducted by the inspectors who collectively have the knowledge, skills, and experience necessary to carry out the task. Examiner organization must have a procedure of recruitment, appointment, sustainable development, and evaluation of inspectors to assist the organization in maintaining examiner examiner who have sufficient competence (BPK RI, 2007).

Conceptual framework

Hypothesis

The hypothesis is defined as a temporary answer to the formula research problem. The truth of the hypothesis to be proved by the data collected (Sugiyono, 2012: 159). The hypothesis in this study are described as follows:

a. Work Experience Influence on the Quality Audit

Queena and Rohman (2012) states that "Work experience is an attitude auditor auditor which longer be the auditor will make the auditors have the ability to obtain relevant information, detect errors and look for the causes of errors". Experience the auditor is an added value for themselves and be able to support the creation of audit quality is expected. Increasingly experienced auditors tend to have excellence and creativity in detecting, understanding, and look for the cause of an error / manipulation by the auditee (Badjuri, 2012).

H1: Work Experience positive effect on audit quality

b. Auditor Competence influence on the Quality Audit

According Christiwawan (2002) and Alim et al (2007), if an auditor has high competence, the better the quality of the audit. Thus it is clear that the competence of an auditor also determines the quality of audits produced. Because if the audit activities carried out by an auditor who has a high competence the audit produced will be good too.

H2: Competence Auditor positive effect on audit quality

c. Effect of Work Experience and Competence Auditor to Audit Quality

The auditor should have a common level of proficiency in providing good quality audit of the interested parties will report. First, work experience, more and more experience in implementing perkerjaannya an auditor in detecting fraud that is the more critical the auditor in conducting an examination of the existing audit. Second, competence, when an auditor has a good competence so it is better to conduct the audit assignment. Because auditors have a good competence in analyzing problems having an ability to audit and perform the audit carefully, thoroughly and objectively (Sukriah Ika, 2009).

H3: Experience and Competence Auditor Kerja positive effect on audit quality

Framework

Here is kerangka rationale used in this study:

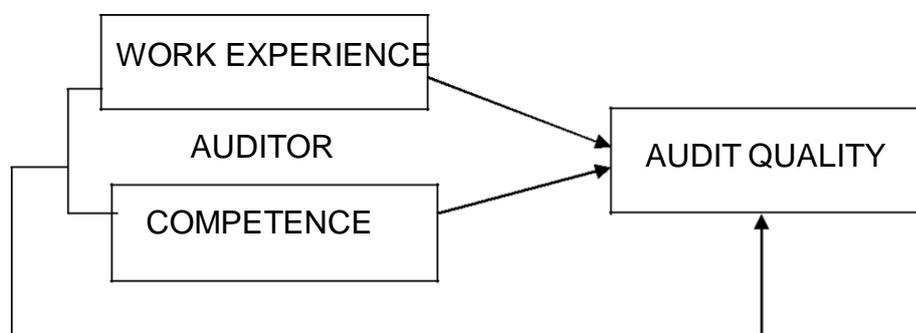


Figure 1. Conceptual Framework

Research methodology

Types of research

This research uses associative, associative studies useful for analyzing how a variable affects other variables, and is also useful in studies berisifat experiment in which the independent variables are treated as controlled by the researchers to look at the impact on the dependent variable directly. According Sugiono (2016, p 21) "associative method is a method that aims to determine the effect of two or more variables".

Operational Definition of Variables

Quality Audit (Y)

The quality audit is an auditor's work quality as indicated by the examination report reliable and accountable based on standards that have been set.

Work Experience (X1)

Work experience is an experience of auditors in auditing financial statements in terms of both the length of working as an auditor and the number of inspection tasks are performed.

Auditor Competence (X2)

Competence is the qualifications required by the auditors to conduct the audit properly, and in auditing the auditor should have good personal quality, knowledge, and good general knowledge. The behavior of the competence of auditors in the public sector is always increasing kemarihan, profession, effectiveness and quality of the work, expertise and skills possessed.

Population and Sample

The population in this study is the auditor who works in the office of BPK Representative of North Sumatra province in 2017. The sample selected is a public sector auditors who have the education or training JFA (Functional Auditor). Based on data from the HR recorded the number of BPK auditors Representatives of the Province of North Sumatra Number 116 auditors. The determination of the adequacy of the sample using the formula Slovin because the population is already known, the number of adequacy obtained by 56 auditors.

Data Analysis Techniques

1. Quality Test Data

- a. A validity test is used to determine the feasibility of the items in a list of questions to define a variable.
- b. Test Reliability is used to measure a questionnaire which is an indicator of variables or constructs.

2. Classic assumption test

- a. Normality Test is used to determine whether or not symmetrical distribution of the data. Normality test aims to test whether the regression model, the independent variables and the dependent variable, both have a normal distribution or not.
- b. Multicollinearity test is used to determine whether there is a correlation between independent variables.
- c. Heteroskedasticity test aims to test whether the regression model occurred inequality residual variance from one observation to another observation.

3. Regression Analysis

Data analysis techniques used in this research is multiple linear regression analysis (multiple Regression Analysis). To see the validity of the results of multiple linear regression analysis first tested the quality of observation instruments, the data normality test and classical assumption. Data processing using SPSS (Statistical Package For Social Science). Multiple linear regression analysis was used to analyze the influence of more than one independent variable on the dependent variable.

Linear Regression equations formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Information:

Y = Quality Audit

X1 = Work Experience

X2 = Competence Auditor

α = constant

β = Regression coefficient e = Error

4. Hypothesis testing

Test hypotheses about the effect on the quality of experience and competence of the auditors used hypothesis testing t test, F test and coefficient of determination (R²). Hypothesis testing is a procedure that will result in a decision, the decision to accept or reject the hypothesis.

Results and discussion

Validity test

Here are the results of testing the validity of each instrument by means of correlating each item of the statement. The minimum requirement to qualify whether each statement is valid or not by comparing the count r to $r_{table} = 0.308$ (see table r), where $r_{table} > r_{hitung}$. Based on the validity of the test results, then the results are as follows:

Table 1. Validity Test Instruments

item	Value Correlation $R_{arithmetic}$	value Conditions R_{table}	Information
Work experience			
x11	0.891	0.361	valid
x12	.542	0.361	valid
x13	0.828	0.361	valid
x14	0.754	0.361	valid
x15	0.581	0.361	valid
x16	0.841	0.361	valid
x17	0.764	0.361	valid
Competence			
x21	0.911	0.361	valid
x22	.740	0.361	valid
x23	0.855	0.361	valid
x24	.766	0.361	valid

	x25	0.735	0.361	valid
	x26	.790	0.361	valid
	x27	0.804	0.361	valid
Based on the validity of the data	Quality Audit			
	y11	0.878	0.361	valid
	Y12	.808	0.361	valid
	y13	.784	0.361	valid
	Y14	0,753	0.361	valid
	Y15	0,751	0.361	valid
	y16	0.872	0.361	valid
	y17	.809	0.361	valid

processing turns all the items is valid, no item should be discarded. Thus all of these items may continue to test the reliability of the instrument.

Reliability test

Reliability test should be done only on statements that have met the test of validity, so if it does not qualify the validity of the test does not need to be forwarded to a reliability test. Here are the results of a reliability test of the item valid statement.

Table 2. Test Reliability

variables	Cronbach's Alpha	Information
Work experience	0.867 > 0.600	reliable
Competence	0.918 > 0.600	reliable
Quality Audit	0.911 > 0.600	reliable

Of Cronbach's Alpha on the results of data processing reliability greater overall value of the criteria referred to 0.6 then the conclusion is the tested instrument is reliable.

Classic Assumption test

Normality test

Data normality test done to see if the regression model dependent and independent variables have a normal distribution or not. If the data are spread around the diagonal line and follow the direction of the diagonal line of the regression model to meet the assumption of normality.

**Table 3. Test Kolmogorov-Smirnov Normality Test
 One-Sample Kolmogorov-Smirnov Test**

		Residual unstandardized
N		56
normal Parameters ^{a, b}	mean	.0000000
	Std. deviation	1.12623405
Most Extreme differences	Absolute	,072
	positive	,065
	negative	-,072
Kolmogorov-Smirnov Z		,540
Asymp. Sig. (2-tailed)		,933

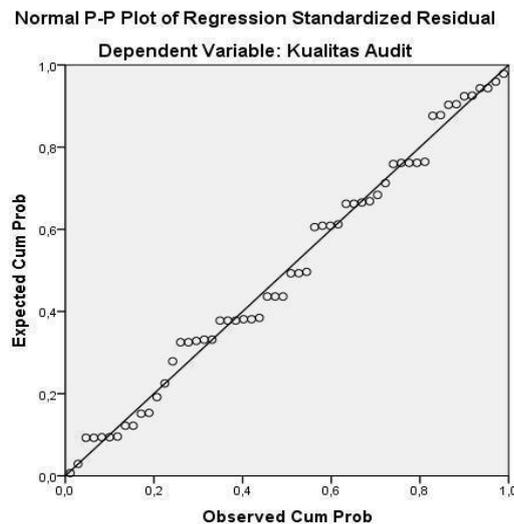
a. Test distribution is Normal.

b. Calculated from data

Here below is the result of normality test to examine the overall minimum ordinal scale data we used the Kolmogorov-Smirnov test. unknown value or Asymp probability p. Sig. (2-tailed) of 0.933. Because the value of the probability p, namely 0.933 greater

than the significant level of 0.05. This means that the normal distribution. Can be seen in a normal image PP plot of standardized regression residuals in the image below:

Figure 2. Test Normality with Normal Probability Plot



Multicolonarity test

Independent test calculations can be seen between independent variables and statistical analysis results collinearty. To see if between the study variables high correlation does not occur, there should be acceptable Ho hypothesis that if $VIF < 10$ and a tolerance of close to 1, and Ho is rejected when $VIF > 10$ and the tolerance value close to 0.

Table 4. Test Multicollinearity

Model	unstandardized coefficients		standardized coefficients	collinearity Statistics	
	B	Std. Error	beta	tolerance	VIF
(Constant)	19.579	9.168			
Work experience	,973	,291	,549	,997	1.043

Auditor competence	,463	,116	,483	,997	1.043
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a. Dependent Variable: Quality Audit

Based on Table 4 test multikolinieritas above can be understood that two independent variables namely Work Experience (X1) and competence (X2) has a value of collinearity statistics VIF amounted to 1,043 within the tolerance limits that have been established where all variables are close to 1 and VIF smaller than 10 , and thus does not happen multicollinearity in independent variables in this study.

Heteroskedesitas test

Heterokedastisitas testing is used to see if the dependent variable has the same variant or not. Heteroskedastisitas have an observation to another observation is different. One method used to test whether there will result in the assessment heteroskedastisitas-coefficient regression coefficient becomes inefficient.

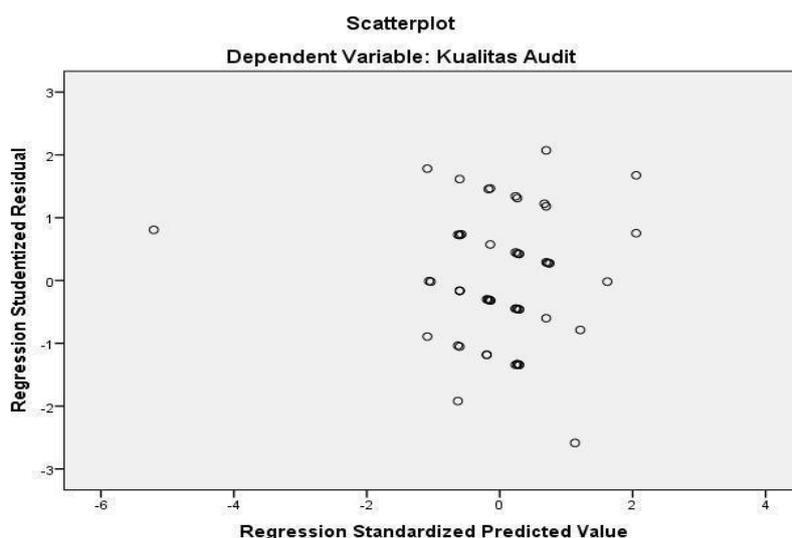


Figure 3. Test heterokedastisitas scatterplot

Based on the scatterplot above picture can be seen that based on the test data can heterokedastisitas heteroskedasitas understood that not happen, because there is no clear pattern as well as the points spread above and below the number 0 on the Y axis It can be said heterokedastisitas test in this study fulfilled

Regression Analysis

The results of processing using SPSS data on multiple regression analysis on the effect of Work Experience (X1) And competence (X2) On the Quality Audit (Y) it can be seen in the following table:

Table 5. Regression

Model	unstandardized coefficients		StandardizedC	T	Sig.
	B	Std. Error	oefficients		
(Constant)	19.579	9.168		3.298	,000
1 Work experience	,973	,291	,549	4.906	,000
Auditor competence	,463	,116	,483	3,405	,004

a. Dependent Variable: Quality Audit

Coefficients from the table above (the Coefficients unstandardized column) can be seen in multiple linear regression equation for two predictor (Work Experience and Competence Auditor) are:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + e$$

The obtained value of $Y = 19.579 + 0,973X_1 + 0,463X_2$

The above equation shows that all independent variables (Work Experience and Competence Auditor) has a positive coefficient, meaning all independent variables

have a direct effect on variable Y (Quality Audit). Work Experience coefficient provides a value of 0.973, which means that if the work experience the better, assuming other variables remain the Quality Audit will increase. So is the coefficient of Competence Auditor gives a value of 0.463 which means that if the Auditor Competence increase and better assuming a value of another fixed, variable quality audit will also increase.

Hypothesis testing

T test (partial regression)

The purpose of the t-test is to see whether there is a significant relationship or not in the relationship between X1 and X2 to Y.

Table 6. Test t

Model	unstandardized		StandardizedC	T	Sig.
	coefficients		coefficients		
	B	Std. Error	beta		
(Constant)	19.579	9.168		3.298	,000
1 Work experience	,973	,291	,549	4.906	,000
Auditor competence	,463	,116	,483	3,405	,004

coefficients^a

a. Dependent Variable: Quality Audit

Based on the table 6 can be seen as follows:

(A) Variable Work Experience (X1)

H0: Work Experience effect on Audit Quality

The test results obtained t value 4.906 for the variable Work Experience. With a 5% error rate test two parties $df = n - k = 56 - 3 = 53$ obtained t table 2.005 (t table

attached). Then $t \text{ count} > T \text{ table}$ namely $4.906 > 2.005$ with a significance level of $0.000 < 0.05$ therefore means significant value of 0.000 is less than 0.05 , which means that the Work Experience showed significant positive effect on audit quality, thus H_0 is accepted. (B) Variable Competence (X_2)

H_0 : Auditor Competence effect on Audit Quality

The test results obtained $3,405$ t value for the variable Auditor Competency. The error rate of 5% two-party test $df = n - k = 56 - 3 = 53$ obtained t table 2.005 (t table attached). Then $t \text{ count} > t \text{ table}$ is $3,405 > 2,005$ with significance level of $0.004 < 0.05$ therefore means significant value of 0.004 is less than 0.05 , which means shows that the Auditor Competency positive significant effect on audit quality, thus H_0 is accepted.

Test F (Simultaneous Regression)

Results of regression calculations simultaneously obtained in the following table:

Table 7. Test F

ANOVA^a

Model	Sum of Squares	Df	mean Square	F	Sig.
1 Regression	227.791	2	132.896	12,960	,000 ^b
residual	569.762	53	11.316		
Total	777.554	55			

a.

Predictors: (Constant), Auditor Competence, Work Experience

b. Dependent Variable: Quality Audit

H_0 : Experience and Competence Auditor Kerjan effect on Audit Quality

From processing the data above shows that F count 12,960. For a 5% error $df = n - k - 1 = 56 - 2 - 1 = 53$ obtained f tab 3.17 (f attached tables). Then $F \text{ count} > F \text{ table}$ is $12,960 > 3.17$ with a significant level of $0.000 < 0.05$ Thus the conclusion is the Work Experience and Competence significant effect on audit quality.

Coefficient of Determination

The coefficient of determination is a quantity that indicates besarn variation of the dependent variable that can be explained by the variable independenn In other words, the coefficient of determination is used to mengu how far variables independent variables in explaining the variable terikatn determination coefficient value is determined by the value of R square sebagaim can be seen in the table below this:

Table 8. Test Coefficient of Determination

Model Summary^b

Model	R	R Square	adjusted R Square	Std. Error of the estimate
1	,717 ^a	,410	,367	4.11472

a. Predictors: (Constant), Auditor Competence, Work Experience

b. Dependent Variable: Quality Audit

Based on the regression calculation results in the above table can be seen that the coefficient of determination (R square) obtained at 0.410. This means that 41% of the variable explained by the Audit Quality Work Experience and competence, while the rest of 59% is explained by the predictor variables that are not included in this study.

Discussions

1. Effect on the Quality Audit Work Experience

Hypothesis testing results show that the Work Experience variables included in the regression have a significant effect on audit quality. In accordance with the test results using linear regression analysis known that the auditor's experience will affect the quality of the audit. Experienced audit personnel use a more thorough analysis, detailed and cascading errors in detecting symptoms compared with the analysis of the inexperienced. Based on t test were performed in this study partially work experience positive and significant effect on the behavior deviation audit in BPK Representative of North Sumatra province.

According to Alim et al (2007) and Andrean (2014) that the longer length of service and experience of the auditor, the better and also increase the quality of audits produced. This is consistent with previous studies conducted by Sukriah ika (2009), Fiscal Yunus (2012) and Rinhard (2017) which concluded that the significant effect of work experience on audit quality. It can be concluded that this study may support previous research. This is consistent with previous studies conducted by Sukriah ika (2009), Fiscal Yunus (2012) and Rinhard (2017) which concluded that the significant effect of work experience on audit quality. It can be concluded that this study may support previous research.

2. Effect of Competence Auditor to Audit Quality

Hypothesis testing results show that the Auditor Competency variables included in the regression have a significant effect on audit quality. The auditor should have the knowledge to understand the audited entity, then the auditor should have the ability to work in teams as well as the ability to analyze problems so that the auditor can perform the audit carefully, accurately, and objectively.

According Christiawan (2002) and Alim et al (2007), if an auditor has high competence, the better the quality of the audit. This is consistent with previous studies conducted by Sukriah ika (2009), Prihartini (2015), and Rainhard (2017) concluded

that significant influence competence of auditors on audit quality. It can be concluded that this study may support previous research. This is consistent with previous studies conducted by Sukriah ika (2009), Prihartini (2015), and Rainhard (2017) concluded that significant influence competence of auditors on audit quality. It can be concluded that this study may support previous research.

3. Effect of Work Experience and Competence Auditor to Audit Quality

Auditor is a profession that is needed to improve the reliability of financial statements made by a company that can provide a reliable and reliable information to interested parties on the financial statements. The auditor should have a common level of proficiency in providing good quality audit of the interested parties will report. First, work experience, more and more experience in implementing perkerjaannya an auditor in detecting fraud that is the more kritislah auditor in performing the audit evidence testing. Second, competence, attitudes competent auditors produce audit quality in line with expectations. Due to the competencies possessed by an auditor makes auditor works well. These results indicate that work experience and competence of auditors significant effect on audit quality. This shows that work experience and competence of auditors affect audit quality BPK Representative of North Sumatra Province.

Conclusion

Based on the research results can be summarized as follows:

1. Work experience has a positive and significant impact on audit quality in BPK Representative of North Sumatra Province. As evidenced by the acquisition of the results of the test value thitung ttable 4.906 and 2.005 with a significant level of 0.000 <0.05.

2. Competence has a positive and significant impact on the Quality Audit on BPK Representative of North Sumatra Province. As evidenced by the acquisition value amounted to 3,405 t test results and ttable 2,005 with significant tingkati $0.004 < 0.05$. Work Experience and Competence Auditor has a significant impact on audit quality in the BPK Representative of North Sumatra province, as evidenced by the acquisition value of the test results Fhitung 12,960 and amounted to 3.17 can Ftabel significant level of $0.000 < 0.05$. Value determination test results obtained by 41% influenced by work experience and competence of auditors, the remaining 59% are influenced by other factors.

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CORPORATE SOCIAL RESPONSIBILITY: IMPORTANCE AND IMPLICATIONS IN PAKISTAN

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Abstract

As more companies understand the importance of being socially responsible, there is a more need for businesses to understand the concept and its implications of Corporate Social Responsibility. This study looks how CSR activities falling under Governance and Management plus Product Integrity and Consumer Focus can impact the social image of the company and its performance in Pakistan. It also shows how these CSR activities can be measured by the four stages explained in the Responsible Business Framework model which are Perception, Preparedness, Practice and Performance. Review of the literature shows that CSR has had a positive effect on financial performance as a whole, especially in the developed countries. However, there is not much research conducted in the developing countries, especially Pakistan. It is also revealed that in Pakistan there is an absence of a standardize CSR Index which could assist the investors to look into and analyze the position of CSR in the company. Whereas, in developed countries like USA there are indexes like KLD which show the social performance of the company. Maintaining a systematic approach to gauge CSR activities would be essential in future to analyze its relationship with the performance of the company. The findings of this paper is that how companies can use make CSR activities embedded in their operations and be more socially responsible.

Keywords: Corporate Social Responsibility, Governance and Management, Product and Integrity, Responsible Business Framework model.

Introduction

The CSR concept got highlighted in 1960's, and afterwards it came into the real world when diverse business settings globally took hold of it by applying it in their functions. (Wang, Dou, & Jia, 2016). The concept of CSR has been discussed for years and years by different scholars and business owners. (Sciences et al., 2016). Now, CSR is high as technological advancement and globalization call for new ways of doing

businesses, strengthening this concept and taking it to a new level. (Caroll, 2017). CSR also offers strategic implications in the business settings by providing point of differences (POD's) which eventually help in gaining and holding an edge among competitors (Basera, 2013). Business stability and sustainability is attained through application of CSR as a tool to exceed expectations of stakeholders (Liao, Shih, Wu, Zhang, & Wang, 2018).

The development in the last couple of decades in global economy where developing countries like China, Pakistan and India are emerging as a major supportive part of it are required to gear up to the CSR activities so that the corporations do not exhaust their resources on the major cost of the society. The CSR gap is higher based on the importance of CSR as compared to the developed world such as America and Europe. (Waheed, Responsible Business Guide, 2010).

The thought of CSR is comparatively new in Pakistan, but the concern and attention towards CSR is consistently developing in the nation. Whereas in developed countries, CSR has turned into a key component for corporate authenticity and trust in the general public which decides the long haul survival of company. However, in business world of Pakistan, CSR conception is a mere catchword to many, including companies and people who fail to understand the true meaning of it (Waheed & Shah, 2008). In numerous Pakistani organizations, CSR is being perplexed with humanitarian exercises, employee' rights, and work laws (Khan, 2012). The corporate professionals are to a great extent unaccustomed about the exercises, obligations, and implications of CSR programs onto their organizations (Qazi, Ahmed, Kashif, & Qureshi, 2015). But the issue of awareness related to CSR concept is with both the public and the corporate sector, public is unacquainted with responsibility of corporations whereas corporations are unacquainted with CSR conception (Waheed, 2010). It is therefore, this study focuses on how CSR activities falling under Governance and Management plus Product Integrity and Consumer Focus can impact the social image of the company and its performance in Pakistan. It also shows how these CSR activities can be measured by the four stages explained in the Responsible Business Framework model which are Perception, Preparedness, Practice and Performance.

Literature Review

It is sad to know that the gap between research being conducted in developed countries and developing countries on CSR field is on the higher side. In a recent study by (Alshehhi et al., 2018) presented a content analysis of the literature concerning the impact of corporate social responsibility, to examine the literature and establish the current state of research. A total of 132 papers from top-tier journals are shortlisted. Following were the categorical results:

Time Period Distribution

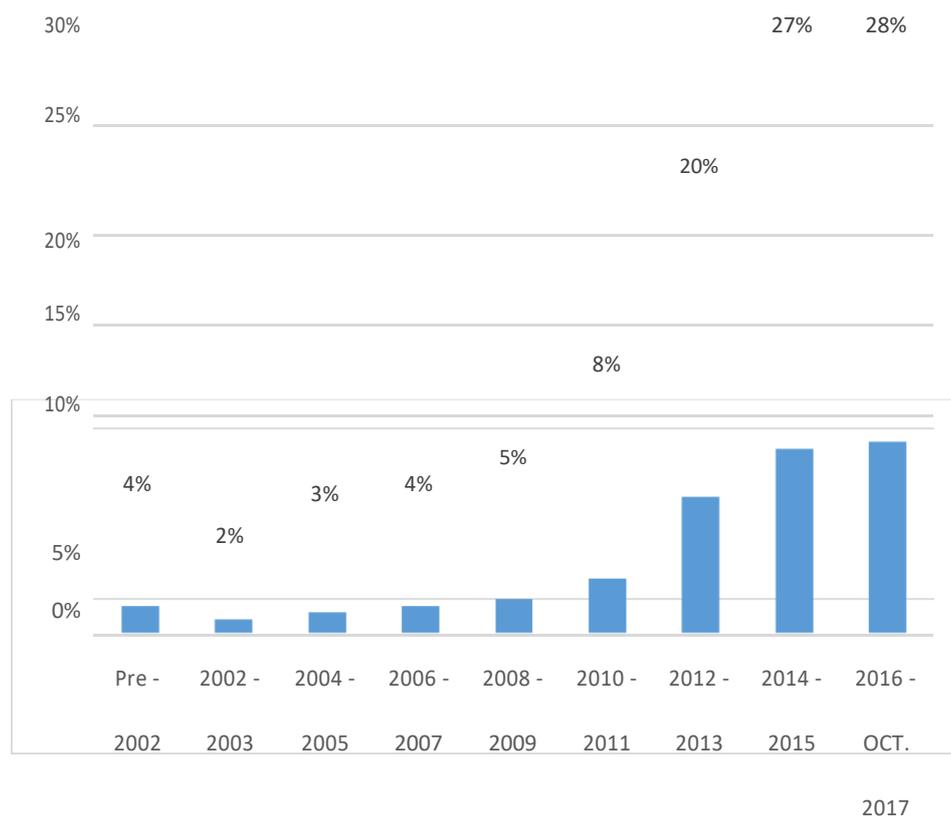


Figure 1: Percentage of publications by time period

In the last three periods starting from 2012 onwards, 75% of the 132 articles were published. This shows a three-phase growth in research, where the topic was taking

shape prior to 2002 and started to gain three-phase growth in research in the later years.

Country Distribution

If you see in Figure 2, it shows the studies been conducted in the developed and developing countries. There is a significant difference between the publications of developed countries and developing countries. After globalization developing countries like Pakistan requires to have need to hold research in such areas, so that they understand the concept of responsible business and does not end up resources been exploited by the international and local companies.

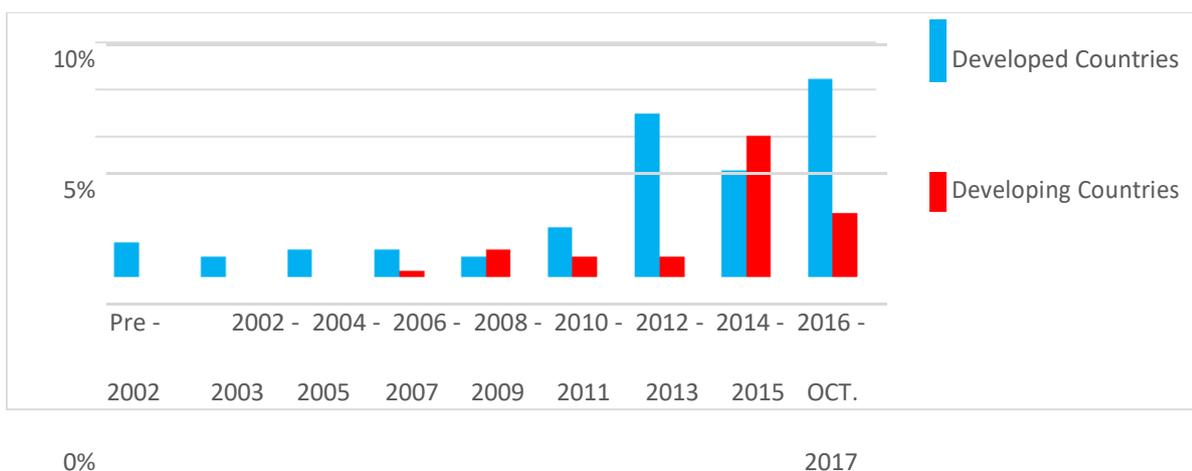


Figure 2: Percentage of publications by time period

Industry distribution of publications

An industry-based classification shows 114 articles out of the total 132 in the multi-industry. This highlights the importance that generally the study conducted is using a multi-industrial approach. The same approach that will be used in this study because the population the study will be looking into is the listed companies of Pakistan.

Distribution of publications by sustainability dimension

The distribution of articles based on the sustainability dimensions researched shows three major groups: single dimension by taking any one from Economic,

Environmental and Social. The second one is Bi-combination of dimensions like Economical-Environmental and Social-Environmental, and total sustainability. This clearly identifies that the combination of dimensions is an essential approach to be used for the research. In the study, the same combination approach is used with Governance and Management and Product Integrity and Consumer Focus.

Governance and Management

Organization governance and management are the main substance of an organization. These essentially signifies "to direct" and "handle" separately and steer the decision makers towards better decision making. Chiefs incorporate executives and directors and they ought to dependably settle on those choices that guarantee benefit. What's more, choices must be executed by the way of life, convention and social qualities inside which the organization works. (Waheed, Capable Business Guide, 2010)

We can say that board of directors who are key decision makers make up the governance and the common people who actualize these decisions is known as management (Waheed, Mindful Business Guide, 2010).

The instruments checked under the Governance and Management are that is the top management like Directors and Board members interaction with the company stakeholders else than the shareholders. This would capture the management objective that it is not only interested in maximizing the shareholders wealth only. But also have some consideration for the other stakeholders. Additional to this does the board conducts regular management reviews, are the decisions transparent and open and can they be held accountable for negative social and environmental impacts of their decisions.

	GOVERNANCE and MANAGEMENT	PERCEPTION Importance is understood	PREPARATION Specific policies available to all staff	PRACTICE Specific procedures operational	PERFORMANCE Embedded in day to day decisions
A	Directors/ Board members interact with stakeholders other than company shareholders	Y/N	Y/N	Y/N	Y/N
B	Board conducts regular management reviews	Y/N	Y/N	Y/N	Y/N
C	Board decisions are transparent and open	Y/N	Y/N	Y/N	Y/N
D	Board can be held accountable for negative social and environmental impacts of their decisions	Y/N	Y/N	Y/N	Y/N

Product Integrity and Consumer Focus

Studies suggest that product integrity and customer focus counterpart one another. Corporations using account of product integrity spend heavily in ruling out customers' needs in advance, prior to designing their product. Inside the service segment, corporations with the maximum productivity are the ones who place a comprehensive understanding of their consumer to make effort for designing their products and services according to consumers. (Waheed, Responsible Business Guide, 2010).

Product integrity means delivering promises and also striving to promise the best that can be delivered. Best is delivered not only with the assurance of good product quality, but also making sure that the making process is totally based on ethical standards. (Waheed, 2010).

The instruments checked under Product Integrity and Consumer Focus is that do they have policies and strategies for consumer insights, ethical marketing and safe

product. Related to the customer do they have a mechanism for consumer feedback and also about social compliance and environment concerns.

PRODUCT INTEGRITY and CONSUMER FOCUS			PERCEPTION Importance is understood	PREPARATION Specific policies available to all staff	PRACTICE Specific procedures operational	PERFORMANCE Embedded in day to day decisions
A	Have policy on or strategy document mentions	Consumer/SH rights	Y/N	Y/N	Y/N	Y/N
		Env. safe product	Y/N	Y/N	Y/N	Y/N
		Process responsibility	Y/N	Y/N	Y/N	Y/N
		Ethical marketing /advertising	Y/N	Y/N	Y/N	Y/N
B	Customer hotline/person responsible for consumer/SH feedback		Y/N	Y/N	Y/N	Y/N
C	Department/mechanisms for product innovation based on environmental concerns		Y/N	Y/N	Y/N	Y/N
D	Department/mechanism for process improvement based on social and environment concerns		Y/N	Y/N	Y/N	Y/N
E	Mechanism to demand social compliance from supply chain ⁸¹		Y/N	Y/N	Y/N	Y/N

Conclusion and implications

Review of the literature revealed that in Pakistan due to lack of a standardize mechanism to capture CSR activities for a company a good approach can be using the Responsible Business Framework model to gauge the status of CSR. If we use the instruments stated above provided by the Responsible Business Framework model for Governance and Management and Product Integrity and Consumer Focus we can capture the status of corporate social responsibility for the companies and also later built it to compute a CSR Index.

Companies involved in CSR activities can use the RBF model to capture the stage at which they are operating it and analyze the shortcomings where they can

improve in making the best out of the social performance. For example if the company performs well in the Governance and Management domain as in performance stage where it has the policies embedded in daily activities. But somehow, is on the preparedness stage in the Product Integrity and Consumer Focus where they understand the importance but do not have certain policies formulated and made part of the daily activities. They can quickly identify the gap and create certain policies and strategies to improve the score under this field and also ultimately the performance of the company.

Lastly, if the RBF model is wholly used it can help out carrying a blueprint for computing the CSR index for Pakistani companies. This can be done by taking under consideration all the components of the model and giving equal weightage to them to calculate a composite index.

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THE LINKAGE OF CITRALAND BAGYA CITY DEVELOPMENT TO THE CHANGE OF LAND VALUE IN THE VILLAGE OF MEDAN ESTATE SUB DISTRICT PERCUT SEI TUAN

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Abstract

Changes in the value of land occurring in the village of the terrain caused by the construction of Citraland Bagya City. The purpose of this research is to know and analyze the change of land value before and after the construction of Citraland Bagya City in 2013. Research data collected through surveys and interviews. Analysis tools in this study used independent paired t-test analysis. The number of sample in this study are as much as 30 plots of land in the village of Medan Estate sub district Percut Sei Tuan. The results showed that the development of Citraland Bagya City changed the value of land significantly in the village of Medan Estate.

Introduction

The development of an area will affect the value of the land in the surrounding area. Land is one of the main assets in terms of economic and social aspects. The development of an area can lead to the conversion of land in the area, which causes the area to be more productive so that the value of land in the area is more expensive than the previous price.

Value is something that should be paid by the buyer or accepted by the seller in a transaction. While the translation in, values is an economic concept that refers to the financial relationship between goods and services available for purchase and sale.

As for land, it is one of the resources that will encourage people in their lives to behave uniquely towards the land or land. The land is unique (not transferable), ie it can not be moved to another location. This has a direct impact on the availability of land. The limited availability of land as a result of the amount of land demand that increases far more than the available land will certainly encourage an increase in the sale value of the land, one of the causes of the increase in the value of the land so that there is a change in the sale value of the land in each year is the existence of factors of sale value of the land that influence it. This led to competition in the development of local development the value of land is very sensitive to the changes around it. Things that affect the value of an item are also called factors that affect value.

The distance of a place to a particular object influences the value of the land in that place. Location is a factor that determines the value of a property. According to [1] location factors are categorized into two, namely:

1. Accessibility factors that refer to the ease of reaching a place desired by the property owner, from the property they have.
2. Environmental factors that refer to the environmental, legal, socioeconomic, security, political and economic climate and climatic conditions surrounding it.

Medan Estate Village is one of 20 villages located in Percut Sei Tuan District. Medan Estate village located in Deli Serdang Regency is directly adjacent to Medan Tembung Subdistrict in Medan Municipality. Development at Medan Estate Village is currently encouraging many community members in Medan Estate Village to conduct land sale and purchase transactions due to the many requests from developers who are looking for land to be built housing and shop complexes, including housing developer Citraland Bagya City.

Citraland Bagya City's housing development clearly has an impact on the development of the surrounding area. This housing is an alternative for residents who plan to live not far from the city of Medan because they work in Medan City. This housing development will stretch development in the surrounding area. From the initial observations it was found that there was an increase in the price of land for example, Pak Nasron Lubis who lived in Kenari alley which was about 1500 meters from the entrance to Citraland Bagya City where he said that the land beside his house had repeatedly been offered by prospective buyers and finally released at a price of Rp.1.292.000 per square meter in the year 2013 while 4 years ago Pak Nasron Lubis buy it at the price of Rp. 450,000 per square meter, meaning that the selling price of land in this area experienced a very sharp increase, which ranged from 47% per year, in contrast to national property price increases reported in the Residential Property Price Survey Report conducted by the Bank Indonesia, from 2015 to 2017 ranging from 12% to 16% per annum.

The phenomenon of land price increase and the amount of investor desire to buy land around the area of Citraland Bagya City after the housing development encourage researchers to conduct this research, which aims to determine the impact of the development of Citraland Bagya City on the value of surrounding land, the authors will conduct research with the title as follows: "The Relation of Citraland Bagya City Development to Changes in Land Value in Medan Estate Ecosystem Estate Percut Sei Tuan, Deli Serdang District".

The formulation of the problem in this thesis is whether there is a difference in the value of land in Medan Estate Village before the construction of Citraland Bagya City with it afterwards?

The objectives to be achieved in this research are to know and analyze the difference of land value in Medan Estate Village before the development of Citraland Bagya City with afterwards on 2000 meter radius from the gate of Citraland Bagya City.

In human life, the land is one of the important elements, because humans come from the soil, human activity in interaction is also on the ground, and that's

where humans will go. So, the land is not only viewed from a single dimension, but must be seen comprehensively. But simply to understand the concept of land, at least can be seen from four dimensions: physical / environmental, legality, economic, and socio-cultural. From the physical / environmental dimensions, land can be understood in various concepts. First, the land in the concept of nature (nature), ie the land has a close relationship with the surrounding natural situation. Thus, we know there is fertile land and there is barren land. Second, the soil in space concept, ie the important spatial elements are distance, location, configuration, and size / scale. From the dimensions of legality, land can be understood based on its legal strength. In the classification of the legality dimension of the land based on its legal status, it is known that there is certified land of property rights, land title rights certificates, land title rights certificates, and no certificates. The higher or stronger the legal status of a land will be the higher the value of the land. From the economic dimension, the land can also be understood from various concepts. First, land as a factor of production, ie land is taken into account as a source of food, building materials, and energy sources.

Second, the land in the concept of the situation (situation), the location of economic activity and accessibility. Third, land in the concept of property (property), ie land relating to property rights and its use. Fourth, land in the concept of capital (capital), namely land is considered as capital that can be bought and rented. Fifth, land in the concept of consumption goods (a consumption good), ie the land is considered as consumer goods such as housing and recreation [2]. From the socio-cultural dimensions of the land can also be understood in several concepts. First, the land in the cosmic-religious-magical concept, ie the land can be considered sacred and sacred because it has magical powers related to events that have occurred around the land. Second, land in the concept of psychological bonding, that is, there is a psychological and emotional bond between the owner and the land, as a place of being born, raised, and undergoing social activities. Third, land is also a social identity (ethnicity, communality or people), that is, there is a close relationship between land and social groups who live on land. Fourth, the land in the concept of social status, namely the control of the land will radiate a person's social status or

self-esteem of a people, for example the landowner is able to place himself as a hanger of dozens of farmers. [3]. So far the basic calculations for determining the value of soils vary. However, in general, the calculation of the value / price of land in the procurement of land for development for the public interest is based on several variables.

First, land area factor. This factor distinguishes between large and narrow land based on the size of a square meter or hectare. The wider the area of land, the higher the value / price.

Second, the factor of distance to the city center (Central Business District / CBD). Consideration of this factor proposed by Von Thunnen that the further distance from the CBD, the cheaper the price. Conversely, the closer to the CBD, the higher the price [4] Third, the use of the land. Consideration of this factor because the land is used for various purposes such as business premises, housing, yard, farm, plantation, or left alone. in general, the more the land is used as land for business or settlement, the higher the value / price. Conversely, the more the land is left alone (not productive), the lower the value / price. Fourth, infrastructure and facilities available. Consideration of this factor is important because there is a complete location of infrastructure and facilities support, while there are also locations with minimal support. In general, the more complete the support of infrastructure and facilities of a land location, the higher the value / price and vice versa. Fifth, the legal status of the land. Consideration of this factor is important because there is a land that has a strong level of legality, some are relatively weak legality. The form of the legality is a certificate, girik, SPPT (Tax Return Notice), certificate from the village / village, and proof of sale deed. In general, the more the land has a certificate, the higher the value / price and vice versa. Sixth, suitability of land use with Spatial Plan (RTRW). This factor is important because there are areas devoted to residential and conservation areas. In general, the more land is reserved for settlements, the higher the value / price and vice versa. Seventh, the value of the sale of taxable objects (NJOP). Factor is actually an accumulation of various aspects that became considered for the Directorate General of Taxation to determine it. nJOP is also often

the basis in determining the amount of compensation value. The larger the NJOP of a plot of land, the greater the value of the compensation and vice versa.

Previous research conducted related to the value of land, among others:

- [5] Examines the price of rural land in the suburbs and buyer expectations. His research shows that inflation affects the desire to buy Portland suburban Portland land. [6], examined the effect of population on the value of land plots in the United States.

The results of his research indicate that the population affected the value of land plots built for single families in 260 cities in the United States in the 1950s. [7], examined the effect of taxes on land prices. His research shows that in the long run, the demand for land is always increasing due to various factors, such as the increase in population, the increase in community income, and changes in taste. So the natural way land prices will tend to rise, unless there is an external factor that causes environmental conditions to be unfavorable. [8] Examined the effect of accessibility location factors in influencing land values. According to this study land values are influenced by variables such as distance to the city center, road width, distance to university, and asphalt road conditions or not. The value of land has a definition or understanding of various, depending on context and its purpose and point of view. Land value by definition is defined as the strength of the value of land to be exchanged with other goods. For example, land that has low productivity such as grassland soils is relatively lower in value due to limitations in its use. Whereas land market value is defined as the price (measured in units of money) desired by the seller and buyer [9]. The value of the land is reflected by the gain received on the use of the land. The advantages are related to the influence of the environment that can be distinguished as human and non human factors. Human factors relate to human actions to enhance the value of land such as erecting buildings. Non-human factors concerning the externalities received by the land. if externalities are positive, such as close to the center of the economy, free of flooding, population density, and the existence of road facilities, then the land will be of high value compared to land that does not accept externalities, even though the size and form of the land are the same. The value of land in the context of the property market is a fair market value that is

the value determined or determined by the buyer who wants to buy something and the seller wants to sell something based on agreement or agreement between the two parties in fair conditions without pressure from outside parties on the process of buying and selling transactions that occur kemufakatan. the buyer and seller have sufficient grace on the merchant's property and act on their own behalf.

Market value basically reflects the best price of a property at a given time, place and condition or market conditions. This is in line with the notion of value which states that value is a time that describes the price or value of money from property, goods or services for buyers and sellers. From some understanding it can be concluded that the value of land is a measure of the ability of the land to produce or produce directly to provide economic benefits. In the context of the property market the value of the land equals the market price of the land such as high market land prices so the value of the land is also high and vice versa.

Method

The approach used in this research is quantitative descriptive approach. According to [10] descriptive research is a research that is describing or describing a thing with the aim to investigate the conditions or conditions that occur in the object or area of research. The descriptive approach used in this study is a descriptive survey approach.

The research was conducted in Medan Estate Village, Percut Sei Tuan Subdistrict, Deli Serdang Regency, North Sumatra Province. Time of study conducted In May 2018 to June 2018. Population in this study is the data of land value in the Village Estate Medan in 2010 until the year 2018 with a radius below 2000 meters from the gate of Citraland Bagya City. Sampling methods used in this study are:

Target population. This sampling technique is chosen so that it can represent the population so as to produce acceptable data. The target population is a population that will become the scope of generalization of research results. The land price data used in this study is cross section data that is the primary data obtained by the survey

and interviews to the people who bought the land around Citraland Bagya City in the year 2010 until 2018, and some others in the form of secondary data from the Office of the Medan Estate Village Chief and the Percut Sei Tuan Village Head Office and the Land and Building Tax Service Office of Deli Serdang Regency, North Sumatra Province. All data of the sale and purchase transactions of the land is obtained from the market value of land sales in Medan Estate Village. All data will be adjusted based on the principle of time value of money, with a discount factor of 0.54% per month. The consideration of discounting factor is due to the interest rate of Indonesian bank in July 2018 is 6.50% per year. To calculate the distance between the location of land traded with Citraland Bagya City, the author uses Google Map.

This study uses data sourced from primary data and secondary data. Primary data is data sourced from the results of interviews with residents of Medan Estate Village to obtain information on land prices are traded from 2010 to 2018. Interviews were also conducted with the Head of the Environment and the Medan Estate Village Chief. Secondary data includes relevant data consisting of village administration data, land use, land status, population number and population density, construction of public facilities (widening access road from UNIMED, development and opening of Toll gate of Citraland Bagya City and Sarana development education). Secondary data obtained from the data contained in the Office of the Village Head of Estate Estate, Percut Sei Tuan District Office, and from the Agrarian Office (BPN) Deli Serdang District. The variable used in this study is the value of land traded in Medan Estate Village in 2010 to 2018.

The value of land is obtained from the offer price of the respondent's land on the date of the study. The price of land is stated in the area per square meter in terms of Rupiah (Rp / m²). The price of the land is the bid price in the form of vacant lot.

This study uses different test statistic test or test that measures the presence or absence of differences between two groups or several groups, both free and paired groups, it must be used comparative test. If the data scale is ordinal or nominal, in other words not the interval or ratio, it is called a non parametric comparative test.

Note that: interval data or a ratio that is not normally distributed, is considered the same treatment with ordinal data. So that it is also included in non-parametric analysis.

Data Analysis Techniques

Classic Assumption Test

The purpose of testing the classical assumption in this study is to get a good regression model and really be able to provide reliable and unbiased estimation in accordance with Best Unlimited Linear Unlimited (BLUE) rule. Classical assumption test conducted in this research include Normality Test, Heterskedastisitas Test and Multicollinearity Test.

Normality Test

The normality test is intended to test whether the residual values that have been standardized in the regression model are normally distributed or not. To detect whether the standardized residual value is normal or not distributed then the method of graph analysis and statistical methods can be used. Normality testing using graphical analysis is used using a histogram by depicting the dependent variable as the vertical axis and the residual value as standardized as the horizontal axis.

If the Standardized Regression Residual Histogram forms a curve like a bell, then the residual value is declared normal. Another way to test normality with a graphical approach is to use the Normal Probability Plot. the normal distribution is represented by a straight diagonal line from the lower left to the top right. The cumulative distribution of actual data is illustrated by plotting. if the data is normal then the line describing the actual data will follow or dock to the diagonal line

Independent T Test

Independent T Test is a comparative test or a different test to find out whether there is a mean difference or a meaningful mean between 2 free groups with interval data

/ ratio scale. The two free groups referred to here are two unpaired groups, meaning the source data comes from a different subject. Independent Assumption T Test that must be met on independent t test, among others:

1. Scale of interval / ratio data.
2. Groups of data are free or unpaired.
3. Data per group is normally distributed.
4. Data per group there is no outlier.
5. Variance between groups is the same or homogeneous.

Results and Discussions

The village of Medan Estate is located in Percut Sei Tuan District, Deli Serdang Regency, North Sumatera Province. This village has a population of 13,512 people with 2,856 Heads of Families. the people in this village are very heterogeneous, consisting of various ethnic groups, religions and groups. Medan Estate Village has a very strategic meaning in the development of Deli Serdang Regency because this village is the gateway to Deli Serdang Regency from Medan city. on the other hand, this village is the center of culture and science, which is very useful and important for the development of Deli Serdang Regency. this strategic condition and cultural and educational center gave birth to an idea from the Government of Medan Estate Village to make Desa Medan Estate as a Village of Education. Citraland Bagya City is a synergy project between Ciputra Group and PT. KPSN is developing the largest development area covering 211 ha in the city of Medan. The 211 ha area is integrated with housing, offices, commercial areas, CBD areas, malls, hotels, apartments, schools, universities, hospitals, water parks, as well as green areas and lakes covering an area of 11 ha. This research will see how the relationship between the construction of Citraland Bagya City towards changes in land values in Medan Village Deli Serdang District Estate.

Full descriptive statistics can be seen in

Table 5.1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Land Value	30	1096435	2179097	1.67E6	272253.440
Valid N (listwise)	30				

Table 5.2 Land Value in Medan Estate 2010 – 2018

No.	Nama	Tahun Penjualan	Nilai Tanah (Rp. /M ²)	Golongan
1	GURUH SYAHPUTRA NIHE	2018	2,179,097	2
2	SYAHRIZAL DALIMUNTHE	2018	2,025,742	2
3	TAUFIQ BAHARI	2017	1,983,824	2
4	SUHARTINI	2015	1,953,280	2
5	SIU SIAN/HUANIA	2013	1,921,841	2
6	BAMBANG HARYANTO	2014	1,880,220	2
7	LIM TJEN SENG	2015	1,863,327	2
8	IRFAN RIZALI	2016	1,860,838	2

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9	T. MOHM PUTRA YUDI	2012	1,851,287	1
10	ZULFAHMI	2015	1,845,479	2
11	ARDIANSYAH DAULAY	2017	1,830,469	2
12	SIU SIAN/HUANIA	2014	1,816,765	2
13	RAHMAD KHAIDIR	2018	1,806,789	2
14	INDRAWAN NIHE	2016	1,790,882	2
15	NASRON LUBIS	2013	1,770,574	2
16	NANANG	2012	1,767,183	1
17	ABDUL AJIZ	2014	1,688,487	2
18	FATIMAH	2017	1,611,513	2
19	IRWAN SAPUTRA	2012	1,549,532	1
20	RONAL	2011	1,530,677	1
21	KADIN PURBA	2012	1,525,467	1
22	RUDI HANDOKO	2012	1,515,534	1
23	RAHMAD	2011	1,489,237	1
24	JUMINTO	2012	1,468,319	1
25	LAIA	2011	1,442,988	1
26	GABE	2011	1,344,796	1
27	WAHYU	2010	1,241,247	1
28	MASAYU	2010	1,235,730	1
29	DAENG	2010	1,195,275	1
30	PONIMAN	2010	1,096,435	1

Source: Research Results, 2018 (Data Processed)

Normality test is by Shapiro Wilk Test. the Shapiro Wilk test statistic (Table 5.3) yields a significance value for before CLBC of 0.610, while the significance value for CLBC

is 0.715. because the value of significance before and after CLBC greater > 0.05, it can be concluded that the data of learning achievement normally distributed .

Table 5.3 Normality Test

	Shapiro-Wilk		
	Statistic	df	Sig.
Before_CLBC	.953	14	.610
After_CLBC	.960	14	.715

a. Lilliefors Significance Correction

*. This is a lower bound of the true significance.

Independent test sample t-test below note that the value of Sig. (2-tailed) of 0.000 is smaller than <probability value 0.05. therefore, as the basis for decision making independent test sample t-test below it can be concluded that Ha is accepted. so it can be said that there is a significant difference in the value of land in the Village Estate Medan Deli Serdang District between before and after the existence of Citraland Bagya City.

Table 5.4. Test Independent Sample T-Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Landed Value assumed Equal variances	2.638	.116	-6.560	28	.000	41762 7	63659.801	54802 8	-287225.837
not assumed Equal variances			-6.368	21.397	.000	41762 7	65579.996	55385 4	-281399.918

In 2011 to the year 2012 occurred again a drastic improvement of it because the outstanding issues will be a mega project on the land as if diamini with passing heavy vehicles passing of course it becomes a positive signal for the community owning land

in the surrounding area considering that a luxury complex comes with a variety of facilities that can make land prices rise. In 2012 to 2013 the value of land in the area of Medan Estate Village increased again where the increase of 14% from the previous year, the most dominant factor is in 2013 Citraland Bagya City official grand launching so that it affects the public preference for buy land around the complex considering Citraland Bagya City is one of the complexes with various facilities such as CBD and the swimming pool which of course can be used by the surrounding community without having to buy a house in the complex that has a price range in the year from Rp.600,000,000 to Rp. 1,200,000,000 results of this study are in accordance with the research [where the results of his research show that the construction of Hermes Palace Medan changes the value of the surrounding land the price of land around the Village Medan Estate which 4 years earlier is always up in 2013 to 2014 has decreased because of too high public expectations of land price increase in the Village Medan Estate. this makes the Medan Estate Village area experience bubble property, bubble property or property bubbles marked by soaring land prices due to increased demand and speculation. This price increase is likened to a growing air bubble. At some point, demand will decline even stop so prices begin to decline. This is what then means the bubbles begin to deflated. In the following year or 2014 to 2015 an increase occurred again this was due to the fact that in 2014 the people who sold their land began to sell their land at a fair value according to prospective buyers because in the previous year the price of land in the area had always increased drastically so that in 2014 to the point at a reasonable price constraint on the area. Because of this, in 2014 to 2015 prospective buyers began to glance at the land around Medan Estate Village which is very close to Citraland Bagya City. 2015 to 2016 is the beginning of a decline in the value of land around Medan Estate Village.

Land that is expected to be an investment for the owner has begun to be overlooked by potential consumers of too high prices and expectations that assume that the development of road accessibility will facilitate even the surrounding community is limited to widening on the road small harun while the eastern part to the paved road conditions with a size that can only be passed by 1 car. It has a negative impact for the surrounding community where roads that should never be jammed into

a very jammed at certain hours due to passing four-wheeled vehicles that want or from the east to return to Citraland Bagya City this is worsened by road conditions which is full of holes so that the dominant effect is a prolonged congestion.

Conclusion

Based on the result of this research, it can be concluded that there is significant difference of land value in Medan Estate Village before and after the development of Citraland Bagya City. Based on the results of this study, the suggestions that researchers can provide are as follows: For the Community, which is advised to be careful in buying land around Citraland Bagya City considering the results of this study shows the land in a 2000 meter radius from the gate Citraland Bagya City vulnerable to speculation will be the presence of Citraland Bagya City. For appraisal / appraisal, it is suggested to be more careful in determining the value of land in Medan Estate Village, Percut Sei Tuan District. Considering the market price in the area is more influenced by expectations of speculators who want to take maximum profit from the public sentiment for the area in the future. For further researchers it is advisable to add other variables or phenomena that occur in Medan Estate Village, Percut Sei Tuan District such as the width of the road and air quality in order to get more extensive research results and provide more benefits for the author and reader of research results.

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THE EFFECT OF INVESTMENT DECISION AND DIVIDEND POLICY ON FINANCIAL PERFORMANCE: EMPIRICAL EVIDENCE FOR THE INDONESIAN STOCK EXCHANGE LISTED COMPANIES

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Abstract

The objective of this research is to get an understanding on the effect of the investment decision and dividend policy on financial performance using Structural Equation Modeling (SEM). It is expected that this model will give more comprehensive analysis on the effect of the investment decision and dividend policy on financial performance of public companies, which includes the direct or indirect effect on one variable against the others variables on public companies in Indonesian Stock Exchange in 2011-2014. This analysis was based on target population of 513 companies and the samples of 315 public companies in Indonesian Stock Exchange, with following findings. The investment decision and dividend policy gave a direct effect on the financial performance, respectively 2.34% and 4.62%. Indirectly, the investment decision effected the financial performance 7.82% and dividend policy effected the financial performance 12.96%. Total effect of investment decisions and dividend policy on financial performance respectively 10.16% and 17.58%. Out of the two variables, the dividend policy had more dominant effect on financial performance. The investment decision and dividend policy has a direct and indirect positive effect on each others. The theoretical finding on this research can be developed to make an investment decision and dividend policy of public company. In other words, the two variables will have some means of effect on financial performance compare with other factors.

Keywords: investment decision, dividend policy, financial performance.

Introduction

The Company is a form of corporation which carries on every type of business, is permanent, continuous and working within the territory of the Republic of Indonesia,

for the purpose of obtaining profit and or profits (Article 1 Sub-Article b Law No. 3/1982 on Obligatory Company Registration). With maximum profit or profit it is the company can maintain the survival of the company. But today the business world is growing more rapidly. Many new companies are emerging so that makes business competition so tight and competitive. Therefore, corporate actors are required to be able to manage their resources more effectively and efficiently in order to support what has been the company's previous goals. Investment and Dividend Decisions of companies listed on the IDX are fluctuating and some companies do not dividend because income decreases.

The development of stock price changes in the listed sectors in BEI partly decreased and some experienced an increase and decrease as well as decrease and increase.

According to Brigham and Houston (2009), the increase in debt is interpreted by outsiders about the company's ability to pay its future liabilities or the existence of low business risk, it will be responded positively by the market. There are two views on funding decisions. The first view is known by the traditional view that capital structure affects firm value. Another policy relating to corporate value is investment decisions, where investment decisions in this regard are short-term and long-term investments.

According to Hidayat (2010), investment decision is an important factor in the company's financial function, where the company's value is solely determined by the investment decision. The purpose of the investment decision is to obtain a high level of profit with a certain level of risk. According to Jumingan (2011: 239), performance is a description of the achievements achieved by the company in its operational activities in terms of financial aspects, marketing aspect, fund raising aspect and fund distribution, technological aspect as well as human resources aspect.

Referring to the description on the background and the above problem identification formulated the following problems: 1) What is the investment decision condition and dividend policy in the public listed company listed on BEI, 2) What is the condition of financial performance in the public listed company listed on BEI, 3) How

big influence of investment decision on financial performance at the public listed company listed on BEI, 4) How big influence of dividend policy on financial performance at the public listed company listed on BEI.

Conceptual Framework

Relationship of Investment Decisions with Dividend Policy

Investment decisions are provisions made by the company in spending the funds it has in the form of certain assets in the hope of gaining profit in the future (Nadhiroh, 2013). Companies that choose to take advantage of investment opportunities will use some of the proceeds from retained earnings to invest. The choice will affect the dividend policy to be taken by the company. A study by Samuel and Gbegi (2010) on dividend policy, liquidity constraints and corporate investment in Nigeria concluded that investment decisions have a positive effect on dividend policy.

Influence of Investment Decision on Financial Performance

Investments by companies often provide opportunities for companies to increase their competitive advantage. Investment opportunities made with the right consideration can further improve the performance of the company. Conversely, investment opportunities that are not utilized properly will actually cause losses (decreased performance) for the company. In contrast to the results of Soejono (2010) study which states investment decisions have no effect on the performance of the company. Dewi and Suardana (2015) in Firdaus, BZ & Diantimala (2018) in his research found that investment decisions affect the value of the company through financial performance.

Influence of Dividend Policy on Financial Performance

According to Rozeff in Rahmadhana and Yendrawati (2012), dividends contain information or as a cue to the prospect of the company. If the company increases the dividend payout, it can be interpreted by investors as a sign of management's expectation about the future performance of the company. The agency theory Jensen and Meckling (1976) argue that dividends will reduce the conflict between agents and principals. According to Rozeff (1982), dividends can be used to reduce equity agency costs.

Hypothesis

The hypotheses in this study are:

H1: There is influence of investment decision on financial performance

H2: There is influence of dividend policy on financial performance.

Method

This research uses a kind of causal quantitative research. Sugiyono (2013: 37) states quantitative causal useful to analyze variables with other variables or how a variable affects other variables. This research is included in the type of explanatory research, i.e. research that explains the position of the variables studied and the relationship between one variable with another variable (Umar, 2005).

This research uses descriptive research type and verification research by using quantitative approach. Descriptive research is a type of research that aims to provide a more detailed description of certain symptoms or phenomena. Verificative research is a type of research that aims to test a theory or the results of previous research, so obtained results that strengthen or abort theory or the results of previous research.

This study aims to determine the effect of investment decisions and dividend policy on financial performance using Structural Equation Model (SEM). This model is expected to result in a more comprehensive analysis of the impact of investment decision and dividend policy on the financial performance of the company go public in Indonesia

Stock Exchange (BEI) in 2011-2014. By using the target population of 513 companies and a sample of 315 companies going public in Indonesia Stock Exchange obtained the following research conclusions.

Result and Discussion

Investment Decision Measurement indicates that the value of loading factor, investment decision indicator shows that market to book assets ratio and earning to price ratio is the most powerful indicator in explaining investment decision variable because it has loading factor 0.847 and 0.826. The subsequent sequence of capital expenditure to book value of assets ratio, current assets to total assets ratio and total assets growth.

The Dividend Policy Measurement shows that the second factor load factor of the dividend policy indicator shows the value of 0.755 for dividend yield and 0.576 for the dividend payout ratio above the value 0.50, meaning that the dividend yield and dividend pay out ratio are strong and very meaningful in forming latent variables dividend policy.

Financial Performance Measurement shows that the loading factor as a result of measurement using Lisrel, shows that return on total assets with loading value of 0.831 has a very significant influence in measuring latent variable of company performance. Value loading over + 0.50 is said to be very meaningful (Bachrudin & Tobing in Hasnawati & Sawir, 2015).

Similarly, basic earning power indicator with loading value of 0.735 is very meaningful in measuring latent variable of company performance.

From figure 1, it is found that investment decision, dividend policy, capital structure, firm size have significant effect to financial performance either simultant or partially. Based on the results of data processing Lisrel program 8.7 for structural model on figure 1, in accordance with the proposed hypothesis is as follows:

$$\text{Kinerja} = 0.153 * \text{KepInv} + 0.215 * \text{KebDiv},$$

(0.0704) (0.0827)

2.169 2.597

Figure 1. Results Analysis



The direct influence of investment decision variables on financial performance is 2.34%. While the indirect effect of 7.82%, namely through dividend policy variables. The indirect effect of investment decisions on financial performance is greater than its direct impact. This indicates that the company's performance can not only be influenced by investment decisions but must be supported by other variables, so that the direct and indirect influence of investment decision on financial performance is 10.16%.

The direct influence of dividend policy variable on financial performance is 4.62%. While the indirect effect of 12.96%, namely through investment decision variables, so that the direct and indirect influence of dividend policy on financial performance of 17.58%.

Based on the result, the influence of investment decision and dividend policy to the biggest financial performance is a dividend policy variable of 17.58%. So it can be seen that all variables are interdependent to improve a company's financial performance. In addition to the above two variables are still many variables that give effect to the financial performance because based on the influence outside the model, that is equal to 0.333, meaning that the financial performance is influenced by variables outside the research model of 33.3%.

Partial Test Results of investment decision on financial performance for investment decision coefficient on financial performance of 0.153, obtained by t-count 2.169 by taking the level of significance α of 5%, then the value of t-table or $t_{0.05,1260} = 1.972$, so because t-count = 2.169 greater than t-table = 1.972, then H_0 rejected or in other words investment decisions affect the financial performance with the coefficient of the path coefficient of 0.153 so that any increase in investment decisions it will improve the financial performance of 0.153.

Based on the calculation, for the coefficient of dividend policy path to financial performance of 0.215, obtained the value of t-count of 2.597 by taking the level of significance α of 5%, then the value of t-table or $t_{0.05,1260} = 1.972$, so because t-count = 2.597 larger than t-table = 1.972, then H_0 is rejected or in other words dividend policy effect on financial performance with path coefficient of 0.215 so that every increase of dividend policy hence will improve financial performance equal to 0.215.

The results showed investment decisions have a direct influence on financial performance as positive as 2.34%. While the indirect effect of 7.82% is through dividend policy. These results are supportive and consistent with the opinions expressed by Sircar, Turnbow & Bordoloi (2000) and Dewi & Suardana (2015) in Firdaus, BZ & Diantimala (2018). The indirect effect of investment decisions on financial performance is greater than its direct impact. This indicates that financial performance can not only be influenced by investment decisions but must be supported by other variables.

The direct influence of dividend policy variable on financial performance is 4.62%. While the indirect effect of 12.96%, namely through investment decision variables. The indirect effect of dividend policy on financial performance is greater than its direct influence. The results of this study support Pettit (1972) and Rozeff (1982), that an increase in dividend payments is interpreted as a management belief in improved outlook and financial performance. If the company increases dividend payout then it is interpreted as a sign of management's expectation about the company's performance improvement in the future. While Pramastuti (2007), if the management decides to divide the dividends, he must have confidence that his company will have good profitability in the future. From the investor's point of view,

one important indicator for assessing the future prospects of a company is to look at the dividends paid.

Conclusion

Investment decisions as measured by total assets growth, market to book assets ratio, earning to price ratio, capital expenditure to book value assets ratio, current assets to total assets ratios, in public listed companies listed on the Stock Exchange experienced various fluctuations. Based on the result of loading factor shows that investment decision by using indicator of market to book assets ratio able to give bigger contribution compared to other indicator. Dividend policy, measured by dividend payout ratio and dividend yield, indicates that the dividend policy of listed companies listed on the Indonesia Stock Exchange is fluctuating. Based on the results of loading factor of the dividend yield appears more meaningful than the dividend payout ratio.

The financial performance of the company go public in Indonesia is measured properly through the two indicators, namely return on total assets and basic earnings power indicates that the financial performance of listed companies listed on the BEI fluctuate varies.

The return dimension on total assets has the highest percentage compared to basic earning power.

Investment decisions have an effect on the financial performance of listed companies listed on the BEI of 10.16%. The better the investment decision, it will improve the financial performance in the public listed company listed on the BEI. Dividend policy has an effect on the financial performance of listed companies listed on the BEI by 17.58%. The better the dividend policy, it will improve the financial performance in the public listed companies listed on the BEI.

Referring to the results of research and usefulness of the results of this study, it is advisable:

- 1) Research on external factors that impact on financial performance needs to be considered, considering that external factors have not been included in modeling such

as inflation rate, economic growth, currency exchange rate, politics, or industrial development.

2) Conducting research with the category of go public companies that are on the main board and development board. In addition it needs to be studied also whether in crisis and normal economic conditions provide the same conclusion,

3) For companies go public, the results of this study can be used as a consideration, that the investment decision and dividend policy together have a considerable influence on financial performance, as well as if done separately. Therefore, it should be noted that related to investment decisions and dividend policy because one action taken will have a direct or indirect impact on financial performance and implicate the value of the company,

4) Consideration should be given to the application of good corporate governance (GCG) by a public company to its financial performance and value decisions.

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THE INFLUENCE OF CURRENT RATIO (CR), DEBT TO EQUITY RATIO (DER), AND ACTIVITY RATIO TO PROFITABILITY IN THE MANUFACTURING COMPANIES IN BASIC AND CHEMICAL SECTORS IN ISE FROM 2013 – 2017

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Abstract

The goal of the research is to test and analyze the influence of *Current Ratio* to the Profitability in the Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) from 2013 - 2017 partially and simultaneously. The research method used was the quantitative. The population used in the research were the Manufacturing Companies in Basic and Chemical Sectors in Indonesian Stock Exchange reaching 72 companies from 2013 - 2017. The sample used in the research were taking data by *purposive sampling*. The numbers of the sample used in the research were 27 companies within the numbers of observation reaching 135 ones. The result was *Current Ratio* partially and significantly did influence to the Profitability. *Debt to Equity Ratio* partially negatively and significantly influenced the Profitability. Activity Ratio partially no affect and not significantly influenced the Profitability. *Current Ratio*, *Debt to Equity Ratio*, and Activity Ratio simultaneously and significantly influenced the Profitability of the Manufacturing Companies in Basic and Chemical Sectors in Indonesian Stock Exchange from 2013 - 2017.

Keywords: current ratio, debt to equity ratio, Activity Ratio, profitability

Introduction

The Manufacturing Companies in Basic and Chemical Sectors have something to do with transaction to maximize its profits (welfare). Every transaction in the company would be available in the financial report. The financial work in the future would be predictable by comparing it with the last work. It would be measured by some ways, such as, *Current Ratio*, *Debt To Equity Ratio*, Activity Ratio, and Profitability.

The motivation to make a company was to get profit. The profitability is the main issue for the consistent profitability would be the measure of how the company could survive and run the business. Profitability of a company is the ability of the company to get profit to fund the operational and pay its obligation right on-time. The profitability used is *return on asset* (ROA).

The data released by PT Indonesian Stock Exchange (ISE) showed that the average comprehensive profits of every company in 2015 increased 8,60% compared to it in the previous year. Based on the companies' reports in 2015, they got about Rp 591,81 billion compared to it in 2014 reaching Rp 544,94 billion. The total comprehensive profit of the basic and chemical industries got the highest increase, reaching 67,9% of all other sectors. (<https://pasaranda.id/news/2016/6/4/2015-laba-emiten-kimia-and-industri-dasar-tertinggi/>).

The previous research, "Pengaruh *Current Ratio* and *Debt to Equity Ratio* Terhadap *Return On Assets*" Mahardika and Marbun (2016) was got from Current Ratio and Debt to Equity Ratio influenced the Return on Assets. Marpaung and Hasibuan (2014) researched the influence of Activity Ratio to the Profitability in the trade, service, investment companies in Indonesian Stock Exchange from 2008 – 2002. The result was that the Activity Ratio significantly influenced to the profitability.

The phenomenon of the Current Assest, Total Debt, Fund and Net Profit in the Manufacturing Companies in Basic and Chemical Sectors in Indonesian Stock Exchange (ISE) from 2013-2017 could be seen in tabel 1 below.

Tabel I Phenomenon Table of Current Asset, Total Debt, Fund, and Net Profit in the Manufacturing Companies in Basic and Chemical Sectors in Indonesian Stock Exchange from 2013-2017 (in Rupiah)

Code of Company	Year	Current Asset	Total Debt	Fund	Net Profit
AKPI	2013	943.606.169.000	1.055.230.963.000	291.431.090.000	34.620.336.000
	2014	920.128.174.000	1.191.196.937.000	290.134.127.000	34.690.704.000
	2015	1.015.820.277.000	1.775.577.239.000	347.086.793.000	27.644.714.000
	2016	870.146.141.000	1.495.874.021.000	271.560.355.000	52.393.857.000
	2017	1.003.030.428.000	1.618.713.342.000	356.153.488.000	13.333.970.000
INAI	2013	543.234.334.813	639.563.606.250	278.253.349.270	5.019.540.731
	2014	644.378.101.805	751.439.553.825	329.435.397.918	22.058.700.759
	2015	955.465.955.552	1.090.438.393.880	278.873.240.213	28.615.673.167
	2016	974.282.450.341	1.081.015.810.782	273.663.610.424	35.552.975.244
	2017	860.749.259.575	936.511.874.370	210.332.360.094	38.651.704.520
EKAD	2013	229.041.255.054	105.893.942.734	109.379.000.445	39.450.652.821
	2014	296.439.331.922	138.149.558.606	162.138.882.145	40.756.078.282
	2015	284.055.202.739	97.730.178.889	114.682.749.936	47.040.256.456

	2016	337.644.083.636	110.503.822.983	124.204.877.915	90.685.821.530
	2017	413.617.087.456	133.949.920.707	171.149.332.500	76.195.665.729

The issues in the research were the increasing *Current Ratio* was not followed by the decreasing Profitability of the Manufacturing Companies in Basic and Chemical Sectors in Indonesian Stock Exchange (ISE) from 2013-2017, The increasing *Debt To Equity Ratio* was not always followed by the decreasing Profitability in Manufacturing Companies in Basic and Chemical Sectors in Indonesian Stock Exchange (ISE) from 2013-2017, the increasing Activity Ratio was not always followed by the increasing Profitability in Manufacturing Companies in Basic and Chemical Sectors in Indonesian Stock Exchange (ISE) from 2013-2017, the increasing *Current Ratio*, *Debt To Equity Ratio* and Activity Ratio were not always followed by the increasing Profitability in Manufacturing Companies in Basic and Chemical Sectors Indonesian Stock Exchange (ISE) from 2013-2017.

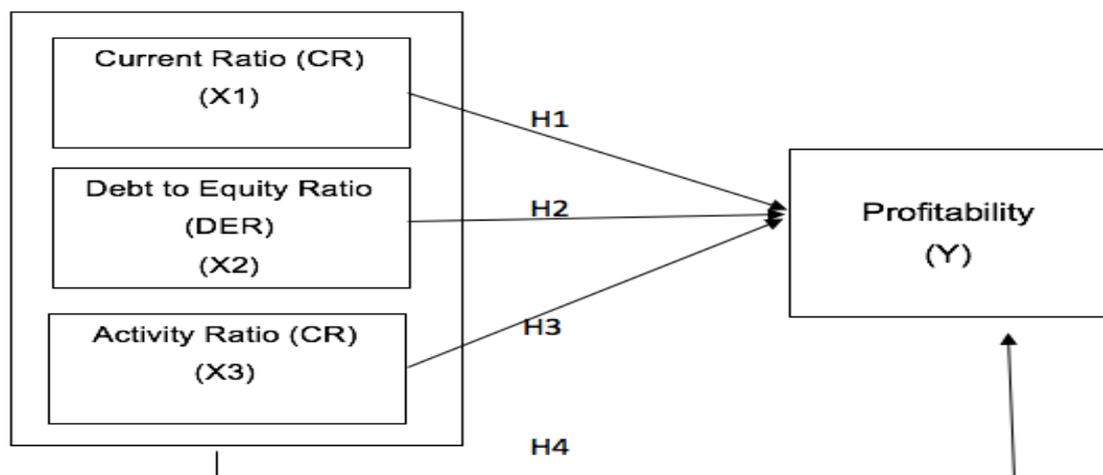
According to Horne and Wachowicz (2012:167), *current ratio* showed the capability of the company to pay the short term liability by using its current asset. Current Ratio is one of the liquidity ratio that is mostly used. According to Jusuf (2008:55), *debt to equity ratio* is the comparatio between the total obligatiaon (total debt) and the total capital (equity). The ratio showed how the capital could guarantee every debt. The ratio could be read as the comparison between outsider fund and the capital of owner in the company that was put into the company.

According to Hery (2015:209), the activity ratio is the ratio that is used to know that the company is effective or not to use its asset, including to measure the level of efficiency to advantage the available sources. According to Hanfi & Halim (2014:157), *return on assets* is the ratio that measures the ability and capability of the company to make profit by using the total asset after it is adjusted with the cost to fund the asset.

According to Hanafi and Halim (2016:75), the small ratio showed that the high liquidity ratio risk while the high current ratio showed that there are over current ratios

that may influence the profitability of the company. According to Subramanyam and Wild (2010:264), the more debt in the capital structure in a company, the higher burden and commitment of the company to pay it. The company may not be able to pay the interest and the loan when it is due date to pay and the creditor could have increasing loss.

According to Fahmi (2015:78), the well-performed company is the company's fund and the fund rotation are balanced. It means that if the fund rotation is small, there would be piles of fund in the storage. But if the fund rotation gets more, the fund would be less too in the storage that one day, the fund is not available in the markets. It may happen for the mis-calculation, such as, harvest failure, natural disaster, political chaos, security, and others. This could disturb the production activity and could influence the selling and profits.



Picture 1. Conceptual Framework

The Study Hypothesis in the research:

H1: Current Ratio (CR) did influence to the Profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) in 2013-2017.

H2: Debt To Equity Ratio (DER) did influence to the Profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) in 2013-2017.

H3: Activity Ratio did influence to the Profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) in 2013-2017.

H4 : Current Ratio (CR), Debt To Equity Ratio (DER), and Activity Ratio did influence to the Profitability Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) in 2013-2017.

Methodology

The method of research used in the research was the quantitative. According to Sugiyono (2016), the quantitative research method could mean as the method that bases on the positivism phylosophy. It is used to research the population or particular samples. The research is explanatory research. The explanation level is to explain the variability of what being researched and the connection between one variable and the other, Sujarweni (2014).

The population used in the research was the Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE), reaching 72 industries from 2013 - 2017. The samples in the research used the purposive sampling. The numbers of the sample used were 27 companies within the observation reaching 135 for five years.

The Result of Research and Discussion

Simultaneous Test Result (F)

Tabel 2. The Result of F

ANOVA ^b					
Model	Sum of Squares	Df	Mean Square	F	Sig.

1	Regression	.119	3	.040	19.344	.000 ^a
	Residual	.268	131	.002		
	Total	.387	134			

- a. Predictors: (Constant), RA, CR, DER
 b. Dependent Variable: PROFIT

It was found that the $F = 19,344 > F \text{ tabel} = 2,67$ within the significant level $0,000 < 0,05$ so H_a was got and H_0 was rejected. It means that in the same time, current ratio, debt to equity ratio, and activity ratio did significantly influence to the profitability in the Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) from 2013-2017.

Partial Test Result (t)

Tabel 3. Test Result of t

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.067	.012		5.724	.000
CR	.010	.003	.297	3.886	.000
DER	-.023	.005	-.388	-5.069	.000
RA	.000	.002	-.017	-.236	.814

- 2) Dependent Variable: PROFIT

The test calculation result of t was got from the the numbers of t in current ratio reaching 3,886 withing the significant number, 0,000. The $t > t$ tabel or $3,886 > 1,65657$ and the significant number is 0,000. So the research result of H_a was accepted and H_0 was rejected. It means that the current ratio did positively influence to the profitability in the Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) from 2013-2017. The research result was not the same with the theory of theory of Horne and Wachowicz, (2012) claiming that the profitability is the opposite of the liquidity. The increasing liquidity is the opposite of the profitability. The increasing liquidity is generallyt followed by the decreasing profitability.

The test calculation result of t was got from the numbers of t in debt to equity ratio reaching -5,069 within significant number 0,000. The numbers of $-t < -t$ tabel or $-5,069 < -1,65657$ and significant number, 0,000, so the research result of H_a was accepted and H_0 was rejected. It means that the debt to equity ratio did negatively influence to the profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) from 2013-2017. The research result was the same with the theory of Subramanyam and Wild (2010), claiming that the more proportion of the debt in the capital structure of a company, the more current burden and commitment to re-pay. The company may not be able to pay the interest or the loan when it is due date and the creditor may have increasing loss.

The test calculation of t was got from the numbers of t in activity ratio reaching -0,236 within significant number 0,000. The numbers of $-t > -t$ tabel or $-0,236 > -1,65657$ and significant numbers, 0,814, so the research result of H_a was rejected and H_0 was accepted. It means that the variable of activity ratio did not influence to the profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) from 2013-2017. The research result was not the same with the theory of Rahajaputra (2011), claiming the rotation of fund in the company showed the work of the company itself in its operatioal. The higher rotation it is, the bigger possibility will be to the company to get profits. The reason is that besides liquidity of the company increases, such as, the handling cost of the fund, including the storage would be smaller, the capital would be more efficient, and the dead cost would be less too.

Conclusion

Current Ratio partially did significantly influence to the profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) from 2013-2017. Debt to Equity Ratio did significantly and negatively influence to the profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) in 2013-2017. Activity ratio did not partially and significantly influence to the profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) in 2013-2017. Current Ratio, Debt to Equity Ratio, and Activity Ratio simultaneously did influence to the profitability in Manufacturing Companies in Basic and Chemical Sectors in the Indonesian Stock Exchange (ISE) from 2013 - 2017. The result of adjusted R² showed 29,1% of the various variable of Profitability that could be explained by the independent variable of Current Ratio, Debt to Equity Ratio, and Activity Ratio, while the rests, 70,9% could be explained by other variables out of the research variable, such as, Rotation of Cash, Cash Ratio and Debt to Asset Ratio.

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VARIABLES AFFECTING A COMPANY VALUE : A STUDY FROM LISTED COMPANIES IN INDONESIA

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Abstract

There is a sudden spike of interest in variables affecting a company value. This paper analyzed the effect of three possible key variables, which were sales growth, capital structure, and dividend policy, on company value. The research used a quantitative research method. Research was performed by using data on wholesale and retail companies listed in Indonesia Stock Exchange. Data were analysed using multiple linear regression analysis, coefficient of determination, F-test and t-test. The result showed that simultaneously, all three factors had a significant effect on company value. Partially, result showed that the variable of sales growth and dividend policy did not have a significant effect on company value, while capital structure had a negative but significant effect on company value. Furthermore, through the analysis of the coefficient of determination acquired from the adjusted R-squared value, showed that company value could be explained by the factors of sales growth, capital structure and dividend policy by 34.1% and the remaining was affected by other variables not included in this research. In conclusion, companies are expected to pay attention to their capital structure as it has a significant effect on company value.

Keywords: sales growth, capital structure, dividend policy, company value

Introduction

In this state of economy, when buying and selling companies has become a legitimate business, company value has always been an interesting topic to discuss. An interest in what variables may affect company value rises among investors. They want to be sure that they're buying a company with high value, or sell their company at the right value.

Company value determines whether the company has succeeded in doing its business, which mostly is seen by how the company is able to maximize its asset and profit, thus increasing the wealth of its shareholders. For listed companies, a company value is often associated with how well their stocks are performing in the stock market.

Retail and wholesale companies are companies that sell physical goods or products, either online or via a storefront / outlet such as kiosks or stalls, traditional markets, modern markets, department stores, boutiques, and others. The difference between retail and wholesale is that retail sells product directly to the consumer, while wholesale means selling product in bulk quantities to a "middle man" who in turn sells it to the consumer. Many modern retail and wholesale companies are being started at this time because the modern retail and wholesale industries have moderate profit rates, usually around 7-15 percent of sales turnover.

Retail and wholesale companies also emphasize the importance of company value because company value reflects the company's performance which can affect investors' perceptions of the company. Retail and wholesale companies need an optimal combination of management decisions that will optimize the value of the company so that it can affect the wealth of shareholders. To increase the value of the company, it is necessary to pay attention to the factors that can affect the value of the company.

One of the factors that influence company value is sales growth. Sales growth reflects the company's prospects and the company's profitability in the future. An increase in sales growth in retail and wholesale companies might lead investors believe in investing their capital back into the company.

Capital structure meanwhile speaks of the balance of the amount of permanent short term debt, long-term debt, preferred stock and ordinary shares. Capital structure decisions related to the selection of funding sources, both from within and from outside, greatly affect the value of the company.

And finally, the final decision that affects the value of the company is dividend policy. Dividend policy is related to the decision whether the profits obtained by the company will be distributed to shareholders as dividends or held in the form of retained

earnings for future financing. The optimal dividend policy is a dividend policy that creates a balance between current dividends and dividend growth in the future so as to maximize the company's stock price.

This study is focusing on the company value of listed retail and wholesale companies in Indonesia. With the recent increase of investment in companies, it's important to assess what variables might affect a company value. The problem faced by investors is they do not know which variables might affect a company value, and this study offers an approach through three variables in the company. The main objective of this study is to examine whether three key variables, which are sales growth, capital structure, and dividend policy, have a significant effect on company value.

Literature Review

Sales Growth

Hery (2012) defines 'sales' as the total amount which is charged to customers for the goods or services sold by companies, not only cash sales but also credit sales. Sales growth is defined by Kasmir (2012) as a ratio that shows the ability of a company to maintain its economic position in the middle of economy growth especially in its sector. Harahap (2013) further explains this ratio by looking at the growth of numbers from year to year in this formula:

$$\text{Sales Growth} = (\text{Sales Year X} - \text{Sales Year X-1}) / (\text{Sales Year X-1})$$

Capital Structure

Capital structure is speaking about how a firm finances its overall operations and growth by using different sources of funds. Capital structure shows the portion of a company's financial state, which is a balance of a long term liability or shareholder's equity, which sums to the financing of the company. (Fahmi, 2015).

Capital structure is measured with this formula :

$$\text{DER} = (\text{Total Liabilities}) / (\text{Shareholders' Equity})$$

Dividend Policy

A dividend policy determines how much of a company's profit has to be paid to its shareholders and how much will be retained or reinvested in the company. (Utari, 2014). There are three important factors for a dividend payout, which are the retained earnings, sufficient cash, and official act from the board of directors.

According to Sudana (2011), this ratio measures how much of net income after tax is paid as dividends to the shareholders. The larger the ratio means the less part of the profit that is retained to spend on investments made by the company.

$$\text{DPR} = (\text{Dividend}) / (\text{Earning After Taxes})$$

Company Value

Company value is an investor's perception, of which is often associated with stock prices. (Horne, 2014). Stock market prices also show the value of the company. Suppose a company sells 100% of its shares in the capital market. Then the value of the company is equal to the outstanding capitalization of shares, assuming efficient capital markets. Thus, if the stock market price increases it means that the value of the company increases. (Sartono, 2010).

The formula used to measure price book value, according to Fahmi (2015), is:

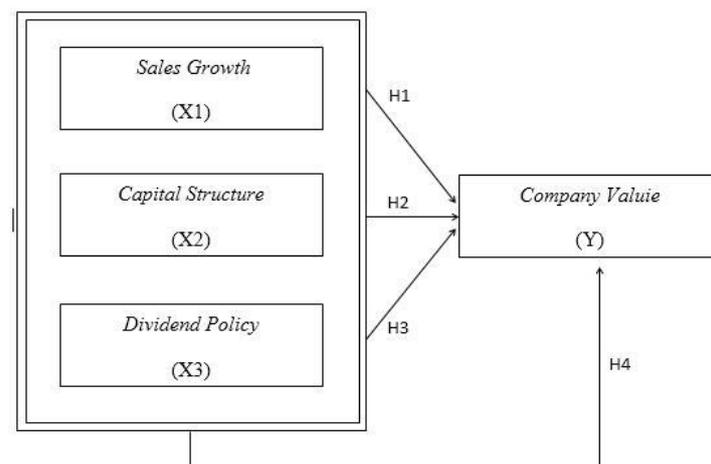
$$\text{PBV} = (\text{Market price per share}) / (\text{Book value per share})$$

Research Methodology

This research takes a quantitative approach to the problem using data collected from listed companies in the stock market, especially retail and wholesale companies over a period of time. Data is analyzed using a quantitative method which is Statistical Package for the Social Science (SPSS). Study uses descriptive statistics method to compile and analyze the data. Several technique in statistics are used which include frequencies distribution and regression analysis.

The population of this study is on retail and wholesale companies listed in Indonesia Stock Exchange. Due to some companies not eligible as samples because either they do not release publicly a financial report in the period of time of this study or they do not pay out dividends to the stock holders, the amount of samples are reduced to 13 companies and the time range for research is four years.

The framework of this study can be shown through this graphic below:



Graphic 1. Conceptual Framework

Result & Discussion

The data analysis model used in this study is multiple regression analysis which is useful to determine the influence between the dependent variables. Below we can see the result, which is:

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	1.967	.480		4.102	.000
LN_SALES_GROWTH	.155	.120	.179	1.295	.303
LN_CAPITAL_STRUCTURE	-.622	.160	-.543	-3.879	.000
LN_DIVIDEND_POLICY	.385	.238	.230	1.619	.114

a. Dependent Variable: LN_COMPANY_VALUE

Table 1. Multiple Regression Results

From the table above, we can obtain multiple linear regression equations as follows:

$$\text{LN Company Value} = 1,967 + 0,155 \text{ LN Sales Growth} - 0,622 \text{ LN Capital Structure} + 0,385 \text{ LN Dividend Policy}$$

Where:

c. = LN Company Value

X₁ = LN Sales Growth

X₂ = LN Capital Structure

X₃ = LN Dividend Policy

Based on the regression equation model, some explanations can be drawn, namely as follows:

Constant value (a) of 1.967 means if the sales growth variable (X₁), capital structure (X₂), and dividend policy (X₃) are considered zero or non-existent, company value (Y) in retail and wholesale companies will be Rp. 1,967.

The coefficient of sales growth (X₁) is 0.155 which indicates that if the sales growth variable increases by Rp. 1 it will cause the company value to increase by Rp. 0.155.

The coefficient of capital structure (X₂) is -0,622 which indicates that if the sales growth variable has decreased by Rp. 1 it will cause the company value to decrease by Rp. -0,622.

The dividend policy coefficient value (X₃) is 0.385 which indicates that if the dividend policy variable increases by Rp. 1 it will cause the company value to increase by Rp. 0.385.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.626 ^a	.391	.341	.93316

a. Predictors: (Constant), LN_DIVIDEND_POLICY, LN_SALES_GROWTH, LN_CAPITAL_STRUCTURE

b. Dependent Variable: LN_COMPANY_VALUE

Table 2. Coefficient of Determination

From Table 2, it can be analyzed that the test results of the coefficient of determination as a whole with the value of Adjusted R Square is 0.341. This means that the ability of independent variable sales growth (X_1), capital structure (X_2), and dividend policy (X_3) to explain the dependent variable of company value (Y) in retail and wholesale companies listed on the Indonesia Stock Exchange is 34, 1%. While the remaining 65.9% is explained by other independent variables outside of this study such as projected earnings per share, time of income received, level of business risk, use of debt.

If we look further to Table 1, the sales growth variable partially has a value of $T_{(count)}$ of 1.295 and $T_{(table)}$ of 2.01063. Thus, partially the sales growth variable has no effect and is not significant towards the company value.

Partially capital structure variable has a value of $T_{(count)}$ of - 3,879 and $T_{(table)}$ of -2,01063. Thus the variable part of capital structure has a significant and negative effect on the company value.

The dividend policy variable partially has a value of $T_{(count)}$ of 1.619 and $T_{(table)}$ of 2.01063. Thus, the variable dividend policy partially has no effect and is not significant towards the company value.

Discussion

Sales Growth on Company Value

Based on the result of the research conducted, it shows that sales growth partially does not have a significant positive effect on company value. This is based on the results of statistical tests which show that the value of the sales growth variable is 0.203, which is greater than 0.05.

The results of this study are in line with the research conducted by Andri Mandalika (2016) where the results of the study show that partially and simultaneously sales growth does not have a significant relationship with company value.

Thus, an investor assessing company value, should focus less on the level of sales growth, but rather the level of profit the company could get. Why? Because an increase in sales growth, if followed by an increase in cost or expense, might mean that the company is not really increasing in its value.

Capital Structure on Company Value

Based on the result of the research conducted, shows that capital structure has a negative and significant effect on company value. This is based on the results of statistical tests which show that the variable value of capital structure of 0,000, which is smaller than 0.05.

The results of this study are in line with the theory according to Sartono (2010: 230) there is an optimal capital structure for each company. The optimal capital structure occurs when the maximum firm value or capital structure results in a minimum weighted capital cost.

Thus, a healthy ratio of capital structure may show a great company value. This could be assessed by looking at how the financing of the company is structured, and how it is composed by various sources of fundings.

Dividend Policy on Company Value

Based on the result of the research conducted, it shows that partially dividend policy does not have a significant positive effect on company value. This is based on the results of statistical tests which show that the dividend policy variable value of 0.114 is greater than 0.05.

The results of this study are not in line with the theory according to Rodoni and Ali (2014) optimal dividend policy is a policy that creates a balance between current dividends and future growth, so as to maximize profits and influence the value of the company.

Thus, it could be argued that the lack of influence of dividend policy on the company value in this study was because the company's dividend payouts were too small, resulting in a dividend policy that had no effect on the company value.

Conclusion

This paper brought up three variables, which are sales growth, capital structure, and dividend policy, and how they are affecting company value. It has shown that only capital structure has a significant effect on company value. On the other hand, the other two variables, which are sales growth and dividend policy, have no significant effect on company value.

Due to the conclusion above, the implication of this study, especially for investors who want to assess a company value, it is important to take a look at its capital structure as it has a significant effect on company value. If a company wants to have a higher company value, then they need to think about the best and most effective way to structure their capital or equity.

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FACTORS THAT INFLUENCE TO RENTABILITY

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Abstract

Companies generally target the profits as the benchmark company performance. But the big profits have yet to indicate that the company is already working efficiently. A firm is said to benefit earnings in computed from earning ratios to compare the profits obtained by the resulting assets. Based on the brief description then formulated the issue as to whether the profit margin, business asset turnover and working capital effect on profitability on the manufacturing companies listed on the Indonesia Stock Exchange period 2015-2017. The methods used in this study was the quantitative approach, the kind of this research is quantitative descriptive, and the nature of the research is deductive. Method of data collection is done with the study documentation. Methods of data analysis used was multiple linear regression. The entire population is a financial report that manufacturing companies listed on the Indonesia Stock Exchange period 2015-2017. The determination of the sample in this study is with attention to the monthly financial reports that gains profit that is as much as 175. The results of the hypothesis indicates that the profit margin, business asset turnover and working capital simultaneously and partially effect significantly to profitability. Conclusion of this research is the simultaneous and partial effect on profit margin, business asset turnover and business working capital effect significantly to profitability on the manufacturing companies listed on the Indonesia Stock Exchange period 2015-2017.

Keywords: profit margin, asset turnover business, working capital, profitability.

Introduction

Indonesia has become the largest manufacturing industry base in ASEAN with contributions reaching 20.27% in the national scale economy. The development of the manufacturing industry in Indonesia is currently able to shift the role of commodity based to be manufacture based. The government seeks to transform the economy in order to focus more on the process of developing the non-oil and gas industry. This

manufacturing industry is increasingly developed by the government through the downstream method. This must be supported by increased investment and export performance to maintain the manufacturing industry and make it the largest tax and customs contributor. The development of the manufacturing industry in Indonesia must also be supported by cooperation from various parties, such as the government, entrepreneurs, and other general public.

The problem of profitability is generally very important for a company compared to the problem of profit, because large profits alone are not a measure that the company has been able to work efficiently. New efficiency can be known by comparing the profits obtained with wealth or capital (assets) that generate profits, or in other words is to calculate profitability. Companies should not only pay attention to how business to increase profits, but more important is an effort to enhance profitability. In connection with that, for the company in general, the business is more directed to get the maximum profitability point than the maximum profit. The size of profitability in each company is determined by profit margin and the level of turnover of business assets. The profit margin is influenced by operating profit and the level of sales generated. While business asset turnover is influenced by sales and total business assets (total assets). It can be concluded that this research is not only focused on profit achieved but also on assets and capital used to generate profits.

The factors that influence the profitability to be discussed in this study are profit margin, business asset turnover and working capital. The researcher chose all three of these factors because the researchers found a discrepancy between the theories of the experts and the condition of the company under study, there are times when profit margins increase and profitability decreases, and business asset turnover or working capital increases causing a decrease in profitability. While based on the theory, experts state that profit margin or business asset turnover or working capital increases, it will cause an increase in profitability.

Literature Review and Theoretical Framework

Profit Margin

Profit margin is the ratio between net income and net sales, which ratio is expressed as a percentage. In other words, profit margin is the difference between net sales and business costs expressed as a percentage of net sales (Riyanto, 2015). This profit margin ratio is used to calculate the extent to which a company's ability to generate net income at a certain level of sales. A high profit margin indicates a company's ability to generate high profits at certain sales levels. A low profit margin indicates sales that are too low for a certain cost level, or costs that are too high for a certain level of sales, or a combination of both. In general, low ratios can indicate management inefficiencies (Hanafi, 2014). The size of the profit margin in each transaction is determined by two factors, namely sales and operating profit. The size of the operating profit depends on income from sales and the amount of business costs. With a certain amount of business costs, profit margins can be enlarged by increasing sales or by a certain number of sales can be enlarged by pressing or minimizing business costs (Riyanto, 2015). The benefit of profit margin is to measure the level of profit that can be achieved by the company associated with its sales (Munawir, 2014).

Business Asset Turnover

Business asset turnover (turnover of operating assets), namely the speed of rotation of operating assets in a given period. The turnover can be determined by dividing netsales with operating assets. (Riyanto, 2015). Factors that influence business asset turnover are netsales and operating assets. With a certain number of operating assets, the greater the number of sales during a certain period, the higher the "turnover". Likewise, the extent of certain sales with the smaller "operating assets" will result in a high "turnover". There are two ways to increase business asset turnover (operating asset turnover), namely: 1. By increasing operating assets to a certain level endeavored to achieve additional maximum sales. 2. By reducing sales to a certain level sought reduction or reduction of operating assets as much as possible. (Riyanto, 2015). A high turnover of business assets provides benefits and objectives by showing effective management, calculation of turnover of operating assets can be used to

measure how far these assets are used in company activities or show how many times the operating assets rotate in a certain period, usually one year (Munawir, 2014).

Working Capital

Working capital is defined as capital used to finance the company's daily operations, especially those that have a short period of time (Kasmir, 2010). Working capital is very important because the reason that most of the time proportion of financial managers is allocated to working capital management and investment needs in current assets is very close and direct and for small companies, working capital management becomes very important (Irham Fahmi, 2015).

According to Kasmir (2012), there are several factors that influence working capital, namely:

1. Type of company
2. Credit terms
3. Production time
4. Preparation rate

Rentability (Profitability)

Profitability ratio is a ratio to assess a company's ability to look for profits or profits in a given period (Kasmir, 2014). For companies in general the problem of profitability is more important than the problem of profit, because large profits are not yet a measure that the company has been able to work efficiently. The new efficiency can be known by comparing the profit obtained with the wealth or capital that produces the profit, or in other words is calculating profitability (Riyanto, 2015). Factors that influence the rise and fall of profitability are as follows:

a. Profit Margin

Profit margin is a comparison between operating income and sales, which ratio is expressed as a percentage. In other words, profit margin is the difference between sales and business costs. (Cost of Goods Sold + Administrative Costs + Sales Costs + General Costs), which difference is expressed as a percentage of sales.

b. Business Asset Turnover

Business asset turnover is the speed at which business assets rotate within a certain period. The turnover can be determined by dividing the sales with business assets.

Benefits of profitability are to study the relative part of loan capital given by creditors and own capital by shareholders or measure the company's ability to make a profit (Munawir, 2014).

Research Hypothesis

In general, the research hypothesis are:

H1: Profit margins have a partial effect on profitability.

H2: Business asset turnover has a partial effect on profitability.

H3: Working capital has a partial effect on profitability.

H4: Profit margin, business asset turnover and working capital have a simultaneous effect on profitability.

Research Method

The place of research taken by researchers is the Indonesia Stock Exchange for the period 2015 to 2017. This study uses quantitative analysis methods because the data used is numerical and empirical data. The variable chosen is a unit that can be calculated and measured. The method of data analysis uses a software tool from SPSS to describe the results of calculations of existing tests such as the classic assumption test, multiple linear regression.

The data used in this study are secondary data obtained from documents and the internet. Secondary data used in this study is the annual financial statements of manufacturing companies in the period 2015 - 2017 as many as 174 data.

Research Results

Normality test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		174
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,27652906
Most Extreme Differences	Absolute	,032
	Positive	,032
	Negative	-,025
Test Statistic		,032
Asymp. Sig. (2-tailed)		,200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

The results of the Kolmogorov Smirnov test of 0.200 indicate that the data are normally distributed because a significant value is greater than 0.05.

Multicollinearity Test

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	SQRT_ML	,990	1,010
	SQRT_PAU	,917	1,091
	SQRT_MK	,909	1,101

a. Dependent Variable: SQRT_ROE

The multicollinearity test results, the independent variables of profit margin, business asset turnover and working capital each show a VIF value smaller than 10 which is 1,010; 1,091; 1,101 and the tolerance value is above 0,10 which is 0,990; 0,917; 0,909. It can be concluded that the regression model does not have a multicollinearity problem.

Autocollerration Test

Runs Test

	Unstandardized Residual
Test Value ^a	,00838
Cases < Test Value	87
Cases >= Test Value	87
Total Cases	174
Number of Runs	71
Z	2,585
Asymp. Sig. (2-tailed)	,110

a. Median

From the results of the above output, the significant value generated from the regression model is 0.110, so this study has no autocorrelation.

Heteroscedasticity Test

Coefficients^a

Model		t	Sig.
1	(Constant)	5,462	,000
	SQRT_ML	-,116	,908
	SQRT_PAU	1,181	,239
	SQRT_MK	-1,627	,106

a. Dependent Variable: ABS_SQRT

Based on the results obtained in the table above it can be seen that the level of significance of residual value (Unstandardized Variables) with the independent variable on profit margin, business asset turnover and working capital is greater than 0.05, which is equal to 0.908; 0,239; 0.106, it can be concluded that there is no heteroscedasticity.

Test for Multiple Linear Regression Analysis

Coefficients^a

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	,474	,063
	SQRT_ML	-,111	,039
	SQRT_PAU	,345	,080

SQRT_MK	,067	,040
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a. Dependent Variable: SQRT_ROE

In the table above it can be explained that the multiple linear regression equation in this study is as follows:

$$\text{ROE} = 0,474 - 0,111 \text{ PROFIT MARGIN} + 0,345 \text{ BUSINESS ASSET TURNOVER} + 0,067 \text{ WORKING CAPITAL}$$

Interpretation of the regression equation as follows:

1. Positive constant value of 0.474 can be interpreted that if all independent variables have a value of zero (0) then the value of the dependent variable (Beta) is 0.474.
2. The profit margin coefficient (X1) yields negative 0.111 which means that every increase in one unit profit margin then the Beta variable (Y) will decrease by 0.111 assuming that the other independent variables from the regression model are fixed.
3. The value of the business asset turnover coefficient (X2) produces 0.345 which means that every increase in one unit of business asset turnover, the Beta variable (Y) will increase by 0.345 assuming that the other independent variables from the regression model are fixed.
4. The coefficient of working capital (X3) produces 0.067 which means that every increase in sales of one unit then the Beta variable (Y) will increase by 0.067 assuming that the other independent variables from the regression model are fixed.

Coefficient of Hypothesis Determination

Model Summary^b

Model	Adjusted R Square	Std. Error of the Estimate
1	,967	,27896

a. Predictors: (Constant), SQRT_MK, SQRT_ML, SQRT_PAU

b. Dependent Variable: SQRT_ROE

Based on the output obtained the coefficient of determination (Adjusted R square) of 0.967 or (96.7%). This shows that the percentage of the influence of the independent variables (profit margin, business asset turnover and working capital) on the dependent variable (profitability) is 96.7%. While the remaining 3.3% is influenced or explained by other variables not included in this research model.

Simultaneous Hypothesis Testing

ANOVA^a

Model		F	Sig.
1	Regression	12,591	,000 ^b
	Residual		
	Total		

a. Dependent Variable: SQRT_ROE

b. Predictors: (Constant), SQRT_MK, SQRT_ML, SQRT_PAU

From the table above, the F calculated value is 12.591 with a probability value (sig) = 0,000. Fcount value (12,591) > Ftable (2.43), and sig value. smaller than the probability value of 0.05 or the value of 0,000<0.05; means that together (simultaneous)

profit margin, business asset turnover and working capital have a significant effect on profitability.

Partial Hypothesis Testing

Coefficients^a

Model		t	Sig.
1	(Constant)	7,563	,000
	SQRT_ML	-2,851	,005
	SQRT_PAU	4,305	,000

SQRT_MK 2,669 ,007

a. Dependent Variable: SQRT_ROE

From the calculation of the partial test of profit margin, the value of t count (-2,851) > t table (1,974), the significance level of t count (0,005) < t table (0,05), it can be concluded that the profit margin has a significant effect on profitability.

From the calculation of the partial sales test obtained value of t arithmetic (4,305) > t table (1,974), the significance level of t count (0,000) < t table (0,05), it can be concluded that business asset turnover has a partially significant effect on profitability.

From the calculation of the partial test of working capital obtained the value of t arithmetic (2.669) > t table (1.974), the level of significance t count (0,000) < t table (0.05), it can be concluded that working capital has a partial effect on profitability.

Conclusion

Partial testing of the results of this study shows that profit margin, business asset turnover and working capital have a significant effect on profitability in manufacturing companies listed on the Indonesia Stock Exchange for the period 2015 - 2017. Simultaneous testing of the results of this study shows that profit margin, turnover

business assets and working capital have a significant effect on profitability in manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017.

The coefficient of hypothesis determination also shows a fairly high number so that it can be concluded if the effect of profit margin, business asset turnover and working capital is quite large on profitability, so it is recommended for manufacturing companies listed on the Indonesia Stock Exchange to maintain and even increase profit margins, asset turnover business and working capital so that it can have a positive effect on the company's profitability.

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THE INFLUENCE OF PROMOTION AND SERVICE QUALITY ON DECISIONS IN PURCHASING TOUR PACKAGE AT PT FAJAR UNINDO NUSATOUR MEDAN

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Abstract

Tourism is one type of industry that can accelerate economic growth and provide jobs employment, increase an income, living standards and stabilize other productive sectors. Furthermore, as a complex sector, tourism also realizes classical industries, such as handicraft and souvenir industries, hotel, transportation, and tour package. In addition, this study aimed to analyze the influence of promotion and service quality on decision in purchasing tour package at PT Fajar Unindo Nusatour Medan. The type of research uses is explanatory research. Data collection techniques using a questionnaire distributed to 196 respondents from customer who buys a tour packages more than one times. Data were analyzed by quantitative analysis data, using validity test, reliability test, classic assumption test, kolmogorrov smirrov test, multicollinearity test, heterocedasticity test, multiple linier regression test, coefficient determination test, t test, and f test, with the help of using spss. The results of this research can be concluded that the influence of promotion and service quality simultaneously on decision in purchasing tour is at value of. This shows that promotion and service quality have a positive and strong influence on decision in purchasing tour package at PT Fajar Unindo Nusatour.

Keywords: Promotion, Service Quality, Purchasing Decision

Introduction

In line with the progress in the economic field, the impact of competition in the business world has become more pronounced. Everyone is preoccupied with their work and activities. The routine experienced by people in their daily lives creates tension, boredom, and may result in stress. To minimize these feelings develop negatively, it takes a means to restore clarity of mind, get inspiration, and new freshness. One form of effective activity is to carry out tourism activities. Tourism is an activity that is synonymous with vacation activities, where every individual needs it as a way to eliminate fatigue in carrying out daily routines. The emergence of tourism is also inseparable from the encouragement of human instincts who always want to know and look for things that are new, good, interesting, amazing, and challenging.

Purchasing decisions are consumer activities that are directly involved in making decisions to purchase products or services offered by the seller. Before consumers decide to buy, usually consumers will go through several stages first, namely, problem recognition, information seeking, alternative evaluation, and finally the decision to buy or not.

Promotion is an activity that aims to convey information about a product or service to the market, so that the product or service can be known and encourage consumers to buy and use it. The purpose of promotion is to disseminate information or company services to the market, to obtain new consumers, to increase sales so that the company's revenue increases.

Service Quality is all forms of activities carried out by companies to meet consumer expectations. Services in this case are defined as services or services delivered by service owners in the form of convenience, speed, relationships, abilities, and hospitality that are addressed through attitudes and characteristics in providing services to consumers.

The tourism industry that is often used by people today is hotels, restaurants, and travel agents. Travel agents are one part of tourism as a place to channel services from tourism industries such as hotels, flights and tour packages. The travel agent industry competes in providing offers, promotions, prices, and facilities as well as the

best services to consumers, especially in tour package services. This competition will greatly determine consumers in deciding to purchase existing tour packages.

PT Fajar Unindo Nusatour or better known as FUN Travel is a company engaged in tourism. As a private company whose business activities include sales of airlines ticket, hotels and tour packages. Through this, PT Fajar Unindo Nusatour as one of the tourism industry businesspeople always tries to provide a variety of the best offers and services to consumers. One of the products offered is a tour package where each destination has different travel times, such as Hong Kong, Japan, China, South Korea, Taiwan, generally 5-10 days, USA and Europe generally 10-18 days, and domestic which is generally 3 days.

Indentification of Problem:

1. Promotion carried out by FUN Travel is still not optimal, this can be seen from the people of Medan city who are still not too familiar with FUN Travel.
2. The service quality provided by FUN Travel is still very lacking due to the company's internal factors, such as tour leaders and tour guides who are still not optimal in guiding the tour.
3. Decision on the purchase of tour products at FUN Travel is still not optimal, this is indicated by the low purchase of tour packages every month and tends to decrease, because the prices provided by FUN Travel are still less able to compete with other Travel in the city of Medan.

Formulation Of The Problem:

1. How is the influence of promotion on the decision to purchase a tour package at PT Fajar Unindo Nusatour Medan?
2. How does the quality of service affect the decision to purchase tour packages at PT Fajar Unindo Nusatour Medan?
3. How is the influence of promotion and service quality on the decision to purchase tour packages at PT Fajar Unindo Nusatour Medan?

Research Purposes:

1. Test and analyze the effect of promotion on the decision of purchasing a tour package at PT Fajar Unindo Nusatour Medan.
2. Test and analyze the effect of service quality on the decision of purchasing tour packages at PT Fajar Unindo Nusatour Medan.
3. Test and analyze the influence of promotion and service quality on the decision of purchasing tour packages at PT Fajar Unindo Nusatour Medan.

Benefits Of Research :

1. For Writer
2. For Company
3. For Next Researcher
4. For University Prima Of Indonesia

Theoretical Basics

Theory f Promotion

According to Sunyoto (2013: 160), Promotion is an activity of companies to sell products that are marketed in such a way that consumers will be easy to see and will attract the attention of consumers to buy.”

According to Sunyoto (2013: 161), the factors that influence the promotion mix include of :

1. Market Characteristic
2. Product Characteristic
3. Product Life Cycle
4. Available Funds

According to Hasan (2013: 72), promotional indicators include of :

1. Advertising.

2. Direct marketing.
3. Face-to-face sales.
4. Sales promotion.

Theory of Service Quality

According to Adam (2015: 13), Service Quality is a comparison of results from views between expectations and reality, where consumers will not only evaluate the quality of services provided based on the results alone, but also will assess how the presentation process is carried out.

According to Tjiptono (2014: 107), Factors that influence service quality include of:

1. Information, Schedule, Price, Sales Requirements.
2. Consultation.
3. Order Taking.
4. Hospitality.
5. Care Taking.
6. Exceptions.
7. Billing.
8. Payment, Auto Debet from customer saving account.

According to Sangadji and Sopiah (2014: 100-101), service quality indicators include of:

1. Reliability.
2. Responsiveness.
3. Assurance.
4. Empathy.
5. Tangibles.

Theory of Purchasing Decisions

According to Abdullah and Tantri (2012: 132), Purchasing Decisions are an evaluation stage where consumers form preferences among brands in the choice group. Consumers may also form buying interest to buy the most preferred brand.

According to Nitisusastro (2013: 197), the factors that influence purchasing decisions include of:

1. Product.
2. Price.
3. Channel of Distribution.
4. Promotion.
5. Process.
6. Physical Evidents.
7. Peoples.

According to Subroto (2011 : 29 – 30), Purchasing Decision indicators include of :

1. Availability.
2. Product Quality.
3. Price.
4. Service.
5. Cooperative Relationship with Suppliers.

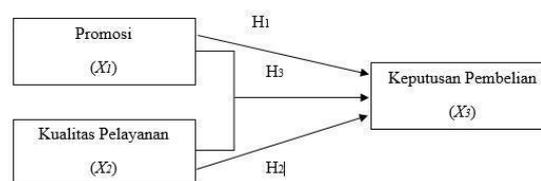
Conceptual Framework

According to Herlambang (2014: with promotions, people who are not interested in buying a product will become interested and try the product so that consumers make a purchase.

According to Daryanto and Setyobudi (2014: 109), for profit companies, of course this prime waiter is the most important thing, because the survival of the company is of course influenced by the excellent service provided by the company. If

the company cannot provide satisfaction to customers, of course customers will turn to other companies.

By implementing an interesting promotion and increase service quality for all customers, it is expected to fulfill the company on increasing the purchasing decisions. Promotion have influence to purchasing decision, service quality have influence to purchasing decision, promotion and service quality have influence to purchasing decision.



Picture 1 : Research Conceptual Framework

Research Method

This research approach is based on a quantitative approach. According to Sugiyono (2016: 8), Quantitative Research methods can be interpreted as research methods based on the philosophy of positivity, used to examine certain populations or samples, collecting data using research instruments, analyzing data is quantitative / statistical, with the aim of testing hypotheses that has been established.

Population And Sample

According to Sugiyono (2016: 80), the population is a generalization area consisting of objects / subjects that have certain qualities and characteristics set by researchers to be studied and then conclusions drawn. In this research the population was 385 customers who purchased the tour package in 2017.

According to Martono (2010: 66), the sample is part of the population that has certain characteristics or conditions to be studied, or samples can be defined as members of the population selected using regular procedures so that they are

expected to represent the population. The sampling technique in this study used the Slovin formula, by including the element of inaccuracy due to sampling errors that could still be tolerated.

The formula used is as follows:

$$\begin{aligned}n &= \frac{N}{1 + Ne^2} \\&= \frac{385}{1 + 385 \times 0.05^2} \\&= \frac{385}{1 + 0,9625} \\&= \frac{385}{1,9625} \\&= 196,17 = 196\end{aligned}$$

Therefore, obtained research sample is 196 respondent and 30 other respondent is used for validity test and reliability out of result from research sample

Data Collection Technique

According to Sugiyono (2015: 223), data collection methods are used is as follows :

1. Interview.
2. Questionnaire.
3. Documentation Study.

Type Of Data And Resource

The type of data used in this study is a type of quantitative data. The purpose of conducting research by researchers is to obtain data and information that will be used as material for analysis. The data sources used in this study are two, include of:

1. Primary Data
2. Secondary Data

Validity Test and Reliability

Variabel Instrument

One of the problems in research is how to obtain accurate and objective data. This becomes very important because the conclusions taken can only be trusted if based on accurate data. for this reason in this study it is necessary to know how high the validity and reliability of the measuring instrument used.

According to Ghozali (2013: 52), the validity test is used to measure whether a questionnaire is valid or not valid. A questionnaire is said to be valid if the statement on the questionnaire is able to reveal something that will be measured by the questionnaire.

The validity test used is the item validity test. The validity of the item is addressed by the existence of a correlation or support for the total item (total score), the calculation is done by correlating the item score with the total item score. From the results of the correlation calculation an item will be obtained and to determine whether an item is worthy of use or not.

The validity test was carried out with the help of the SPSS software program (Statistical Product and Service Solution). The validity test is done by one-shot methods, where the measurement using this method is enough to be done once.

Validity and reliability testing was carried out first on 30 customers of PT Fajar Unindo Nusatour Medan. The number of questions that represent the promotion variables are 8 questions, the question quality variables are 8 questions, and the purchasing decision variables are 8 questions.

According to Ghozali (2016: 47-48). Reliability test is to measure a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if someone's answer to the statement is consistent or stable over time.

To measure reliability, the Cronbach Alfa (α) statistical test was used. A variable is said to be reliable if it gives the value of Cronbach's Alfa > 0.60 . Whereas, if otherwise the data is said to be unreliable.

Research Result and Discussion

Descriptive Statistic Analysis

Based on descriptive statistic analysis the characteristics of the samples used in this study will be displayed based on: number of samples (N), maximum values, minimum indigo, and standard deviation values for each variable.

Table 1: Result of Descriptive Statistic Test

Descriptive Statistics						
	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Promotion	196	18,00	36,00	25,7908	,24925	3,48949
ServiceQuality	196	14,00	33,00	24,4745	,22231	3,11232
PurchasingDecision	196	15,00	32,00	24,6582	,24014	3,36200
Valid N (listwise)	196					

It is known that the promotion variable (X1) with a sample of 196 customers has an average of 25.79, a minimum value 18, and a maximum value 36 with a standard deviation 3,48949.

It is known that the service quality variabel (X2) with a sample of 196 customers has an average 24,47, a minimum value 14, and a maximum value 33 with a standard deviation 3,11232.

It is known that the purchasing decision variabel (Y) with a sample of 196 customers has an average 24,65, a minimum value 15, and a maximum value 32 with a standard deviation 3,36200.

Classic Assumption Test

Normality Test

For testing the normality test in statistical calculations is with using the one sample Kolmogorov Smirnov Test which can be seen in table 2.

Table 2: One Sample Kolmogorov Smirnov Test

		Unstandardized Residual
N		196
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	3,31845423
	Absolute	,045
Most Extreme Differences	Positive	,033
	Negative	-,045
Kolmogorov-Smirnov Z		,636
Asymp. Sig. (2-tailed)		,814

a. Test distribution is Normal.

b. Calculated from data.

Based on the output result, obtained value (Asymp.Sig. 2-tailed) is 0,814. Because the significant greater than 0,05 then data distributed normally.

Multicollinearity Test

Herewith, the result from multicollinearity test.

Table 3: Result From Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	Promotion	,797	1,255
	ServiceQuality	,797	1,255

a. Dependent Variable: PurchasingDecision

In table of result from promotion and service quality VIF value is 1,255 smaller than 10 and tolerance value is 0,797 is above 0,10. Result show that multicollinearity doesn't occur.

Heteroscedasticity Test

Herewith, the result from heteroscedasticity test.

Table 4: Glejser Test Result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,056	1,304		3,878	,000
	Promotion	-,070	,046	-,120	-1,501	,135
	Service Quality	-,026	,052	-,040	-,503	,615

a. Dependent Variable: RES2

From table can be seen that probability value (Sig.) for promotion variable is 0,135 and for variable service quality is 0,615. It seems that significant value is above 5% (0,05), then regression model doesn't contain any heteroscedasticity.

Multiple Linear Regression Analysis

Data analysis model used to answer the research hypothesis is multiple linear regression. To find out the effect of independent variables and dependent variable is with used multiple linear analysis formula, where the formula is as follows

Table 5: Multiple Linear Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,923	2,046		5,339	,000
	Promotion	,132	,059	,142	2,242	,026
	Service Quality	,400	,057	,448	7,060	,000

a. Dependent Variable: PurchasingDecision

From table 5, then multiple linear regression from this research is as follows:

$$\text{Purchase Decision} = 10,923 + 0,132 \text{ Promotion} + 0,400 \text{ Service Quality}$$

The meaning of the multiple linear regression equation above is:

1. The constant of 10.923 states that promotion and service quality is worth 0 or constant then the purchasing decision is 10,923 units.
2. Promotion regression coefficient is 0.132 and positive value, this states that each every increase in promotion of one unit will increase the purchasing decision by 0.132 units assuming other variables remain.
3. The service quality regression coefficient is 0.409 and positive value, this states that each every increase in service quality 1 unit will cause an increase in purchasing decisions of 0.409 units assuming other variables remain.

Coefficient of Hypothesis Determination

Herewith, the result from coefficient of hypothesis determination test.

Table 6: Coefficient Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,473 ^a	,223	,215	2,75701

a. Predictors: (Constant), ServiceQuality, Promotion

b. Dependent Variable : PurchasingDecision

Based on the table of the Determination Coefficient Test Results obtained the value of Adjusted R Square of 0.215, this means that 21.5% of the dependent variable of purchasing decisions can be explained by the independent variable of promotion and service quality while the remainder is 78.5% (100% - 21.5%) explained by other variables not used in this study such as price and brand image.

F Test Result (Simultaneous)

Table 7: F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	421,864	2	210,932	27,750	,000 ^b
	Residual	1467,008	193	7,601		
	Total	1888,872	195			

a. Dependent Variable: PurchasingDecision

b. Predictors: (Constant), ServiceQuality, Promotion

significance probability $0.000 < 0,05$, then H1 is accepted, meaning promotion and service quality simultaneously affect the decision in purchasing tour packages at PT Fajar Unindo Nusatour Medan.

T Test Result (Partial)

Table 8: T Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,923	2,046		5,339	,000
	Promotion	,132	,059	,142	2,242	,026
	Service Quality	,400	,057	,448	7,060	,000

a. Dependent Variable: PurchasingDecision

Significant test simultaneous / together (F statistic test) produces a F value of 27,750. At the free degree (df1) = $k-1 = 3 - 1 = 2$, and the free degree 2 (df2) = $nk - 3 = 196 - 3 = 193$, where n = number of samples, k = number of variables, then the value of F table at level the significance of the 0.05 confidence is 3.04 thus from the results of the SPSS comparison the value of F calculated = $27.750 > F \text{ table} = 3.04$ with a significance level of 0.000 because $F \text{ count} = 27.750 > F \text{ table} = 3.04$ and the value of t table for probability 0.05 of the 2-way significance test on the free degree $n-k = 193$ is equal to 1.97233. Thus the results of the t test can be explained as follows:

1. The results of the calculation of the t test are partially obtained from the t value of the promotion is 2,242 with a significance value is 0,026 smaller than $\alpha 0,05$. The value of t count $>$ t table or $2,242 > 1,97233$ then H1 is accepted, meaning service quality partially influences the decision in purchasing tour packages at PT Fajar Unindo Nusatour Medan.
2. The results of the calculation of the t test are partially obtained from the t value of service quality is 7.060 with a significance value is 0,000 smaller than $\alpha 0,05$. The value of t count $>$ t table or $7.060 > 1.97233$ then H1 is accepted, meaning promotion partially influences the decision in purchasing tour package at PT Fajar Unindo Nusatour.

Conclusion

The conclusions from the results of this study as follows:

1. Partially the promotion has a positive and significant effect on the decision in purchasing tour packages at PT Fajar Unindo Nusatour Medan with t count $>$ t table or $2,242 > 1.97233$ and a significance value is $0.026 < 0.05$.
2. Partially service quality has a positive and significant effect on decisions in purchasing tour packages at PT Fajar Unindo Nusatour Medan with t count $>$ t table or $7.060 > 1.97233$ and a significance value is $0,000 < 0.05$.
3. Simultaneously, promotion and service quality have a significant effect on decisions in purchasing tour packages at PT Fajar Unindo Nusatour Medan with $F \text{ count} = 27.750 > F \text{ table} = 3.04$ and significance probability $0,000 < 0.005$. The test results of the coefficient of determination show 21.5% of the variation of the dependent variable purchasing decisions which can be

explained by the independent variables of promotion and service quality while the remaining 78.5% is explained by other variables not used in this research.

Advice

Advice that are useful for further research as follows:

1. For faculties, it is advice that research results to be expected adding the literature in the library.
2. For companies, it is necessary to improve promotion for customers by trying to maximize marketing performance in conveying information about products and minimizing the terms and conditions that apply to existing promotions and improving the quality of service for customers to be sufficient all needs, responsiveness in helping customers, and can be trusted.
3. For further researchers, it is advice to add other variables outside of the variables examined by the researcher. Because the coefficient test results show 78.5% of the variation in purchasing decision variables is influenced by other variables such as price, brand image, product quality, and others.

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**PENGARUH *CASH TURNOVER*, *DEBT TO EQUITY RATIO*
DAN *WORKING CAPITAL TURNOVER* TERHADAP
RETURN ON ASSET PADA PERUSAHAAN SEKTOR *BASIC*
*INDUSTRY AND CHEMICAL***

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Abstrak

Return on Asset (ROA) adalah rasio hasil (*return*) penggunaan aset perusahaan dalam menciptakan laba bersih. Tinggi rendahnya *Return on Asset* dipengaruhi banyak faktor seperti modal kerja dan hutang. Setiap perusahaan membutuhkan potensi sumber daya, seperti *Cash Turnover*, *Debt to Equity Ratio* dan *Working Capital Turnover*. Penelitian ini bertujuan untuk mengetahui pengaruh secara simultan dan parsial variabel independen *Cash Turnover*, *Debt to Equity Ratio* dan *Working Capital Turnover* terhadap variabel dependen *Return on Asset* pada perusahaan sektor *Basic Industry and Chemical* yang terdaftar di BEI periode 2013-2017. Data pada penelitian ini adalah data sekunder berupa laporan keuangan tahun 2013-2017 yang diperoleh dari IDX. Teknik sampel penelitian menggunakan *purposive sampling* dan diperoleh sampel sebesar 21 perusahaan dari perusahaan sektor *Basic Industry and Chemical* yang terdaftar di BEI periode 2013-2017. Model analisis data yang digunakan adalah analisis regresi linear berganda. Hasil pembahasan menunjukkan bahwa secara simultan variabel *Cash Turnover*, *Debt to Equity Ratio* dan *Working Capital Turnover* berpengaruh positif dan signifikan terhadap variabel *Return on Asset*. Hasil pembahasan secara parsial menunjukkan bahwa *Debt to Equity Ratio* berpengaruh negatif dan signifikan terhadap *Return on Asset*, sedangkan *Cash Turnover* dan *Working Capital Turnover* tidak berpengaruh signifikan terhadap *Return on Asset*.

Kata kunci: *Cash Turnover*, *Debt to Equity Ratio*, *Working Capital Turnover*, *Return on Asset*

Pendahuluan

Saat ini perekonomian Indonesia sedang menuju masa era globalisasi yang menimbulkan banyaknya persaingan yang ketat antara perusahaan Indonesia dengan perusahaan asing sehingga setiap perusahaan dituntut harus mampu menyesuaikan diri dan mengikuti perkembangan ekonomi yang ada di Indonesia. Terlebih lagi pada tahun 2015, para pemimpin ASEAN sepakat membentuk sebuah pasar tunggal di kawasan Asia Tenggara yang diberikan nama Masyarakat Ekonomi ASEAN (MEA). Terbentuknya MEA dimaksudkan agar daya saing negara-negara ASEAN meningkat serta bisa menyaingi Cina dan India untuk menarik investasi asing. Investasi asing melalui penanaman modal asing di negara ASEAN seperti Indonesia sangat dibutuhkan untuk meningkatkan lapangan pekerjaan dan meningkatkan kesejahteraan.

Salah satu sektor perusahaan yang perlu mendapatkan penanaman modal asing di Indonesia adalah perusahaan Sektor Basic Industry and Chemical. Perusahaan Basic Industry and Chemicals adalah perusahaan yang berorientasi pada teknologi, oleh karena itu investasi saham pada sektor Basic Industry and Chemicals memiliki peluang baik di masa mendatang. Dipilihnya perusahaan Sektor Basic Industry and Chemical dikarenakan perusahaan Sektor Basic Industry And Chemical merupakan salah satu jenis perusahaan yang tidak terpengaruh oleh dampak krisis global. Karena itu perusahaan harus mampu meningkatkan kinerja keuangannya yang diukur dengan menggunakan rasio profitabilitas seperti Return on Asset (ROA).

Return on Asset (ROA) merupakan rasio yang menunjukkan hasil (return) atas penggunaan aset perusahaan dalam menciptakan laba bersih. Tinggi rendahnya Return on Asset dipengaruhi banyak faktor seperti modal kerja dan hutang. Untuk melakukan aktivitas operasionalnya, setiap perusahaan akan membutuhkan potensi sumber daya, seperti Cash Turnover, Debt to Equity Ratio dan Working Capital Turnover.

Landasan teori

Cash turnover

Perputaran kas (cash turnover) merupakan periode berputarnya kas dimulai pada saat dimana kas itu diinvestasikan dalam modal kerja yang tingkat likuiditasnya paling tinggi (Nuriyani, 2017: 426). Semakin tinggi perputaran kas ini akan semakin baik. Karena ini berarti semakin tinggi efisiensi penggunaan kasnya dan keuntungan yang diperoleh akan semakin besar pula (Fayani, 2013: 53). Rumus cash turnover (Harmono, 2014: 109) adalah:

$$\text{Cash Turnover} = \frac{\text{Penjualan Bersih}}{\text{Rata - rata Kas}}$$

Debt to Equity Ratio

Rasio utang atas modal atau debt to equity ratio menggambarkan sejauh mana modal pemilik dapat menutupi utang-utang kepada pihak luar (kreditor) (Harahap, 2013:303). Semakin besar rasio ini, akan semakin tidak menguntungkan karena akan semakin besar risiko yang ditanggung atas kegagalan yang mungkin terjadi di perusahaan (Kasmir, 2012: 158). Rumus debt to equity ratio adalah:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Utang}}{\text{Ekuitas Pemegang Saham}}$$

(Horne dan Wachowicz, 2012:169)

Working Capital Turnover

Working capital turnover atau perputaran modal kerja merupakan rasio yang digunakan untuk mengukur keefektifan modal kerja (aset lancar) yang dimiliki perusahaan dalam menghasilkan penjualan (Hery, 2016: 96). Apabila perusahaan kekurangan modal kerja untuk memperluas penjualan dan meningkatkan produksinya, maka besar kemungkinannya akan kehilangan pendapatan dan keuntungan (Sartono, 2010: 385). Rumus working capital turnover adalah:

$$\text{Working Capital} = \frac{\text{Penjualan}}{\text{Modal Kerja}}$$

(Jumingan, 2014:132)

Return on Asset

Return on asset atau rasio laba bersih terhadap total aset merupakan rasio yang mengukur tingkat pengembalian atas total aset setelah bunga dan pajak (Brigham dan Houston, 2012:149). Pengukuran Return on Asset dapat dilakukan untuk beberapa periode operasi. Tujuannya adalah agar terlihat perkembangan perusahaan dalam

rentang waktu tertentu, baik penurunan atau kenaikan (Kasmir, 2012: 196). Rumus return on asset adalah:

$$\text{Return On Asset} = \frac{\text{Net Income}}{\text{Total Asset}}$$

(Murhadi, 2013: 64)

Metode Penelitian

Pendekatan penelitian yang digunakan adalah penelitian kuantitatif. Jenis penelitian ini menggunakan metode deskriptif. Sifat penelitian ini adalah penelitian eksploratory. Populasi yang digunakan dalam penelitian ini adalah perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia yang berjumlah 69 perusahaan. Penelitian ini menggunakan teknik *purposive sampling* dimana teknik mengambil sampel dari *purposive sampling* disesuaikan dengan kriteria-kriteria yang telah ditentukan. Beberapa kriteria yang ditentukan adalah:

1. Perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia selama tahun 2013 – 2017.
2. Perusahaan sektor *Basic Industry And Chemical* yang mempublikasikan laporan keuangan secara lengkap selama tahun 2013 – 2017.
3. Perusahaan sektor *Basic Industry And Chemical* yang tidak mengalami kerugian selama tahun 2013 – 2017.
4. Perusahaan sektor *Basic Industry And Chemical* yang mempublikasikan laporan keuangan dengan mata uang rupiah selama tahun 2013 – 2017.

Berdasarkan kriteria yang telah disebutkan di atas, maka diperoleh 21 perusahaan sektor *Basic Industry And Chemical* yang memenuhi kriteria untuk dijadikan sampel.

Hasil Penelitian Dan Pembahasan

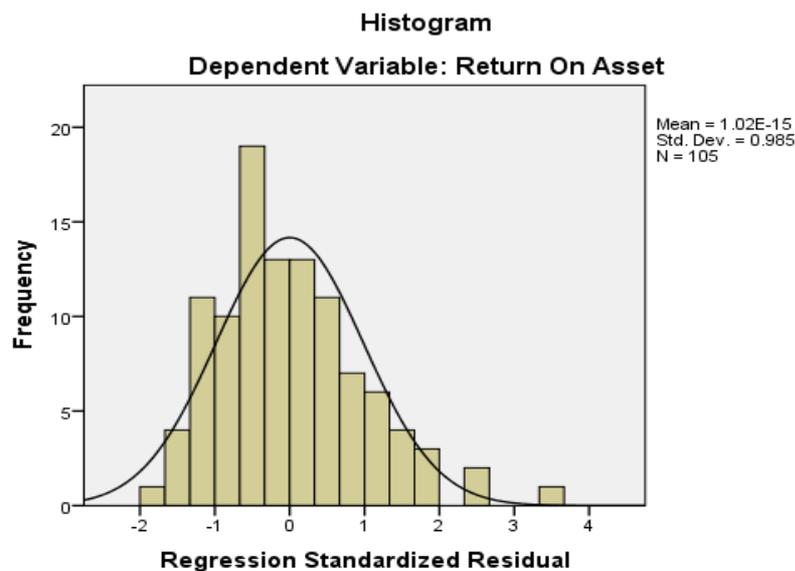
Uji Asumsi Klasik

Dalam penelitian ini terdapat variabel *Cash Turnover*, *Debt To Equity Ratio*, *Working Capital Turnover* dan *Return On Asset*. Empat variabel tersebut dapat diketahui nilai minimum, maximum, mean dan standar deviasinya melalui analisis statistik deskriptif, yang disajikan pada Tabel 1.

Tabel 1
Statistik Deskriptif
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Cash Turnover	105	.5915	477.7182	32.051208	62.1645827
Debt To Equity Ratio	105	.0770	5.1524	.931023	1.0077203
Working Capital Turnover	105	-150.7668	449.1294	14.201681	63.0070969
Return On Asset	105	.0014	.2606	.074577	.0534759
Valid N (listwise)	105				

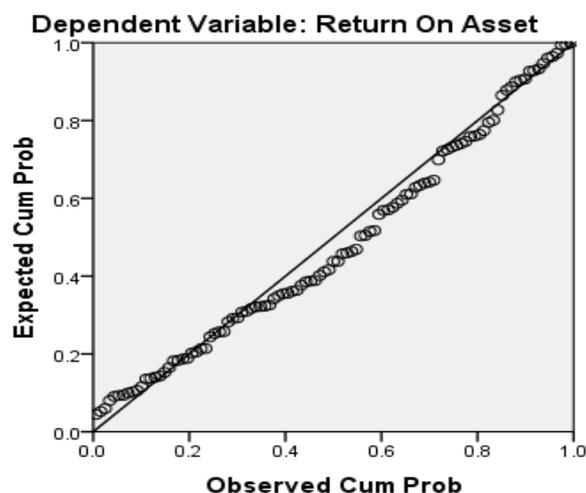
Syarat data yang layak untuk diuji adalah data variabel penelitian harus berdistribusi normal. Analisis grafik merupakan cara termudah untuk melihat normalitas residual yaitu dengan melihat grafik histogram dan *normal probability plot*. Berikut hasil analisis grafik uji normalitas dapat dilihat pada Gambar 1.



Gambar 1 Grafik Histogram Uji Normalitas

Dari grafik histogram pada Gambar 1. memperlihatkan pola distribusi yang normal dan berbentuk simetris karena pola data yang berbentuk lonceng tidak menceng ke kiri maupun ke kanan.

Normal P-P Plot of Regression Standardized Residual

**Gambar 2 . Grafik Normality P-P Plot** (Sumber: Hasil Olah Data Penelitian, 2018)

Pada grafik Normality P-P Plot di gambar di atas memperlihatkan titik-titik menyebar di sekitar/mengikuti arah garis diagonal atau titik-titik menyebar berhimpit di sekitar diagonal yang menunjukkan pola distribusi bersifat normal. Hasil ini juga dapat diperkuat dengan cara pengujian Kolmogorov-Smirnov untuk variabel residual yang dapat dilihat pada Tabel 2. berikut:

Tabel 2
Hasil Uji Normalitas
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		105
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.04697498
	Absolute	.084
Most Extreme Differences	Positive	.084
	Negative	-.050
Kolmogorov-Smirnov Z		.860
Asymp. Sig. (2-tailed)		.450

a. Test distribution is Normal.

b. Calculated from data.

Sumber: Hasil Olah Data Penelitian, 2018

Berdasarkan Tabel 2. hasil pengujian statistik dengan model Kolmogorov-Smirnov menunjukkan bahwa data telah terdistribusi normal karena nilai Asymp.Sig (2-tailed) sebesar 0.450 lebih besar dari 0.05. Jadi secara keseluruhan dapat

disimpulkan bahwa data pada ketiga uji normalitas ini memiliki sebaran data berdistribusi normal dan layak untuk digunakan dalam penelitian ini.

Uji multikolinearitas menunjukkan setiap variabel independen manakah yang dijelaskan oleh variabel independen lainnya. Nilai yang umum dipakai untuk menunjukkan tidak adanya mutikolinearitas adalah nilai Tolerance ≤ 0.10 atau sama dengan VIF ≥ 10 . Berikut adalah hasil uji multikolinearitas yang dapat dilihat pada Tabel 3. berikut:

Tabel 3. Hasil Uji Multikolinearitas Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Cash Turnover	.982	1.018
	Debt To Equity Ratio	.793	1.262
	Working Capital Turnover	.802	1.247

a. Dependent Variable: Return On Asset

Sumber: Hasil Olah Data Penelitian, 2018

Berdasarkan Tabel 3. hasil uji multikolinearitas terlihat bahwa tidak ada variabel independen yang memiliki nilai tolerance ≤ 0.10 dan hasil perhitungan Variance Inflation Factor (VIF) juga menunjukkan bahwa tidak ada satu variabel independen yang memiliki nilai VIF ≥ 10 . Maka dapat disimpulkan bahwa persamaan model regresi yang diajukan bebas dari multikolinearitas.

Uji ini bertujuan untuk melihat apakah dalam suatu model regresi linear ada korelasi antar kesalahan pengganggu pada periode t dengan kesalahan pada periode t-1 (sebelumnya). Model regresi yang baik adalah yang tidak menunjukkan adanya autokorelasi. Berikut adalah hasil uji autokorelasi dapat dilihat pada Tabel 4.

Tabel 4. Hasil Uji Autokorelasi Model Summary^b

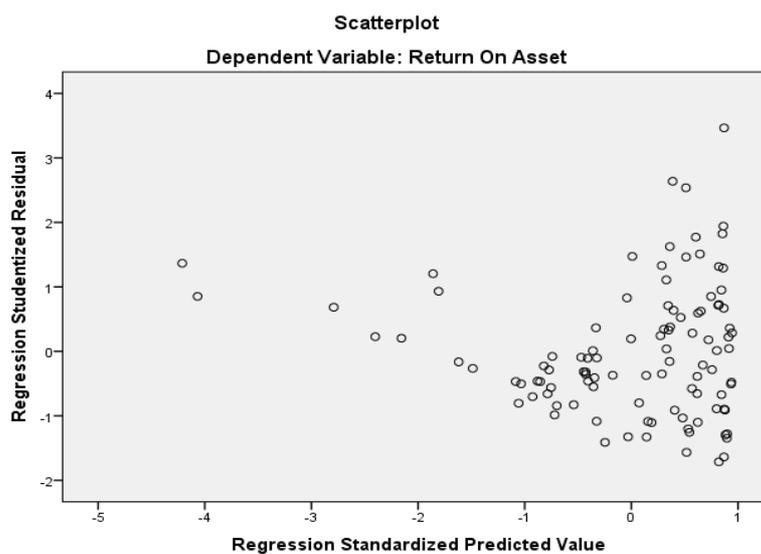
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.478 ^a	.228	.205	.0476675	1.801

a. Predictors: (Constant), Working Capital Turnover , Cash Turnover , Debt To Equity Ratio

b. Dependent Variable: Return On Asset

Berdasarkan Tabel 4. menunjukkan nilai Durbin Watson sebesar 1.801. Nilai tabel statistik durbin Watson diperoleh dari jumlah sampel sebanyak 105 data observasi dan jumlah variabel independen sebanyak 3 maka diketahui nilai dl (batas bawah) sebesar 1.6237 dan du (batas atas) sebesar 1.7411. Kemudian angka durbin watson dibandingkan nilai tabel durbin Watson sehingga hasilnya memenuhi kriteria yang kelima menunjukkan bahwa $du < d < 4-du$ ($1.7411 < 1.801 < 2.2589$), yang berarti tidak ada masalah autokorelasi positif atau negatif dalam model regresi ini.

Uji heteroskedastisitas bertujuan untuk menguji apakah dalam model regresi terjadi ketidaksamaan variance dari residual satu pengamatan ke pengamatan yang lain. Model regresi yang baik adalah tidak terjadi heteroskedastisitas. Berikut hasil uji heteroskedastisitas adalah sebagai berikut:



Gambar 3. Grafik ScatterPlot

Sumber: Hasil Olah Data Penelitian, 2018

Dari grafik *scatterplot* pada Gambar 3. dapat dilihat titik-titik menyebar secara acak serta tersebar baik di atas maupun di bawah angka 0 pada sumbu Y. Dengan demikian, dapat disimpulkan bahwa pada model regresi ini bebas dari heteroskedastisitas. Hasil dari grafik Scatterplot ini dapat diperkuat dengan analisis statistik yaitu hasil *uji glejser* yang dapat dilihat pada Tabel 5.

Tabel 5
Hasil Uji Glejser
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.044	.004		11.063	.000
Cash Turnover	-5.904E-005	.000	-.128	-1.321	.189
Debt To Equity Ratio	-.004	.003	-.155	-1.430	.156
Working Capital Turnover	-3.679E-005	.000	-.081	-.754	.452

a. Dependent Variable: Absres

Sumber: Hasil Olah Data Penelitian, 2018

Berdasarkan hasil yang diperoleh, seperti tampak pada tabel di atas menunjukkan bahwa nilai signifikansi masing-masing variabel independen lebih besar dari 0.05. Maka dapat disimpulkan bahwa model regresi ini tidak memiliki masalah heteroskedastisitas.

Model Penelitian

Model penelitian pada penelitian ini menggunakan analisis persamaan regresi linear berganda. Analisis persamaan regresi linear berganda bertujuan untuk mengetahui seberapa besar koefisien regresi antara variabel independen dengan variabel dependen. Berikut hasil pengujian dapat dilihat pada Tabel 6 di bawah ini :

Tabel 6
Hasil Analisis Regresi Linear Berganda
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.100638	.007		15.046	.000
Cash Turnover	-.000120	.000	-.139	-1.579	.117
Debt To Equity Ratio	-.024869	.005	-.469	-4.773	.000
Working Capital Turnover	.000066	.000	.077	.793	.429

a. Dependent Variable: Return On Asset

Sumber: Hasil Olah Data Penelitian, 2018

Berdasarkan tabel di atas, maka diperoleh persamaan regresi berganda sebagai berikut:

$$Y = 0.100638 - 0.000120 X_1 - 0.024869 X_2 + 0.000066 X_3$$

Konstanta (a) mempunyai nilai koefisien regresi sebesar 0.100638. Menunjukkan bahwa apabila nilai variabel *Cash Turnover*, *Debt To Equity Ratio* dan *Working Capital Turnover* dianggap konstan, maka nilai *Return On Asset* sebesar 0.100638. Variabel *Cash Turnover* memiliki nilai koefisien regresi negatif yaitu sebesar -0.000120. Artinya bahwa setiap kenaikan variabel *Cash Turnover* sebesar 1 satuan, maka akan terjadi penurunan *Return On Asset* sebesar 0.000120 satuan dengan asumsi variabel lain dianggap konstan. Variabel *Debt To Equity Ratio* memiliki nilai koefisien regresi negatif yaitu sebesar -0.024869. Artinya bahwa setiap kenaikan variabel *Debt To Equity Ratio* sebesar 1 satuan, maka akan terjadi penurunan *Return On Asset* sebesar 0.024869 satuan dengan asumsi variabel lain dianggap konstan. Variabel *Working Capital Turnover* mempunyai nilai koefisien regresi sebesar 0.000066. Artinya bahwa setiap kenaikan variabel *Working Capital Turnover* sebesar 1 satuan, maka akan terjadi peningkatan *Return On Asset* sebesar 0.000066 satuan dengan asumsi variabel lain dianggap konstan.

Koefisien Determinasi

Berikut hasil uji koefisien determinasi dapat dilihat pada Tabel 7.

Tabel 7
Hasil Uji Koefisien Determinasi
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.478 ^a	.228	.205	.0476675

a. Predictors: (Constant), *Working Capital Turnover*, *Cash Turnover*, *Debt To Equity Ratio*

b. Dependent Variable: *Return On Asset*

Sumber: Hasil Olah Data Penelitian, 2018

Berdasarkan tabel di atas, menunjukkan hasil koefisien determinasi yang dilihat dari nilai *Adjusted R Square* sebesar 0.205 menunjukkan bahwa *Cash Turnover*, *Debt To*

Equity Ratio dan *Working Capital Turnover* hanya mampu menjelaskan *Return On Asset* sebesar 20,5% sedangkan sisanya sebesar 79,5% dapat dijelaskan variabel lainnya yang tidak diteliti dalam penelitian ini.

Pengujian Hipotesis Secara Simultan

Analisis ini digunakan untuk mengetahui apakah variabel independen secara simultan berpengaruh signifikan terhadap variabel dependennya. Pada penelitian ini, diperoleh nilai F_{tabel} sebesar 2.69 dengan dengan melihat $df_1 = k - 1 = 3$, $df_2 = n - k = 105 - 4 = 101$ dan nilai alpha 0,05 pada tabel F.

Tabel 8. Hasil Uji F

ANOVA^a

Model	Sum of Squares	df	Mean Squares	F	Sig.
1 Regression	.068	3	.023	9.963	.000 ^b
Residual	.229	101	.002		
Total	.297	104			

a. Dependent Variable: Return On Asset

b. Predictors: (Constant), Working Capital Turnover , Cash Turnover , Debt To Equity Ratio

Sumber: Hasil Olah Data Penelitian, 2018

Hasil uji F yang ditampilkan pada tabel menunjukkan bahwa nilai F_{hitung} sebesar 9.963 dan nilai signifikan sebesar 0,000. Dari hasil tersebut menunjukkan bahwa nilai F_{hitung} sebesar 9.963 lebih besar dari 2.69 dan nilai signifikan sebesar 0.000 lebih kecil dari 0.05 yang menyatakan bahwa *Cash Turnover*, *Debt To Equity Ratio* dan *Working Capital Turnover* berpengaruh signifikan terhadap *Return On Asset* pada perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia periode 2013-2017.

Pengujian Hipotesis Secara Parsial

Pengujian hipotesis secara parsial digunakan untuk mengetahui apakah masing-masing variabel independen pembentuk model secara individu memiliki pengaruh yang signifikan terhadap variabel dependen atau tidak. Pada penelitian ini, diperoleh nilai t_{tabel} sebesar 1,983 dengan melihat $df = n - k = 105 - 4 = 101$ dan $\alpha/2$ atau uji dua arah pada tabel t.

Tabel 9. Hasil Uji t**Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.100638	.007		15.046	.000
Cash Turnover	-.000120	.000	-.139	-1.579	.117
1 Debt To Equity Ratio	-.024869	.005	-.469	-4.773	.000
Working Capital Turnover	.000066	.000	.077	.793	.429

a. Dependent Variable: Return On Asset

Sumber: Hasil Olah Data Penelitian, 2018

Hasil Uji t variabel *Cash Turnover* memiliki nilai t_{hitung} sebesar -1.579 atau dapat dikatakan lebih kecil dari t_{tabel} sebesar 1.983 dan nilai signifikansi sebesar 0.117 atau dapat dikatakan lebih besar dari 0.05, maka hasil hipotesis menunjukkan hipotesis pertama ditolak yang artinya *Cash Turnover* tidak berpengaruh dan tidak signifikan terhadap *Return On Asset* pada perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia periode 2013-2017.

Hasil Uji t variabel *Debt To Equity Ratio* memiliki nilai t_{hitung} sebesar -4.773 atau dapat dikatakan lebih kecil dari t_{tabel} sebesar 1.983 dan nilai signifikansi sebesar 0.000 atau dapat dikatakan lebih kecil dari 0.05, maka hasil hipotesis menunjukkan hipotesis kedua ditolak yang artinya *Debt To Equity Ratio* tidak berpengaruh dan signifikan terhadap *Return On Asset* pada perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia periode 2013-2017.

Hasil Uji t variabel *Working Capital Turnover* memiliki nilai t_{hitung} sebesar 0.793 atau dapat dikatakan lebih kecil dari t_{tabel} sebesar 1.983 dan nilai signifikansi sebesar 0.429 atau dapat dikatakan lebih besar dari 0.05, maka hasil hipotesis menunjukkan hipotesis ketiga ditolak yang artinya *Working Capital Turnover* tidak berpengaruh dan tidak signifikan terhadap *Return On Asset* pada perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia periode 2013-2017.

Kesimpulan

Berdasarkan pengujian hipotesis dengan menggunakan uji t dan uji F, diperoleh hasil sebagai berikut:

1. Secara parsial, *Cash Turnover* tidak berpengaruh dan tidak signifikan terhadap *Return On Asset* pada perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia periode 2013-2017.
2. Secara parsial, *Debt To Equity Ratio* tidak berpengaruh dan signifikan terhadap *Return On Asset* pada perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia periode 2013-2017.
3. Secara parsial, *Working Capital Turnover* tidak berpengaruh dan tidak signifikan terhadap *Return On Asset* pada perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia periode 2013-2017.
4. Secara simultan, *Cash Turnover*, *Debt To Equity Ratio* dan *Working Capital Turnover* berpengaruh signifikan terhadap *Return On Asset* pada perusahaan sektor *Basic Industry And Chemical* yang terdaftar di Bursa Efek Indonesia periode 2013-2017.

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TOWARDS A BETTER UNDERSTANDING OF THE ANTECEDENTS OF IJVS' KNOWLEDGE ACQUISITION AND ITS OUTCOME: A TWO-FOLD PROPOSED FRAMEWORK

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Abstract

In the era of globalization and technological advancement, developing and transition economies focus in seeking to attract FDI as means of obtaining capital and new technology. This in turn will open the door for local firms to enter into international joint ventures (IJVs) to acquire necessary capabilities by gaining access to foreign MNCs' resources, knowledge, and skills. While foreign partners have agreed to pool their capital, knowledge, and technology, however, there is no guarantee of successful ventures. Drawing upon the intensive literature on knowledge transfer and strategic alliances, this paper aims to present potential antecedents and consequences of IJVs' knowledge acquisition through proposing a two-fold conceptual framework to be tested empirically in future studies. The proposed framework suggests transfer mechanisms, management practices and formal mechanisms that link to IJVs' knowledge acquisition. These will in turn lead to IJVs' competitiveness. To support and justify the suggested framework, methodology and literature reviews are presented.

Keywords: knowledge acquisition, transfer mechanisms, management practices, formal mechanisms, IJVs' competitiveness.

Introduction

In recent years, developing countries with the intention to advance their economic development have begun to focus on their strategies to attract FDI, where FDI has become one of the most dynamic elements of international resource inflows to these countries (UNCTAD, 1999). According to Javircik & Kaminski (2008), governments in developing countries are seeking to improve their FDI-based development strategies through many favorable policies to attract MNCs' investments. These

favorable conditions and environments are not only essential to attract FDI inflows but also to reap the potential benefits through acquiring foreign technology, knowledge, and other important externalities. Through the formation of IJVs, and within the

partnerships setting, there is a difference between knowledge attainment and knowledge accession (Grant & Baden-Fuller, 2004). IJVs enable parent companies to obtain economies of scale, grow into different marketplaces, cope innovation and risk, learn novel technologies and skills, and create new services or products quicker and more reliably than could be done by either single company by itself (Beamish & Lupton, 2009; Damanpour, Devece, Chen, & Pothukuchi, 2012; Jiang, Keller, Qiu, & Ridley, 2018; Luo & Park, 2004).

However, the incidence of IJVs and alliances do not have a guarantee in success. IJVs are entities with particularly complex sets of policies and practices that can be difficult to manage, over half of these IJVs are experiencing failure (Bamford, Ernst, & Fubini, 2004; Park & Ungson, 1997). Furthermore, Anh et al., (2006) have claimed that the process of organizational learning in alliances as such in IJVs is difficult, often misunderstood, and commonly coupled with considerable frustrations. Given that, researchers are in need to conduct studies on factors that contribute to advancing IJV's knowledge acquisition from its foreign parent(s). Findings from such studies can inspire effective leaders to draw programs to enhance successful learning and improve IJVs stability and its general outcomes.

In line with Thi Thuc Anh, (2017), most of the previous literature have examined the antecedents of IJVs' knowledge acquisition from their foreign partners in terms of cognitive perspective (e.g. absorptive capacity), social perspective (e.g. social capital), or integrating both perspectives (e.g. Thi Thuc Anh & Baughn, 2013; Lyles & Barden, 2000; Dhanaraj, Lyles, Steensma, & Tihanyi, 2004). Based on previous meta-analyses (e.g. Battistella, De Toni, & Pillon, 2016; Meier, 2011) and findings from a many of empirical researches on knowledge transfers in diverse settings, like knowledge transfer among partnering firms in collaborations, suppliers and buyers, and inter-firm strategic alliances, we also suggest that transfer mechanisms (Chen, Hsiao, & Chu, 2014; Elhachemi, Jaguli, & Ahmad, 2018; Williams, 2007), management practices (Elhachemi & Ahmadc, 2018; Nguyen & Aoyama, 2015; Evangelista, 2009), and formal governance mechanisms (Elhachemi & Ahmad, 2018; ; Liu, Li, Shi, & Liu, 2017) as facilitators of knowledge acquisition. These are rarely examined thus leaving a gap in the literature. Therefore, in light of all possible effects of independent variables, knowledge acquisition of IJVs cannot be recognized.

The rationale behind suggesting transfer mechanisms is because transfer of knowledge is a socially collaborative construct and researchers of management have

long admitted its contextual nature (Cho & Lee, 2004; Björkman, Barner-Rasmussen, & Li, 2004; Lyles & Salk, 1996; Foss & Pedersen, 2002), transfer mechanisms are described as the way the recipient firms (of IJVs) engage in adapting and replicating knowledge from the donating company (foreign partners) (Mason & Leek, 2008; Easterby-Smith, Lyles, & Tsang, 2008).

According to Lane and Lubatkin, (1998), management practices and formal mechanisms are often seen as the main assets of knowledge management, and the use of knowledge management is important due to the fact that firms need the capability to generate, transmit and apply knowledge, thereby makes it valuable, thus giving an substitute clarification for their presence (Teece, 1998). Management practices refers to the number of management activities in IJVs with the goal of advancing the efficiency and effectiveness of organizational knowledge possessions (Schiuma, Andreeva, & Kianto, 2012), and formal mechanisms are mechanisms that depend on economically and legally binding systems in the IJVs with their foreign partners to decrease opportunistic dangers (Luo, Liu, Yang, Maksimov, & Hou, 2015; Luo, 2007). Accordingly, this conceptual paper proposes to study the impact of transfer mechanisms, management practice, and formal mechanisms on IJV's knowledge acquisition.

Acquisition of knowledge is obviously not the single contest and motive for all IJVs, from the knowledge-based view (KBV) perspective, strategically oriented alliances often place strategic emphasis on IJVs as canals through which companies attain organizational knowledge embedded in their parent firms. Consequently, resulting in competitiveness and superior performance (Grant, 1996; Grant & Baden-Fuller, 1995). Despite of these arguments, it is important to comprehend the effect of IJVs' Knowledge acquisition on IJVs' competitiveness. However, with very few exceptions (e.g. Zhan, Chen, Erramilli, & Nguyen, 2009) there has been limited theoretical and empirical investigations on the understanding of whether the transmitted knowledge and properties from more advances country' firms have subsidized and improved the competitiveness of these international joint ventures. Thus, this paper presents a theory-based research evaluation approach as a basis for future studies to seek on the direct outcome and improve available concepts on the effectiveness of knowledge acquisitions from foreign partners.

The drive of this conceptual paper is to subsidize the body of knowledge and practices related to IJVs' knowledge acquisition by suggesting a comprehensive two-

fold model, whereby formal mechanisms, transfer mechanisms, and management practices are considered as the antecedents of knowledge acquisition, and these will consequently, lead to IJVs' competitiveness. This paper purposes to response the subsequent questions. Do transfer mechanisms, management practices, and formal mechanisms have an effect on IJVs' knowledge acquisition from foreign partner? Which antecedents from the following factors; transfer mechanisms, management practices, and formal mechanisms have the most effect on IJVs' knowledge acquisition? Does IJVs' knowledge acquisition effect on IJVs' competitiveness?

Based on these research questions, this paper has posted the following research objectives: to determine the effect of management practices, transfer mechanisms, and formal mechanisms on IJVs' knowledge acquisition from foreign partners; to investigate which antecedents from the following factors: transfer mechanisms, management practices, and formal mechanisms that have the most effect on IJVs' knowledge acquisition; To study on the effects of IJVs' knowledge acquisition on IJVs' competitiveness. This paper also proposes transfer mechanisms through the process of adaptation and replication (Chen et al., 2014; Mason & Leek, 2008; Williams, 2007), management practices with single dimension management commitment (Elhachemi & Ahmadc, 2018; Evangelista, 2009), and formal mechanisms which consists of contract and control (Elhachemi & Ahmadc, 2018; Zhang & Zhou, 2013).

The method of this conceptual paper is based on library research and also the extensive evaluation of theoretical reviews in the literature on the subject of IJVs' knowledge acquisition from foreign partner in developing and transitional economics. The research of library includes online materials to article journals and chapters in books. References are based on online databases such as Scopus, Web of Science, Science Direct and Google Scholar. This paper is highlights IJVs' knowledge acquisition from foreign partners perspectives in transitional economies. The data used in this study covers the literature for the period (1996-2018). And the first study was pioneered by Lyles and Salk, (1996) and research studies on the same context are still ongoing till now, 2018. Therefore, deriving upon knowledge based views, transaction cost economics theories, previous arguments, gaps, and logical justifications; this paper suggests a conceptual framework with propositions and invites researchers to test it empirically and practically in the context of Algerian setting.

Knowledge acquisition

KBV theory defines knowledge as a crucial factor to strengthen a firm's competitiveness and performance (Grant, 1996; Narteh, 2008; Nickerson & Zenger, 2004). Generally, knowledge acquisition depends on learning basic and important information and technology which can facilitate efficiency and effectiveness of an organization (Park, 2010). However, in this study, knowledge acquisition is considered as the course through which new knowledge is acquired. Whereas, new knowledge is viewed as new to the organization and not newly created knowledge (Anh, Baughn, Hang, & Neupert, 2006; Huber, 1991). Acquisition of knowledge happens when an IJV obtains its MNCs affiliate partner's procedures and information. This new acquired information helps the acquired firm to modify its procedures according to the parent's firm, to achieve superior services, products and performance (Anh, 2017). IJVs' knowledge acquisition can be defined as the new information is acquired from foreign partners, assimilated, and practiced by IJV to generate the same management techniques, production activities, and reach correspondingly to the original economic organizations learning objectives (Sazali & Raduan, 2011; Nguyen & Aoyama, 2015).

After the acquisition of knowledge, an IJV will develop new abilities to encounter the environmental changes in order to develop the firm's efficiency (Chrysostome et al., 2013). However to develop these new abilities, firms must possess the needed resources and capabilities through which they can recognize and assimilate the new external knowledge. This will allow firms to replace their existing knowledge, thus commercially apply the new assimilated knowledge (Cohen & Levinthal, 1990). However, different firms have various kinds of capabilities and resources in transferring of knowledge. Therefore, transfer mechanisms management practices and formal mechanisms are considered as significant variables that can possibly determine the extent of knowledge acquisition in an IJV.

Transfer mechanisms

An IJV have to deal with the nature of practiced knowledge in knowledge transfer. IJV and its members have to generate broad local transfer mechanisms to embed foreign knowledge in local settings. As defined by Mason and Leek, (2008) and Smith et al., (2008) that mechanisms of transfer are the manners by which companies undertake transfer of knowledge activities. Transfer mechanisms define how firms will interact and will transfer knowledge (Prévoit & Spencer, 2006; Jasimuddin, 2007). In the process of transfer

mechanisms, Chen et al., (2014) and Williams, (2007) have conducted replication and adaptation of the knowledge are the main elements. More precisely, transfer mechanisms are the methods in which a firm utilize, replicate and adapt the information of a parent's firm (Mason & Leek, 2008; Easterby-Smith et al., 2008). Thus, a firm replicates the new knowledge because it is ambiguous, and adapts because it is contextual. Moreover, knowledge replication and adaptation depends upon knowledge discretion and comprehension respectively (Williams, 2007).

Replication of knowledge involves the alteration of existing operating procedures in compliance with the partner (Chen et al., 2014; Williams, 2007). Replication of knowledge is also crucial to inherent causal ambiguity in complex production processes (Lippman & Rumelt, 1982) to the point that it restrains the firm to identify basic operating knowledge. Hence, replication of knowledge enables the firm to exactly replicate the activities of a parent's firm without indulging in understanding the underlying phenomenon and resultant consequences of those activities (Williams, 2007), while ensuring the retention of important knowledge (Nonaka, Byosiere, Borucki, & Konno, 1994). However, these can result to prompt knowledge exchange in the case of acquiring complex and ambiguous knowledge (Winter, 1995). Therefore, an elevated replication needs precise training in order to achieve comparable results (Chen et al., 2014). For example, Intel has also utilized replication in their activities, particularly in the building of their semiconductor fabrications. They have instituted the copy exactly method starts with ensuring that every production to exactly replicate the same arrangements while building up new semiconductor fabrications (Williams, 2007).

Adaptation on the other hand, deals with modifications of processes to adapt the firm's new setting accordingly (Chen et al., 2014). Adaptation is only done because knowledge exchange facilitates IJV only when knowledge is compatible with the new settings. Hence, knowledge must be altered according to the firm's operating environment. Because knowledge is dependent on environment (Penrose, 2009). However, knowledge gathering depends on tracks (Cohen & Levinthal, 1990), and is incorporated into the firm's routines through replication over a period of time (Nonaka, Krogh, & Voelpel, 2006). However, there is a possibility that transferred routines, although they are important in a parent's firm, may not be beneficial in an IJV (Madhok, 2006). Exchanged knowledge can be altered into new contexts due to various factors,

such as divergent areas, novel relationships and unique organizational settings (Szulanski & Jensen, 2006).

In an empirical research study conducted by Williams, (2007), it was found that successful knowledge transfer is led by replication and adaptation of knowledge, which then consequence productivity and performance improvement of recipient organization. Moreover, Chen et al., (2014) have found that knowledge transfer performance can be improved through replication and adaptation of transfer mechanisms considerably by the mediating role of cooperative competency. In examining replication with knowledge transfer in the Chinese context setting, (Wang & Nicholas, 2005), researchers have found that the Chinese managers' replication of their Hong Kong parent's transferred knowledge was measured by the changes in the local manager's contribution to the accumulation of JVs' knowledge. This means, the more knowledge the Chinese's managers gained through imitation, the more they can contribute to the JV's level of knowledge. In regards to adaptation, (Pak, Ra, & Lee, 2015) have concluded that knowledge adaptation is a vigorous phase in the management of knowledge process and can be maximized to fit the transmitted knowledge into the new culture and organizational context of IJVs. Finally, Winter and Szulanski, (2001) in their empirical evidence has supported an alternative view of replication strategy which has described it as a process that includes a system of exploration in which the business model is fashioned, sophisticated, and tracked by a stage of exploitation in which the business model is stabilized and leveraged through large-scale replication.

Management practices

Management practices are significant indicators of knowledge processes and firm performance (Inkinen & Inkinen, 2016). Knowledge management practices are comprised of organizational routines, control and coordination mechanisms, and systems for managing knowledge management practices outcomes (Gray, 2001). The purpose of management practices is to accelerate the efficiency and effectiveness of knowledge management in order to maximize the organization's benefits (Schiuma et al., 2012). Among all practices of knowledge management, commitment of the management is considered as the most important (Earl, 2003) because management commitment is often exhibited through the behaviors and approaches of a company's manager in support of learning behaviors and attitudes (commitment Pham &

Swierczek, 2006). According to Lei, Slocum Jr, and Pitts, (1997), commitment of management defines organizational learning consequences. Senge, (1990) claimed that the essence of commitment of management is to improve an organization's learning strategies and aims, and the firm should strive to obtain these objectives, and the commitment to this will enable the firm to achieve its dream for its excellence. The commitment to learning might facilitates to the formation of pure learning agendas, and procedures and routines in order to accomplish them (Simonin, 2004). Whereas, these benefits can only be yielded when the firm's leaders are committed and encourage learning behaviors and attitudes in the firm (Lei, Slocum, & Pitts, 1997; Pham & Swierczek, 2006; Senge, 1990).

However, the management commitment can only be achieved when a manager takes the responsibility to implement successful business plans (Keramati & Azadeh, 2007). As indicated by Lee, Gon Kim, and Kim, (2012) that top management support is also important because it facilitates knowledge processes for a greater organizational learning thus create competency for advancement in services and products as well as to forecast business dangers and to survive with new market information. Moreover, managers can create a learning culture through incorporating of values in the organizations such as risk taking, courage, efficient communication, empowerment, and maximizing performance (Teare, 1998). Knowledge-oriented leadership empowers and promotes trust through the process of learning from knowledge exploration and exploitation practices. These practices further contribute towards the innovation of products, methods and procedures (Martín-de Castro, López-Sáez, Delgado-Verde, Donate, & Guadamillas, 2011). Therefore, management commitment can be considered as the core facilitator for organizational learning orientations and outcomes (Teare, 1998).

In the context of IJVs, leader's management commitment can be demonstrated through seminars, projects and discussions, as well as specific planning to encourage knowledge transfer. Learning based organizations synthesize their knowledge base through codification, documentation and construction of knowledge, and making it available through formal applications and procedures (Mills & Friesen, 1992). These organizations can further advance their learning and policies structures for better learning process (Evangelista, 2009).

There are many studies which have proven the importance of leadership commitment in organizations. Most studies have shown that leadership commitment is utterly vital for effective transfer of technology (Nguyen & Aoyama, 2012), learning and performance of the organizations (Thuy Pham & Swierczek, 2006). In the context of IJVs, a Vietnamese study has revealed that articulated goals enhance knowledge acquisition (Lyles & Salk, 1996). Another Vietnamese study on IJVs has suggested that management commitment can reduce clash intensity which in turn can enhance learning (Tsang, Nguyen, & Erramilli, 2004). Another important consideration is that the positive effect of management commitment varies for both explicit and tacit knowledge (Evangelista, 2009). Conclusively, findings from the above discussed studies have suggested that management commitment enhances knowledge acquisition.

Formal mechanisms

It is necessary to formulate regulations and the rules to shape responsibilities and duties prior to a joint venture of companies especially from two different countries. Therefore, formal governance is often established in organizations to deal with matters of knowledge exchange. Formal governance provides codes of conducts especially to block private motivating forces, to advance organizational certainty, and to prominently exchange inter firm duties (Zhang & Zhou, 2013).

Previous studies have suggested that combined utilization of formal mechanisms can help to flourish opportunistic behaviors, create internal and external strategic knowledge, establish sharing of knowledge, and governance of tacit and explicit knowledge transfer (Liu, Luo, & Liu, 2009; Frazier, Maltz, Antia, & Rindfleisch, 2009; Li, Long, Li, & You, 2014; Luo, Liu, Zhang, & Huang, 2011; Zhang & Zhou, 2013). Nevertheless, the relationship between formal mechanisms and knowledge transfer is highly debatable (Liu et al., 2017). Consequently, this paper focuses to study the formal governance mechanisms in the context of IJVs via two elements; contract (Mayer & Argyres, 2004; Liu et al., 2017; Li, Poppo, & Zhou, 2010) and control (Farrell, Oczkowski, & Kharabsheh, 2011).

It is obvious that a contract agreement specifies the duties and rules of each firm partner, courses of action during conflict, and realization of main objectives

(Poppo & Zenger, 2002). Through explicit contracts, mutual expectations and precise behavioral boundaries can be stipulated (Parkhe, 1993a). A contract not only proposes behavioral patterns (Rousseau, 1995), but also specifies duties of parties involved, along with penalties in case of violation of agreement (Liu et al., 2009). Promises specification, processes and obligations for disagreement determination frequently rises as the complexity of the contract increases. Thus, as stated by Poppo and Zenger, (2002) that complex contracts should enlist detailed roles and responsibilities, procedures for monitoring, penalties for non-compliance, and above all, determine the agreement outcomes.

According to Zhang and Zhou, (2013), formal contracts are often protected by legal systems to prevent managerial disputes and ethical risks, which in turn facilitates exchange activities such as transfer of knowledge. Such contracts require continuous information sharing and communication to create formal operating procedures (Liu et al., 2017). A nicely composed contract ensures exchange of knowledge among both partners through postulating the procedure of knowledge sharing, gain, and utilization, to attain overall objectives (Zhang & Zhou, 2013). These contracts favors the partners by preventing unwanted knowledge exploitation during knowledge exchange. Partners may have to bear economic and legal consequences in case of un-fulfillment of expectations (Li et al., 2010) hence, a contract is crucial as it offers a formal platform for future dealings (Wacker et al., 2016).

There are many studies which illustrate the importance of contracts. A study based on 225 Chinese buyers and suppliers has revealed that contracts can improve the quantity and quality of conveyed knowledge (Liu et al., 2017). Contracts have also been found to restrain opportunism and improve relationship performance among the Chinese manufacturer-distributor dyads (Liu et al., 2009). Another study by Li et al., (2010) based on 168 foreign subsidiaries in China has suggested that in depth contracts can accelerate acquisition of explicit knowledge.

Unlike contract, Park and Choi, (2014) stated that control is based on observable decision making powers. IJVs' control can be defined as the power of decision making in daily tasks, held by one partner (Choi & Beamish, 2004). The importance of control can be realized through its influence on knowledge acquisition. Appropriate control is crucial for organizational learning. As it simplifies knowledge exchange, accelerate the consumption of organizational resources, and redefines

organizational direction, in compliance with the new information (Makhija & Ganesh, 1997). Control arrangements are alluded and shaped over a period of time and decision making powers are divided among partners to manage the joint venture (Steensma & Lyles, 2000). Furthermore, control guides the authority and power among partners during knowledge exchange. These guidelines affect the quality and quantity of knowledge exchange during interactions between partners (Turner & Makhija, 2006).

Various studies have highlighted the importance of control. A research study conducted by Zhang and Zhou, (2013) on 343 manufacturer-supplier has supported the role of formal control in knowledge transfer. Another study was conducted in Korea has also suggested that control mechanisms such as; operational and management control, have optimistic influence on organizational learning (Park & Choi, 2014). Additionally, in their study in chine, Luo (2007) has observed that managerial control can restrain partner opportunism. Atuahene-Gima and Li, (2002) have also supported that process control is further effective in China as compared to the United States of America. However, a partner's range of control can be influenced by knowledge and asset investment (Chalos & O'Connor, 2004). In the joint venture context, partners from the United States of America have considered control as an important tool for selective transfer and the protection of knowledge. However, the Chinese partners have perceived that the same set of control as vital tools for selective transfer and the protection of asset investments (Atuahene-Gima & Li, 2002). Furthermore, the imbalance in management control structure between partners can cause parental conflict which can increase the likelihood of an IJV failure. However, the imbalance in ownership control structure does not cause conflict or IJV failure (Steensma & Lyles, 2000).

Ijvs' competitiveness

Porter's (1980) generic competitive strategies have explained that alternate market positions can provide competitive advantage through differentiation or cost reduction in order to gain better consumer values and margins. However, a firm's (IJV) competitiveness can be defined through a firm's market performance in comparison to its competitors (Wu, Wang, Chen, & Pan, 2008; W. p. Wu, 2008). Therefore, to gain competitive advantage, a company should put forward its dynamic capabilities of knowledge assimilation in its areas of expertise (Grant, 1996). However, to sustain

competitive advantage, a company should learn to protect its knowledge by preventing knowledge imitation and expropriation by its competitors (Liebeskind, 1996). Thus, a firm can gain competitive advantage through better knowledge management and learning (Liu, Chen, & Tsai, 2004).

Mostly companies form IJVs or any other form of alliances to gain necessary knowledge, expertise and other valuable possessions in order to fulfill their knowledge gap. Lack of knowledge can hinder the augmentation of a firm's abilities. That is why partnering firms in any form of alliances mostly own different but complementary knowledge and skills. Furthermore, the acquisition of required knowledge through IJV partner(s) not only can enhance firm's capabilities but also improves its allies' comparability. Concisely, enhanced capabilities can facilitate companies to counteract their market competitors (Fang, 2011). A company can also increase its market competitiveness through the integration of necessary information with its internal knowledge. Integration equips the company with complementary marketing abilities, prompt responsiveness to market changes, and innovative product offers (Fang & Zou, 2009; Zhou & Li, 2012). In the context of IJVs, foreign knowledge is compulsory for skill extension which will provide distinctive benefits to the company as compared to its rivals (Yli-Renko, Autio, & Sapienza, 2001) suggesting that knowledge-based assets gained through foreign parents can provide strong competitive advantage to an IJV.

The above discussion clarifies that knowledge contributes to sustainable competitive advantage and performance (Grant, 1996). Despite these developments, there are few studies that have supported the role of knowledge based resources to gain competitive advantage, including a conceptual study by (Hooley et al., 1996) which was conducted in Hungary, and an empirical study by (Zhan et al., 2009) which was conducted in Vietnam. However, little empirical investigation has been done to understand the contributions of transferred knowledge and resources to gain competitive advantage in IJVs. Therefore, more research studies should be conducted to analyze the relationship between transferred knowledge and resources from foreign partners.

Conceptual framework of the study

As shown in the figure 1.1, the framework of this paper is supported by both (KBV) knowledge-based view and (TCE) transaction cost economics theories, the paper has

proposed a two-fold framework which contains transfer mechanisms, formal mechanisms, and management practices as knowledge acquisition's antecedents and IJVs' innovativeness as knowledge acquisition's outcome.

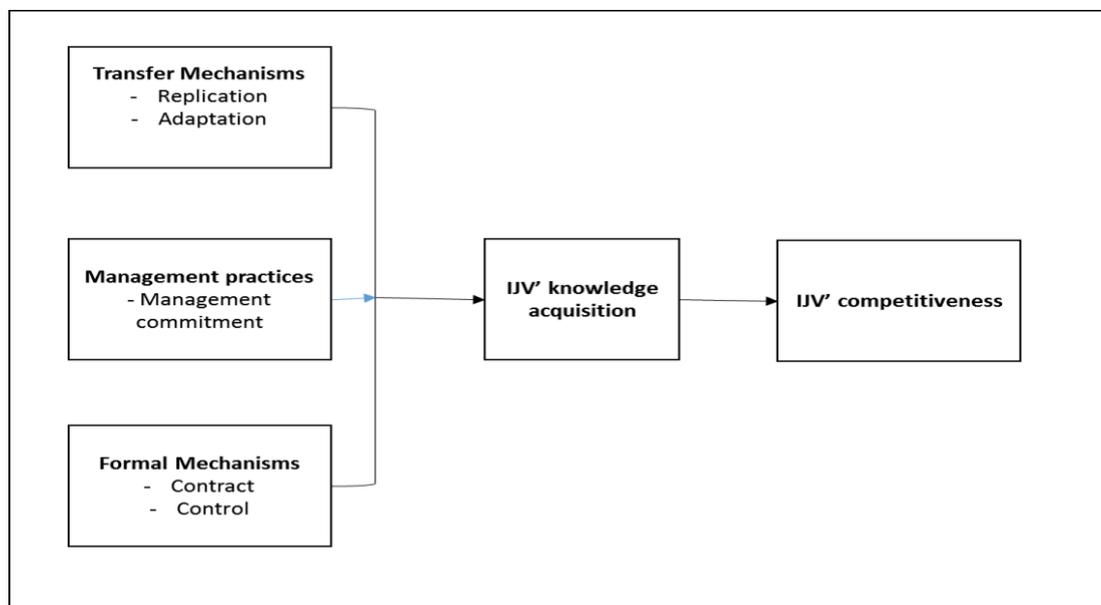


Figure 1.1 conceptual framework.

Conclusion

Over the recent decade, the number of researches on acquisition of knowledge in the context of IJVs is increasing. The literature has covered on antecedents of knowledge acquisition; however, there is still lack of studies on other potential factors from different perspective. Previous researches have attempted to investigate facilitators of knowledge acquisition in term of social capital and absorptive capacity. Therefore, this paper has proposed each of management practices, transfer mechanisms, and formal mechanisms as antecedents to knowledge acquisition. Furthermore, this paper contributes to enhance the literature by proposing the effect of knowledge acquisition on IJVs' competitiveness. To sum up, this study contributes to the body of knowledge, theoretically, empirically, and practically. First, theoretically this study has proposed a comprehensive two-fold model with a framework that has never been integrated before. Secondly, the relationships between the variables can be empirically tested in future. Finally, the research has been practically investigated in the context of a transitional economics setting, (e.g. Algeria). Therefore, we strongly invite researchers to further investigate in the major of IJV's knowledge acquisition. The findings of such research can contribute to the rationale of outlining policies in the aspects of IJVs' knowledge acquisition. The paper results may be also supportive to concerned

academics, consultants, independent organizations, and practitioners in their pursuance to accomplish competitiveness.

Like any other scientific researches, this paper also has limitations and directions of future studies. The first limitation is IJVs' knowledge acquisition from foreign partner, whereby this paper has suggested three antecedents and one determinant. Therefore, it is strongly recommended that future studies should test this model by adding other vital predictors of knowledge acquisition such as; environmental uncertainty in order to provide new insights to the body of knowledge, particularly on the relationship between such variables. Additionally, future studies are also recommended to test another variable such as IJVs' innovativeness.

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ARE SPENDING BEHAVIOURS THROUGH BROCHURES STILL RELEVANT IN INFLUENCING PURCHASE DECISION?

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Abstract

Marketing initiatives are very vital in every organization. It acts as a tool to convince and attract potential customers through effective promotional efforts. There are various promotional programmes such as media and digital advertising, multiple sales promotions, personal and direct selling, various social media, brochures and catalogue strategies. Although there are various promotional strategies some are getting not relevant in the current marketing landscape. One of them is the usage of brochures. Is brochure still relevant in the digital environment today to influence spending behaviour in purchase decision? In this paper, a survey methodology was used resulting two hundreds responses received. Result shows that spending behaviour significantly influence purchase decision through brochure in credit card monthly statement.

Keywords: Spending behaviours, brochure, purchase decision

Introduction

Today, the direct way of commercial business to reach its customers is through promotions and it is achieved through the promotion mix which comprising direct mail, media advertising, personal selling, public relation and as well as sales promotion (Czinkota & Ronkainen, 2007). This is on the grounds that promotion are standout amongst the most seen of marketing exercises, promotion can extraordinarily affect any organization's market share and manageability (Zhanting Yang, 2010). In this way it is vital to comprehend that consumer lean toward promotion and it is effect on consumer's behaviour in spending decision.

Numerous companies utilize promotional methods to promote their goods and services in order to fulfil their clients' requirements. Banking industry is one of the businesses that depend on promotion and commercials. Chong Chai Hong & Ummul K. Ahmad (2014) states that banks utilize an assortment of methods to promote their goods and service to customers and all banks offer similar goods and services,

Hence innovativeness is pivotal in promoting the goods and services. One of the easiest ways in product promotions is through utilizing printed brochures which are accessible to all customers. According to Zongqing Zhou (1997) brochures are a pleasant means of communication and advertising in terms of design, content, format and also a cost-efficient. The brochure is a piece of paper, made with good quality paper and incorporate with astounding, eye-catching image, and be customized with content and pictures arranged with all the capabilities to be promoted.

In spite of the crucial role of promotional brochure to promote items there are still scopes for additional improvement. There are areas that need consideration in promotional brochure's particular in its application in credit card billing statement. Researchers have additionally reported that huge number of cash which are finished over brochure creation with small sign of the evidence of utility, value or effectiveness of brochures (Gilbert & Houghton, 1991). Fesenmaier and Vogt (1993) demonstrated that there is an essential comprehend the causes of why brochure is influential or the other way around. If these hidden reasons can be distinguished, banking sector would have the capacity to outline approaches to amplify the promotional brochure.

Thus, this paper attempt to investigate the relationship between spending behaviour and purchase decision through the influence of brochure in the credit card billing statement either using hard copy or on-line promotion brochures. The hard copy brochure mailed along with a billing statement and on the other hand on-line brochure via email. The target samples of the study were bank consumers in Kluang, Johor. The banks that involved in this study were Bank Islam Malaysia Berhad, CIMB Bank Malaysia and RHB Bank Berhad.

Nevertheless, taking into account review of past studies found that there is rare to find published research that has empirically discovered at application of promotion brochure by credit card users. Consequently, there is necessity for additional study into this particular area to fill up the knowledge gap. This research consequently appears to gain knowledge and worth for managerial and academic. Therefore, this study will look at the factors affecting purchase decision among credit card users through promotional brochure.

Literature Review

Theory of Planned Behaviour

According to Ajzen, (1991) The Theory of Planned Behaviour (TPB) is person's intent to perform particular behaviours and the condition proposes individual's behaviour which encouraged by behaviour intentions, where separated into three elements which is a subjective norms, attitude towards behaviour and person's behavioural control. Behavioural control is symptom of a person's willingness to execute certain behaviour. It indicates an individual's inspiration in the sense of human mindful of idea or choice to be accomplishing specific behaviour (Conner & Armitage, 1998). Normally, the solid the goal is, the more probable the behaviour will be performed. Attitude toward behaviour denotes to the extent to which an individual has positive or negative sentiments of the conduct of interest .It involves a thought of the results of performing the conduct. A subjective norm alludes to the belief about whether expectation of others he or she will perform the behaviour. It identifies through a person's opinion on social environment encompassing the conduct and the behaviour to engage or not engage through perceived social pressure. Accordingly, the beliefs about promotional brochure will obviously impacts the purchase decision and might influence spending behaviour on promotion product. Also, behaviour and intention have strong relation but the prognostic influence of intention will faded if behaviour performed is out of habit according to Theory of Planned Behaviour (Ajzen, 1991).

Sales promotion associated with behaviour control where a person decided to purchase through their inspiration on sort promotion provided. Shultz, et al. (1998) states that rather than influencing attitude or awareness, in general sales promotion act upon on a direct behavioural basis. Consequently, one of the motivations behind a sales promotion is to evoke an immediate effect on the customer purchasing behaviour through promotional brochure. Kwok S, et al (2005), regularly stated that nearly all kinds of sales promotion impact the decision-making and buying periods of the shopping approach directly which is beneficial in long term given that it results in multiplied sales and revenue. Spending behaviour is linked to subjective norm where the belief about whether expectation of others he or she will perform the behaviour. According to Wilson, et.al, (2005) an individual's attitude and character affect the customer spending behaviour. Furthermore, Thøgersen (2002) states that prior behaviour as immediate experience and involvement of shoppers, and noticed that the significance of buying experience impacting shopper awareness (Holbrook and

Hirschman 1982). Certain behaviour is led by the positive or negative estimation a shopper creates about merchandise and this attitude usually shaped by the customer expectation either positive or negative (Ajzen 1991). Therefore behavioural determined seemingly follows from product brand preference and reliance.

Spending behaviour

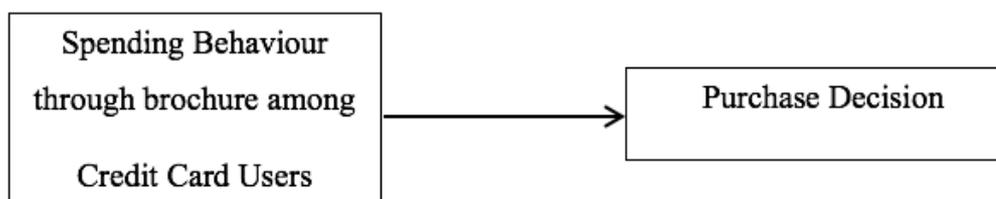
Spending could be characterized as products and service purchased by families in the fulfilment of their requirements and necessities. Spending is characterized as the demonstration of using and conduct is characterized as reaction of a person to an activity, situation and individual. While the shopper behaviour concentrates on how people, gatherings and associations select, purchase, utilize and discard products, administrations, thoughts or encounters to fulfil their requirements and goals (Kotler & Armstrong, 2000). There are five factors that intensely influenced spending which are economic, psychological, cultural, personal and social (Wilson, et.al, 2005).

Wassana Suwanvijit, (2009) stated that investigation of customer spending behaviour empowers the sellers to see how purchaser think through, impressions as well as react to the surroundings while buy a product. A study conducted by Wassana Suwanvijit, (2009) on element which distressing on consumer lifestyles and purchasing behaviours. Researcher discover that purchaser ways of life are gotten from and customized through social and social learning and shopper demographics will impact buyer's conduct. Moreover, Wassana Suwanvijit, (2009), at Songkhla region provided 300 questionnaires to the customers. The outcome showed that purchasing behaviours and buyers lifestyle was affected by socio-economic and demographic. The normal spending rate in Songkla was around 550 baht for each time and customer income was the component which influencing their spending behaviour at the time. The researcher likewise discovers that Wassana Suwanvijit (2009), who found that product promotions will influence online shoppers to spend and lead higher purchase decision. Comprehend these variables could recognise consumers' requirements and can lead to purchase decision. Table 1 shows previous studies on spending behaviour. Additionally, Figure 1 demonstrates the relationship between spending behaviour through brochure among credit card users and purchase decision.

Table 1: Spending behaviour positively influences purchase decision: A Selected studies

Study Author's	Research design/ Main issues	Method	Country/ context
Juster, F. T. (1981).	A probability assessment on shopper spending forecasts	Descriptive (survey)	US consumer
Edward J. Fox et al. (2002)	Consumer Shop and Spending Through Retail store	Descriptive (survey)	US household
Richard A. Feinberg. (1986)	Credit cards as spending stimuli	Descriptive (survey)	Credit card users
DilipSoman &Amar Cheema (2002)	The influence of credit card on spending choices	Descriptive(survey)	US credit card users
Peetz , J. et al. (2016)	Occurrence of unplanned spending expectations	Descriptive (survey)	Undergradu ate students
Nicolas Glady (2012)	Evaluate connection among the operation time, spending and failure performance of shoppers	Descriptive (survey)	Online customers

Figure 1: Conceptual Framework



Methodology

A survey methodology was used to collect the data. Mall intercept model was used for the data collection technique. Mall intercept is a technique for data collection at a shopping mall or public areas (Bush and Hair, 1985). Sample of the study was collected at selected retail banks as we focus on credit card holders. The selected banks were Bank Islam Malaysia Berhad, CIMB Bank Malaysia and RHB Bank Berhad in Kluang, Johor.

The target number of population in Kluang, Johor is 118,000 (Population Reports All District Johor, 2010). According to Uma Sekaran (2003), 250,000 of population are 384. However, the total sample collected was 210 and only 200 valid samples were used for this study.

The study was a self-administered, where the respondents read and addressed the inquiries themselves. The information gathered from the survey were coded, caught and altered. The SPSS version 24 was utilized to examine the outcome.

Measurement Scales: Spending Behaviour

This study based on the measurement proposed by Wilson, et.al (2005). Table 2 below display five items. A five-point Likert-type scale is used in this study (1= strongly disagree; 5= strongly agree)

Table 2: Spending Behaviour Scale

Item	Original Version	Adapted Version	Adapted From
SB1	<i>Psychological factor (e.g. perception , learning)</i>	Promotional brochures through credit card always attract me to spend.	Wilson, et.al, 2005
SB2	Cultural factor (e.g. basic values, need, behaviors)	<i>Promotional brochures through credit card always give me worth to spend.</i>	Wilson, et.al, 2005
SB3	Social factor (e.g. influence by shoppers behaviors or surroundings)	<i>Promotional brochures through credit card always provide latest trend of products and services which influence me to spend.</i>	Wilson, et.al, 2005
SB4	Personal factor (e.g. occupation, motivation)	<i>Promotional brochures through credit card always motivate and give me more options in payment.</i>	Wilson, et.al, 2005
SB5	Economic factor (e.g. income, saving)	<i>Promotional brochures through credit card always provide products or services that affordable for me to easily spend money</i>	Wilson, et.al, 2005

Respondent's Background

Table 3 shows the distribution of the respondent's background. 54.4% of male respondents and whereas 45.5% are female respondents. In term of age, most of the respondents were between 21 and 30 (71.5%). Malay respondents were 40%, Indian 31.5% and Chinese 28.5%. All of the respondents were Malaysian. Additionally, majority of them have Diploma (50%) and secondly at Degree level (45.5%). In term of occupation, many of the respondents were in private sector (46%), government sector (34.5%) and followed by entrepreneur (19.5%). The range income level of

respondent were between RM1, 500 to RM3, 000 (63%), RM3, 000 – RM10, 000 (34%). Majority of them used Bank Islam and CIMB Bank credit cards (35%) respectively. The respondent's credit card limits were RM5, 000 (76%), RM10, 000 (22%) and RM10, 000 and above was (2%). The duration of using credit cards will be more than 1 year to 3 year (63.5%), more than 3 years to 5 year (21%), 0 to 1 year (10.5%) and more than 5 years (5%).

Table 3: Respondent Background

Characteristics of respondent	Frequency	Percentage (%)
Gender		
Male	109	54.5
Female	91	45.5
Age		
21-30	143	71.5
31-40	49	24.5
More than 40	8	4.0
Race		
Malay	80	40.0
Chinese	57	28.5
Indian	63	31.5
Nationality		

Malaysian	200	100
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Level of education

SPM	7	3.5
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Diploma	100	50.0
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Degree	91	45.5
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Master	2	1.0
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Occupation

Entrepreneur	39	19.5
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Government Servant	69	34.5
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Private Sector	92	46.0
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Monthly income level

≤RM1, 500	5	2.5
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RM1, 500 – RM3, 000	126	63.0
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RM3, 000 – RM10, 000	68	34.0
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≥RM10, 000	1	0.5
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Bank

Bank Islam Malaysia Berhad	70	35.0
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CIMB Bank Malaysia	70	35.0
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RHB Bank Berhad	60	30.0
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Limit of credit cards

RM	5,	000	152	76.0
			44	22.0
RM10, 000			4	2.0
RM 10, 000 and above				

Duration of using credit car

0 to 1 year			21	10.5
More than 1 year to 3 years			127	63.5
More than 3 years to 5 years			42	21.0
More than 5 years			10	5.0

N= 200 (Number of respondent)

Findings And Analysis

Construct Reliability of measurement

Cronbach's coefficient alpha were used to measure the reliability of construct, (Hair et al. 2014) which specifies the internal consistency on exactly how thoroughly connected a set of items are as a group in a particular constructs . According to Hair et al. (2014) the smallest possible cutting point of Cronbach's coefficient alpha suggested for the existing study was 0.7, Table 4 shows the cronbach's coefficient alpha for the spending behaviour: ($\alpha=0.761$), which met the threshold of 0.7. Therefore, the analysis concluded that variables were internally consistent which means reliable.

Table 4: Reliability analysis

Construct	Items	Measure	Cronbach's Alpha
Spending Behaviour	SB1	Promotional brochures through credit card always attract me to spend.	0.761
	SB2	<i>Promotional brochures through credit card always give me worth to spend.</i>	
	SB3	<i>Promotional brochures through credit card always provide latest trend of products and services which influence me to spend.</i>	
	SB4	<i>Promotional brochures through credit card always give me more options and easy way for payment.</i>	
	SB5	<i>Promotional brochures through credit card always provide products or services that permits me to easily spend money</i>	
N= 200 (Number of respondent)			

Pearson Correlation

In this area the emphasis is on figuring out if certain factors influencing purchase decision among credit card users through promotional brochure. Table 5 indicates the

Pearson Correlations analysis conveyed relationship between variable's direction and strength.

Table 5: Correlation Coefficient between variables

	Purchase Decision	Spending Behavior
Purchase Decision	1.0000	0.230**
Correlation		0.000
Sig. (2 Tailed)		200
N		
Extent Pearson		
Correlation		1.0000
Sig. (2 Tailed)	0.230**	
N	0.000	
	200	

The number stated in table 5 is correlation coefficients between variables. The test result proves that spending behaviour has significant correlation impact on purchase decision, $r= 0.230$, $n=200$, $sig=0.01$, with high score of purchase decision connected with lower score of spending behaviour and approximately 5.29 percentage of the variance in respondent's score on spending behaviour.

Multiple Regression Analysis

Table 6: Multiple Regression Analysis: Model of Summary

R	R Square	Adjusted R Square	Std. Error Of The Estimate
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.332 .540 .344 .67583

The hypothesis tested using multiple regression analysis. Table 6 show the R=0.332 and R square= 0.54 meaning that model explains 54% of variance in purchase decision.

Table 7: Regression Analysis between Spending Behaviour and Purchase Decision

Model	Unstandardized Coefficients		Standardize	t	Sig.
	B	Std. Error	d		
	B	Std. Error	Beta		
1 (Constant)	5505	395			
Spending Behavior	.406	.126	-.240	2.45	0.016

Table 7 indicates that the regression model predicts the dependent variable (Purchase Decision) significantly well. The significant level is $p < 0.016$, which is less than 0.05 which highlight a good fit for the data. Therefore, spending behaviour through brochure is recognize as contributing factor to influence purchase decision.

Discussion and Conclusion

Our findings show that credit card users are still influence by the brochure when making their decision to purchase products through credit card. Our results support the findings of Wassana Suwanvijit (2009), who found that product promotions will influence online shoppers to spend and lead higher purchase decision.

The study verified that the spending behaviour has a significant and positively influence on the purchase decision ($\beta = -.240$, $p < .005$). The findings confirmed that

one of the key and significant factors in purchase decision is spending behaviour. This study is similar to Prelec and Simester, (2001) and Gan et al. (2016) studies where credit cards inspire customer spending behaviour on promotional brochure. Similarly to study by Wilson et al. (2005), this research has discovered factors that influence purchase decision through promotional brochure in credit card. Customer spending behaviour is positively influenced by the elements such as psychological, personal, social, economic and cultural condition in purchase decision. However, findings by Mylonakis (2008) stressed that advertising is not a determinant factor in banking products and services whereby price and product related criteria still play a role.

This research has both implications: academic and managerial. The researcher will benefit through this exploration in light of the fact that the researcher's survey aptitudes have been upgraded and the researcher will pick up a more prominent comprehension of promotion techniques and the outcome of promotion strategies on buyers and shoppers conduct. A more noteworthy comprehension of promotion techniques from this examination venture will facilitate the researcher profession in business particularly the retail banking sectors in credit card applications. However large portions of the studies referred to previously have concentrated on tourist and university student brochure (Chong Chai Hong,2014) but there are less reported studies directed on brochure commonly on promotion brochure mailed through credit card billing statement. Since, there is rare published research particularly on bank promotional brochure. Consequently, in regard to academic implication this study will fill up the knowledge gap.

In regard of managerial implication, the study findings will be benefited for banking sectors particularly the credit card segments and encourage them to look into the efficiency of their advertising methods and using promotional brochure. Additionally, the study outcomes will provide few bits of knowledge for consideration of the particular business to improve their business sales and trained more about clients' picks and preferences. The outcomes have also presented important contributions to the banks and non-banks in terms of enhanced comprehension of their customers' purchase decision.

However, promotion is an extremely powerful method for influencing buyer behaviour and pushing buyers to the last stride of buying. Notwithstanding a significant number of the promotional activities conducted by banks as of now utilizes are to some degree viable in affecting buyer purchase decision but these promotion can be enhanced and a few promotion at present are scarcely successful. Discover better approaches to direct these promotions and enhancing can expand volume of development and can likewise make a more positive buyer supposition towards promotional brochure. In regard, more research will be necessary to observe the purchase decision through promotional brochure in credit card.

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BOARD OF COMMISSIONERS CHARACTERISTICS AND RISK DISCLOSURE: EVIDENCE FROM INDONESIA

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Abstract

This study aims at examining the effect of board of commissioners characteristics on risk disclosure. The board of commissioners characteristics include size of the board of commissioners, gender diversity, independent commissioners and tenure. Control variables on the study are Return on Equity, leverage, firm size and audit firm. Sample of the research consists of manufacturing company in Indonesia Stock Exchange during 2013-2015 periods. There are 351 firm-years observation. The result of the study show that the size of the board of commissioners, the proportion of independent commissioner and the tenure of Board of Commissioners have a positive effect on risk disclosure. On the other hand, the study find that gender has no effect on risk disclosure.

Keywords: Risk Disclosure, Board of Commissioners, Manufacturing Companies, Corporate governance

Introduction

The annual report can be used as a primary disclosure tool to convey information from the company to the public. PSAK 1 Presentation of Financial Statements states that the purpose of financial statements is to provide information of the financial position, financial performance, and entities cash flows which is beneficial to most users in economic decision-making. The financial statements also show the results of management accountability for the use of resources entrusted to them. Beretta and Bozzolan (2004) argue that the annual report serves as an influential source of information. Disclosure may be the source of such information. According to PSAK 60 (Revised 2010), risk disclosure is part of qualitative information disclosure in the company's annual report.

Linsley and Shrivs (2005) stated that in the past the risk looks so negative, while now risk can be viewed positively or negatively as an impact of several events. Because of that positive and negative risk perspectives, stakeholders need more

information about risk disclosure to make business and investment decisions then understand the position of corporate social responsibility (Probohudono, Tower, and Rusmin, 2011).

According to Beretta and Bozzolan (2004) external users need to understand the company's risks needed to create value, they also expect information about sustainability and social impacts of value creation strategies. It requires effective communication about the risks that affect corporate strategy and managerial action to take advantage of emerging opportunities and to minimize the danger of negative externalities (Beretta and Bozzolan, 2004).

In Indonesia, risk disclosure is regulated by BAPEPAM and LK Number: Kep-134 / BL / 2006 concerning: the obligation of annual report submission for issuers and public companies. Another Risk Disclosure Regulation is in PSAK 60 (Revised 2010) about financial instruments: Presentation and Disclosure. PSAK states that information about the nature and the extent of risks arising from financial instruments may be qualitative and quantitative disclosure. Qualitative disclosures of entities should disclose risks, how risks arise, objectives, policies and risk management processes with the risk measurement methods. Then, disclosures for quantitative entities are required to disclose credit risk, liquidity risk, and market risk including creating a sensitivity analysis for each type of market risk.

According to Suhardjanto, Dewi, Rahmawati and Firzonia (2012) risk disclosure is important as it helps stakeholders in obtaining the information necessary to understand the risk profile. Risk disclosure is also useful for monitoring risk and detecting potential problems so that it can take action quickly to prevent the problem from happening (Linsley and Shrivs 2006).

In 2001, mark up case by PT Kimia Farma inflated profits of 32.6 billion from the estimated 99.56 billion and reported 132 billion, resulting in violations of accurate disclosure principle and transparency which consequently is very detrimental to investors, because the exceeded profit should have been the basis of transactions by investors to raise business (Arifin, 2005). In addition, from 2004 to March 2005, Bapepam and LK accounted for 44 cases of capital market offenses, 42% is manufacture. From 44 cases of capital market, there are 26 cases (60%) concerning about conflict of interest, information disclosure and presentation of financial

statements (Bapepam and LK 2005). Conflict of interest and important information disclosure will cause harm to external investors (Nuryaman, 2009). If it was left unchecked, there will be agency problems. Siagian et al (2013) argues that corporate governance can be implemented to reduce agency problems.

In this study the researcher will examine the influence of corporate governance, represented by the characteristics of the Board of Commissioners, in relation to risk disclosure. Law of the Republic of Indonesia Number 40 of 2007 regarding Limited Liability Company states that the Board of Commissioners is a part of the company responsible for general supervising and/especially in accordance with the articles of association and advising the directors he results of Suhardjanto et al., (2012) shows that the Board of Commissioners has a positive effect on risk disclosure. These results indicate that the more the number of commissioners, the level of supervision and pressure on management the better so as to encourage management to be more transparent in expressing risk. The larger the size of the Board of Commissioners, the better its ability to protect the stakeholders interest. When associated with disclosure, large-size Board of Commissioners has greater power to pressure management to disclose more information about the company including risk disclosure (Suhardjanto et al., 2012). This result is also evidenced by Abraham and Cox (2007) that the size of the Board of Commissioners is positively related to risk disclosure. However, different results are obtained by research conducted by Krisna and Suhardianto (2016) stating that the size of the Board of Commissioners has no effect on the social responsibility disclosure.

The research conducted by Suhardjanto et al., (2012) shows that the proportion of independent commissioners has no effect on risk disclosure. The results of this study are not in line with the research conducted by Probohudono et al., (2013) which states that the independent Board of Commissioners has an effect on risk disclosure. However, research conducted by Nuryaman (2009) shows that the proportion size of independent Board of Commissioners has no effect on voluntary disclosure.

Adams and Ferreira (2008) stated that the presence of women can affect the performance of the company. Women have an important role in making the right decisions because women tend to be careful in making decisions, including decisions

related to operational risk disclosure. Research conducted by Suhardjanto et al. (2012) indicates that the composition of female commissioners does not affect the disclosure of operational risk. The results of this study are not in line with research conducted by Bonna, Yoshikawa, and Phan (2004) which proves that female commissioners positively affect company performance, including disclosure.

The Board of Commissioners with a long tenure will provide a better knowledge of the company and changes in the business environment. On the other hand, a close relationship with management will make the Board of Commissioners less effective in management oversight (Vafeas, 2003). Meanwhile, the Board of Commissioners with long tenure will increase the frequency of Board of Commissioners interaction in terms of information exchange (Rutherford and Buchholtz, 2007). The research conducted by Handajani, Subroto and Saraswati (2014) indicates that the Board of Commissioners' tenure has a negative effect on social disclosure company.

This study uses a manufacturing company because the manufacturing company has a complex activities in which the manufacturing company converts raw materials into finished goods with a series of production processes solikely to have risks in every process. In addition, the manufacturing sector is kind of abig business sector so that the risk considered was greater. According to Probohudono (2011) large companies disclose more risk disclosure data and manufacturing firms have more complex operations will be better at ensuring supervisory activities to reduce information asymmetry. Probohudono (2011) also mentioned that the inspection of the manufacturing industry sector is very important, because based on data of the World Bank in 2010, in this sector Indonesia occupies the four highest country of added value GDP. Manufacturing companies also do a lot of economic transactions with many parties namely suppliers, consumers, creditors, shareholders and so forth and it certainly raises many risks so it requires risk disclosure to provide information for those in need.

Literature Review and Hypotheses Development

Theoretical basis

Risk Disclosure

The risks are broadly defined by Solomon, Solomon, and Norton (2000) as uncertainties related to both advantages and disadvantages. Linsley and Shrivess (2005) stated that risk disclosures are to inform the reader of opportunity or prospect information, hazards, and threats that have had an impact to the company or may impact the company in the future.

The purpose of risk disclosure is communication effectiveness about risks that affect corporate strategy and management actions to take advantage of emerging opportunities and to minimize failure (Beretta and Bozzolan, 2004). Adequate risk disclosure is needed to provide a clear representation in decision making (Wulandari and Djuminah, 2013).

Probohudono et al (2011) stated that risk disclosure is divided into five sub categories, namely business risk, operational risk, strategy risk, market risk, and credit risk. Business risk is what the company assumes to create competitive advantage and add value to shareholders (Cabedo and Tirado, 2004). Strategic risk is associated with a fundamental change in the economy where the economic environment produces a high level of uncertainty that will affect company performance (Probohudono et al, 2011). Operational risk arises as a risk of direct or indirect loss due to internal process error, system error, or external factors faced by the company (Cabedo and Tirado, 2004). Market risk is defined as risk due to certain price variations (Cabedo and Tirado, 2004). Credit risk may be defined as over time probability, the true impairment of the client's portfolio can occur as a result of credit quality (Cabedo and Tirado, 2004).

According to Suhardjanto et al. (2012) to ensure that risk disclosure in the annual report is sufficient information for shareholder's need and in accordance with existing regulations, corporate governance. Corporate governance may be implemented to reduce agency problems as the objective of corporate governance is to ensure that managers will take the best action for the benefit of shareholders (Siagian et al, 2013).

Agency Theory

The agency relationship is defined as a contract in which one or more principals engage with an agency to perform some services on the name of the discipline and involve the authority to make decisions to the agent (Jensen and Mecling, 1981). Furthermore, Jensen and Mecling (1981) also explained that agents will not always do their best performance for the principal's interests. It is because agents have their own interests rather than for the welfare of the principal although in some situations principal pay agents to ensure that the agent will not take certain actions that will endanger the principal.

The agency problem can occur because of information asymmetry. According to Scott (2003) information asymmetry can occur due to two things:

4. Moral Hazard, which is a condition where one of the parties, in this case is the principal can not know the transactions done by the other party, in this case is the agent.
5. Adverse Selection, a condition in which one party knows information that is not known by the other party.

Agency theory is concerned with solving two problems that can occur in agency relationships. The first problem is the agency problem that arises in the event of an agent conflict and the difficulty of the principal verifies what the agent is doing, and the second problem is the risk problem, where the principal and the agent have different attitudes toward a risk, meaning that both parties can choose different actions because of a risk (Eisenhardt, 1989).

Board of Commissioners

In the concept of corporate governance known two concepts namely one tier system and two tier system. The FCGI states that the Anglo-Saxon Law system has a One Tier system in which the company has only one Board of Directors which is generally a combination of senior managers or managers and independent directors. Meanwhile, the European Continental Law system has a two-tier system or two-tier system in which the company has two separated bodies: the Supervisory Board (Board of Commissioners) and the Management Board (Board of Directors).

In Indonesia, there is no law or regulation that explains whether Indonesia embraces one tier or two tier. However, based on Law No. 40 of 2007 Indonesia adopts a two-tier system because Indonesia separates the authority of management and supervision. Management by the board of directors while supervising by the Board of Commissioners (BOC).

Development of Hypotheses

The Relationship between the Number of Commissioners and Risk Disclosure

The larger size of the Board of Commissioners will indicate that supervision is more effective in improving the company performance. Aysysekera (2008) argues that effective BOC' is between more than 5 and less than 14 members. Meanwhile, John and Senbet (1998) argue that the large size of the BOC may imply greater oversight capabilities.

The research conducted by Suhardjanto et al., (2012) shows that the size of the Board of Commissioners influences the risk disclosure. This result is in line with the research conducted by Akra, Eddie and Ali (2010) and Abraham and Cox (2007) The Board of Commissioners influences the risks disclosure. Based on the description mentioned, the proposed hypothesis is as follows:

H₁: The size of the Board of Commissioners has a positive effect on the level of risk disclosure.

The Relationship between Proportion of Independent Commissioners and Risk Disclosure

High percentage of Independent Commissioners improve managerial oversight and reduce the possibility of information cutting (Kelton and Yang, 2008). An independent Board of Commissioners is one of the things that is considered to reduce agency problems because the duties of an independent Board of Commissioners are to oversee management policies. Ktonton and Yang (2008) argue that Independent Commissioners play an important role in monitoring the accounting process, in

enhancing the reliability of financial statements. Independent Commissioners have strong incentives to conduct assessments independently and freely from the influence of management (Fama and Jensen, 1983).

The research conducted by Probohudono et al (2011) shows that the independent Board of Commissioners has a positive effect on risk disclosure. The results are also proven by the research of Chen and Jaggi (2000) that the proportion of independent commissioners positively influences the completeness of compulsory information and corporate financial disclosures in Hong Kong. Based on those description, the proposed hypothesis is as follows:

H₂: The Board of Independent Commissioners Proportion has a positive effect on the level of risk disclosure.

The Relationship between the Woman Proportion in the Board of Commissioners and Risk Disclosure

Adams and Ferreira (2004) stated that members of the board of commissioners consisting of male and female commissioners are more effective in supervising. Women have an important role in making the right decisions because women tend to be more careful in making decisions, including related decisions with operational risk disclosure. The research conducted by Kruger (2009) states that firms with larger numbers of women tend to give greater attention to stakeholders so that disclosures are broadened. In addition Bonna, Yoshikawa, and Phan (2004) proved that female commissioners positively influenced the company's performance, including disclosure. Based on the description, the proposed hypothesis is as follows:

H₄: The tenure of Board of Commissioners has a positive effect on risk disclosure.

Research Methodology

The analytical tool used in this research is multiple linear regression analysis which aims to know the effect of significant independent variables including the size of the Board of Commissioners, the proportion of independent Board of Commissioners, the women proportion in the Board of Commissioners, and the tenure of the Board of

Commissioners and the control variables which include ROE (Return on Equity) leverage, company size, and audit quality to riskdisclosure as dependent. The regression equation model used to test the hypothesis in this study is:

$$RISK_{it} = \alpha + \beta_1 JML_KOM + \beta_2 IND_KOM + \beta_3 GENDER_KOM + \beta_4 TENURE_KOM + \beta_5 ROA + \beta_6 LEV + \beta_7 LN + \beta_8 AUDIT_FIRM + \varepsilon_{it}$$

Description:

Table 1. Operational Variable

RISK	= Risk disclosures, calculated by the sum of 34 disclosure items.
A	= Constants
B	= Regression Coefficient
JML_KOM	= Number of the Board of Commissioners
IND_KOM	= Proportion of Independent Board of Commissioners, is a percentage calculated by the number of independent board of commissioners / number of commissioners
GENDER_KOM	= Women Proportion in The Board of Commissioners, is a percentage calculated by the number of women / number of commissioners
TENURE_KOM	= The Board of Commissioners' Tenure is calculated by the total term of office of the Board of Commissioners / Total Board of Commissioners
ROE	= Return on Equity, calculated by Net Profit Before Tax / Total Equity
LEV	= Leverage, calculated by Total Liabilities / Total Equity
SIZE	= Company size, calculated by Ln Total Assets
AUDIT_FIRM	= Company Audit Quality, calculated with dummy variable, for BIG 4 = 1, and Non BIG 4 = 0

Data Analysis And Discussion

Population and Sample

The population in this study is companies listed on the Indonesia Stock Exchange (IDX) and the sample in this study is manufacturing companies from 2013-2015 which is

determined by purposive sampling method. The total number of samples used for this study are 143 manufacturing companies, with 66 unqualified data and 12 companies who did not submit financial statements. Therefore, the sample of this study is 351 data.

Descriptive statistics

Descriptive statistical results of the data used in this study are presented in table 4.3. Descriptive statistical results in table 4.3 can be seen that the lowest value RISK_D variable is 0.2352, the highest value of 0.5294 and the average 0.3707 with a standard deviation of 0.0810. For the JML_KOM variable the lowest value is 2, the highest value is 13 and the average is 3.9971 with the standard deviation of 1.6501. For IND_KOM variable the lowest value is 0.0000, the highest value is 1.0000 and the average is 0.3786 with the standard deviation of 0.1436. For the GENDER_KOM variable the lowest value is 0.0000, the highest value is 0.6667 and the average is 0.0936 with the standard deviation of 0.1706. Next for TENURE_KOM variable the lowest value is 0, the highest value is 300,0000 and the average is 86,4508 with standard deviation equal to 64,8174. The lowest value for the ROE variable is -2.3370, the highest value is 70,8314 and the average is 0.4395 with the standard deviation of 3.8473. The lowest value for the LEV variable is 0.0386, the highest value is 70.8314 and the average is 1.7481 with the standard deviation of 4.3605. The lowest value of SIZE variable is Rp 85.000.000, the highest value is Rp. 321,800,000,000,000 and an average of Rp. 8.247.146.044.404,7 with a standard deviation of 27,732,564,451,075.48.

Table 2. Descriptive Statistics Results

Variable	Obs	Mean	Std. Dev	Min	Max
RISK_D	351				
JML_KOM	351	4	1,6501	2	13
IND_KOM	351	0,3786	0,1436	0	1

GENDER_KO	351	0,0936	0,1706	0,0000	0,6667
M					
TENURE_KO	351	86,4508	64,8174	0	300
M					
ROE	351	0,4395	3,8473	-2,3370	70,8314
LEV	351	1,7481	1,6989	0,0386	70,8314
SIZE (juta rupiah)	351				
LN	351	28,1852	4,3605	20,279	33,4049
				5	

Description:

RISK_D = Risk Disclosure. JML_KOM = Number of Board of Commissioners. IND_KOM = Proportion of independent Board of Commissioners. GENDER_KOM = Proportion of female Board of Commissioners. TENURE_KOM = Tenure of Board of Commissioners. ROE = *Return on Equity*. LEV = *Leverage*. SIZE = *Company Size*.

Table 3. Descriptive Statistics Result of Dummy Variables

Description	AUDIT_FIRM
Category1	0,3649
Category0	0,6351
Description:	
AUDIT_FIRM = Control variable in the form of dummy variable that describes KAP used by company on company i in period t which if company use Big Four accounting firm then value = 1 and value 0 = if not use Big Four accounting firm.	

Based on the descriptive statistics of dummy variables in Table 4.4, the AUDIT_FIRM variable shows 36.49% or 131 of 359 annual reports using Big Four accounting firm while 63.51% of annual reports do not use Big Four accounting firms.

Discussion**Table 4. Influence of Board of Commissioner's Characteristics on Risk Disclosure**

	<i>Fixed Effect Model</i>				
	1	2	3	4	5
A	1,8515 (0,8704)	3,6993 (0,7467)	1,6601 (0,8832)	-0,7875 (0,9467)	0,5704 (0,9631)
JML_KOM	0,2402 ^b (0,0113)				0,3222 ^b (0,0261)
IND_KOM		1,9991 ^a (0,0056)			2,3796 ^a (0,0010)
GENDER-KOM			-0,5127 (0,3123)		-0,3733 (0,3467)
TENURE_KOM				0,0102 ^a (0,0000)	0,0141 ^a (0,0000)
ROE	-0,3094 (0,1986)	0,2974 (0,1918)	-0,3088 (0,2264)	-0,3463 (0,1775)	-0,3269 (0,1745)
LEV	0,1218 ^b (0,0498)	0,1184 ^c (0,0706)	0,1375 ^c (0,0694)	0,1755 ^b (0,0425)	0,1387 ^b (0,0434)
SIZE	0,3447 (0,3942)	0,2863 (0,4835)	0,3863 (0,3300)	0,4355 (0,2889)	0,3000 (0,5162)
AUDIT_FIRM	0,2821 (0,6273)	0,2889 (0,6265)	0,2855 (0,6165)	0,4873 (0,3613)	0,5554 (0,2769)
Adjusted R ²	0,8014	0,8012	0,8749	0,8025	0,8068
F-statistic	11,7024	11,6888	11,5558	11,7756	11,8300
Prob (F-statistic)	0,0000	0,0000	0,0000	0,0000	0,0000
Observations	351	351	351	351	351

Description:

a, b, c Significant at the significance level of 1%, 5%, and 10%. JML_KOM = Number of Board of Commissioners of company i in period t. IND_KOM = Proportion of independent Board of Commissioners over company i in period t. GENDER_KOM = Proportion of female in the Board of Commissioners over company i in period t. TENURE_KOM = The tenure of the Board of Commissioners of company i in period t. ROE = Return on Equity. LEV = Leverage. SIZE = Company Size. AUDIT_FIRM = Audit quality.

Based on the F-test regression over the risk disclosure as dependent variables performed using Eviews, the four Prob models (F-Statistics) have a result of 0.0000 which means the model significance is lower than $\alpha = 5\%$ (H_0 is rejected). It shows that all independent variables affect risk disclosure as the dependent variable. Model 1 obtained an Adjusted R-Squared value of 0.8014, indicating that the independent variable JML_KOM has an influence on risk disclosure of 80% where the remaining

20% is influenced by other factors. Model 2 obtained an adjusted R-Squared of 0.8012 indicating that IND_KOM variable has 80% influence on risk disclosure, while the remaining 20% is influenced by other factors. Model 3 obtained an adjusted R-Squared of 0.8749 indicating that the independent variable GENDER_KOM had an 87% effect on risk disclosure, while the remaining 13% was influenced by other factors. Model 4 obtained an adjusted R-Squared of 0.8025 indicating that the independent variable TENURE_KOM has an influence of 80% on risk disclosure and the remaining 20% is influenced by other factors.

From table 4 it is found that the model with independent variables JML_KOM, IND_KOM, and TENURE_KOM as proxies of independent commissioners, the proportion of independent Board of Commissioners, and tenure of Board of Commissioners shows a positive influence on RISK_D as a risk disclosure proxy with a probability value of 0, 0113, 0.0056 and 0.0000 at 1% and 5% significance levels. The result is inversely proportional to the independent variable GENDER_KOM as a proxy of the female Commissioner's proportion which shows no effect on risk disclosure with probability value 0.3123 with negative regression coefficient.

The results obtained are not much different for the IND_KOM and TENURE_KOM variables when both are tested together. In table 4 it is seen that both variables still positively affect the risk disclosure with the level of significance of 1%. The results are slightly different obtained by JML_KOM variables when tested together ie significant at the 5% level. The same results were obtained on the independent variables of GENDER_KOM when tested together, where the female BOC has no effect on risk disclosure with negative regression coefficient.

Based on the results of regression, JML_KOM shows positive significance result. Thus it can be stated that H_1 is accepted. It indicates that the greater the number of Board of Commissioners will be the higher the risk disclosure made by the company.

These results are in line with research by Suhardjanto et al. (2012), Akra, Eddie and Ali (2010) and Abraham and Cox (2007) which conclude that the size of the Board of Commissioners influences risk disclosure. The large number of Board of Commissioners can influence management's decision to disclose information including risks so that it can be used as investor decision-making because the large number of Boards of Commissioners will be more effective in management supervision.

The IND_KOM variable shows positive significance result. So, the hypothesis H₂ is accepted. It also shows that the proportion of large independent commissioners will influence the risk disclosure made by the company. According to Kelton and Yang (2008) the percentage of high independent commissioners increases managerial oversight and reduces the likelihood of information deduction. This result is in line with the research conducted by Probohudono et al. (2011) which concludes that the proportion of independent commissioners positively influences risk disclosure. Independent Commissioners are Board of Commissioners who have no relationship with the company, therefore, it is considered to be effective in supervision and may reduce agency problems because their decision is not disturbed by dependence on the organization.

The results indicated by the GENDER_KOM variable indicate that the proportion of the female commissioners does not influence the risk disclosure of the company. It can be stated that the H₃ hypothesis is rejected. The results of this study are in line with the research conducted by Suhardjanto et al. (2012) which found out that the women proportion in the Board of Commissioners has no effect on risk disclosure. In addition, Nalikka (2009) also concluded that the proportion of women in the Board of Commissioners has no effect on voluntary disclosure. It happened because women rely more intuitively so the decisions making will take a long time and that causes the female commissioner less to play a role in disclosure (Unger, 1979). According to Wagland and Taylor (2004) compared to men, women are more risk averse and less confident when making financial decisions. It is also because the risk perception among women and men is different, and in this study found that the proportion of women fewer than men in the board of commissioners in manufacturing companies, there are even 286 companies that not involving woman in the board of commissioners of the company.

The TENURE_KOM variable shows a positive significance. It can be stated that the H₄ hypothesis is accepted. This indicates that an increasingly long tenure of the Board of Commissioners will affect the risk disclosures made by the company. This is due to the high tenure of the Board of Commissioners will know more about the company and more influence the management in disclosure of risk. This result is in line with research conducted Kruger (2009) stating that long tenure can reduce the possibility of negative Incidents such as accidents environment or safety breaches because experienced councils have better risk management.

Conclusion

This study aims to determine the effect of corporate governance proxied by the characteristics of the Board of Commissioners, the number of Board of Commissioners, the proportion of independent Board of Commissioners, the proportion of woman in the Board of Commissioners, and the tenure of the Board of Commissioners on risk disclosure made by the company. The result of this study is that the Board of Commissioners characteristics affect the risk disclosures of the manufacturing companies except the gender characteristic. The large number of BOC can influence management decisions in disclosing information including risk disclosures as it is considered to be more effective. In addition, independent commissioners also influence risk disclosures where their decisions are not distracted by dependence on the company. Gender commissioner does not affect risk disclosure because according to Wagland and Taylor (2004) compared to men women are more risk averse and less confident when making financial decisions. The tenure of BOCs influence the disclosure of risk because the board of commissioners with more experienced positions has better risk management. Based on the research that has been done, there are many limitations that can be used as consideration for further research, among others, that is in conducting research related to risk disclosure should refer to the guidance contained in Risk Disclosure Index in order to reduce the level of habits. Then, further research should use the year range longer so that the results of the research can be generalized and strengthen the argumentation.

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Regulation

Appendix of Chairman' Decision of Bapepam and LK Number: KEP-134 / BL / 2006
downloaded from [www.bapepam.go.id`](http://www.bapepam.go.id)

Law of The Republic of Indonesia Number 40 of 2007 concerning Limited Liability Company

PSAK 60 Financial Instruments: Disclosure

THE EFFECT OF INVESTMENT DECISION AND CAPITAL STRUCTURE ON FINANCIAL PERFORMANCE: EMPIRICAL EVIDENCE FOR THE INDONESIAN STOCK EXCHANGE LISTED COMPANIES

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Abstract

The objective of this research is to understand the effect of the investment decision and capital structure on financial performance using Structural Equation Model (SEM). It is expected that this model will give more comprehensive analysis on the effect of the investment decision and capital structure on financial performance of public companies, direct or indirect, on one variable against the other on public companies in Indonesian Stock Exchange in 2011-2014. This analysis used 315 public companies in Indonesian Stock Exchange as samples, out of 513 public companies population, with following findings. The investment decision gave a direct effect about 2.34% and the indirect about 7.82% on financial performance. While for the capital structure, the direct effect was about 5.06% and the indirect about 11.86%. The total effect of investment decision and capital structure on financial performance was respectively about 10.16% and 16.92%. Out of the two variables, the capital structure seems to have more dominant effect than the investment decision on financial performance though they have direct and indirect positive effects on each other. Thus, the two variables are turned out to have effects on financial performance.

Keywords: investment decision, capital structure, and financial performance.

Introduction

Company is a form of corporation which carries on every type of business. It is permanent, continuous and working within the territory of the Republic of Indonesia, for the purpose of obtaining profit (Article 1 Sub-Article b Law No. 3/1982 on Obligatory Company Registration). Company is a legal entity made up of an association of people, be they natural, legal, or a mixture of both, for carrying on a commercial or industrial enterprise. Company members share a common purpose, and unite in order to focus their various talents and organize their collectively available skills or resources to achieve specific and declared goals, which profit is one of them. It is the profit that will

be able to maintain the continuity of a company. Nowadays, business world seems to grow more and more rapid than the others. That is what makes business becomes so tight, competitive and many people do it for their incomes. Competitors might come and compete, so each company should prepare the strategy and policy to maintain its survival. Therefore, corporate actors are required to be able to manage their resources more effective and efficient in order to support what the company's previous goals are.

Investment decisions of companies listed in the IDX are fluctuating. The capital structure of companies will be able to show the comparison of the composition of long-term debt and own capital. Whether the long-term debt is greater than own capital or vice versa, the own capital is greater than long-term debt in the composition.

The development of stock price changes in the listed sectors in BEI partly decreased and some experienced an increase and decrease as well as decrease and increase. According to Brigham and Houston (2009), the increase in debt is interpreted by outsiders about the company's ability to pay its future liabilities or the existence of low business risks which will be responded positively by the market.

According to Hidayat (2010), investment decision is an important factor in the company's financial function, which the company's value is solely determined by the investment decision. The purpose of the investment decision is to obtain a high level of profit with a certain level of risk. Thus, investment decision relates to the decision made by investors or the top level management with respect to the amount of funds to be deployed in the investment opportunities. Simply, selecting the type of assets in which the fund will be invested is termed as investment decision.

According to Jumingan (2011: 239), performance is a description of the achievements by the company in its operational activities in terms of some aspects such as finance, marketing, fund raising and fund distribution, technology as well as human resources. Financial performance refers to the degree to which financial objectives being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms.

One of the factors which affect financial performance is capital structure. Capital structure is the balance between the loan capital and own capital. Loan capital consists of permanent short-term debt and long-term debt, while own capital itself consists of

preferred stock and common stock. Referring to the description on the background and the above, problem identification formulated the following problems: 1) what is the investment decision condition and capital structure in the public listed company listed on the BEI, 2) what is the condition of financial performance in a public listed company listed on BEI, 3) how big is the influence of investment decision to financial performance at go public company listed in BEI, 4) how big is the effect of capital structure on financial performance on public listed companies listed on BEI.

Literature Review

Research conducted by Khanqah (2013) on the relationship between investment decisions and financing decisions (capital structure) found that under conditions of low uncertainty there is a positive relationship between investment decisions and funding decisions. Franklin and Muthusamy (2011) conducted research on the impact of funding decisions (capital structure) on corporate investment decisions. The research concludes that financial leverage has a positive effect on investment level.

Investment often provides opportunities for companies to increase their competitive advantage. Investment is the monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit income. Investment opportunities made with the right decision can further improve the performance of the company to a better condition. Conversely, investment opportunities that are not utilized properly will actually cause losses (decreased performance) for the company. In contrast to the results of Soejono (2010) study which states investment decisions have no effect on the performance of the company, Dewi and Suardana (2015) in his research found that investment decisions affect the value of the company through financial performance.

To make an investment, it takes a certain amount of funds, so that the funding decision (capital structure) becomes an integral part of the company. The company's funding decision concerns decisions about the form and composition of funding to be used by the company (Husnan, 2010). Mahmoudi et al (2013) found that there was a significant negative relationship between capital structure and firm performance in low-performance firms. Research Mireku et al (2014: 151-160) proves that the capital structure of the company affects the financial performance of their company.

Instead Petersen and Rajan (2009) found a positive and significant relationship between profitability and debt ratios in studies designed for investigate the relationship.

Hypothesis

H1: There is influence of investment decision on financial performance

H2: There is influence of capital structure to financial performance

Methodology

This research uses a kind of causal quantitative research. Sugiyono (2013: 37) states quantitative causal is useful to analyze variables with other variables or how a variable affects other variables. This research is included in the type of explanatory research, i.e. research that explains the position of the variables studied and the relationship between one variable with another variable (Umar, 2005: 173).

This research uses descriptive type by using quantitative approach. Descriptive research is a type of research that aims to provide a more detailed description of certain symptoms or phenomena.

This study aims to determine the effect of investment decisions and capital structure on financial performance using Structural Equation Model (SEM). This model is expected to result in a more comprehensive analysis of the impact of investment decisions and capital structure on the financial performance of the go public company in Indonesia Stock Exchange (BEI) in 2011-2014. By using the target population of 513 companies and a sample of 315 companies going public in Indonesia Stock Exchange, obtained the following research conclusions.

Result and Discussion

Investment Decision Measurement indicates that the value of loading factor and investment decision indicator shows that market to book assets ratio and earning to price ratio is the most powerful indicator in explaining investment decision variable because it has loading factor 0.847 and 0.826. The subsequent sequence of capital expenditure is to book value of assets ratio, current assets to total assets ratio and total assets growth.

Measurement of Capital Structure shows that the loading factor of capital structure indicator, according to the rule of thumb, is very meaningful and significant explaining the variable of company's capital structure, that is having the loading factor above the value of 0.50, each starting from the strongest order book debt to equity a ratio of 0.851, book debt to assets ratio of 0.687, long term debt to equity ratio of 0.581 and market debt equity ratio with a factor loading rate of 0.503.

Financial Performance Measurement shows that the loading factor as a result of measurement using LISREL shows that return on total assets with loading value of 0.831 has a very significant influence in measuring latent variable of company performance. Value loading over + 0.50 is said to be very meaningful (Bachrudin & Tobing in Hasnawati & Sawir, 2015). Similarly, basic earning power indicator with loading value of 0.735 is very meaningful in measuring latent variable of company performance.

From Structural Model 1, it is found that investment decision and capital structure have significant effect to financial performance either simultaneously or partially. Based on the results of data processing LISREL program 8.7 for structural model 1, in accordance with the proposed hypothesis is as follows:

$$\text{Performance} = 0.153 * \text{Keplnv} + 0.225 * \text{SM} ,$$

(0.0704)	(0.0858)
2,169	2,619

The direct influence of investment decision variables on financial performance is 2.34%, while the indirect effect of 7.82%. The indirect effect of investment decisions on financial performance is greater than its direct impact. This indicates that the company's performance cannot only be influenced by investment decisions but must be supported by other variables, so that the direct and indirect influence of investment decision on financial performance is 10.16%.

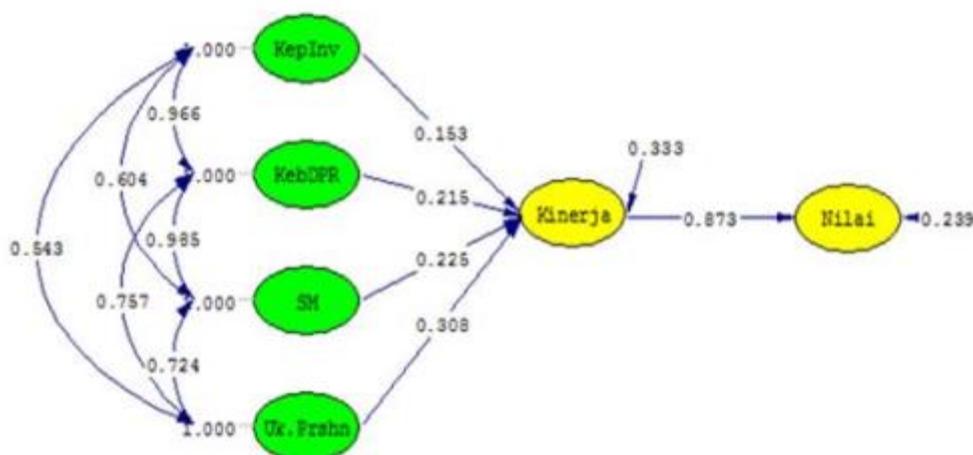


Figure 1 Results Analysis

The direct influence of capital structure variable on financial performance is 5.06%, while the indirect effect of 11.86%, so that the direct and indirect influence of capital structure to financial performance of 16.92%.

Based on the result, the influence of Investment Decision and Capital Structure to the biggest Financial Performance is a capital structure variable of 16.92%. So it can be seen that all variables are interdependent to improve a company's financial performance. In addition to the above two variables, there are still many variables that give effect to the financial performance because based on the influence outside the model, that is equal to 0.333, meaning that the financial performance is influenced by variables outside the research model of 33.3%.

Partial Test Results of Investment Decision on Financial Performance for Investment Decision Coefficient on Financial Performance of 0.153, obtained by t-count 2,169 by taking the level of significance α of 5%, then the value of t table or $t_{0,05,1260} = 1.972$, so because t-count = 2.169 greater than t-table = 1.972, then H_0 rejected or in other words Investment Decisions affect the Financial Performance with the coefficient of the path of 0.153 so that any increase in investment decisions it will improve the financial performance of 0.153.

Based on the calculation, for the coefficient of capital structure path to the Financial Performance of 0.225, obtained t-count of 2,619 by taking the level of significance α by 5%, then the value of t table or $t_{0,05,1260} = 1.972$, so that because t-count = 2.619 larger than t-table = 1.972, then H_0 rejected or in other words the

capital structure the financial performance of the go public company in Indonesia is measured properly through the two indicators, namely return on total assets and basic earnings power indicates that the financial performance of listed companies listed on the BEI fluctuate varies. The return dimension on total assets has the highest percentage compared to basic earning power. Investment decisions have an effect on the financial performance of listed companies listed on the BEI of 10.16%. The better the investment decision, it will improve the financial performance in the public listed company listed on the BEI. The capital structure has an effect on the financial performance of listed companies listed on the BEI of 16.92%. The better the capital structure, it will improve the financial performance in the listed companies listed on the BEI. A good capital structure is with a balanced debt and equity composition. Referring to the results of research and usefulness of the results of this study, it is advisable: 1) Research on the impact on financial performance needs to be considered, consideration should be given to the application of good corporate governance (GCG) by a public company to its financial performance and value decisions. 2) Conducting research with the category of go public companies that are on the main board and development board. In addition, it needs to be studied also whether in crisis and normal economic conditions provide the same conclusion. 3) Further research can use other indicators that make up the latent variables of investment decisions and capital structure, and financial performance. 4) For go public companies, the results of this study can be used as a consideration, that the investment decision and capital structure together have a considerable influence on financial performance.

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LEVERAGE, WORKING CAPITAL TURNOVER,CAPITAL STRUCTURE ON PROFITABILITY

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Abstract

Business development in Indonesia was a very competitive that required every company to manage and implement more professional management. This was because of the increasing number of emerging new competitors both domestically and from abroad. In order to compete, companies must improve its performance. It aimed to maintain the viability of companies. The objective of the study was to examine and analyze the effect of leverage,working capital turnover,capital structure on profitability.The theories used in this research were theories of leverage, working capital turnover ,capital structure and profitability. The research used quantitative approach, the kind of research was quantitative descriptive, while the nature of research was the study of cause and effect. The study populations consist of 16 plantations drawn by using purposive sampling technique. Partially, variable of leverage, working capital turnover, capital structure on profitability have no significant effect on plantation companies. In Conclusion, the results of determination coefficient test showed that 18.8 % & variation of Profitability was explained by the independent variables, leverage , working capital turnover and capital structure, while the remaining 81.2% was explained by other variables not mentioned in the study.

*Keywords:*Leverage,Working Capital Turnover, Capital Structure,Profitability

Introduction

A company was established with the purpose to give prosperity to the shareholders and the company itself. Prosperity of the company plays an essential role in maintaining company performance. To ensure the prosperity implemented well, the company must be able to fulfill the needs of the market that keep changing over time depends on the demand and supply and to provide the best management ability to the company that holding a key role within the company.

With the rapid movement of world's economy that experienced development and aimed for the system of free economy market, companies automatically required to have a better planning and a good strategy management in order to succeed in competing with its competitors. To achieve success in its market, companies should have one indicator to overcome competitors which is to gain profit for the shareholders. Companies that have higher profitability will have a bigger internal funding in order to optimize the operational activity of the company.

Other ways to increase profitability is by using debt. Generally, companies applying debt to make the debt as company's capital. Over time, the capital is turn into profit by the upper management. The capital turnover is somehow crucial due to its origin which is debt. By having this case, the upper management must be firm and serious in making any decision regarding the fund.

Besides debt, there are additional factors in affecting profitability within the company which are internal and external factors. The internal factors are depends on the company's size and decision making that made by the upper management level, while the external factors are the type of company field and other factors outside all of the factors stated previously are companies performance.

Based on the explanation above, this study will examined these problems:

1. What is the effect of leverage on profitability at BEI 2015-2017?
2. What is the effect of working capital turnover on profitability at BEI 2015-2017?
3. What is the effect of capital structure on profitability at BEI 2015-2017?
4. What is the effect of leverage, working capital turnover and capital structure on profitability at BEI 2015-2017?

Theoretical Review

Leverage

The leverage ratio is used to measure the extent to which a company's assets are financed by debt, meaning how much the debt burden is borne by the company compared to its assets. In a broad sense, it can be said that leverage ratios can be

used to measure a company's ability to pay all its obligations, both short and long term (Kasmir, 2012).

Leverage in relation to the profitability of the company has a negative relationship, where with the high debt held by the company, the company must pay high debt interest also use profits obtained from the results of its business, so that the profitability of the company will decrease (Ghosh, 2007).

According to Sudana (2011: 20), leverage ratio measure how much debt is used inside company spending. The size of the debt used in a company can good or bad influence for the company. Debt will have a good effect on the company if the company is able to finance operations to generate profits as well able to pay interest obligations from debt it has. Conversely, if the company does not able to pay its obligations it will very bad influence.

The leverage ratio could be measured using the ratio of total debt to total assets (debt to asset ratio) as follows:

$$\text{Debt to Asset Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

Working Capital Turnover

Working capital turnover period begins when cash was invested in capital components work until when it returned to cash. The duration of working capital turnover period depends on how long the turnover period from each component of the working capital (Riyanto, 2001: 62)

According to (Kasmir, 2013: 182) Working capital turn over is one of the ratios to measure or assess the effectiveness of the company's working capital during certain periods. This means how much working capital revolves over a period or in a period. To measure this ratio, by comparing the sales value with working capital or with average working capital.

In addition (Fahmi ,2012: 100) "the greater the size of a company, the higher the need for capital to support working capital, and it must be followed by the higher

turnover that can be given to cover the cost of working capital incurred. In concept, when sales

turnover gets higher and passes the cost of working capital issued, it means that the company will get profit .

$$\text{Working Capital Turnover} = \frac{\text{Net Sales}}{\text{Working Capital}}$$

Capital Structure

Capital structure is a composition of funding sources that can measure the financing of the comparison of long-term debt with own capital. This capital can be allocated in the investment activities of the company's assets. The calculation of capital structure illustrates the ability of the company's capital to guarantee long-term debt. The higher the value of the capital structure, the higher the risk of the company in guarantee long-term debt . (Sudana,2011:143)

Structure capital is a balance or comparison between long-term debt with capital own. (Riyanto, 2009:282)

$$\text{Capital Structure} = \frac{\text{Long Term Liabilites}}{\text{Capital own}}$$

Profitability

Profitability ratio is a ratio that measures the overall level of management effectiveness that aimed the size of the level of profits obtained in relation to sales and investment. The better the profitability ratio illustrates the better the company's ability to make a profit (Fahmi, 2012: 135).

The profitability ratio shows the combined effect of liquidity, assets, and debt to operating results (Moeljadi, 2006: 25).

Syaifullah (2014: 183) net profit margin (NPM), which is the level of net profit earned from the business, after deducting all costs.

$$\text{Profitability} = \frac{\text{Earning After Interest and Tax (EAIT)}}{\text{Net Sales}}$$

Conceptual Framework

The independent variable or independent variable (X) of this study were leverage (X₁), working capital turnover (X₂), Capital Structure (X₃). The dependent variable (Y) was Net Profit Margin (NPM).

The conceptual framework could be described as follows:

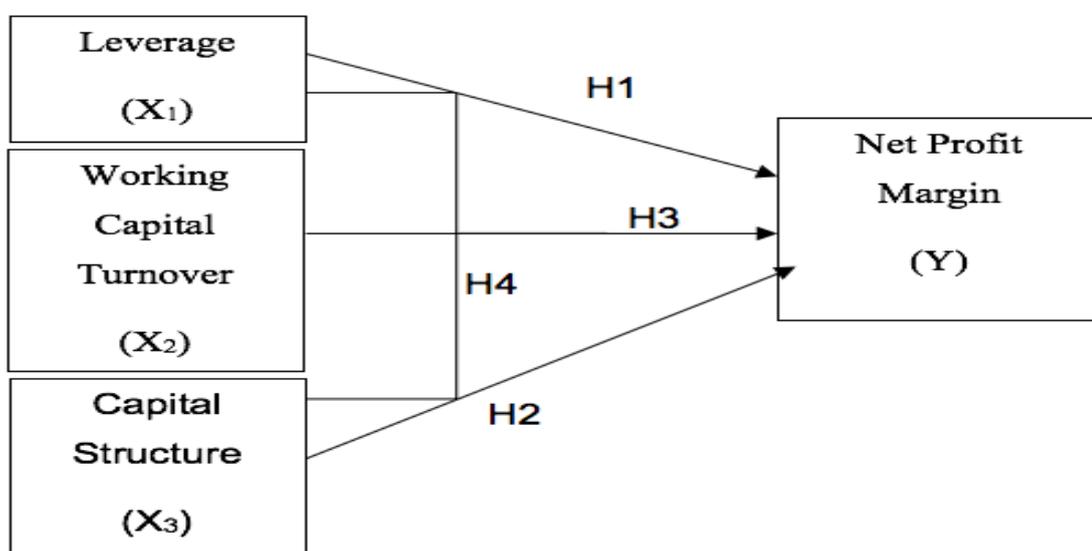


Figure 1 : Conceptual Framework

Based on the figure 1, the hypothesis in this study could be as follows :

1. Leverage has positive and significant influence on profitability
2. Working Capital Turnover has positive and significant influence on profitability
3. Capital Structure has positive and significant influence on profitability
4. Leverage, Working Capital Turnover and Capital Structure have positive and significant influence on profitability

Research Method

The method of data collection used by researchers is the documentation method, namely by collecting secondary data (the company's annual report which is the sample of the research). The subjects of data collection were plantations companies listed on the Indonesia Stock Exchange for the period 2015-2017..This study using 16 plantation company sectors from 2015-2017 as sample to obtain 44 data. The sample was taken using purposive sampling method with the following criteria :

1. Plantation companies listed on the Indonesia Stock Exchange 2015-2017
2. Companies that report profit / loss in their financial statements
3. Includes a reduction in company samples due to no financial data publications

Results and Discussion

Regression Analysis

Table 1 : Coefficients

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.687	1.031		-.667	.513
Leverage	.030	2.965	.003	.010	.992
1 LN_WCT	-.228	.278	-.188	-.818	.424
Capital Structure	-1.033	.895	-.365	-1.155	.263

1. Dependent Variable: LN_NPM

Source : Data Processed in Spss 20

Based on the table 1 above, then we can get the regression formula as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

$$Y = -0,687 + 0,030X_1 - 0,228X_2 - 1,033X_3$$

Explanation of equations can be explained as follows :

1. The constant (a) value is 0,687 meaning and has a negative sign, this indicates if the leverage & working capital turnover and capital structure at plantation sectors are equal to zero then the profitability (NPM) of the company will be -0,687.
2. The Leverage coefficient value for variable X1 is 0.030 and has a positive sign, this indicates that Leverage has a relationship with Profitability. This means that every increase in leverage one point of the NPM variable (Y) will increase by 0.030.
3. Working Capital Turnover coefficient value for X2 variable is 0.228 and has a negative sign, this indicates that Working Capital Turnover has an opposite relationship with NPM. This means that every increase in working capital turnover by one point then the NPM variable (Y) will decrease by 0.228.
4. Capital Structure coefficient value for X3 variable is 1.033 and has a negative sign, this indicates that Capital Structure has an opposite relationship with NPM. This means that every increase in Capital Structure by one point then the NPM variable (Y) will decrease by 1.033.

And the influence of Leverage & Working Capital Turnover & Capital Structure in Plantation Sectors can be explained as follows :

1. The t calculation value of Leverage is 0,10 is lower than value of t table 2,023 and the significant value of t is 0,992 which is higher than alpha value 0,05. This indicates that partially Leverage has no significant effect on NPM.

2. The t calculation value of Working Capital Turnover is 0.818 is lower than value of t table 2,023, and the significant value of t is 0,442 which is higher than alpha value 0,05. This indicates that partially Working Capital Turnover has no significant effect on NPM.
3. The t calculation value of Capital Turnover is 1,155 is lower than value of t 2,203, and the significant value of t is 0.263 which is higher than alpha value 0,05. This indicates that partially Capital Turnover has no significant effect on NPM.

TABLE 2 Coefficient Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.434 ^a	.188	.053	1.52864

a. Predictors: (Constant), Capital Structure, LN_WCT, Leverage

b. Dependent Variable: LN_NPM

Source :Data Processed in Spss 20

Based on table 2 above, the value of adjusted R square is 0,188 indicates that leverage & working capital turnover and capital structure have 18,8 % significant influence on Profitability(NPM) and another 81.2 influenced by other independent variables which are not analyzed in this study

TABLE 3 ANOVA
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.760	3	3.253	1.392	.277 ^b
	Residual	42.061	18	2.337		
	Total	51.822	21			

a. Dependent Variable: LN_NPM

b. Predictors: (Constant), Capital Structure, LN_WCT, Leverage

Source : Data Processed in Spss 20

Based on table 3 above, the F calculation value is 1.392 in which is lower than value F table 3.23 and the significant value F is 0.277 which is higher than alpha value 0.05. These indicates that simultaneously leverage, working capital turnover and capital structure have no significant effect on Profitability (NPM)

Discussion

Evaluation Leverage on Profitability at Plantation Company Sector 2015-2017

Based on the results of double linear regression analysis that has been done, obtained value $\hat{Y} = -0,687 + 0.030X_1 - 0.228X_2 - 1.033X_3$, meaning that leverage has a positive effect on profitability. The amount influence of leverage was 0.030 which means every increase leverage of 1 unit will increase in profitability 0.030 assuming if other variables are constant or equal to zero. This means leverage has a positive effect on profitability at Plantation Company Sector 2015-2017.

The results of this analysis was not in line with the research of Ghosh(2007), Leverage in relation to the profitability of the company has a negative relationship, where with the high debt held by the company, the company must pay high debt interest also use profits obtained from the results of its business, so that the profitability of the company will decrease.

Evaluation Working Capital Turnover on Profitability Plantation Company Sector 2015-2017

Based on the results of double linear regression analysis that has been done, obtained value $\hat{Y} = -0,687 + 0.030X_1 - 0.228X_2 - 1.033X_3$, meaning that working capital turnover has a negative effect on profitability. The amount influence working capital turnover was 0.228 which means every increase working capital turnover of 1 unit will decreased in profitability 0.028 assuming if other variables are constant or equal to zero. This

means working capital turnover has a negative effect on profitability at Plantation Company Sector 2015-2017.

The results of this analysis was in line with research of Sulistianingrum, Suryadi, Warneri (2012) that showed that the effect of working capital turnover and net profit margin (NPM) does not exist.

Evaluation Capital Structure on Profitability Plantation Company Sector 2015-2017

Based on the results of double linear regression analysis that has been done, obtained value $\hat{Y} = -0,687 + 0.030X_1 - 228X_2 - 1033X_3$, meaning that capital structure has a negative effect on profitability. The amount influence of capital structure was 1.033 which means every increase working capital turnover of 1 unit will decreased in profitability 1.033 assuming if other variables are constant or equal to zero. This means working capital structure has a negative effect on profitability at Plantation Company Sector 2015-2017

Conclusion and Recommendation

Conclusion

The Conclusion of this Study was :

1. Leverage has influence and no significant effect on Profitability at Plantation Company Sector 2015-2017
2. Working Capital Turnover has no significant effect and influence on Profitability at Plantation Company Sector 2015-2017
3. Capital Structure has no significant effect and influence on Profitability at Plantation Company Sector 2015-2017
4. Leverage, Working Capital Turnover and Capital Structure have no significant effect and influence on Profitability at Plantation Company Sector 2015-2017

Recommendation

Based on the results of the research that has been studied, the suggestions that the researcher can give are as follows:

1. For the Company, it is important to decide wisely and carefully in the use of capital structure and leverage that source funding through loans to avoid big business risks
2. Investors, or potential investors, are advised to conduct an analysis of leverage , working capital turnover and capital structure on profitability before investing in plantation companies on Indonesia Stock Exchange so that the results of the analysis can be used as a basis for consideration in making appropriate investment decisions.
3. For further researchers, it is recommended to use other broader research variables not only from the debt ratio, working capital turnover and capital structure because there were many other factors that could be used as indicators that affect the net profit margin and extend the year of observation and replace other sector companies as companies observation.

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FACTORS THAT INFLUENCE ON COMPANY VALUE

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Abstract

The value of the company is an investor perception of companies that are often associated with stock prices. Any company has an objective of maximizing shareholder wealth. The welfare of shareholders can be seen from the high value of the company. There are several factors that affect the value of the company, but the researcher only studied five variables, namely investment decision, dividend policy, interest rates, profitability and Earning Per Share. This study aims to examine the effect of the investment decision, dividend policy, interest rates, profitability and Earning Per Share of the company's value partially or simultaneously. The samples of this study were property and real estate companies listed on the Indonesia Stock Exchange in 2011-2014 period consisting of 49 companies drawn by using purposive sampling that the samples were of 17 companies. The analytical method used is the classic assumption test and test of hypotheses and multiple linear analysis. The results showed that simultaneously all independent variables of this study have a significant and positive effect on firm value. Investment decisions and profitability, partially have a significant effect on the value of the company, dividend policy, interest rate and Earning Per Share do not have any effect and there is not any significant effect on the value of the company. The adjusted R-square were 0.843 indicating that a dependent variable (Price Book Value) can be explained by the independent variable (an investment decision, dividend policy, interest rates, profitability and Earning Per Share) of 84.3%.

Keywords: Policy Dividend, Interest Rate, Profitability, Earning Per Share, Company Value.

Introduction

Property and real estate companies are one of the industrial sectors listed on the Indonesia Stock Exchange (IDX). The development of the property and real estate industry is so rapid now and will be even greater in the future.

Investment is usually long term investment in the hope of getting future profits in return from the company to investors. The decision on dividend distribution is a problem that is often faced by companies. Dividends are the reason for investors to invest. High interest rates are a negative signal to stock prices. Earning Per Share is an indicator that describes the amount of rupiah to be obtained. A company to be able to carry out its operations, must be in a profitable condition. Company value is an investor's perception of the company, which is often associated with stock prices.

Based on the background above, researchers are interested in conducting research with the title **“The Effect of Investment Decisions, Dividend Policies, Interest Rates, Profitability and Earning Per Share on Company Values in Property and Real Estate Companies Listed on The Indonesia Stock Exchange Period 2011-2014”**.

Literature Review

Theory About Investment Decisions

Investment decisions are also referred to as capital budgeting decisions, because most companies prepare an annual budget consisting of legalized capital investments. (Brealey, 2008: 4).

According to Sugiono and Untung (2008: 73-74) the formula for calculating investment decisions, namely:

$$PER = \frac{\text{Harga Pasar Saham}}{EPS}$$

Theory About Dividend Policy

Dividend policy is the percentage of profits paid to shareholders in the form of cash dividends, safeguarding the stability of dividends from time to time, distribution of stock dividends, and repurchase of shares. (Harmono, 2014: 12).

According to Gumanti (2013: 22-23), the formula used to calculate dividend policy, namely:

$$DPR = \frac{\textit{Dividend Tunai Per Lembar Saham}}{\textit{Laba Bersih Per Lembar Saham}}$$

Theory About Interest Rates

The interest rate is the amount of money that must be paid by one party for the use of funds belonging to another party for a certain period. Or, the price received by the lender for leasing funds to the borrower. (Rizal, Joesoef, 2008: 41).

The formula for calculating interest rates is:

$$\textit{Suku Bunga} = \textit{Data BI Rate}$$

Theory About Profitability

Profitability describes the ability of a company to earn profits through all capabilities, and existing resources such as sales activities, cash, capital, number of employees, number of branches, and so forth. (Harahap, 2013: 304).

According to Hery (2015: 193), the formula calculates profitability, namely:

$$ROA = \frac{\textit{Laba Bersih}}{\textit{Total Asset}}$$

Theory About Earning Per Share

Earning Per Share is the amount of profit that becomes the right for each shareholder of one ordinary sheet. (Prastowo, 2014: 99).

According to Fahmi (2012: 83), indicators for calculating EPS are:

$$\textit{Earning Per Share} = \frac{\textit{EAT}}{\textit{Jumlah Saham Beredat}}$$

Theory About Company Values

Company value can be measured by Price Book Value (PBV), which is a comparison between stock market values and book value of shares, according to Brigham in Rodoni and Ali (2014: 4).

According to Sugiono and Untung (2008: 74), the formula calculates the value of the company, namely:

$$PBV = \frac{\textit{Harga Pasar Saham}}{\textit{Nilai Buku Saham}}$$

Effect of Investment Decisions on Company Values

An investment is said to be profitable if the investment can make investors richer. In other words, the prosperity of investors is greater after investing. This understanding is consistent with the aim of maximizing company value. (Husnan, 2006: 183).

Effect of Dividend Policy on Company Values

Based on the bird in the hand theory, dividend policy has a positive effect on stock market prices. That is, if the dividend distributed by the company gets bigger, the market price of the company's stock will be higher and vice versa, according to Myron Gordon and John Lintner in Sudana (2011: 169).

Effect of Interest Rates on Company Values

Changes in interest rates will affect stock prices in reverse, ceteris paribus. That is, if the interest rate increases, then the stock price will go down, ceteris paribus. Likewise, vice versa, if interest rates fall, stock prices rise (Tandelilin, 2010: 103).

Effect of Profitability on Company Values

The better the profitability ratio, the better the ability to describe the company's high profitability. (Fahmi, 2014: 80).

The Effect of Earning Per Share on Company Values

Earning Per Share cannot be compared between companies or between industries, because companies that have the same ROA, ROE will produce different Earning Per Share simply because the number of shares outstanding is different. (Hanafi and Halim. 2014: 193).

Research Methods

Research Approach

The research approach used in this study is a quantitative research approach.

Types of Research

This type of research is descriptive research.

Nature of Research

The nature of this research is descriptive explanatory. In explanatory research researchers try to explain or prove the relationship or influence between variables. (Zulganef, 2008: 11).

Population and Samples

Population is a generalization area consisting of: objects / subjects that have certain qualities and characteristics set by researchers to be studied and then conclusions drawn. (Sugiyono, 2012: 117).

The sample is part of the number and characteristics possessed by the population (Sugiyono, 2012: 118). The sampling technique in this study uses the Purpose Sampling method, which is a sampling technique with certain considerations. (Sugiyono, 2012: 118).

The minimum value for Price Earning Ratio is 1.04 from PT. Gowa Makassar Tourism Tbk in 2012 and the maximum value of 168.10 from PT. Plaza Indonesia Realty Tbk in 2013 while the mean value (17) 2816 with standard Deviation of 20.52696.

Data Collection Technique

Data collection techniques is by documentation where the technique of collecting data on historical events written in documents or in the form of data files with electronic format. The data collected is data relating to the object studied and obtained from the Indonesian Stock Exchange (IDX).

Result Research

Descriptive Statistics

Based on statistical data from all variable data used in this study are:

Tabel 1
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PER	68	1,04	168,10	17,2816	20,52696
DPR	68	,04	3,72	,2540	,45747
SB	68	6,00	7,75	6,9375	,72066
ROA	68	,01	,15	,0727	,03142
EPS	68	11,40	1198,91	141,1949	208,04085
PBV	68	,29	6,71	2,0065	1,29831
Valid N (listwise)	68				

The minimum value on Price Earning Ratio is 1.04 from PT. PT. Gowa Makassar Tourism Tbk in 2012 and a maximum value of 168.10 from PT. Plaza Indonesia Realty Tbk in 2013 while the average value (mean) was 17.2816 with a standard deviation of 20.52696.

The minimum value on the Dividend Payout Ratio is 0.04 from PT. Gowa Makassar Tourism Tbk in 2014 and a maximum value of 3.72 from PT. Plaza Indonesia Realty Tbk in 2013 while the mean value is 0.2540 with the standard deviation of 0.45747.

The minimum value at the Interest Rate is 6.00 from PT. Gowa Makassar Tourism Tbk in 2012 and a maximum value of 7.80 from PT. Plaza Indonesia Realty Tbk in 2014 while the average value (mean) is 6.9500 with a standard deviation 0.73515.

The minimum value on Return On Asset is 0.01 from PT. Plaza Indonesia Realty Tbk at in 2013 and a maximum value of 0.15 from PT. Jakuwon Jati Tbk in 2014 while the average value (mean) was 0.0727 with a standard deviation of 0.03142.

The minimum value in Earning Per Share is 11.40 from PT. Perdana Gapura Prima Tbk in 2011 and a maximum value of 1198.91 from PT. Gowa Makassar Realty Tbk in 2014 while the mean value (mean) 141.1949 with a standard deviation 208,04085.

The minimum value in the Price Book Value is 0.29 from PT. Gowa Makassar Tourism Tbk in 2012 and a maximum value of 6.71 from PT. Metropolitan Land Tbk in 2014 while the average value (mean) is 2.0065 with a standard deviation 1,29831.

Classical Assumption Test Results

Normality test

Normality Test aims to test whether in a residual regression model normal distribution or not. Another statistical test that can be used to test residual normality is the Kolmogorov-Smirnov (K-S) non-parametric statistical test.

Tabel 2
One-Sample Kolmogorov-Smirnov Test Before Transformation

		Unstandardized Residual
N		68
Normal Parameters ^{a,b}		
	Mean	,0000000
	Std. Deviation	,94818295
Most Differences	Extreme Absolute	,137
	Positive	,137
	Negative	-,070
Test Statistic		,137
Asymp. Sig. (2-tailed)		,003 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

From Table 2 the Normality Test using Kolmogorov-Smirnov (K-S) above can be seen that the significant value <probability value (0.05) so it does not meet the requirements.

Tabel 3
One-Sample Kolmogorov-Smirnov Test After Transformation

		Unstandardized Residual
N		68
Normal Parameters ^{a,b}		
	Mean	,0000000
	Std. Deviation	,25375086
Most Differences	Extreme Absolute	,069
	Positive	,069
	Negative	-,060
Test Statistic		,069
Asymp. Sig. (2-tailed)		,200 ^{c,d}

a. Test distribution is Normal.

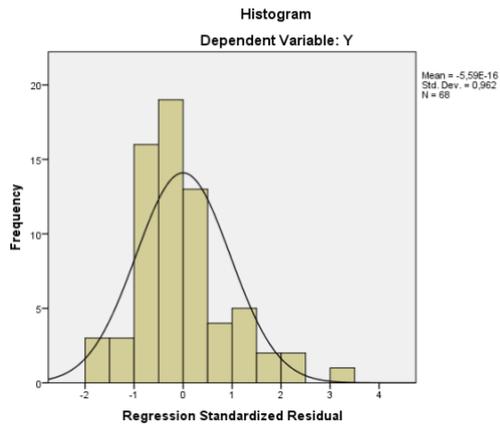
b. Calculated from data.

c. Lilliefors Significance Correction.

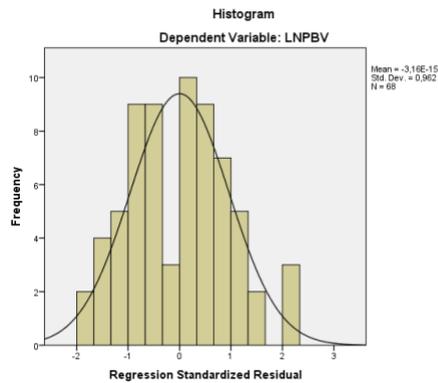
d. This is a lower bound of the true significance.

From the normality test table using Kolmogorov-Smirnov above, it can be seen that the significant value > probability value (0.05) so that it meets the probability requirements.

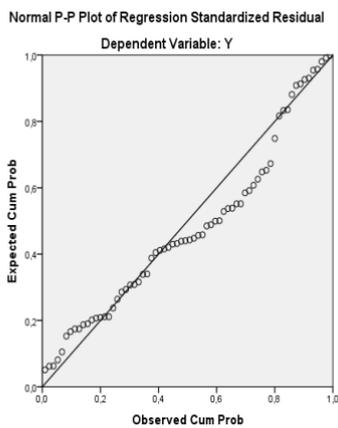
Before Transformation



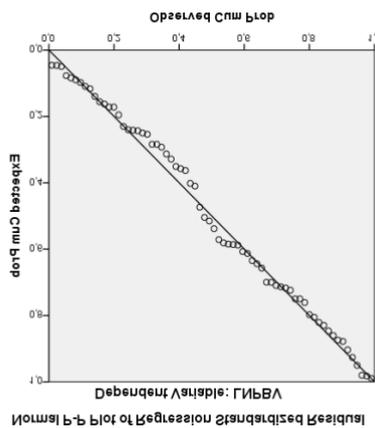
After Transformation



Before Transformation



After Transformation



Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between independent variables. To detect the presence or absence of multicollinearity in the regression model can be seen from the tolerance value and Variance Inflation

Factor (VIF). The decision making method is $VIF \leq 10$ and the tolerance value is 100.10, then the regression is free from multicollinearity.

Tabel 4
Uji Multikolinieritas Before Transformation
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-1,601	1,332		-1,202	,234		
X1	,066	,014	1,046	4,729	,000	,176	5,688
X2	-1,716	,651	-,605	-2,635	,011	,163	6,120
X3	,154	,185	,086	,835	,407	,815	1,227
X4	24,641	4,146	,596	5,944	,000	,855	1,170
X5	,000	,001	,042	,374	,709	,675	1,483

a. Dependent Variable: Y

Tabel 5
Uji Multikolinieritas After Transformation
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	,705	,781		,903	,370		
LNPER	,910	,061	,937	14,838	,000	,589	1,697
LNDPR	,029	,055	,033	,532	,596	,606	1,649
LNSB	,130	,325	,020	,399	,691	,891	1,122
LNROA	,993	,072	,752	13,786	,000	,790	1,266

LNEP S	-,014	,032	-,023	-,441	,66 1	,837	1,19 5
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a. Dependent Variable: LNPBV

Table 5 above shows the tolerance value of Price Earning Ratio (X1) variable of 0.589, Dividend Payout Ratio (X2) of 0.606, interest rate (X3) of 0.891, Return On Asset (X4) of 0.790 and Earning Per Share (X5) of 0, 837. The tolerance value obtained for each variable is greater than 0.10 and the VIF value obtained for each variable is smaller than 10. Then there is no multicollineity between the independent variables in the regression model.

Autocorrelation Test

This test aims to test whether in the linear regression model there is a correlation between disturbance errors in period t with interruption in the period t-1 (before). A good regression model is a regression that is free from autocorrelation. There are several ways that can be used to detect the presence or absence of autocorrelation among them using the Durbin Watson Test (DW-Test).

Tabel 6
Uji Autokorelasi Before Transformation
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,683 ^a	,467	,424	,98567	1,966

a. Predictors: (Constant), X5, X4, X3, X1, X2

b. Dependent Variable: Y

Tabel 7
Uji Autokorelasi After Transformation
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,924 ^a	,854	,843	,26378	2,078

a. Predictors: (Constant), LNEPS, LNPER, LNSB, LNROA, LNDPR

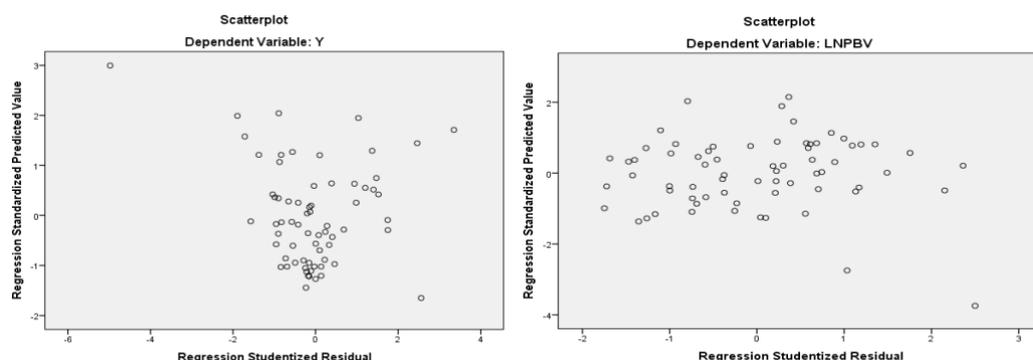
b. Dependent Variable: LNPBV

In Table 7 shows that the results of the autocorrelation test using the Durbin Watson test in $du < d < 4-du$ are $1.7678 < 2.078 < 2.2322$ means that there is no positive or negative autocorrelation because it has met the Durbin Watson $du < d < 4-du$.

Heterocedasticity Test

Heterocedasticity test aims to test whether in the regression model variance inequalities occur from residuals, one observation to another observation. If the residual variance from one observation to another observation remains, it is called homokedasticity and if different it is called heterocedasticity. Heterocedasticity test using scatterplot and glejser.

Uji Scatterplot Before Transformation Uji Scatterplot After Transformation



Tabel 8
Uji Glejser Before Transformation
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-,451	,751		-,600	,550
PER	,019	,008	,628	2,452	,017
DPR	-,294	,367	-,212	-,799	,427
SB	,026	,104	,030	,251	,803
ROA	9,406	2,339	,467	4,022	,000
EPS	,000	,000	,063	,482	,631

a. Dependent Variable: RES2

Tabel 9
Uji Glejser After Transformation
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,749	,403		1,861	,068
LNPER	-,045	,032	-,221	-1,424	,160
LNDPR	-,015	,028	-,079	-,516	,608
LNSB	-,192	,168	-,145	-1,145	,257
LNROA	,012	,037	,042	,315	,754
LNEPS	-,011	,016	-,085	-,652	,517

a. Dependent Variable: ABS_RES2

The results in table 9 can be seen that the significant level for Price Earning Ratio is 0.160, Dividend Payout Ratio is 0.608, Interest Rate is 0.257, Return On Asset is 0.754 and Earning Per Share is 0.517 which can be interpreted as significant value PER, DPR, INTEREST , RO and EPS is greater than 0.05 so it is concluded that heterocedasticity does not occur.

Data Analysis Result

Analysis of Multiple Linear Regression

The analytical method used is multiple linear regression analysis. Multiple linear analysis to find the relationship or influence between the dependent variable and independently. The results of multiple linear analysis can be seen in table 10.

Tabel 10
Hasil Uji Regresi Linier Berganda
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,705	,781		,903	,370

LNPER	,910	,061	,937	14,838	,000
LNDPR	,029	,055	,033	,532	,596
LNSB	,130	,325	,020	,399	,691
LNROA	,993	,072	,752	13,786	,000
LNEPS	-,014	,032	-,023	-,441	,661

a. Dependent Variable: LNPBV

$$Y = 0,705 + 0,910X_1 + 0,029X_2 + 0,130X_3 + 0,993X_4 - 0,014X_5$$

The meaning of the multiple linear regression equation above is:

- The constant value (a) is 0.705, which means that if the independent variables are PER, DPR, Interest Rate, ROA and EPS are considered constant, then the PBV value of the Property and Real Estate companies listed on the IDX is 0.705.
- PER regression coefficient is 0.910 indicating that every increase in PER once will be followed by an increase in PBV 0.910.
- The DPR regression coefficient is 0.029 indicating that every increase in the DPR once will be followed by an increase in PBV of 0.029.
- SB regression coefficient is 0.130 indicating that every increase in SB one time will be followed by an increase in PBV of 0.130.
- The ROA regression coefficient is 0.993 indicating that each increase in ROA once will be followed by an increase in PBV of 0.993.
- EPS regression coefficient is -0.014 indicating that each decrease in EPS once will be followed by a decrease in PBV of -0.014.

Coefficient of Determination (R²)

The coefficient of determination is used to measure how much influence PER, DPR, Interest Rate, ROA on PBV.

Tabel 11
Koefisien Determinasi
Model Summary^b

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
I				

1	,924 ^a	,854	,843	,26378
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a. Predictors: (Constant), LNEPS, LNPER, LNSB, LNROA, LNDPR

b. Dependent Variable: LNPBV

Based on table 11, the R value of 0.924 shows that the correlation or closeness of the relationship between PER, DPR, Interest Rate, ROA and EPS is 92.4%. Adjusted R Square value of 0.854 indicates that variations of PER, DPR, Interest Rate, ROA and EPS are able to explain the variable variation in PBV of 85.4%. While the rest is influenced by other variables.

Tabel 12
Hasil Uji Statistik F
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25,291	5	5,058	72,693	,000 ^b
	Residual	4,314	62	,070		
	Total	29,605	67			

a. Dependent Variable: LNPBV

b. Predictors: (Constant), LNEPS, LNPER, LNSB, LNROA, LNDPR

Table 12 above, F count is 72,693 while Ftable 2.36 then the conclusion is $F_{count} > F_{table}$ ($72,693 > 2,36$) with a significant value of 0,000 smaller than 0,05, H_0 is rejected and H_a is accepted which means PER variable, DPR, Interest Rate, ROA and EPS simultaneously have a significant effect on PBV.

Tabel 13
Hasil Uji Statistik t
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,705	,781		,903	,370
	LNPER	,910	,061	,937	14,838	,000

LNDPR	,029	,055	,033	,532	,596
LNSB	,130	,325	,020	,399	,691
LNROA	,993	,072	,752	13,786	,000
LNEPS	-,014	,032	-,023	-,441	,661

a. Dependent Variable: LNPBV

The partial statistical test results are as follows:

1. PER variable has a significant value of 0,000 <0,05 and t count> t table (14,838> 1,99601) which means that PER has a partial effect on PBV.
2. DPR variable has a significant value of 0.596> 0.05 and tcount <ttable (0.532 <1.99601) which means that the DPR does not partially influence PBV.
3. Variables Interest rates have a significant value of 0.691> 0.05 and the results of tcount <ttable (0.399 <1.99601) which means that the interest rate partially does not affect PBV.
4. Variable ROA has a significant value of 0,000 <0,05 and results of tcount> ttable (13,786> 1,99601) which means that ROA partially affects PBV.
5. EPS variable has a significant value of 0.661> 0.05 and tcount> t table (-0.014 <1.99601) which means that ROA partially has no effect on PBV.

Discussion of Research Results

Effect of PER on PBV

The partial test results of the PER variable have a significant value of 0,000 <0,05 and tcount> ttable (14,838> 1,99601) which means that PER has a partial effect on PBV. It can be concluded that in the Property and Real Estate companies listed on the IDX in the 2011-2014 period the size of the PER value affects the production of PBV.

This study proves that the PER affects the PBV on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2011-2014.

Influence of DPR on PBV

The results of the partial test of the DPR variable have a significant value of 0.596> 0.05 and the results of the tcount <ttable (0.532 <1.99601) which means that the DPR

does not partially influence PBV. It can be concluded that in the Property and Real Estate companies listed on the IDX in the 2011-2014 period the size of the DPR's value is not influential in producing PBV.

This research proves that the DPR does not have an influence on PBV on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2011-2014.

Effect of Interest Rates on PBV

The test results of the Interest Rate partially variable have a significant value of $0.691 > 0.05$ and the $t_{count} < t_{table}$ ($0.399 < 1.99601$) which means that the Interest Rate partially does not affect PBV. It can be concluded that in the Property and Real Estate companies listed on the IDX in the 2011-2014 period the size of the Interest Rate is not influential in producing PBV.

This study proves that the interest rate has no effect on the value of the company on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2011-2014.

Effect of ROA on PBV

Partial test results of the ROA variable have a significant value of $0,000 < 0,05$ and $t_{count} > t_{table}$ ($13,786 > 1,99601$) which means that ROA partially affects PBV.

This study proves that ROA has an influence on PBV.

Effect of EPS on PBV

The test results of the EPS variable partially have a significant value of $0.661 > 0.05$ and $t_{count} > t_{table}$ ($-0.014 < 1.99601$) which means that ROA partially has no effect on PBV.

This study proves that ROA has no effect on PBV.

Research Results PER, DPR, Interest Rates, ROA and EPS Against PBV

Simultaneous Fhitung test results are 72,693 while Ftable 2.36, the conclusion is $F_{count} > F_{table}$ ($72,693 > 2,36$) with a significant value of 0,000 smaller than 0,05, H_0 is rejected and H_a is accepted which means PER, DPR, Interest Rate, Simultaneously ROA and EPS have a significant effect on PBV on Property and Real Estate companies listed on the Indonesia Stock Exchange for the 2011-2014 period.

This study proves that investment decisions, dividend policies, interest rates, profitability and Earning Per Share have an effect on simultaneously on firm value.

Conclusion

The conclusions from the results of this study are:

1. Partial investment decisions have a positive and significant effect on the value of the company on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2011-2014.
2. The dividend policy partially has no effect and is not significant on the value of the company in the Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2011-2014.
3. Partial interest rates have no effect and are not significant on the value of the company in the Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2011-2014.
4. Profitability partially has a positive and significant effect on company value on Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2011-2014.
5. Partial Earning Per Share does not have an effect and is not significant on the value of the company in the Property and Real Estate companies listed on the Indonesia Stock Exchange for the period 2011-2014.

Investment Decisions, dividend policies, interest rates, profitability and Earning Per Share have a positive and significant effect simultaneously on company values on

Property and Real Estate companies listed on the Indonesia Stock Exchange for the 2011-2014 period. Adjusted R square value of 0.854 indicates the dependent variable (Price Book Value) can be explained by the independent variable (investment decision, dividend policy, interest rate and profitability) of 85.4%. While the remaining 14.6% is explained by other variables included in the regression model such as: company growth, funding decisions, and capital structure.

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PENGARUH INDEPENDENSI DEWAN KOMISARIS, TIPE KEPEMILIKAN PERUSAHAAN, UKURAN PERUSAHAAN DAN UKURAN KAP TERHADAP FEE AUDIT PADA PERUSAHAAN FINANCE YANG TERDAFTAR DI BURSA EFEK INDONESIA PERIODE 2012-2016

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Abstrak

Penelitian ini bertujuan untuk menguji dan menganalisis bagaimana pengaruh independensi dewan komisaris, tipe kepemilikan perusahaan, ukuran perusahaan, dan ukuran KAP terhadap fee audit pada perusahaan finance yang terdaftar di Bursa Efek Indonesia periode 2012-2016. Metode penelitian yang digunakan dalam penelitian ini menggunakan metode pendekatan deduktif, jenis penelitian adalah kuantitatif yang bersifat deskriptif. Populasi penelitian ini sebanyak 145 perusahaan finance dengan teknik pengambilan purposive sampling berjumlah 29 perusahaan finance yang memenuhi kriteria. Metode analisis data dalam penelitian ini adalah analisis regresi linier berganda dengan uji asumsi klasik. Hasil penelitian ini menunjukkan secara simultan Independensi Dewan Komisaris, Tipe Kepemilikan Perusahaan, Ukuran Perusahaan, dan Ukuran KAP berpengaruh terhadap Fee Audit pada perusahaan finance yang terdaftar di Bursa Efek Indonesia periode 2012-2016. Secara parsial Independensi Dewan Komisaris, Ukuran Perusahaan, dan Ukuran KAP berpengaruh positif dan signifikan terhadap Fee Audit sedangkan Tipe Kepemilikan Perusahaan tidak berpengaruh terhadap Fee Audit. Hasil analisis koefisien determinasi diperoleh nilai Adjusted R² menunjukkan variasi variable fee audit yang dapat dijelaskan oleh variasi variable independensi dewan komisaris, tipe kepemilikan perusahaan, ukuran perusahaan, dan ukuran KAP sebesar 86,9% sedangkan sisanya sebesar 13,1% dijelaskan oleh variabel lainnya.

Kata Kunci: Independensi Dewan Komisaris, Tipe Kepemilikan Perusahaan, Ukuran Perusahaan, Ukuran KAP.

Pendahuluan

Perusahaan sektor *finance* sebagai badan usaha yang memberikan produk jasa keuangan merupakan bagian yang tidak dapat lepas dari masyarakat. Perusahaan

finance dapat membantu pembangunan nasional dalam pemerataan dan peningkatan ekonomi. Perusahaan-perusahaan *finance* yang sudah *go public* memerlukan laporan keuangan yang berkualitas dan dapat dipercaya oleh konsumen. Oleh sebab itu perusahaan akan menggunakan jasa auditor eksternal untuk memeriksa laporan keuangan yang dikeluarkan perusahaan sebelum dikonsumsi publik. Untuk menggunakan jasa auditor perusahaan harus mengeluarkan biaya untuk membayar jasa auditor yang disebut dengan *fee audit*.

Dalam mengelola perusahaan menurut penerapan *good corporate governance*, peran dewan komisaris sangatlah diperlukan. Komisaris independen di dalam perusahaan ikut mengawasi jalannya perusahaan dan pelaporan keuangan sehingga dapat mempengaruhi hasil perusahaan. Hal ini dapat mempengaruhi kualitas pelaporan keuangan perusahaan menuju arah yang lebih baik. Laporan keuangan yang baik tentu akan mempengaruhi kinerja auditor sehingga menjadi lebih efektif dan efisien yang pada akhirnya dapat mempengaruhi jumlah *fee audit* yang harus dibayarkan oleh perusahaan.

Jasa laporan audit yang dihasilkan oleh KAP besar lebih berkualitas jadi biaya audit yang perlu dibayarkan klien kepada auditor akan lebih besar jika dibandingkan dengan biaya audit yang perlu dibayarkan kepada KAP yang lebih kecil.

Rumusan masalah dalam penelitian ini adalah bagaimana pengaruh masing – masing variabel independen yaitu independensi dewan komisaris, tipe kepemilikan perusahaan, ukuran perusahaan, dan ukuran kantor akuntan publik terhadap variabel dependen yaitu *fee audit* serta bagaimana pengaruh semua variabel independen terhadap variabel dependen pada perusahaan *finance* yang terdaftar di BEI tahun 2012-2016.

Adapun tujuan penelitian ini adalah untuk menguji dan menganalisis pengaruh pengaruh masing – masing variabel independen yaitu independensi dewan komisaris, tipe kepemilikan perusahaan, ukuran perusahaan, dan ukuran kantor akuntan publik terhadap variabel dependen yaitu *fee audit* serta bagaimana pengaruh semua variabel independen terhadap variabel dependen pada perusahaan *finance* yang terdaftar di BEI tahun 2012-2016.

Berdasarkan uraian diatas maka peneliti akan memberi judul dalam penelitian ini yaitu “Pengaruh Independensi dewan komisaris, tipe kepemilikan perusahaan,

ukuran perusahaan dan ukuran KAP terhadap *fee audit* pada perusahaan *finance* yang terdaftar di Bursa Efek Indonesia Periode 2012-2016”.

Hipotesis Penelitian

Berdasarkan kerangka konseptual diatas maka dapat dirumuskan hipotesis yang merupakan jawaban sementara terhadap rumusan masalah penelitian. Hipotesis dalam penelitian ini adalah:

H₁ :Independensi dewan komisaris berpengaruh terhadap fee audit pada perusahaan finance yang terdaftar di Bursa Efek Indonesia periode 2012-2016

H₂ :Tipe kepemilikan perusahaan berpengaruh terhadap fee audit pada perusahaan finance yang terdaftar di Bursa Efek Indonesia periode 2012-2016

H₃ :Ukuran Perusahaan berpengaruh terhadap fee auditpada perusahaan finance yang terdaftar di Bursa Efek Indonesia periode 2012-2016

H₄ :Ukuran KAP berpengaruh terhadap fee auditpada perusahaan finance yang terdaftar di Bursa Efek Indonesia periode 2012-2016

H₅ :Independensi dewan komisaris, tipe kepemilikan perusahaan, ukuran perusahaan, dan ukuran KAP berpengaruh terdahap fee audit pada perusahaan finance yang terdaftar di Bursa Efek Indonesia periode 2012-2016

Landasan Teori

Independensi Dewan Komisaris

Menurut Chandra (2015:185), komisaris independen merupakan dewan komisaris yang berasal dari luar perusahaan.

Menurut Widiyari dan Tri (2008:132), variabel akan diukur dengan menghitung jumlah komisaris independen dalam perusahaan.

Menurut Alijoyo dan Zain (2004: 54) Komisaris Independen adalah anggota komisaris yang berasal dari luar perusahaan (tidak memiliki hubungan afiliasi dengan perusahaan) yang dipilih secara transparan dan independen memiliki integritas dan kompetensi yang memadai bebas dari pengaruh yang berhubungan dengan kepentingan pribadi atau pihak lain serta dapat bertindak secara objektif dan independen dengan berpedoman pada prinsip-prinsip *Good Corporate Governance(transparency, accountability, responsibility and fairness)*.

Menurut Widiyanti dan Tri (2008:126) Komisaris independen merupakan pihak pengawas yang efektif dikarenakan tidak mempunyai kepentingan finansial dalam perusahaan serta tidak mempunyai hubungan psikologis dengan pihak manajemen sehingga diharapkan dapat mengurangi perilaku oportunistik manajemen.

Adanya komisaris independen mampu memberikan pengawasan dan keandalan dalam proses laporan keuangan. Maka hal tersebut dapat mengurangi penilaian resiko auditor dan upaya audit yang kurang dibutuhkan sehingga menyebabkan *audit fee* yang lebih rendah (Yatimet, *al.*, 2006:18).

Menurut Rifai (2009: 411) Keberadaan komisaris independen dimaksudkan untuk menciptakan iklim yang lebih objektif, independen dan untuk menjaga *fairness* serta memberikan keseimbangan antara kepentingan pemegang saham mayoritas dan perlindungan terhadap kepentingan pemegang saham minoritas, bahkan kepentingan stakeholder lainnya.

Tipe Kepemilikan Perusahaan

Menurut Prayugi (2015:110) maksud dari kepemilikan perusahaan disini adalah Badan Usaha Milik Negara (BUMN) atau perusahaan swasta.

Menurut Immanuel dan Etna (2014: 3) variable tipe kepemilikan perusahaan menggunakan variabel dummy dimana BUMN adalah (1) dan perusahaan swasta (non BUMN) adalah (0).

Menurut Mahayana dan Bagiada (2015:38) Struktur kepemilikan perusahaan timbul akibat adanya perbandingan jumlah pemilik saham dalam perusahaan. Sebuah perusahaan dapat dimiliki oleh seseorang secara individu, masyarakat luas, pemerintah, pihak asing, maupun orang dalam perusahaan tersebut (manajerial)

Menurut Alvine (2015:1) Tipe kepemilikan yang berbeda berimplikasi terhadap perbedaan dalam pengambilan keputusan, termasuk dengan keputusan CSR perusahaan

Menurut Tedjo (2015 :109) Tipe kepemilikan perusahaan berperan dalam pengungkapan sukarela melalui media internet yaitu dengan status perusahaan asing akan mengungkapkan informasi perusahaannya lebih banyak daripada perusahaan domestik. Dari segi lainnya yaitu jenis industri, perusahaan dengan sarana pendukung

teknologi informasi akan mengungkapkan informasi perusahaannya agar dapat meningkatkan nilai perusahaan.

Ukuran Perusahaan

Menurut Diantimala (2008:106), Ukuran perusahaan adalah suatu skala dimana dapat diklasifikasikan besar kecilnya perusahaan menurut berbagai cara antara lain dengan total aktiva, penjualan bersih dan kapitalisasi pasar perusahaan.

Menurut Rodoni dan Ali (2014:193) dalam hal ini biasanya ukuran muncul sebagai variabel penjelas. Ukuran perusahaan biasanya adalah total aset perusahaan. Karena aset biasanya sangat besar nilainya dan untuk menghindari bias skala maka besaran aset perlu dikompres.

Menurut Sunyoto dalam Patiku dan Sambo (2013:115) ukuran perusahaan dapat dilihat pada pengelompokan perusahaan yaitu *growth industry*, *defensive industry* dan *cyclical industry*. *Growth industry* menunjukkan perusahaan yang mempunyai pertumbuhan laba jauh lebih tinggi dari pertumbuhan rata-rata perusahaan. *Defensive industry* menunjukkan perusahaan yang tidak banyak terpengaruh oleh kondisi ekonomi. *Cyclical industry* menunjukkan perusahaan yang sangat peka terhadap kondisi perekonomian

Menurut Chandra (2015:177) ukuran perusahaan diukur dengan logaritma natural dari total aset yang dimiliki perusahaan.

Ukuran Kap

Menurut Panjaitan (2017:42) Ukuran Kantor Akuntan Publik merupakan besar kecilnya suatu KAP yang tergolong dari dua jenis, yaitu KAP yang berafiliasi dengan KAP *Big Four* dan KAP non *Big Four*.

Menurut Fanny dan Saputra dalam Chandra (2015:177), ketika kantor akuntan public mengklaim dirinya sebagai KAP yang bereputasi baik seperti *big four*, maka mereka akan berusaha keras untuk menjaga nama baik dan menghindari tindakan tindakan yang mengganggu nama baik KAP tersebut.

Menurut Arens dalam Panjaitan (2017:41) Ukuran KAP dapat dikatakan besar apabila KAP tersebut yang berafiliasi dengan *Big Four* mempunyai cabang dan jumlah kliennya besar serta memiliki tenaga profesional diatas 25 orang. Sedangkan KAP

kecil adalah KAP yang tidak berafiliasi dengan *Big Four*, tidak memiliki kantor cabang, jumlah kliennya kecil dan memiliki tenaga professional dibawah 25 orang

Menurut Puspitasari dan Latrini (2014:284) peran KAP menjadi sangat penting dimana laporan auditnya akan menjadi pengesahan akan kebenaran kinerja perusahaan yang tergambar di laporan keuangan perusahaan publik.

Menurut Immanuel dan Yuyetta (2012:4) variable KAP menggunakan variable dummy dimana KAP big four (1) dan KAP non big four (0).

Fee Audit

Menurut Iskak dalam Suharli dan Nurlaela (2008:137) mendefinisikan *audit fee* adalah honorarium yang dibebankan oleh akuntan publik kepada perusahaan *auditee* atas jasa audit yang dilakukan akuntan public terhadap laporan keuangan.

Menurut Agoes (2012:46) fee dianggap tidak kontingen jika diterapkan oleh pengadilan atau badan pengatur atau dalam hal perpajakan, jika dasar penetapan adalah hasil penyelesaian hukum atau temuan badan pengatur.

Menurut Widiyanti dan Tri (2008:129) menyatakan bahwa dalam menetapkan imbalan jasa yang wajar sesuai dengan martabat profesi akuntan publik dan dalam jumlah yang pantas untuk dapat memberikan jasa sesuai dengan tuntutan standar profesional akuntan publik yang berlaku

Menurut Iskak dalam Sukaniyah dan Tenaya (2016:2163) Biaya pokok pemeriksaan akan diperoleh dari tawar menawar yang dilakukan antara klien dengan kantor akuntan publik.

Menurut Chandra (2015: 178) data *fee audit* diperoleh dari *annual report* (laporan tahunan) perusahaan yang terdaftar di Bursa Efek Indonesia yang mengungkapkan besarnya *fee audit*.

$$AUFEE = \text{logaritma } fee$$

Pengaruh Independensi Dewan Komisaris Terhadap Fee Audit

Menurut Carcello dalam Widiasari dan Tri (2008) dewan komisaris independen harus memastikan realibilitas laporan keuangan diharapkan agar dewan komisaris independen akan meningkatkan audit eksternal yang akan meningkatkan fee audit. Menurut Chandra (2015) adanya pengawasan dari dewan komisaris yang independen akan berdampak pada pelaporan keuangan yang baik. Hal ini dapat mengurangi penaksiran risiko yang dilakukan oleh auditor sehingga fee audit akan menurun.

Menurut Dechow et al. dalam Wibowo dan Rohman (2013:3), dewan komisaris yang independen akan melakukan pengawasan yang lebih unggul sehingga reliabilitas dan validitas pelaporan keuangan yang lebih baik dapat dicapai dan hasilnya akan mengurangi penaksiran risiko yang dilakukan oleh auditor dan menuju pada pembayaran fee audit yang lebih rendah

Pengaruh Tipe Kepemilikan Perusahaan Terhadap Fee Audit

Menurut Ghosh dalam Immanuel dan Etna (2014) biaya audit yang dibayarkan BUMN lebih rendah dibandingkan biaya audit yang dibayarkan perusahaan swasta

Menurut Primasari dan Sudarno dalam Prayugi (2015:111) bahwa perusahaan yang mempunyai koneksi politik terjadi peningkatan *audit fee* dibandingkan dengan perusahaan yang tidak memiliki koneksi politik. Dimana perusahaan yang dekat dengan pemerintah memiliki hubungan bisnis yang eksklusif sehingga mereka memiliki akses khusus di setiap kebijakan pemerintah

Menurut Fan dan Wong dalam Pambudi dan Ghozali (2014:8) perusahaan milik pemerintah membayar audit fees lebih tinggi untuk mendapatkan laporan auditor yang berkualitas.

Pengaruh Ukuran Perusahaan Terhadap Fee Audit

Menurut Chandra (2015:177) auditor yang melakukan pekerjaan audit pada perusahaan yang besar membutuhkan waktu dan jumlah tim audit yang lebih banyak dibandingkan dengan mengaudit perusahaan kecil karena perusahaan besar memiliki jumlah transaksi yang banyak. Sehingga semakin besar ukuran perusahaan mengindikasikan total aset yang dimilikinya sehingga akan berdampak pada meningkatnya fee audit yang dibebankan kepada perusahaan.

Menurut Gerrard *et al* dalam Al-Harsani (2008) pekerjaan audit akan lebih banyak ketika ukuran perusahaan meningkat, jumlah klien audit yang sangat besar merupakan peluang bagi KAP untuk mendapatkan keuntungan dari skala ekonomi tertentu dalam mengurangi jumlah pekerjaan audit yang dapat dilakukan dan akibatnya dapat mengenakan biaya audit yang lebih rendah.

Pengaruh Ukuran KAP Terhadap Fee Audit

Menurut DeAngelo dalam Al-Harsani (2015:688) KAP yang besar biasanya menyediakan kualitas hasil audit yang lebih baik daripada KAP non Big. Hipotesis *deep pocket* yang menyatakan bahwa karena KAP besar (*big*) lebih kaya dibanding KAP non big, jika sewaktu-waktu perusahaan yang diaudit mengalami kebangkrutan, pengguna laporan hasil audit (creditor, shareholder) akan lebih tertarik untuk mengajukan tuntutan hukum melawan KAP "Big". Resiko terhadap kemungkinan proses pengadilan yang tinggi ini dihubungkan dengan audit fee eksternal yang tinggi untuk kompensasi risiko tersebut. Selain itu KAP besar menemui lebih sedikit kompetisi dibanding KAP non big sehingga bisa membebankan audit fee yang lebih tinggi.

Menurut Al-Harsani dalam Caneghem (2010:125) hipotesis pembiayaan yang tidak kompetitif menyebutkan bahwa KAP big four menemui lebih sedikit kompetisi daripada KAP non big four sehingga bisa membebankan *audit fee* yang lebih tinggi.

Menurut Francis dalam Immanuel dan Etna (2014:3) menyatakan bahwa KAP big four akan menghasilkan laporan keuangan yang berkualitas, namun hal tersebut sejalan dengan biaya audit yang semakin tinggi yang dikeluarkan perusahaan atas jasa audit tersebut

Metode Penelitian

Jenis penelitian dalam penelitian ini adalah metode kuantitatif. Sifat penelitian dalam penelitian ini adalah eksplanatori. Populasi dalam penelitian ini merupakan data-data keuangan yang berupa laporan keuangan tahunan dari perusahaan *Finance* yang terdaftar di Bursa Efek Indonesia pada Periode 2012-2016 berjumlah 86 perusahaan. Teknik pengambilan sampel menggunakan teknik *purposive sampling*,

Berdasarkan kriteria yang telah dibuat maka perusahaan *Finance* yang memenuhi untuk menjadi sampel dalam penelitian ini berjumlah 29 (Dua Puluh

Sembilan) perusahaan dari total 86 (Delapan Puluh Enam) perusahaan *Finance* yang terdaftar di BEI dari tahun 2012 sampai dengan tahun 2016. Maka observasi pengamatan penelitian ini menjadi 29 x 5 tahun = 145 pengamatan.

Metode analisis data yang digunakan dalam penelitian ini adalah model analisis regresi berganda dengan menggunakan bantuan software SPSS. Dalam penggunaan metode analisis regresi dalam pengujian hipotesis, terlebih dahulu diuji apakah model tersebut memenuhi asumsi klasik atau tidak.

Analisis regresi linear berganda digunakan untuk mengetahui pengaruh dengan menentukan nilai Y (sebagai variabel dependen) dan untuk menaksir nilai-nilai yang berhubungan dengan X (sebagai variabel independen), dengan menggunakan rumus statistik:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + e$$

Hasil dan Pembahasan

Hasil Statistik Deskriptif

Penelitian ini menggunakan data sekunder yang diperoleh dari www.idx.co.id berupa data laporan keuangan perusahaan sektor *finance* yang terdaftar di Bursa Efek Indonesia periode 2012 – 2016 yang dijelaskan dalam metode statistik deskriptif. Statistik deskriptif dapat memberikan gambaran mengenai jumlah data yang digunakan dalam penelitian dan menunjukkan nilai minimum, nilai maksimum, nilai rata – rata, dan standar deviasi. Analisis data dimulai dengan mengolah data dengan menggunakan Microsoft Excel dan dilanjutkan dengan melakukan pengujian hipotesis dengan memulai program SPSS. Berikut tampilan data statistiknya:

Hasil Statistik Deskriptif

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Independensi_Dewan_Komisaris	145	1,00	5,00	2,6690	1,03451

Tipe_Kepemilikan_Perusahaan	145	,00	1,00	,1379	,34602
Ukuran_Perusahaan	145	26,759	34,577	30,93117	2,017466
Ukuran_KAP	145	,00	1,00	,7310	,44496
Fee_Audit	145	18,315	23,263	20,87453	1,267941
Valid N (listwise)	145				

Dari hasil tabel maka dapat diperoleh nilai minimum, nilai maksimum, nilai rata-rata (*Mean*), dan *standard deviation* dari variable independen, yang terdiri dari Independensi Dewan Komisaris (X_1), Tipe Kepemilikan Perusahaan (X_2), Ukuran Perusahaan (X_3), Ukuran KAP (X_4), dan Fee Audit (Y) merupakan variabel dependen dengan penjelasan sebagai berikut :

1. Variabel Independensi Dewan Komisaris (X_1) memiliki jumlah data sebanyak 145, dengan nilai minimum 1,00 pada Buana *Finance* tahun, Radana Baskara *Finance*, Asuransi Bina Dana Arta, Maskapai Reasuransi Indonesia, dan Paninvest. Nilai maksimum 5,00 pada Bank Permata pada tahun 2012. Sedangkan nilai rata (*mean*) 2,6990 dan nilai *standart deviation* variabel ini adalah 1.03451.
2. Variabel tipe kepemilikan perusahaan (X_2) dihitung dengan perusahaan milik pemerintah (BUMN) diberikan kode 1 dan Swasta (Non BUMN) diberikan kode 0. Nilai Minimum diperoleh 130 sampel dan nilai maksimum diperoleh 15 sampel. Sedangkan nilai rata (*mean*) 0,1379 dan nilai *standart deviation* variabel ini adalah 0,34062.
3. Variabel ukuran perusahaan (X_3) memiliki jumlah sampel sebanyak 145, dengan nilai minimum 26,759 pada MaspionIndonesia Tbk tahun 2013, dan nilai maksimum 34,577 pada Bank Mandiri(Persero) Tbk tahun 2016. Sedangkan nilai rata (*mean*) 30,93117 dan nilai *standart deviation* variabel ini adalah 2,017466.
4. Variabel ukuran kantor akuntan publik (X_4) memiliki jumlah sampel sebanyak 145, dengan dengan KAP big four diberikan kode 1 dan non big four diberikan kode 0. Nilai minimum diperoleh 39 sampel dan nilai maksimum diperoleh 106

sampel. Sedangkan nilai rata (*mean*) 0,7310 dan nilai *standart deviation* variabel ini adalah 0,44496.

5. Variabel *Fee Audit* (Y) memiliki jumlah sampel sebanyak 145, dengan nilai minimum 18,315 pada Paninvest Tbk tahun 2014, dan nilai maksimum 23,263 pada Bank CIMB Niaga Tbk tahun 2016. Sedangkan nilai rata(*mean*) 20,87453 dan nilai *standart deviation* variabel ini adalah 1,267941.

Hasil Uji Asumsi Klasik

Uji Normalitas

Berdasarkan hasil uji *Probability Plot* dan *Kolmogorov Smirnov* maka diperoleh data telah berdistribusi normal. Dapat digunakan juga uji statistik dengan *Kolmogorov-Smirnov*, Besarnya nilai *Sample Kolmogorov-Smirnov Z* adalah 0,681 dengan nilai probabilitas (p-value) sebesar 0,742. Kesimpulan dari hasil perhitungan tersebut adalah nilai probabilitas $0,742 > 0,05$ sehingga menunjukkan bahwa data dalam penelitian ini adalah berdistribusi normal.

Uji Multikolinieritas

Semua variabel independen memiliki *tolerance value* (toleransi) lebih dari 0,10 dan nilai *Variance Inflation Factor* (Tidak terjadi multikolinieritas (VIF) kurang dari 10. Sehingga dapat disimpulkan bahwa variabel-variabel independen dalam model regresi tidak mengandung gejala multikolinieritas. Besarnya nilai *tolerance* yang diperoleh untuk variabel independensi dewan komisaris (X_1) adalah sebesar (0,358), tipe kepemilikan perusahaan (X_2) adalah sebesar (0,873), ukuran perusahaan (X_3) adalah sebesar (0,333), dan Ukuran KAP (X_4) adalah sebesar (0,683). Karena nilai *tolerance* yang diperoleh setiap variabel lebih besar dari 0,10 maka dapat disimpulkan bahwa tidak terjadi multikolinieritas. Nilai VIF yang diperoleh untuk variabel independensi dewan komisaris (X_1) adalah sebesar $2,793 \leq 10$, tipe kepemilikan perusahaan (X_2) adalah sebesar $1,146 \leq 10$, ukuran perusahaan (X_3) adalah sebesar $3,006 \leq 10$, dan ukuran KAP (X_4) adalah sebesar $1,465 \leq 10$. Dikarenakan nilai VIF yang diperoleh untuk setiap variabel lebih kecil sama

Uji Autokorelasi

Hasil Uji Autokorelasi

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,934 ^a	,873	,869	,458664	,692

a. Predictors: (Constant), Ukuran_KAP, Tipe_Kepemilikan_Perusahaan, Independensi_Dewan_Komisaris, Ukuran_Perusahaan

b. Dependent Variable: *Fee_Audit*

Dari hasil uji *Durbin-Watson* menunjukkan angka sebesar 0,692. Berdasarkan kriteria yang ada dapat dilihat dari besarnya D-W yang berada diantara -2 sampai +2 yaitu nilai $-2 < 0,692 < 2$, maka dapat disimpulkan tidak terjadi autokorelasi pada penelitian ini

Uji Heteroskedastisitas

Dalam uji ini, apabila nilai sig > 0,05 maka tidak terdapat gejala hetero-skedastisitas, model yang baik adalah tidak terjadi heteroskedastisitas. Dalam penelitian ini semua variabel memiliki nilai sign > 0,05 yang berarti tidak terjadi heteroskedastisitas. Dari hasil diperoleh bahwa tingkat signifikan untuk Independensi Dewan Komisaris $0,833 > 0,05$, Tipe Kepemilikan Perusahaan $0,942 > 0,05$, Ukuran Perusahaan $0,404 > 0,05$, dan Ukuran Kantor Akuntan Publik $0,450 > 0,05$. Sehingga dapat disimpulkan tidak terjadi heteroskedastisitas.

Hasil Uji Hipotesis

Analisis Regresi Berganda

Pada penelitian ini peneliti menggunakan analisis regresi berganda untuk pengujian hipotesis. Analisis regresi digunakan untuk membuktikan pengaruh variabel independen terhadap variabel dependen. Hasil pengujian hipotesis diperoleh persamaan:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	8.557	.886		9.662	.000
Independensi_Dewan_Komisaris	.281	.062	.230	4.556	.000
¹ Tipe_Kepemilikan_Perusahaan	-.106	.118	-.029	-.895	.372
Ukuran_Perusahaan	.356	.033	.566	10.833	.000
Ukuran_KAP	.785	.104	.276	7.554	.000

$$\text{Fee Audit} = 8,557 + 0,281 \text{ Independensi Dewan Komisaris} - 0,106 \text{ Tipe Kepemilikan perusahaan} + 0,356 \text{ Ukuran Perusahaan} + 0,785 \text{ Ukuran KAP}$$

Makna dari persamaan regresi linier berganda di atas adalah:

1. Konstanta sebesar 8,557 menyatakan bahwa jika independensi dewan komisaris, tipe kepemilikan perusahaan, ukuran perusahaan, ukuran kantor akuntan publik bernilai konstan maka *Fee* audit perusahaan *finance* sebesar 8,557
2. Koefisien regresi Independensi dewan komisaris sebesar 0,281 menyatakan bahwa setiap kenaikan 1 satuan variabel independensi dewan komisaris akan menyebabkan peningkatan *Fee* audit sebesar 0,281 dengan anggapan variabel lainnya konstan
3. Koefisien regresi tipe kepemilikan perusahaan sebesar -0,106 menyatakan bahwa setiap kenaikan variabel tipe kepemilikan perusahaan 1 satuan akan menyebabkan penurunan *Fee* audit sebesar 0,106 dengan anggapan variabel lainnya konstan
4. Koefisien regresi ukuran perusahaan sebesar 0,356 menyatakan bahwa setiap kenaikan 1 satuan variabel ukuran perusahaan akan menyebabkan peningkatan *Fee* audit sebesar 0,356 dengan anggapan variabel lainnya konstan.
5. Koefisien regresi ukuran kantor akuntan public sebesar 0,785 menyatakan bahwa setiap kenaikan 1 satuan variabel ukuran kantor akuntan publik akan

menyebabkan peningkatan *Fee* audit 0,785 dengan anggapan variabel lainnya konstan.

Pengujian Koefisien Determinasi (Adjusted R²)

Koefisien determinasi ditujukan untuk mengetahui seberapa besar kemampuan model dalam menerangkan variabel terikat. Jika koefisien determinasi (R²) semakin besar atau mendekati 1 maka dapat dikatakan bahwa kemampuan variabel bebas (X) adalah besar terhadap variabel terikat (Y)

Tabel IV.8

Uji Koefisien Determinasi

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.934 ^a	.873	.869	.45866

a. Predictors: (Constant), Ukuran_KAP, Tipe_kepemilikan_perusahaan, Independensi_dewan_komisaris, Ukuran_Perusahaan

Hasil uji koefisien determinasi adalah transformasi diperoleh nilai Adjusted R Square sebesar 0,869 hal ini berarti 86,9% dari variasi variabel dependen *Fee* audit yang dapat dijelaskan oleh variabel independen independensi dewan komisaris, tipe kepemilikan perusahaan, ukuran perusahaan dan ukuran kantor akuntan publik sedangkan penelitian seperti

Uji Simultan (Uji F)

Uji F digunakan untuk menunjukkan apakah semua variabel independen yang dimasukkan dalam model mempunyai pengaruh secara bersama-sama terhadap variabel dependen.

Uji F

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	202.053	4	50.513	240.113	.000 ^b
	Residual	29.452	140	.210		
	Total	231.505	144			

a. Dependent Variable: *Fee_Audit*

b. Predictors: (Constant), Ukuran_KAP, Tipe_Kepemilikan_Perusahaan, Independensi_Dewan_Komisaris, Ukuran_Perusahaan

Berdasarkan hasil tabel maka diperoleh uji simultan / bersama-sama (uji statistik F) menghasilkan nilai F hitung sebesar 240,113. Pada derajat bebas 1 (df_1) = $k - 1 = 5 - 1 = 4$, dan derajat bebas 2 (df_2) = $n - k = 145 - 5 = 140$, dimana n = jumlah sampel, k = jumlah variabel, nilai f tabel pada taraf kepercayaan signifikansi 0,05 adalah 2,44 dengan demikian $F_{hitung} = 240,113 > F_{tabel} = 2,44$ dengan tingkat signifikansi 0,000 Maka H_a diterima artinya secara bersama-sama Independensi Dewan Komisaris, Tipe Kepemilikan Perusahaan, Ukuran Perusahaan dan Ukuran Kantor Akuntan Publik berpengaruh terhadap *Fee* audit pada perusahaan *finance* yang terdaftar di Bursa Efek Indonesia periode 2012-2016.

Uji T

Pengujian t-test digunakan untuk menunjukkan seberapa jauh pengaruh satu variabel independen terhadap variabel dependen.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.557	.886		9.662	.000

Independensi_Dewan_Komisa ris	.281	.062	.230	4.556	.000
Tipe_Kepemilikan_Perusaha an	-.106	.118	-.029	-.895	.372
Ukuran_Perusahaan	.356	.033	.566	10.833	.000
Ukuran_KAP	.785	.104	.276	7.554	.000

a. Dependent Variable: *Fee_Audit*

Diperoleh nilai t tabel untuk probabilitas 0,05 signifikansi 2 arah pada derajat bebas (df) = $n - k = 145 - 5 = 140$ adalah sebesar 1,97705. Dimana Dengan $n =$ jumlah sampel dan $k =$ jumlah variabel. Demikian hasil dari Uji t dapat dijelaskan sebagai berikut:

1. Hasil perhitungan uji t secara parsial diperoleh nilai t hitung Independensi Dewan Komisaris sebesar 4,556 dengan nilai signifikan sebesar 0,000. Nilai t hitung $>$ t tabel atau $4,556 > 1,97705$ maka H_1 diterima artinya independensi dewan komisari berpengaruh positif dan signifikan terhadap *fee* audit pada perusahaan *finance* yang terdaftar di Bursa Efek Indonesia periode 2012-2016
2. Hasil perhitungan uji t secara parsial diperoleh nilai t hitung tipe kepemilikan perusahaan sebesar -0,895 dengan nilai signifikan sebesar 0,372. Nilai -t hitung $>$ -t tabel atau $-0,895 > -1,97705$ maka H_0 diterima artinya tipe kepemilikan perusahaan tidak berpengaruh terhadap *fee* audit pada perusahaan *finance* yang terdaftar di Bursa Efek Indonesia periode 2012-2016.
3. Hasil perhitungan uji t secara parsial diperoleh nilai t hitung ukuran perusahaan sebesar 10,833 dengan nilai signifikan sebesar 0,000. Nilai t hitung $>$ t tabel atau $10,833 > 1,97705$ maka H_1 diterima artinya ukuran perusahaan berpengaruh positif dan signifikan terhadap *fee* audit pada perusahaan *finance* yang terdaftar di Bursa Efek Indonesia periode 2012-2016.
4. Hasil perhitungan uji t secara parsial diperoleh nilai t hitung ukuran kantor akuntan publik sebesar 7,544 dengan nilai signifikan sebesar 0,000. Nilai t hitung $>$ t tabel atau $7,544 > 1,97705$ maka H_1 diterima artinya ukuran kantor akuntan publik berpengaruh positif dan signifikan terhadap *fee* audit pada perusahaan *finance* yang terdaftar di Bursa Efek Indonesia periode 2012-2016.

Pengaruh Independensi Dewan Komisaris Terhadap *Fee Audit*

Hasil perhitungan diperoleh bahwa Independensi Dewan Komisaris berpengaruh negatif terhadap *Fee audit*.

Hasil penelitian ini sejalan dengan hasil penelitian Widiyanti dan Tri (2014) yaitu dewan komisaris independen perusahaan berpengaruh secara signifikan dan mempunyai pengaruh positif terhadap permintaan jasa audit eksternal yang akan meningkatkan *Fee audit*

Pengaruh Tipe Kepemilikan Perusahaan Terhadap *Fee Audit*

Hasil pengolahan diperoleh bahwa tipe kepemilikan perusahaan tidak berpengaruh terhadap *fee audit*.

Hasil penelitian ini sejalan dengan hasil penelitian Immanuel dan Yuyetta (2014), yaitu tipe kepemilikan perusahaan BUMN dan Swasta tidak memiliki pengaruh signifikan terhadap penetapan *fee audit*.

Hasil Penelitian ini tidak sesuai dengan hasil penelitian Ghosh (2010), yaitu indikasi koefisien pada perusahaan milik negara adalah negatif, sementara perusahaan asing adalah positif. *Fee audit* untuk perusahaan milik negara khususnya yang ditentukan oleh pemerintah biasanya dibawah harga pasar.

Pengaruh Ukuran Perusahaan Terhadap *Fee Audit*

Hasil diperoleh menyatakan bahwa Ukuran Perusahaan berpengaruh terhadap *Fee audit*.

Hasil penelitian ini sejalan dengan hasil penelitian Chandra (2015) yaitu ukuran perusahaan memiliki pengaruh yang signifikan terhadap *Fee audit*.

Pengaruh Ukuran Kantor Akuntan Publik Terhadap *Fee Audit*

Hasil pengolahan menyatakan bahwa Ukuran Kantor Akuntan Publik berpengaruh terhadap *Fee audit*

Hasil penelitian ini sejalan dengan hasil penelitian Caneghem (2009) yaitu Big4 menunjukkan korelasi positif yang sangat kuat dengan *audit Fee*.

Kesimpulan

Berdasarkan hasil pengujian hipotesis maka diperoleh kesimpulan sebagai berikut:

1. Independensi dewan komisaris berpengaruh positif dan signifikan terhadap *fee* audit pada perusahaan sektor *finance* yang terdaftar di Bursa Efek Indonesia periode 2012 -2016
2. Tipe kepemilikan perusahaan tidak berpengaruh terhadap *fee* audit pada perusahaan sektor *finance* yang terdaftar di Bursa Efek Indonesia periode 2012 – 2016
3. Ukuran perusahaan berpengaruh positif dan signifikan terhadap *fee* audit pada perusahaan sektor *finance* yang terdaftar di Bursa Efek Indonesia periode 2012 – 2016.
4. Ukuran kantor akuntan publik berpengaruh positif dan signifikan terhadap *fee* audit pada perusahaan sektor *finance* yang terdaftar di Bursa Efek Indonesia periode 2012 -2016.
5. Independensi dewan komisaris, tipe kepemilikan perusahaan, ukuran perusahaan, dan ukuran kantor akuntan publik berpengaruh secara simultan terhadap *fee* audit pada perusahaan sektor *finance* yang terdaftar di Bursa Efek Indonesia periode 2012 - 2016. Koefisien determinasinya adalah sebesar 86,9%

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FAKTOR AUDIT JUDGMENT: PENELITIAN PADA BADAN PENGAWASAN KEUANGAN DAN PEMBANGUNAN (BPKP) DI SUMATERA UTARA

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Abstrak

Audit Judgment merupakan kebijakan dimana seorang auditor menentukan pendapat mengenai hasil audit yang mengacu pada pembedaan suatu gagasan, atau pendapat atau perkiraan mengenai suatu objek. Variabel independen dalam penelitian ini adalah *locus of control internal*, kompleksitas tugas dan skeptisisme profesional. Tujuan dari penelitian ini adalah untuk menguji dan menganalisis apakah *locus of control internal*, kompleksitas tugas dan skeptisisme profesional berpengaruh terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) pada Sumatera Utara. Metode yang digunakan dalam penelitian ini adalah metode kuantitatif, jenis penelitian ini bersifat deskriptif kuantitatif, dan sifat penelitian ini bersifat *eksplanatory* atau korelasional. Penentuan sampel dalam penelitian ini menggunakan rumus *slovin* dengan menggunakan tahap kepercayaan 90% dan jumlah sampel sebanyak 55 pegawai dari 124 pegawai pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) pada Sumatera Utara. Hasil pada penelitian menunjukkan bahwa secara parsial *locus of control internal* dan skeptisisme profesional berpengaruh terhadap *audit judgment*, sedangkan kompleksitas tugas tidak berpengaruh terhadap *audit judgment*. Tetapi secara simultan *locus of control internal*, kompleksitas tugas dan skeptisisme profesional berpengaruh terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) pada

Provinsi Sumatera Utara. Secara kesimpulan, bahwasannya auditor Badan Pengawasan Keuangan dan Pembangunan (BPKP) pada Provinsi Sumatera Utara harus meningkatkan sikap skeptisisme untuk mengeluarkan pendapat audit.

Kata kunci: Locus of Control Internal, Kompleksitas Tugas, Skeptisisme Profesional dan Audit Judgment

Pendahuluan

Badan Pengawasan Keuangan dan Pembangunan (BPKP) adalah lembaga pemerintah nonkementerian Indonesia yang melaksanakan tugas pemerintahan di bidang pengawasan keuangan dan pembangunan yang berupa audit, konsultasi, asistensi, evaluasi, pemberantasan kolusi, korupsi, dan nepotisme (KKN) serta pendidikan dan pelatihan pengawasan sesuai dengan peraturan yang berlaku.

Auditor adalah salah satu profesi yang tugasnya melakukan pemeriksaan terhadap laporan keuangan sebuah entitas dan menarik kesimpulan atas kewajaran laporan keuangan. Untuk melaksanakan tugas tersebut dibutuhkan sebuah audit *judgement* dimana auditor mengumpulkan bukti-bukti terkait lalu mengkomunikasikan laporan temuan auditor dalam bentuk laporan audit. Audit *judgement* merupakan suatu pertimbangan yang mempengaruhi dokumentasi bukti dan keputusan pendapat yang dibuat oleh auditor. Karenanya *judgement* memberikan pengaruh positif terhadap pembuatan keputusan yang diambil.

Dalam melaksanakan pemeriksaan, auditor harus bersikap profesional pada tugasnya tersebut. Sebagai seorang profesional, auditor akan dituntut untuk berpegang pada tanggung jawab profesinya. Untuk itu auditor akan sangat berhati-hati sekali dalam melaksanakan tugas audit serta menetapkan *judgment* yang akan diberikannya.

Judgment sebagai proses kognitif yang merupakan perilaku pemilihan keputusan. Dalam membuat suatu *judgment*, auditor akan mengumpulkan berbagai bukti relevan dalam waktu yang berbeda dan kemudian mengintegrasikan informasi dari bukti-bukti tersebut. *Locus of Control Internal* diukur dengan kemampuan menyelesaikan tugas, penghargaan, keberuntungan dan koneksi, apabila seorang auditor dapat menyelesaikan tugasnya dengan benar dengan kata lain juga *judgment* yang dikeluarkan baik juga. Kompleksitas Tugas diukur dengan tingkat kertekaitan

tugas, ketergantungan penyelesaian antar tugas, tingkat pemahaman atas struktur tugas, tingkat kesabaran dalam penyelesaian tugas, tingkat keahlian yang dibutuhkan untuk menyelesaikan tugas dan tingkat ketergantungan tugas yang dilakukan dengan tugas auditor lainnya, *judgment* yang dikeluarkan apabila tingkat pemahaman struktur tugas kurang maka akan mengakibatkan *judgment* kurang bagus, dan skeptisisme profesional diukur dengan menyadari bahwa manajemen selalu bisa membuat kecurangan, sikap berfikir yang senantiasa mempertanyakan, waspada dan terapkan kehati-hatian, untuk membuat suatu *judgment* yang bagus hendaknya menerapkan kehati-hatian atau waspada pada bukti yang diberikan dari pihak manajemen ke auditor yang sedang melaksanakan tugas, karena apabila auditor yang kurang waspada maka dapat membuat *judgment* yang salah.

Berdasarkan fenomena diatas, peneliti tertarik untuk meneliti faktor-faktor yang mempengaruhi *audit judgment* dengan judul “**Pengaruh *Locus of Control Internal*, Kompleksitas Tugas dan Skeptisisme Profesional terhadap *Audit Judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) pada Sumatera Utara**”.

Landasan teori

Locus Of Control Internal

Menurut Robbins dan Judge (2008:138), *Locus of control internal* adalah individu – individu yang yakin bahwa mereka merupakan pemegang kendali atas apapun yang terjadi pada diri mereka.

Menurut Suhendi dan Anggara (2010:48), *Locus of control internal* merupakan kepribadian seseorang yang percaya bahwa dialah yang mengendalikan segala sesuatu yang terjadi pada dirinya.

Menurut Ariawati (2015), *Locus of control internal* merupakan individu dengan keyakinan bahwa jika mereka bekerja keras mereka akan berhasil, dan percaya bahwa orang yang gagal adalah karena kurangnya kemampuan atau motivasi.

Menurut Puspita (2017), Indikator *locus of control internal* antara lain :

1. Kemampuan menyelesaikan tugas.
2. Penghargaan.
3. Keberuntungan.

4. Koneksi.

Kompleksitas Tugas

Menurut Ruky (2011:60), Kompleksitas tugas dapat diartikan sebagai tingkat kesulitan dan variasi pekerjaan terutama dalam bentuk tekanan terhadap mental dan psikis orang yang melakukan pekerjaan.

Menurut Tielman dan Pamudji (2012), Kompleksitas tugas merupakan bentuk tugas yang kompleks, terdiri dari banyak bagian dan saling terkait satu sama lain.

Menurut Syafitri (2016), Indikator dari variabel kompleksitas tugas ini adalah:

1. Tingkat keterkaitan tugas.
2. Ketergantungan penyelesaian antar tugas.
3. Tingkat pemahaman atas struktur tugas.
4. Tingkat kesabaran dalam penyelesaian tugas.
5. Tingkat keahlian yang dibutuhkan untuk menyelesaikan tugas.
6. Tingkat ketergantungan tugas yang dilakukan dengan tugas auditor lainnya.

Skeptisisme Profesional

Menurut Theodorus (2013:321), Skeptisisme profesional adalah kewajiban auditor untuk menggunakan dan mempertahankan skeptisisme profesional, sepanjang periode penugasan.

Menurut Theodorus (2013:321) menyatakan bahwa skeptisisme diukur dengan:

1. Sadari, manajemen selalu bisa membuat kecurangan
 - a. Manajemen berada dalam posisi meniadakan (*override*) pengendalian intern yang baik.
 - b. Anggota tim audit harus mengesampingkan keyakinan/kepercayaan mereka bahwa manajemen jujur dan TCWG (*Those Charged With Governance*) jujur dan punya integritas, sekalipun pengalaman dalam audit yang lalu menunjukkan mereka jujur dan punya integritas.
2. Sikap berfikir yang senantiasa mempertanyakan
 - a. Buat penilaian krisis (*critical assesment*) tentang sah atau validnya bukti audit yang diperoleh.

3. Waspada

- a. Apakah bukti audit bertentangan dengan atau mempertanyakan keandalan?
- b. Dokumen dan tanggapan terhadap pertanyaan auditor?
- c. Semua informasi lain yang diperoleh dari manajemen atau TCWG (*Those Charged With Governance*)?

4. Terapkan kehati-hatian

Jangan :

- a. Abaikan/sepelekan situasi aneh/luar biasa.
- b. Menggeneralisasi kesimpulan mengenai pengamatan audit.
- c. Gunakan asumsi keliru dalam menentukan sifat, waktu pelaksanaan dan dalam mengevaluasi hasil/temuannya.
- d. Terima bukti audit yang kurang persuasive, dengan harapan atau kepercayaan manajemen dan TCWG (*Those Charged With Governance*) jujur dan punya integritas.
- e. Terima representasi dari manajemen sebagai substitusi/pengganti dari bukti audit yang cukup dan tepat yang seharusnya diperoleh.

Audit Judgment

Menurut Rai (2010:181), *Auditor judgment* merupakan pertimbangan professional auditor, juga merupakan faktor yang dominan dalam menetapkan tingkat materialitas atau tingkat pentingnya suatu permasalahan.

Menurut Yustrianthe (2012), *Audit Judgment* adalah kebijakan auditor dalam menentukan pendapat mengenai hasil audit yang mengacu pada pembentukan suatu gagasan, pendapat atau perkiraan mengenai suatu objek, peristiwa, status atau jenis peristiwa lain.

Menurut Puspita (2017), Indikator yang untuk mengukur *audit judgment* adalah:

1. Materialitas.
2. Risiko Audit.
3. Kelangsungan hidup suatu entitas.

Pengaruh *Locus of Control Internal* terhadap *Audit Judgment*

Menurut Raiyani (2014), Auditor yang memiliki *locus of control* baik dapat menghasilkan audit judgment yang baik, karena auditor tersebut dapat mengatasi stress kerja.

Menurut Ruhiya dan Sari (2017), Seorang auditor yang memiliki *locus of control* yang lebih baik dapat mengatasi stres dan lingkungan kerja yang lebih tinggi sehingga akan menghasilkan *judgment* yang lebih baik dan tepat, sedangkan auditor yang memiliki *locus of control* yang rendah akan cenderung menghasilkan *judgment* yang kurang tepat.

Pengaruh Kompleksitas Tugas terhadap *Audit Judgment*

Menurut Abdolmohammadi dan Wrigh (1987), Adanya kompleksitas tugas yang tinggi dapat merusak *judgment* yang dibuat oleh auditor.

Menurut Rahmawaty (2012), Menyatakan semakin besarnya kompleksitas tugas yang dihadapi oleh seorang auditor, maka semakin besar juga ketidakcermatan yang dihadapi auditor sehingga akan berdampak pada kesalahan dalam membuat *audit judgment*.

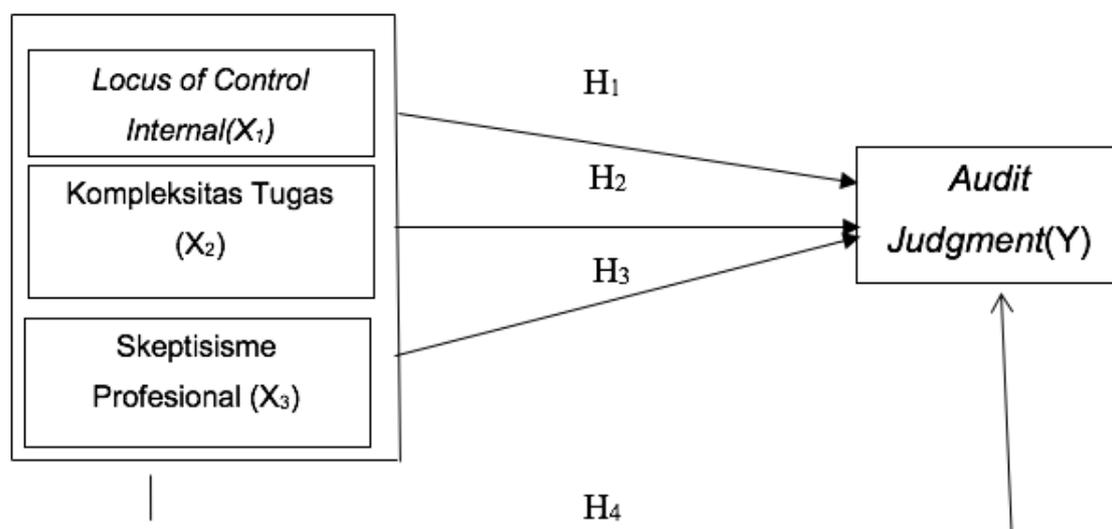
Pengaruh Skeptisisme Profesional terhadap *Audit Judgment*

Menurut Hurtt et al (2003), Semakin skeptis seorang auditor maka akan semakin mengurangi tingkat kesalahan dalam melakukan audit.

Menurut Merici (2013), Semakin tinggi tingkat skeptisisme seorang auditor dalam melakukan audit, maka diduga akan berpengaruh pada ketepatan pemberian opini auditor tersebut.

Kerangka Konseptual

Berdasarkan uraian yang telah ada sebelumnya, maka kerangka konseptual digambarkan sebagai berikut:



Kerangka Konseptual

Berdasarkan perumusan masalah awal dan kerangka konseptual yang telah diuraikan maka hipotesis dikembangkan dalam penelitian ini adalah sebagai berikut:

H_1 : *Locus of Control Internal* berpengaruh terhadap *Audit Judgment* di Badan Pengawasan Keuangan dan Pembangunan (BPKP) Pada Sumatera Utara

H_2 : *Kompleksitas Tugas* berpengaruh terhadap *Audit Judgment* di Badan Pengawasan Keuangan dan Pembangunan (BPKP) Pada Sumatera Utara.

H_3 : *Skeptisisme Profesional* berpengaruh terhadap *Audit Judgment* di Badan Pengawasan Keuangan dan Pembangunan (BPKP) Pada Sumatera Utara.

H_4 : *Locus of Control Internal*, *Kompleksitas Tugas* dan *Skeptisisme Profesional* berpengaruh terhadap *Audit Judgment* di Badan Pengawasan Keuangan dan Pembangunan (BPKP) Pada Sumatera Utara.

METODE PENELITIAN

Penelitian ini dilaksanakan di Badan Pengawasan Keuangan dan Pembangunan (BPKP) yang beralamat di Jalan Gatot Subroto KM 5.5, Simpang Tanjung. Medan Sunggal, Kota Medan, Sumatera Utara 20123, Indonesia. Sementara itu, waktu penelitian yang dilakukan oleh peneliti direncanakan pada bulan Februari 2018 sampai dengan bulan Desember 2018.

Pendekatan yang digunakan adalah pendekatan kuantitatif. Jenis penelitian yang digunakan adalah penelitian deskriptif. Sifat penelitian ini adalah deskriptif eksplanatori. Populasi dalam penelitian ini adalah auditor pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara dimana memiliki auditor yang aktif sebanyak 124 orang. Besarnya sampel dalam penelitian ini ditentukan dengan rumus *Slovin* sebagai berikut:

$$n = \frac{N}{1 + Ne^2}$$

Keterangan :

- n = Jumlah Sampel
 N = Jumlah Populasi atau anggota sampel 124
 E = Tingkat Kesalahan (10%)

(catatan: umumnya digunakan 1 % atau 0,01, 5 % atau 0,05, dan 10 % atau 0,1) (catatan dapat dipilih oleh peneliti). Populasi yang terdapat dalam penelitian ini berjumlah 164 orang dan presisi yang ditetapkan atau tingkat signifikansi 0,1, maka besarnya sampel pada penelitian ini adalah:

$$n = \frac{124}{1 + 124(0,1)^2} = 55.35$$

Jadi jumlah sampel yang digunakan dalam penelitian ini adalah 55 orang responden yang akan diberikan kuesioner.

Skala yang sering dipakai dalam penyusunan kuesioner adalah skala ordinal atau sering disebut sebagai skala likert, yaitu skala yang berisi lima tingkat preferensi jawaban dengan pilihan sebagai berikut :

- SS : Sangat Setuju (diberi skor 5)
 S : Setuju (diberi skor 4)
 KS : Kurang Setuju (diberi skor 3)
 TS : Tidak Setuju (diberi skor 2)

STS : Sangat Tidak Setuju(diberi skor 1)

Penelitian ini menggunakan uji validitas dan uji reliabilitas. Model penelitian ini menggunakan metode analisis linear berganda.

Uji Validitas Instrumen Variabel

Uji validitas dilakukan dengan bantuan aplikasi *Statistical Product and Service Solutions* (SPSS) dengan korelasi *bivariate* antara masing – masing skor indikator dengan skor total. Kriteria pengujian validitas suatu kuesioner adalah sebagai berikut:

1. Apabila koefisien korelasi (r hitung) bernilai positif dan r hitung > (lebih besar dari) r tabel, maka butir pernyataan tersebut valid.
2. Apabila koefisien korelasi (r hitung) bernilai negatif atau r hitung < (lebih kecil dari) r tabel, maka butir pernyataan tersebut tidak valid.

Hasil Uji Validitas Instrumen Variabel

Variabel	Pertanyaan	r hitung	r tabel	Keterangan
<i>Locus of Control Internal</i> (X ₁)	Pertanyaan 1	0,468	0,361	Valid
	Pertanyaan 2	0,482	0,361	Valid
	Pertanyaan 3	0,488	0,361	Valid
	Pertanyaan 4	0,483	0,361	Valid
	Pertanyaan 5	0,560	0,361	Valid
	Pertanyaan 6	0,637	0,361	Valid
	Pertanyaan 7	0,580	0,361	Valid
	Pertanyaan 8	0,556	0,361	Valid
Kompleksitas Tugas (X ₂)	Pertanyaan 1	0,552	0,361	Valid
	Pertanyaan 2	0,629	0,361	Valid
	Pertanyaan 3	0,588	0,361	Valid
	Pertanyaan 4	0,395	0,361	Valid
	Pertanyaan 5	0,530	0,361	Valid
	Pertanyaan 6	0,426	0,361	Valid
	Pertanyaan 7	0,548	0,361	Valid
	Pertanyaan 8	0,709	0,361	Valid
	Pertanyaan 9	0,597	0,361	Valid
	Pertanyaan 10	0,373	0,361	Valid
	Pertanyaan 11	0,684	0,361	Valid

	Pertanyaan 12	0,575	0,361	Valid
Skeptisisme Profesional (X ₃)	Pertanyaan 1	0,692	0,361	Valid
	Pertanyaan 2	0,606	0,361	Valid
	Pertanyaan 3	0,442	0,361	Valid
	Pertanyaan 4	0,512	0,361	Valid
	Pertanyaan 5	0,512	0,361	Valid
	Pertanyaan 6	0,643	0,361	Valid
	Pertanyaan 7	0,623	0,361	Valid
	Pertanyaan 8	0,626	0,361	Valid
Audit Judgment (Y)	Pertanyaan 1	0,407	0,361	Valid
	Pertanyaan 2	0,418	0,361	Valid
	Pertanyaan 3	0,519	0,361	Valid
	Pertanyaan 4	0,646	0,361	Valid
	Pertanyaan 5	0,615	0,361	Valid
	Pertanyaan 6	0,434	0,361	Valid

Sumber : Data Primer (diolah). 2018.

Berdasarkan tabel diatas, menunjukkan bahwa pertanyaan kuesioner pada variabel *locus of control internal* (X₁), kompleksitas tugas (X₂), skeptisisme profesional (X₃) dan *audit judgment* (Y) dikatakan valid karena telah terbukti bahwa r hitung > r tabel.

Uji Reliabilitas Instrumen Variabel

Uji reabilitas dilakukan dengan aplikasi *Statistical Product and Service Solutions* (SPSS). Reabilitas instrumen penelitian ini diuji dengan koefisien *cronbach's alpha*.

Kriteria pengujian reabilitas adalah sebagai berikut :

1. Apabila *cronbach's alpha* > 0,6 , maka instrumen penelitian dinyatakan handal atau reliabel.

2. Apabila *cronbach's alpha* < 0,6, maka instrumen penelitian dinyatakan tidak handal atau reliabel

Hasil Uji Reliabilitas Instrumen Variabel

Variabel	Reliability Coefficient	Cronbach Alpha	Keterangan
<i>Locus of Control Internal</i> (X ₁)	8 Pertanyaan	0,716	Reliabel
Kompleksitas Tugas (X ₂)	12 Pertanyaan	0,735	Reliabel
Skeptisisme Profesional (X ₃)	8 Pertanyaan	0,738	Reliabel
<i>Audit Judgment</i> (Y)	6 Pertanyaan	0,673	Reliabel

Sumber : Data primer (diolah). 2018.

Berdasarkan tabel diatas, menunjukan bahwa kuesioner pada variabel *locus of control internal* (X₁), kompleksitas tugas (X₂), skeptisisme profesional (X₃) dan *audit judgment* (Y) dikatakan reliabel karena telah terbukti bahwa *conbarch alpha* > 0,6.

Hasil Penelitian Dan Pembahasan

Analisis regresi linear berganda digunakan untuk memprediksi perubahan (naik-turunnya) variabel dependen yang dijelaskan/dihubungkan oleh dua atau lebih variabel independen sebagai faktor prediktor yang dimanipulasi dan untuk mengetahui ada tidaknya pengaruh antara variabel independen terhadap variabel dependen.

Tabel 1
Analisis Regresi Linear Berganda
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
1	(Constant)	15.937	6.117		2.606
	LOCUS_OF_CONTROL_INTERNAL	-.191	.087	-.279	-2.201
	KOMPLEKSITAS_TUGAS	.078	.072	.143	1.082
	SKEPTISISME_PROFESIONAL	.276	.102	.356	2.695

Sumber : Data primer (diolah). 2018.

Persamaan regresi linear berganda yang diperoleh yaitu:

$$Y = 15.937 - 0.191X_1 + 0.078X_2 + 0.276X_3$$

Keterangan :

Y : *Audit Judgment*

X₁ : *Locus of Control Internal*

X₂ : Kompleksitas Tugas

X₃ : Skeptisisme Profesional

Penjelasan dari nilai persamaan regresi linear berganda ini adalah:

1. Nilai konstanta a sebesar 15.937 artinya bahwa jika *audit judgment* terhadap variabel *locus of control internal* (X₁), kompleksitas tugas (X₂) dan skeptisisme

profesional (X_3) yang diteliti konstan, maka *audit judgment* (Y) mengalami kenaikan sebesar 15.937.

2. Nilai -0.191 artinya setiap peningkatan satu-satuan variabel *locus of control internal* (X_1) auditor mengalami kenaikan sebesar 1 satuan, maka nilai *audit judgment* (Y) akan mengalami penurunan sebesar -0.191.
3. Nilai 0.078 artinya setiap peningkatan satu-satuan variabel kompleksitas tugas (X_2) auditor mengalami kenaikan sebesar 1 satuan, maka nilai *audit judgment* (Y) akan mengalami kenaikan sebesar 0.078.
4. Nilai 0.276 artinya setiap peningkatan satu-satuan variabel skeptisisme profesional (X_3) auditor mengalami kenaikan sebesar 1 satuan, maka nilai *audit judgment* (Y) akan mengalami kenaikan sebesar 0.276.

Tabel 2
Uji Koefisien Determinasi
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.436 ^a	.190	.143	2.689

Sumber : Data primer (diolah). 2018.

Dari Tabel 2 diketahui nilai *R Square* yang diperoleh adalah 0.190, yang berarti 19% variabel *audit judgment* dipengaruhi oleh *locus of control internal*, kompleksitas tugas dan skeptisisme profesional sedangkan sisanya sebesar 81% dijelaskan oleh pengaruh faktor lain atau variabel di luar variabel yang dibahas.

Tabel 3
Uji F
ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	86.732	3	28.911	4.000	.012 ^a
	Residual	368.650	51	7.228		
	Total	455.382	54			

Sumber : Data primer (diolah). 2018.

Dari Tabel 3 diketahui nilai F_{hitung} sebesar 4.000 dengan tingkat signifikan 0.012. Berdasarkan nilai F_{tabel} yaitu 2.790 dengan sampel 55 orang. Oleh karena nilai F_{hitung} lebih kecil dari nilai F_{tabel} maka kriterianya adalah menerima H_1 dan menolak H_0 sehingga dapat dinyatakan secara simultan variabel *locus of control*, kompleksitas tugas, dan skeptisisme profesional berpengaruh dan tidak signifikan terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara.

Dari Tabel 4 diketahui nilai t_{hitung} untuk variabel *locus of control* adalah -2.201. Dengan sampel sebesar 55 dan taraf sig $\alpha = 5\%$ maka nilai t_{tabel} adalah sebesar 2.00758. Oleh karena nilai t_{hitung} lebih besar dari nilai t_{tabel} maka kriterianya adalah H_1 diterima sehingga dapat dinyatakan secara parsial variabel *locus of control internal* berpengaruh negatif dan signifikan terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara.

Nilai t_{hitung} untuk variabel kompleksitas tugas adalah 1.082. Dengan sampel sebesar 55 dan taraf sig $\alpha = 5\%$ maka nilai t_{tabel} adalah sebesar 2.00758. Oleh karena nilai t_{hitung} lebih kecil dari nilai t_{tabel} maka kriterianya adalah H_1 ditolak sehingga dapat dinyatakan secara parsial variabel kompleksitas tugas berpengaruh positif dan tidak signifikan terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara.

Nilai t_{hitung} untuk variabel *locus of control* adalah 2.695. Dengan sampel sebesar 55 dan taraf sig $\alpha = 5\%$ maka nilai t_{tabel} adalah sebesar 2.00758. Oleh karena nilai t_{hitung} lebih besar dari nilai t_{tabel} maka kriterianya adalah H_1 diterima sehingga dapat dinyatakan secara parsial variabel skeptisisme profesional berpengaruh positif dan signifikan terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara.

Pengaruh *Locus of Control Internal* terhadap *Audit Judgment*

Dari hasil uji t, diperoleh bahwa *locus of control internal* secara parsial berpengaruh terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara. Hal ini dapat dibuktikan dari perolehan nilai t_{hitung} untuk variabel *locus of control internal* -2.201 yang lebih besar dari nilai t_{tabel} sebesar 2.00758. Dari hasil uji t juga menunjukkan bahwa hipotesis yang diajukan adalah benar dan menunjukkan pengaruh negatif dan signifikan terhadap *audit judgment*.

Permasalahan tentang *locus of control internal* di latar belakang adalah kurangnya aktivitas yang diberikan dari lingkungan sehingga tidak dapat memegang kendali atas diri mereka sendiri pada kasus tersebut.

Berdasarkan 8 pertanyaan yang diajukan ke sampel penelitian, mayoritas responden menjawab dengan nilai dominan 4. Adapun dari hasil kuesioner diperoleh bahwa 6 pertanyaan yang diajukan sesuai dengan permasalahan dan 2 pertanyaan lainnya tidak sesuai dengan permasalahan di latar belakang.

Berdasarkan pembahasan masalah secara keseluruhan, Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara diharapkan lebih memperhatikan *locus of control internal* yang terjadi pada auditor. Adanya diberikan lebih kebebasan dalam menyelesaikan tugas sehingga tidak menimbulkan stress kerja.

Pengaruh Kompleksitas Tugas terhadap *Audit Judgment*

Dari hasil uji t, diperoleh bahwa kompleksitas tugas secara parsial tidak berpengaruh terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara. Hal ini dapat dibuktikan dari perolehan nilai t_{hitung}

untuk variabel kompleksitas tugas -0,362 yang lebih kecil dari nilai t_{tabel} sebesar 2.00758. Dari hasil uji t juga menunjukkan bahwa hipotesis yang diajukan adalah benar dan menunjukkan pengaruh negatif dan tidak signifikan terhadap *audit judgment*.

Permasalahan tentang kompleksitas tugas di latar belakang adalah kurangnya anggota dalam auditor sehingga terjadinya kesalahan hitungan data. Hal ini menyebabkan berbagai permasalahan dalam pekerjaan dan membuat pekerjaan menjadi selalu memiliki kendala. Pada akhirnya banyak pekerjaan menjadi terganggu penyelesaiannya dan mempengaruhi hasil kerja auditor di dalam bekerja di perusahaan.

Berdasarkan 12 pertanyaan yang diajukan ke sampel penelitian, mayoritas responden menjawab dengan nilai dominan 4. Adapun dari hasil kuesioner diperoleh bahwa 8 pertanyaan yang diajukan sesuai dengan permasalahan dan 4 pertanyaan lainnya tidak sesuai dengan permasalahan di latar belakang.

Berdasarkan pembahasan masalah secara keseluruhan, Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara diharapkan lebih memperhatikan adanya kompleksitas tugas yang terjadi pada auditor. Pihak Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara harusnya lebih terstruktur agar bukti yang diterima oleh auditor tidak terabaikan.

Pengaruh Skeptisisme Profesional terhadap *Audit Judgment*

Dari hasil uji t, diperoleh bahwa skeptisisme profesional secara parsial tidak berpengaruh terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara. Hal ini dapat dibuktikan dari perolehan nilai t_{hitung} untuk variabel kompleksitas tugas -0,243 yang lebih kecil dari nilai t_{tabel} sebesar 2.00758. Dari hasil uji t juga menunjukkan bahwa hipotesis yang diajukan adalah benar dan menunjukkan pengaruh negatif dan tidak signifikan terhadap *audit judgment*.

Permasalahan tentang skeptisisme profesional di latar belakang adalah auditor merasa puas dengan bukti yang diberikan oleh pihak manajemen untuk disajikan. Hal

ini menyebabkan berbagai permasalahan dalam pekerjaan dan membuat pekerjaan menjadi selalu memiliki kendala. Pada akhirnya banyak pekerjaan menjadi terganggu penyelesaiannya dan mempengaruhi hasil audit di perusahaan.

Berdasarkan 8 pertanyaan yang diajukan ke sampel penelitian, mayoritas responden menjawab dengan nilai dominan 4. Adapun dari hasil kuesioner diperoleh bahwa 6 pertanyaan yang diajukan sesuai dengan permasalahan dan 2 pertanyaan lainnya tidak sesuai dengan permasalahan di latar belakang. Berdasarkan pembahasan masalah secara keseluruhan, diharapkan auditor dari pihak Badan Pengawas Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara jangan merasa puas atas data atau dokumen yang diberikan dari pihak manajemen. Dengan skeptisisme profesional yang sesuai diharapkan hasil kerja auditor diharapkan akan lebih baik lagi ke depannya.

Kesimpulan & Saran

Dari hasil penelitian dan pembahasan, maka dapat ditarik kesimpulan sebagai berikut:

1. Variabel *locus of control internal* secara parsial berpengaruh positif dan tidak signifikan terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara
2. Variabel kompleksitas tugas secara parsial berpengaruh negatif dan tidak signifikan terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara
3. Variabel skeptisisme profesional secara simultan berpengaruh negatif dan tidak signifikan terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara
4. Variabel *locus of control internal*, kompleksitas tugas dan skeptisisme profesional secara simultan berpengaruh positif dan tidak signifikan terhadap *audit judgment* pada Badan Pengawasan Keuangan dan Pembangunan (BPKP) Provinsi Sumatera Utara

Berdasarkan kesimpulan sebelumnya, maka peneliti menyarankan bahwa auditor BPKP perlu memperhatikan *locus of control internal* dilingkungannya. *Locus of Control Internal* yang bersifat positif akan mampu meningkatkan *audit judgment*.

Peneliti berharap agar hasil penelitian ini dapat menjadi bahan studi kepustakaan, pembelajaran dan memperkaya penelitian ilmiah mengenai *audit judgment*. Bagi peneliti selanjutnya disarankan untuk mengamati variabel lainnya yang dapat mempengaruhi *audit judgment*, seperti pengalaman, tekanan ketaatan, gender, dan sebagainya.

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FACTORS AFFECTING IN AUDIT DELAY : A STUDY FROM MINING COMPANIES IN INDONESIA

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Abstract

Audit delay is a time span of completion of the audit report which is measured from completion of a financial report until the time the audit report is published. This study aims to examine and analyze the influence of firm size, profit/loss, company subsidiary in audit delay in mining companies in stock Indonesia Exchange period 2014 - 2017. The research method is used in this study is "explanatory." Research population has been 41 companies and purposive sampling technique so that the sample used in this study total about 34 companies. This study result show simultaneously firm size, profit/loss, company subsidiary take effect to audit delay an mining companies registered in Indonesia stock exchange period 2014-2017 partially the firm size doesn't the audit delay while profit/loss, company subsidiary take effect to audit delay in mining companies registered in Indonesia companies stock exchange in 2014-2017. In conclusion, audit reports have to be finished completely and on time to reduce delay in an issuing of audit reports which been determined in Badan Pengawasan Pasar Modal & Lembaga Keuangan (BAPEPAM-LK).

Keywords: Firm Size, profit/loss, subsidiary and audit delay

Introduction

According to the Indonesian Institute of Accountants, if there are undue delays in reporting, the information produced will lose its relevance. Management may need to balance the relative benefits between timely reporting and reliable information provisions.

This explains the importance of (reliable) relevance and reliability of accounting information that cannot be obtained without timeliness. This delay is called audit report lag or audit delay. To avoid delays, the auditor must be able to estimate the time of audit completion in order to publish in a timely manner. Delay in information will cause a negative reaction from capital market players, because in audited financial statements contain important information such as profits generated by the company concerned as one the basis for making decisions to buy or sell ownership held by investors. Many factors can affect audit delay in a company, including the size of the company (firm size) shows the size or smallness of a company. The size of the company can also affect the length of the audit process. Larger companies are considered to have better internal controls that will facilitate the auditor and can reduce auditor errors in working on audit reports. Larger companies also show how much the company is developing over time and are considered to have an audit process that is more effective and more organized than smaller companies.

The second factor that is expected to influence audit delay in a company is that the income statement is assessed to affect the length of the audit process. Companies that earn large profits tend to be faster in publishing financial reports to the public because companies that large profits are more interested and more trusted by the public to invest capital. Conversely, companies that get losses will try to slow down the issuance of financial statements to the public because the company is considered to be unable to carry out good management and return capital in the form of dividends to investors. The last factor that is expected to affect audit delay is that the subsidiary is also considered to affect the length of time the company publishes the audit report because the company must immediately prepare financial statements after the accounting period ends for consolidation purposes to combine the parent company's financial statements with the financial statements of all entities child. Thus the increasing number of subsidiaries can cause the possibility of late submission of financial statements to the parent company.

Literature Review

Firm Size

According to Muhammad and Suzan (2016), company size is the size of a company which is measured by the amount of total assets or wealth owned by a company. The greater the value of these items, the greater the size of the company. Company size can be measured using total assets, market capitalization, and total sales.

According to Sunyoto (2013: 116), total assets show wealth owned by the company, so the size of the company can be seen in total assets. Companies that have large total assets indicate that the company has reached maturity (maturity), which means that the cash needs to invest have been reduced, allowing the company to share a large dividend of shareholders, resulting in the company's shares have a high attractiveness so that the return it tends to be high.

Profit / Loss

According to Hery (2015: 50), net profit or loss gives users of financial statements a summary measure of overall company performance during the current period (which includes the main activity and secondary activities), and after calculating the amount of income tax.

According to Sinaga (2014: 65), net income for a certain period of time has the effect of increasing the owner's equity (capital) in that period, and vice versa, if a net loss occurs it will reduce the owner's equity (capital) in the period.

Subsidiary

According to Subramanyam and John J. Wild (2012: 329-330), ownership of more than 50% is referred to as controlling interests where investors are referred to as holding companies and companies invested as subsidiaries. . For ownership of more than 50% the company must prepare consolidated financial statements

According to Karyawati (2011: 30), the controlling entity is called the parent entity while the controlled entity is called a subsidiary. This control will lead to what is called the parent-child entity relationship.

Because the entities that join the control continue to operate independently, the Financial Accounting Standard (SAK) requires the preparation of a joint financial

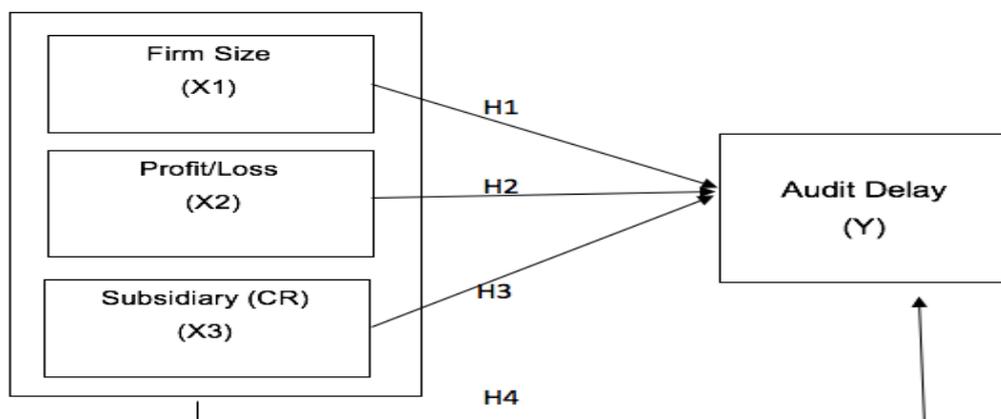
statement, which in accounting terms is called a consolidated financial statement. These consolidated financial statements must be prepared by the parent or highest controlling entity in one business group (group).

Audit Delay

According to Kartika (2011), audit delay is the length or time period of audit completion measured from the closing date of the financial year to the date of the issuance of the audit report. Audit delay is what can affect the accuracy of information published, so that it will affect the level of uncertainty of decisions based on published information. According to Ariyani and Budiarta (2014), delays in financial statements are associated with financial difficulties, the existence of contracts in the process and business management to avoid investigations and distrust of investors. The timeliness of preparing or reporting a company's financial statements can affect the value of the financial statements. So that the longer the audit delay, the longer the auditor completes his task.

Theoretical Framework

To facilitate analysis in this study, a conceptual framework or research model is needed as follows:



Population and Sampling

The population to be used in this study are mining companies listed on the Indonesia Stock Exchange from 2014-2017, which amounted to 41 companies. The research approach used is Quantitative Research. The nature of this research is explanatory research.

Result

The research model used in this study is multiple linear analysis to determine the effect linearly between two or more independent variables with one dependent variable. The results of multiple linear analyses can be seen in the table below as follows:

Table 1
Regression Equation

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	16,351	6,029		2,712	,008
1 SQRT_FIRM SIZE	-1,491	1,167	-,130	-1,278	,204
SQRT_PROFIT/LOSS	-1,102	,279	-,326	-3,951	,000
SQRT_SUBSIDIARY	,499	,148	,327	3,366	,001

a. Dependent Variable: SQRT_AUDITDELAY

The equation of multiple linear regression in this study based on table 1 above is as follows:

$$\text{SQRT_DELAY} = 16,351 - 1,491 \text{ SQRT_LNASET} - 1,102 \text{ SQRT_PROFIT/LOSS} + 0,499 \text{ SQRT_SUBSIDIARY}$$

The interpretation results from table 1 regression are as follows:

- A value of 16.351 means that if the firm size (X1), company profit (X2), and subsidiary (X3) variables are considered constant, audit delay (Y) in mining companies listed on the Indonesia Stock Exchange in 2014-2017 is 16,351.
- The coefficient of firm size (X1) is -1,491. This shows that every increase in firm size once, then the audit delay will decrease by 1,491.
- The company's coefficient of profit and loss (X2) is -1.102. This shows that every time the increase in a company's profit and loss, the audit delay will decrease by 1,102.
- The subsidiary coefficient value (X3) is 0.499. This shows that each subsidiary increase once, the audit delay will increase by 0.499.

Determination Coefficient of Hypothesis

The coefficient of determination is used to measure how much influence firm size (X1), profit/loss(X2), and subsidiaries (X3) have on audit delay (Y) in mining companies listed on the Indonesia Stock Exchange in 2014-2017. The calculation results can be seen in the table below :

Table 2

Determination Coefficient Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,446 ^a	,199	,180	1,43685

a. Predictors: (Constant), SQRT_SUBSIDIARY, SQRT_LABARUGI, SQRT_UKURANPERUSAHAAN

b. Dependent Variable: SQRT_AUDITDELAY

Based on table 2 shows the value of Adjusted R Square of 0.180, which indicates that the three independent variables, namely firm size, profit and loss of the company, and subsidiary companies only explain the dependent variable is audit delay of 18%, while the remaining 82% is influenced by other factors outside the variable this, like the size of KAP, solvency, profitability.

Simultaneous Hypothesis Testing (Test F)

The F test aims to test whether all independent variables have a joint influence on the dependent variable. The test results can be seen in the following table 3:

Table 3

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	67,564	3	22,521	10,909	,000 ^b
1 Residual	272,517	132	2,065		
Total	340,082	135			

a. Dependent Variable: SQRT_AUDITDELAY

b. Predictors: (Constant), SQRT_SUBSIDIARY, SQRT_PROFIT/LOSS, SQRT_SUBSIDIARY

Based on table 3 shows the values for statistics, where Fhitung is 10.909 and Ftable is calculated by $(n-k)$. At the free degree 1 $(df1) = k - 1 = 4-1 = 3$, and the free degree 2 $(df2) = n-k = 136 - 4 = 132$, where n = number of samples, k = number of variables, then the value of f table in confidence level of significance of 0.05 got a result of 2.67. Therefore, the value of $10.909 > 2.67$ then H_0 is rejected, and H_A is accepted, which means that the variable firm size (X1), corporate income (X2), and subsidiary company (X3) simultaneously affect audit delay (Y) in the company mining listed on the Indonesia Stock Exchange in 2014-2017.

Partial Hypothesis Testing (t test)

The t test is used to show the effect of one independent variable individually on the dependent variable. The test results can be seen in the following table:

Table 4

Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

	B	Std. Error	Beta		
(Constant)	16,351	6,029		2,712	,008
SQRT_UKURANPERUSAHAAN	-1,491	1,167	-,130	-1,278	,204
SQRT_LABARUGI	-1,102	,279	-,326	-3,951	,000
SQRT_SUBSIDIARY	,499	,148	,327	3,366	,001

a. Dependent Variable: SQRT_AUDITDELAY

Based on table 4 shows the value of t table for probability is 0.05, the 2-way significance at the free degree = 132 is equal to 1.97810. Thus the results of the t test can be explained as follows:

1. The results of the test t (partial) firm size (X1) obtained a value of t count = -1,278 and t table = 1, 97810, with a significant value of 0.204. Because thitung (-1,278) <ttable (1,97810) or -thitung (1,278) <-ttable (-1,97810) and significant value 0,204 > 0,05, thus the results of the HA study are rejected, and H0 is accepted which means partially the firm size has no effect and is not significant for audit delay in mining companies listed on the Indonesia Stock Exchange in 2014-2017.

2. The results of the t (partial) test of the company's profit and loss (X2) obtained a value of t = = 3.951 and t table = 1.97810, with a significant value of 0,000. Because thitung (-3,951) <t table (1,97810) and significant value 0,000 <0,05, thus the results of the study Ho are rejected and HA is accepted which means that it has a negative and significant effect on audit delay in mining companies listed on the Indonesia Stock Exchange 2014-2017.

3. The results of the partial (t) test of the subsidiary company (X3) obtained the value of thitung = 3.366 and t table = 1.97810, with a significant value of 0.001. Because thitung (3.366) > t table (1.97810) and significant value 0.001 <0.05, then the results of the study Ho are rejected and HA is accepted which means a positive and significant effect on audit delay in mining companies listed on the Indonesia Stock Exchange in the year 2014-2017.

Effect of Firm Size on Audit Delay

The test results obtained by the data t -hitung (1,278) $<$ - t table (-1,97810) and a significant value of 0,204 $>$ 0,05 indicate that partially firm size has no effect and is not significant to audit delay in mining companies listed on the Indonesia Stock Exchange in the year 2014-2017. The results of this test are not in accordance with the hypothesis which states that the firm size affects audit delay. The results of this study are in line with previous research Apriani and Rahmanto (2017) entitled "Analysis of the Effectiveness of Profitability, Company Size, and Size of Public Accountant Firm (KAP) Against Audit Delay in Mining Companies for the Period 2010-2014" which states that firm size has no effect on audit delay. The test results reject the hypothesis which states that the smaller the company will extend the audit delay. The results of this study are also in line with the theory of Barkah and Pramono (2016) entitled "The Effect of Company Size, Profitability, and Solvability on Audit Delay on Manufacturing Companies Listed on the Stock Exchange Period 2010-2012" which states that firm size has a significant effect on audit delay . This is because every company is always supervised by investors, regulators, and other parties who use financial statements, so that each company has the same pressure on the submission of financial statements and also regardless of the number of assets owned by the company will be examined in a way that the same as in the procedures in the financial statement audit. Based on the results of this study, the researchers concluded that the increase or decrease in firm size did not affect audit delay in mining listed on the Indonesia Stock Exchange in 2014-2017.

Effect of Company Profit Loss on Audit Delay

The results of testing the data obtained t hitung (-3,951) $<$ t table (1,97810) and a significant value of 0,000 $<$ 0,05 indicate that partially the company's income statement has a negative and significant effect on audit delay in mining companies listed on the Indonesia Stock Exchange in 2014- 2017. The results of this study are not in line with previous research by Indriyani and Supriyati (2012) entitled "Factors Affecting the Audit Report Lag of Manufacturing Companies in Indonesia and Malaysia" which stated that the profit and loss of companies in Indonesia and Malaysia had no effect on audit report lag.

But the results of this study are in line with the research theories of Megayanti and Budiarta (2016) entitled "The Effect of Auditor Substitution, Company Size, and Company Types on Lag Report Audit" which states that profit and loss negatively affects audit report lag. Companies tend not to delay the publication of good news such as high profits. Instead companies tend to postpone the time of publishing bad news such as losses. The auditor will be careful during the audit process in response to the company's loss whether the loss is caused by financial failure or management fraud. Based on the results of this study, the researchers concluded that the increase or decrease in the company's profit and loss affected audit delay in mining companies listed on the Indonesia Stock Exchange in 2014-2017.

Effect of Company Subsidiaries on Audit Delay

The results of testing the data obtained $t_{hitung} (3.366) > t_{table} (1.97810)$ and a significant value of $0.001 < 0.05$ indicates that partially subsidiary companies have a positive and significant effect on audit delay in mining companies listed on the Indonesia Stock Exchange in 2014-2017. The results of this study are in line with the hypothesis that the subsidiary companies influence audit delay. The results of this study are not in line with the research of Puspitasari and Latrini (2014) entitled "The Effect of Firm Size, Subsidiaries, Leverage, and KAP Size Against Audit Delay" which states that subsidiaries have no effect on audit delay in companies listed on the Indonesia Stock Exchange in 2009-2011.

The results of this study are in line with the theory of Kennedy et al (2012) entitled "Determinants of Audit Delay in Nigerian Companies: Empirical Evidence" that companies with multinational connections (multinational subsidiaries) tend to complete their audits faster.

Subsidiaries must immediately prepare their accounts after the year and accounting period ends for consolidation purposes. So it is very important for the multinational subsidiary to prepare and complete the audit as soon as possible. Based on the results of this study, the researchers concluded that the increase or decrease in subsidiary companies affect audit delay in mining companies listed on the Indonesia Stock Exchange in 2014-2017.

Effect of Firm Size, Company Profit, and Company Subsidiaries on Audit Delay

The results of testing the data obtained $F_{hitung} (10.909) > F_{table} (2.67)$ thus H_4 which states the firm size, profit and loss of the company, and subsidiaries simultaneously influence the audit delay in mining companies listed on the Indonesia Stock Exchange in 2014-2017 can be accepted.

The size of the firm size, profit and loss of the company, and the subsidiary of the audit delay is 18% when viewed from the coefficient of determination. This means that the audit delay variable is influenced by other factors outside the variables studied at 82%.

Conclusion & Implication

Based on the results of the study, conclusions can be drawn as follows:

1. Partially firm size variables have no effect and are not significant for audit delay in mining companies listed on the Indonesia Stock Exchange in 2014-2017 with a significant value of $0.204 > 0.05$.
2. Partially the company's profit and loss variables have a negative and significant effect on audit delay in mining companies listed on the Indonesia Stock Exchange in 2014-2017 with a significant value of $0,000 < 0,05$.
3. Partially the subsidiary variables of the company have a positive and significant effect on audit delay in mining companies listed on the Indonesia Stock Exchange in 2014-2017 with a significant value of $0.001 < 0.05$.
4. Variable firm size, profit and loss of the company, and subsidiary companies simultaneously influence the audit delay with a significant value of $0,000 < 0,05$ and have a coefficient of determination which explains about the dependent variable by 18%.

Based on the results of the research conducted, there are several suggestions that can be considered by various parties :

1. For auditors, to be able to complete audit reports in a timely manner in accordance with the time determined by BAPEPAM and can maintain and improve audit performance.
2. For companies, to publish financial statements in a timely manner in accordance with a predetermined time, and to issue a complete report and not violate the regulations set by BAPEPAM and the Indonesia Stock Exchange.
3. For further researchers, it is recommended to use this study as a reference and examine other factors that influence the variables in this study.

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VARIABLES AFFECTING ON CAPITAL STRUCTURE : A STUDY FROM COMPANIES IN INDONESIA

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Abstract

The objective of the study is to examine and analyze the variables affecting on capital structure in companies incorporated in the LQ45 Index listed on the Indonesia Stock Exchange in the period of 2012-2016. The capital structure is a combination of own capital and long-term debt that is usually calculated based on various funding sources. This research approach is a quantitative approach. This type of research is descriptive statistics. The nature of this research is explanatory. The research populations were LQ45 companies listed in the Indonesia Stock Exchange in the period of 2012-2016 totalling 45 companies. The research samples were purposive sampling that there were 18 companies that met the criteria to be used as research samples. Partially, dividend and operating leverage policies affect the capital structure, while the business risk partially does not have any effect on capital structure. Business risk will make it difficult for companies to carry out external funding, so the theory will negatively affect company leverage. In a business, capital structure is an important thing that needs to be considered to build and develop a business.

Keywords: Dividend Policy, Business Risk, Operating Leverage, Capital Structure.

Introduction

The LQ45 index is made and published by the Indonesia Stock Exchange (IDX). This index consists of 45 stocks with high liquidity (liquid) selected through several selection criteria. The LQ45 index is one of the stock index indicators on the IDX that can be used as a reference as a material to assess the performance of stock trading. Among stocks in the Indonesian capital market, LQ45 shares on the Indonesia Stock

Exchange (IDX) are widely requested by investors. This is because LQ45 shares have high capitalization and high trading frequency so that the prospects for growth and stock financial conditions are good. Shareholders (investors) in making investments need some important information about the company. This is useful for shareholders (investors) to predict the extent to which the company's achievements of the shares to be selected and the optimal benefits obtained. In addition, this information helps investors to minimize risk in decision making. Whereas to get the desired income, an investor needs to make an assessment of the company's financial performance before making a decision to invest their capital. One of the assessed financial performance is the financial aspect of the company. And this financial performance can be known from the financial statements published by the company. Capital structure is a source of corporate funds consisting of long-term debt and own capital that is used to finance all needs in the company's operations. Determination of capital structure will result between risk, return and calculation of fixed costs. Dividend policy is an integral part of the overall process in the company. Dividend policy cannot stand alone, but must be harmonized with other things that will be directly or indirectly affected. Dividend policy is a management decision on the distribution of dividends to investors in cash dividends or retained earnings. The purpose of the announcement of dividends is to notify and maintain the trust of investors and creditors in investing their capital. Companies must think about business risks that will be faced in the future. If the company dares to open a business, the company must also be brave in taking all the risks, one of which is debt. Using a larger amount of debt will increase the risk borne by shareholders, but using more debt will generally increase the estimated return on equity. Therefore, companies that have developed must be able to minimize business risks as well as possible. Operating leverage arises when the company in its operations uses fixed assets. The use of fixed assets will cause a fixed burden of depreciation. Companies that have a high Operating Leverage, break event point (BEP) will be achieved at a relatively high level of sales, and the impact of changes in the level of sales to profits will be even greater if the Operating Leverage is getting higher. If a company needs funds in a large amount of debt it will increase the risk of the company increasing the costs of debt and equity.

Therefore, capital structure is part of investment decisions for companies. In this study we will discuss several factors that influence the company's capital structure including dividend policy, business risk and operating leverage. Development of price per share, total equity, EBIT and total debt in several textile and garment industry companies. By using the company's financial statement data, the researcher is interested in conducting research with the title "The Effect of Dividend Policy, Business Risk and Operating Leverage on Capital Structure in Companies Incorporated in the LQ45 Index listed on the Indonesia Stock Exchange for the 2012-2016 period". The results of this study are expected to be used as a reference in conducting further research related to the effect of dividend policy, business risk and operating leverage on capital structure.

Literature Review

Dividend Policy

Dividend policy is a decision whether the profits obtained by the company will be distributed to shareholders as dividends or will be held in the form of retained earnings for future investment financing (Sartono, 2010: 281). Changes in dividend policy will increase or decrease stock prices only if this is interpreted as a change in the company's prospects. Because stock prices are influenced by, among others, company prospects, then if the company's prospects are expected to increase or decrease then the stock price will rise or fall (Sjahrial, 2008: 316).

Dividend policy serves to avoid a positive reduction in the project's Net Present Value (NPV) to pay dividends, avoid reducing dividend payments, avoid the desire to sell shares, maintain a target debt and equity ratio, maintain a target ratio of dividend payments. According to Fahmi (2015: 84), the dividend payout ratio formula or dividend payment is:

$$\text{DPR} = \frac{\text{Dividen per share}}{\text{Earning per share}}$$

Business Risk

Business risk is an uncertainty in the estimates of the company's operating income in the future. Business risk represents the level of risk from future company operations that do not use debt (Ambarwati, 2010: 4). Business risk is the risk level of a company's assets if the company does not use debt. However, using more debt in general and increasing estimates of returns on equity (Brigham and Houston, 2011: 157).

According to Ambarwati (2010: 4), business risk is measured by the standard deviation of return on equity (ROE). ROE formula :

$$\text{ROE} = \frac{\text{Earning After Tax}}{\text{Modal Sendiri (equity)}}$$

Operating Leverage

Operating Leverage is the extent to which fixed costs are used in the operations of a company (Brigham, 2011: 160). Operating leverage arises from the use of fixed costs from the results of fixed assets investment activities, which are related to production activities to support the company's operations (Harmono, 2015: 179). The benefits of Operating leverage are to measure operational risk and increase compared to operational fixed costs (Tampubolon, 2013: 52). According to Sudana (2011: 160), the size of the Operating Leverage is measured by degree of operating leverage (DOL), which is measured by the formula:

$$\text{DOL} = \frac{\% \text{EBIT}}{\% \text{Sales}}$$

Capital Structure

Capital structure is a specific combination between long-term debt and equity used by companies in financing their companies (Setia, 2015: 245). A company in meeting its funding needs prioritizing fulfillment with sources from within the company will greatly reduce its dependence on external parties. If the funding needs have increased because the growth of the company and funds from internal sources have been used

by all, then there is no other choice but to use funds from outside the company (Riyanto, 2008: 293).

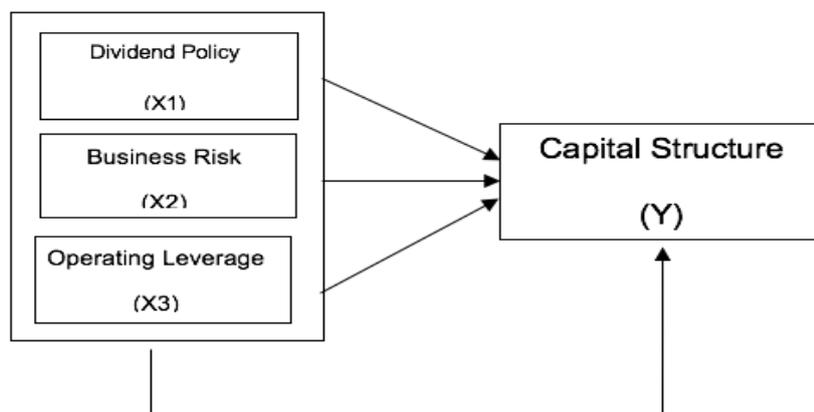
According to Fahmi (2012: 190), the capital structure aims to integrate the sources of permanent funds which are then used by companies in ways that are expected to be able to maximize the value of the company. For a company it is very important to strengthen its financial stability, because changes in the capital structure are thought to cause changes in the value of the company. According to Fahmi (2015: 187), the capital structure calculation formula is as follows :

$$\text{DER} = \frac{\text{Total Liabilities}}{\text{Stockholder Equity}}$$

Theoretical Framework

According to Sitanggang (2013: 76) if the company experiences growth and distributes large dividends, then to support growth will be obtained by increasing the company's debt. The higher the Dividend Payout Ratio, the higher the company's total Debt Asset Ratio or vice versa. According to Brigham and Houston (2011: 155) the level of internal risk in the company's operations if the company does not use debt, the greater the business risk of the company, the lower the optimal debt ratio. According to Sudana (2011: 160) companies that have high operating leverage, break event points (BEP) will be achieved at a relatively high level of sales, and the impact of changes in sales levels on profits will be even greater if the operating leverage is higher.

From some of the theories stated above, a conceptual framework can function as guide to thinking flow and research base that can be seen from the following picture:



Population and Sampling

The population used in this study is the annual financial statements of companies incorporated in the LQ45 Index on the Indonesia Stock Exchange for the period 2012-2016. According to Sugiyono (2012: 389), the sample is part of the number and characteristics possessed by the population. In this study, the research sample is the annual financial statements of companies incorporated in the LQ45 Index on the Indonesia Stock Exchange for the period 2012-2016. The sample used in this study was 18 companies with a total observation of 90 samples in companies incorporated in the LQ45 index listed on the Indonesia Stock Exchange for the period 2012-2016. Data collection techniques carried out by researchers are documentation techniques, according to Sugiyono (2012: 193), when viewed from the data source, data collection can use primary sources, and secondary sources. Primary sources are data sources that directly provide data to data collectors, and secondary sources are sources that do not directly provide data to data collectors, for example through other people or through documentation. The type of data used in this study is quantitative data. While the data source used is a secondary data source.

Result

The research model used in this study is multiple linear analysis to determine the effect linearly between two or more independent variables with one dependent variable. The results of processing data from samples can be seen from the descriptive statistics below:

Table 1. Results of regression

Regression Equation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,523	,186		2,809	,006
	SQRT_Dividend_Policy	-,440	,188	-,234	-2,333	,022
	SQRT_Business_Risk	,133	,210	,063	,635	,527
	SQRT_Operating_Leverage	,257	,057	,422	4,522	,000

a. Dependent Variable: SQRT_Capital_Structure

The equation of multiple linear regression in this study based on table 1 above is as follows:

$$\text{SQRT_Capital_Structure} = 0,523 - 0,440 \text{ SQRT_Dividend_Risk} + 0,133 \text{ SQRT_Business_Risk} + 0,257 \text{ SQRT_Operating_Leverage}$$

The interpretation results from table 1 regression are as follows:

- A value of 0.523 means that if the dividend policy (X1), business risk (X2), and operating leverage (X3) variables are considered constant, capital structure (Y) in LQ45 index companies listed on the Indonesia Stock Exchange in 2012-2016 is 0,523.
- The coefficient of dividend policy (X1) is -0,440. This shows that every increase in dividend policy once, then the capital structure will decrease by 0,440.
- The company's coefficient of business risk (X2) is 0.133. This shows that every time the increase in a company's business risk, the capital structure will increase by 0,133.
- The subsidiary coefficient value (X3) is 0.257. This shows that each subsidiary increase once, the capital structure will increase by 0.499.

Determination Coefficient of Hypothesis

The coefficient of determination is used to measure how much influence dividend policy (X1), business risk (X2), and operating leverage (X3) have on capital structure (Y) in LQ45 index listed on the Indonesia Stock Exchange in 2012-2016. The calculation results can be seen in the table below :

Table 2
Results of coefficient determination analysis
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,549 ^a	,302	,277	,63505

a. Predictors: (Constant), SQRT_Operating_Leverage, SQRT_Business_Risk, SQRT_Dividend_Policy

b. Dependent Variable: SQRT_Capital_Structure

Based on the table above, obtained the value of R Square (R²) determination coefficient of 0.277 or equal to 27.7%. This means that 27.7% of the variation in capital

structure can be explained by variations in dividend policy, business risk, and operating leverage variables. While the remaining 72.3% is influenced by other factors. Other factors that influence capital structure are profitability, company size, asset structure, sales growth, and others.

Simultaneous Hypothesis Testing (Test F)

The F test aims to test whether all independent variables have a joint influence on the dependent variable. The test results can be seen in the following table 3:

Table 3
Results of simultaneous correlation coefficient analysis
ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14,989	3	4,996	12,389	,000 ^a
	Residual	34,683	86	,403		
	Total	49,671	89			

a. Predictors: (Constant), SQRT_Operating_Leverage, SQRT_Business_Risk, SQRT_Dividend_Policy

b. Dependent Variable: SQRT_Capital_Structure

Based on the data in table 3, it can be seen that the results of F count are 12,389 with a significant value of 0,000. Thus the conclusion is $F_{count} < F_{table}$ which is $12,389 > 3,20$ and $0,000 < 0,05$, so the decision is H_0 rejected and H_1 accepted, meaning that dividend policy variables, business risk, and operating leverage jointly have a significant effect on the capital structure in companies incorporated in the LQ45 Index registered on the Indonesia Stock Exchange for the period 2012-2016. To find out the effect of independent variables on the dependent variable partially, the t test was carried out.

Partial Hypothesis Testing (t test)

The t test is used to show the effect of one independent variable individually on the dependent variable. The test results can be seen in the following table:

Table 4
Results of partial correlation coefficient analysis
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,112	,333		3,340	,001
	SQRT_Dividend_Policy	-,537	,337	-,157	-1,593	,115
	SQRT_Business_Risk	,151	,375	,039	,403	,688
	SQRT_Opaerating_Leve rage	,553	,101	,499	5,452	,000

a. Dependent Variable: SQRT_Capital_Structure

It can be seen that the results of F count are 12,389 with a significant value of 0,000. Thus the conclusion is the dividend policy variable has t count of -1.593. The t table value is 1.76131 (t count <t table: -1.593 <1.76131) and 0.115 > 0.05. Business risk variables have t count of 0.403. The value of the table is 1.76131 (t count <t table: 0.403 <1.76131) and 0.688 > 0.05. Variable operating leverage has a t count of 5.452. The t table value is 1.76131 (t count > t table: 5.452 > 1.76131) and 0,000 <0.05.

Effect of dividend policy on capital structure

Based on the regression analysis in table 1, the results of the hypotheses studied where $-t \text{ count} > t \text{ table}$: $-1.593 < 1.76131$ and $0.115 > 0.05$, this shows that the results of the hypothesis accept H_0 and reject H_1 , meaning partially dividend policy has no effect and not significant to the capital structure of companies incorporated in the LQ45 Index listed on the IDX for the period 2012-2016. The results of this study are not in line with the theory put forward by Sitanggang (2013: 76), if companies experience growth and distribute large dividends, then to support growth will be obtained by increasing the company's debt. The higher the Dividend Payout Ratio, the higher the company's Debt Total Asset Ratio or vice versa. The results of this study are in line with previous research conducted by Puspita (2010) entitled Asset structure, Profitability and Dividend Policy on Capital Structure in Companies Listed on the Indonesia Stock Exchange in 2005-2009, showing partially dividend policy does not affect the capital structure.

Effect of business risk on capital structure

Based on regression analysis in table 1, Based on the results of the hypotheses studied where $t \text{ count} < t \text{ table}$: $0.403 < 1.76131$ and $0.688 > 0.05$, this indicates that the results of the hypothesis accept H_0 and reject H_1 , meaning that partially business risk has no effect and does not significant to the capital structure of companies incorporated in the LQ45 Index listed on the IDX for the period 2012-2016. The results of this study are not in line with the theory of Brigham and Houston (2011: 155), the level of internal risk in the company's operations if the company does not use debt, the greater the business risk of the company, the lower the optimal debt ratio. The results of this study are in line with previous research conducted by Amiriyah and Andayani (2014) entitled The Effect of Financial Performance, Company Size and Business Risk on Capital Structure, showing that partially business risk does not affect the capital structure.

Effect of Operating Leverage on Capital Structure

Based on regression analysis in table 1, Based on the results of the hypotheses studied where $t \text{ count} > t \text{ table}$: $5.452 > 1.76131$ and $0,000 < 0.05$, this indicates that the hypothesis results reject H_0 and accept H_1 , meaning that partially operating leverage has an effect on and significant to capital structure of companies incorporated in the LQ45 Index registered on the Indonesia Stock Exchange for the period 2012-2016. The results of this study are in line with Sudana's theory (2011: 160), companies that have high operating leverage, break event points (BEP) will be achieved at a relatively high level of sales, and the impact of changes in sales levels on profits will be greater if operating leverage- the higher. The results of this study are not in line with previous research conducted by Ilham (2013) with the title Effect of Asset Structure and Operating Leverage on Capital Structure in Food and Beverage Companies Listed on the Indonesia Stock Exchange, which shows operating leverage has no significant effect on capital structure.

Conclusions and Implication

The conclusions from the results of this study are:

1. Dividend policy partially has no effect and is not significant on the Capital Structure of companies incorporated in the LQ45 Index listed on the IDX for the period 2012-2016.
2. Business risk partially has no effect and is not significant on the Capital Structure of companies incorporated in the LQ45 Index listed on the Stock Exchange for the period 2012-2016.
3. Operating Leverage partially influences and significant on Capital Structure in companies incorporated in the LQ45 Index listed on the Stock Exchange for the period 2012-2016.
4. Dividend Policy Business Risk, and Operating Leverage simultaneously have a significant effect on Capital Structure in companies incorporated in the LQ45 Index listed on the Stock Exchange for the period 2012-2016 and based on the results of

testing the coefficient of determination is known that 27.7% of earnings management variations can be explained by variations in dividend policy variables, business risk, and operating leverage.

Suggestions from the results of this study are:

1. For Investors, it is expected to be able to access a company not only from financial statements, and must pay more attention to the company's sales level before investing their funds in trading companies listed on the Indonesia Stock Exchange.
2. For Universitas Prima Indonesia, it is recommended that this study be used as an additional insight, information, knowledge, and contribution of thought so that it can help further researchers who will conduct research.
3. For further researchers, it is recommended to use broader research variables not only from the policy of dividend, business risk, and operating leverage because there are many other factors that can affect capital structure, such as company size, profitability, asset structure, sales growth, and etc.
4. For Universitas Prima Indonesia, the results of the study are expected to be used by the younger siblings who want to conduct research.

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THE EFFECT OF WORK STRESS AND COMPENSATION ON EMPLOYEE PERFORMANCE AT PT. ANDALAS CITRA ELEKTRINDO MEDAN

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Abstract

PT. Andalas Citra Elektrindo Medan is a company engaged in the field of elektrics. Some problems that occurred in companies relate to work stress which was rated high because of the load and the pressure had an impact on the amount of turnover, and compensation was considered less appropriately shared between the senior employees and new employees and there was a decrease in performance where employees did not achieve the sales targets set and expected by the company. The objective of this study was to determine the effect of work stress and compensation on employees performance at PT. Andalas Citra Elektrindo Medan. The theories used in this research are those of Human Resource Management, which deals with Job Stress, Compensation, Employee Performance, Satisfaction and Motivation. The research used a quantitative approach. Data collection was performed by interviews, questionnaires and documentation study. Data analysis method used is multiple regression. Population and sample of this research were all employees at PT. Andalas Citra Elektrindo Medan consisting of 73 employees where the samples were drawn by using saturated sampling technique. 30 employees were taken to test the validity and reliability from other companies. The result on the hypothesis showed that the stress of work and compensation either simultaneously or partially have a positive and significant effect on the performance of employees at PT. Andalas Citra Elektrindo Medan. The coefficient of determination of independent variables of influence on the dependent variable of performance was 0.607, or 60.7%. This research concludes that compensation variable has a dominant influence on the employee performance up to 0.610 compared to work stress variable that affect the performance of employees up to 0.378 at PT. Andalas Citra Elektrindo Medan.

Keywords: Job Stress, Compensation, Employee Performance

Introduction

Every company certainly wants every employee to work well so that the resulting performance can be optimal, but in reality every employee cannot always do a good

job. Performance is the result of work achieved by employees in carrying out their duties / jobs in accordance with given responsibilities and goals set by the company. Good performance will encourage the company to achieve its goals but poor performance can cause a setback for the company.

PT. Andalas Citra Elektrindo is a private company engaged in the electrical sector which is a distributor company that sells electrical products namely AMF / ATS, MCC panels, standard panels and distribution, in addition to selling electrical products the company also receives requests for manufacturing electric products according to customer demand. PT. Andalas Citra Elektrindo has a vision to be a leading company in the future and the mission of providing good quality electrical products in accordance with consumer demand, to achieve the vision and mission the company must be able to compete with other electrical companies in the city of Medan, by because of that PT. Andalas Citra Elektrindo Medan expects employees to produce good performance so that the company can develop further.

However, lately there have been problems with the company, namely a decrease in employee performance which has resulted in a decrease in sales of electrical products. One of the factors thought to be the cause of the decline in employee performance is work stress. Job stress is a condition or condition experienced by employees emotionally related to their work in the company. employees at PT. Andalas Citra Elektrindo Medan experienced various pressures in the form of demands of superiors for achieving targets, a lot of workload and resulted in employees having to overtime. The demands of achieving targets and a large workload have an impact on the condition of employees where employees become stressed. Employees who experience stress tend not to focus in carrying out their work. High work stress can also result in employee turnover or resignation.

Another factor that is thought to be the cause of the decline in employee performance in the company besides work stress is compensation. Compensation is a reward given by the company in the form of material and non material to the employee. Provision of salary compensation given to employees by PT. Andalas Citra Elekterindo is not in line with what is expected by employees, where in addition to salary compensation that is considered lacking to meet the life needs of employees, salary compensation is given between new employees who work with old employees

and almost equal. Almost the same compensation causes long-time employees to complain and feel unappreciated by the company which results in old employees not being passionate about work.

This research contributed to the progress of PT. Andalas Citra Elektrindo, where with this research, PT. Andalas Citra Elektrindo can learn about problems that occur within the company related to employee performance.

Literature Review

Theoretical Basis

According to Mangkunegara (2013: 157), work stress is a feeling of stress experienced by employees in the face of work. This work stress can be seen from Simptom, including unstable emotions, feeling uneasy, aloof, insomnia, excessive smoking, unable to relax, anxiety, tension, nervousness, increased blood pressure, and experiencing digestive disorders.

According to Baron and Greenberg in Marliani (2015: 261), defining work stress as emotional and psychological reactions that occur in situations that hinder individual goals and cannot overcome them.

According to Rivai (2014: 724), work stress is a tension condition that creates physical and psychological imbalances, which affect emotions, thought processes, and the condition of an employee. According to Moorhead and Griffin (2013: 186), one of the real organizational consequences of too much stress is a decrease in performance. For workers, a decline like this can be translated into a quality of poor work and a decrease in productivity. For managers, this can mean wrong decision making or disruption in work relationships because people become irritable and difficult to get along with. According to Suprihanto, et al in Umam (2010: 217), said that from the point of view of the organization, management might not be worried if its employees experience mild stress. The reason is that certain stress levels will have a positive effect because this will force them to do their job better. However, high stress levels or prolonged mild stress will reduce employee performance. According to Badeni (2014: 70), if stress is too high the performance begins to decline, because of

the stress of intervening in performance. An employee loses power / ability to overcome, becomes unable to make various decisions, and this affects behavior.

According to Werther and Davis in Hasibuan (2013: 119), compensation is what a worker receives in return for the work he is given. Both periodic and hourly wages are designed and managed by personnel. According to Sikula in Rachman (2009: 71), compensation is everything in the form of goods, money and services received by employees because of the services they have provided which consist of salaries, incentives, benefits and services. According to Rachmawati (2008: 146), compensation is the overall remuneration received by employees as remuneration from carrying out work in the organization in the form of money or other, which can be in the form of salaries, wages, bonuses, incentives and benefits such as health, holiday allowances, food allowance, leave and others. According to Notoatmodjo (2009: 125), salary or incentives are the most powerful tool to increase work motivation and can further improve employee performance in a work organization. A good reward system will have a double impact on the organization, because on the one hand the benefits will have an impact on operating costs, on the other hand the rewards will affect the behavior and work attitude of employees in accordance with the organization's desire for employees to improve their performance (Kadarisman, 2012: 97).

According to Sedarmayanti (2015: 263), regarding salaries and expectations is something that creates motivation for employees willing to carry out work activities with good performance

Hypothesis

H1: Job stress affects employee performance at PT.Andalas Citra Elektrindo Medan.

H2: Compensation affects employee performance at PT.Andalas Citra Elektrindo Medan.

H3: Job stress and compensation affect employee performance at PT.Andalas Citra Elektrindo Medan.

Research Methodology

The place of this research was conducted at PT.Andalas Citra Elektrindo Medan, having its address at Jalan Siswa Sumber Jaya Dusun IX Bangun Sari Baru, Tanjung Morawa Medan. The research time is planned for six months from February 2016 to July 2016. According to Sujarweni (2014: 5), the research method is closely related to the procedures, techniques, tools, and research designs used. In the research method describes the research design which includes procedures or steps that must be taken, research time, data sources, and the way in which the data is obtained and processed or analyzed.

The research approach used is a quantitative approach. According to Sugiyono (2010: 8), quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative / statistical, with the aim of testing the hypothesis has been established.

The type of research conducted by researchers is quantitative descriptive research. According to Sugiyono (2010: 35), this type of descriptive research is a formulation of a problem relating to the question of the existence of independent variables, both only on one variable or more (stand-alone variables).

According to Sugiyono (2010: 80), the population is a generalization area consisting of: objects / subjects that have certain qualities and characteristics set by researchers to be studied and then conclusions drawn. The population in this study were all employees working at PT. Andalas Citra Elektrindo Medan, amounting to 73 people.

According to Sugiyono (2010: 81), the sample is part of the number and characteristics possessed by the population. This study uses saturated sampling. According to Sugiyono (2010: 85), clear sampling is a sampling technique if all members of the population are used as samples. Therefore the sample in this study is 100% of the total population, namely all employees of PT. Andalas Citra Elektrindo which amounted to 73 respondents and for the validity and reliability test 30 respondents were taken from other similar companies because the population of the company was too little. Validity and reliability tests were carried out at PT. KingLED Indonesia which is located at Jalan Gaharu No. 131/46 Medan.

Research Results

Overview of PT. Andalas Citra Elektrindo

PT. Andalas Citra Elektrindo was founded in 2001 which is located in Jalan Siswa Sumber Jaya, Hamlet IX, Bangun Sari Village, Tanjung Morawa District, Deli Serdang Regency, North Sumatra Province. PT. Andalas Citra Elektrindo is a private company engaged in electrical engineering namely the Electrical Lighting Fixture, Component Supply and Electrical Installation Services.

Vision and Mission of PT. Andalas Citra Elektrindo

PT. Andalas Citra Elektrindo has a vision to become a leading company in the future in North Sumatra and its surroundings. The mission of PT. Andalas Citra Elektrindo in addition to providing good quality electrical products is to produce optimal profits every year, trying to meet product demand on demand from customers from both North Sumatra and surrounding areas and establish good and mutually beneficial cooperative relationships between distributors who have been business partners from PT. Andalas Citra Elektrindo.

Characteristics of Respondents

Responden in this study were all employees working at PT. Andalas Citra Elektrindo Medan is 73 people. Characteristics of respondents based on age, gender, education level and length of work.

Descriptive Statistics Analysis

In this study the independent variables are work stress (X1) and compensation (X2), while the dependent variable is employee performance (Y). The results of the descriptive analysis can be seen in Table IV.5 below:

Table IV.5
Results of Descriptive Statistics Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
stres kerja	73	20	31	24,81	2,337
kompensasi	73	19	38	28,48	4,330
kinerja karyawan	73	19	34	26,88	4,014
Valid N (listwise)	73				

Source: Research Results, 2016 (Data Processed)

Classical Assumption Test Results

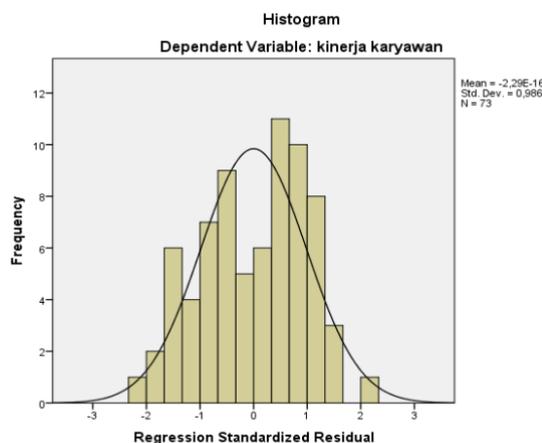
Normality Test

2 ways to detect residuals are normally or not distributed by graph analysis and statistics.

1. Graph analysis, can be done in 2 ways namely histogram graph and plot graph

Figure IV.2

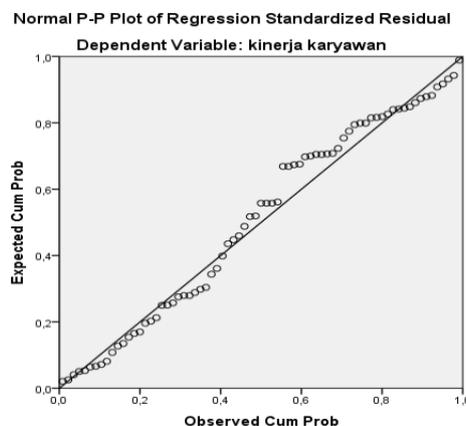
Normality Test Results With Histogram Graph Method



Source: Research Results, 2016 (Data Processed)

Based on Figure IV.2 the results of the normality test with the histogram graph method can be seen that the line is bell shaped and does not deviate to the left or right. This shows that the data can be declared to be normally distributed.

Figure IV.3
Normality Test Results with Normal Probability Plot Method



Based on Figure IV.3 the results of the normality test with the normal method probability plot can be seen that the data spreads around the diagonal line. This shows a normal distribution so that it can be concluded that the regression model in this study meets the assumptions of normality.

2. Statistical Analysis

The test results using the Kolmogorov-Smirnov (K-S) method can be seen in the following table:

Tabel IV.9
Hasil Uji Normalitas Dengan Metode Kolmogorov-Smirnov (K-S)
 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		73
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	2,48032746
	Absolute	,123
Most Extreme Differences	Positive	,068
	Negative	-,123
Kolmogorov-Smirnov Z		1,053
Asymp. Sig. (2-tailed)		,217

Source: Research Results, 2016 (Data Processed)

In Table IV.9 the results of the normality test using the Kolmogorov-Smirnov (K-S) method can be seen as the Asymp. Sig. (2-tailed) of 0.217 and greater than the significant value of 0.05, the residual data can be declared normal distribution.

Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between independent variables. To detect the presence or absence of multicollinearity by looking at the tolerance value and the variance inflation factor (VIF) where the tolerance value is > 0.10 while the variance inflation factor (VIF) < 1 then expressed in the absence of multicollinearity.

Tabel IV.10
Hasil Uji Multikolinearitas

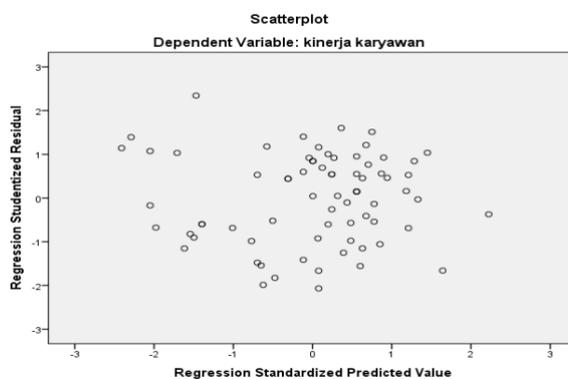
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
stres kerja	,780	1,282
kompensasi	,780	1,282

Heteroscedasticity Test

Heteroscedasticity test aims to test whether the regression model variance from residuals occur one observation to another observation. There are 2 ways to detect the presence or absence of heteroscedasticity, namely:

1. Scatter Plot Graph

Gambar IV.4
Hasil Uji Heteroskedastisitas Dengan Metode Grafik *ScatterPlot*



Sumber: Hasil Penelitian, 2016 (Data Diolah)

2. Test the Glejser

Tabel IV.11
Hasil Uji Heteroskedastisitas Dengan Metode Uji Glejser

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	5,794	1,600		3,621	,001
1	stres kerja	-,124	,072	-,225	-1,725	,089
	kompensasi	-,022	,039	-,073	-,561	,576

a. Dependent Variable: Abs_Ut
 Sumber: Hasil Penelitian, 2016 (Data Diolah)

Results of Research Data Analysis

Research Model

Tabel IV.12
Regresi Linear Berganda

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	,114	3,206		,036	,972
1	stres kerja	,378	,144	,220	2,633	,010
	kompensasi	,610	,078	,659	7,875	,000

a. Dependent Variable: kinerja karyawan
 Sumber: Hasil Penelitian, 2016 (Data Diolah)

In Table IV.12 multiple linear regression can be seen that:

$$a = 0.114$$

$$b_1 = 0.378$$

$$b_2 = 0.610$$

then the multiple linear regression equation in this study are as follows:

$$Y = 0.114 + 0.378X_1 + 0.610X_2$$

Coefficient of Determination of Hypothesis (R²)

The coefficient of determination denoted by R² is a value that shows the value of the dependent variable (Employee Performance) which can be explained by the independent variable (Work Stress and Compensation). The coefficient of determination is between zero and one ($0 \leq R^2 \leq 1$).

Tabel IV.13
Koefisien Determinasi Hipotesis

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786 ^a	.618	.607	2,516

a. Predictors: (Constant), kompensasi, stres kerja

b. Dependent Variable: kinerja karyawan

Sumber: Hasil Penelitian, 2016 (Data Diolah)

IV.3.3 Simultaneous Hypothesis Testing (Test-F)

The F test is used to determine the effect of independent variables namely work stress and compensation simultaneously on the performance of employees with a 95% confidence level ($\alpha = 5\%$). The effect of work stress and compensation on employee performance simultaneously can be seen in the following table IV.14:

Tabel IV.14
Hasil Uji - F

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	716,945	2	358,472	56,650	,000 ^b
Residual	442,946	70	6,328		
Total	1159,890	72			

a. Dependent Variable: kinerja karyawan

b. Predictors: (Constant), kompensasi, stres kerja

Sumber: Hasil Penelitian, 2016 (Data Diolah)

IV.3.4 Testing Hypotheses Partially (t-Test)

Tabel IV.15
 Hasil Uji-t
 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,114	3,206		,036	,972
1 stres kerja	,378	,144	,220	2,633	,010
kompensasi	,610	,078	,659	7,875	,000

a. Dependent Variable: kinerja karyawan

Sumber: Hasil Penelitian, 2016 (Data Diolah)

Based on Table IV.15 the results of the t-test, it can be seen that the value of the work stress variable (X1) is 2.633 and for the t-table value is 1.993, it can be concluded that the $t_{count} > t_{table}$ ($2.633 > 1.993$) and a significant value of $0.010 < 0.05$, then based on the results of the data obtained H_0 rejected and H_1 accepted thus it can be concluded that the variable Job Stress (X1) partially has a positive and significant effect on Employee Performance (Y) at PT. Andalas Citra Elektrindo Medan.

The t_{count} of compensation variable (X2) is 7.875 and for the t_{table} value is 1.993 it can be concluded that $t_{count} > t_{table}$ ($7.875 > 1.993$) and a significant value of $0.000 < 0.05$, then based on the data obtained H_0 is rejected and H_1 is accepted thus it can be concluded that the Compensation variable (X2) partially has a positive and significant effect on Employee Performance (Y) at PT. Andalas Citra Elektrindo Medan.

Discussion of Research Results

Effect of Job Stress on Karyawan's Performance

The results of research conducted by researchers prove that there is the influence of work stress on employee performance. This can be seen from the results of the partial test (t-test), where the value of $t_{count} > t_{table}$ is $2,633 > 1,993$ with a significant value of $0,010 > 0,05$ so that the results show that H_0 is rejected and H_1 is accepted. Thus it can be concluded that the variable Job Stress (X1) is one of the factors that influence the performance of employees at PT. Andalas Citra Elektrindo.

According to Suprihanto, et al in Umam (2010: 217), who said that from the point of view of the organization, management might not be worried if its employees experience mild stress. The reason is that certain stress levels will have a positive effect because this will force them to do their job better. However, high stress levels or prolonged mild stress will reduce employee performance.

The results of this study are in accordance with previous research, namely by Novalien Lewaherilla (2013) with the title of the study Analysis of the Effects of Conflict Role and Job Stress on Employee Performance at PT. Central Asian Bank Ambon Main Branch. The results of the study concluded that role conflict and work stress together or simultaneously had a significantly positive effect on employee performance at the Ambon Central Bank Asia and partially role role and work stress conflict variables, had a significant effect on the performance at PT. Bank Central Asia Ambon Branch.

Effect of Compensation on Employee Performance

The results of research conducted by researchers prove the existence of an influence that compensates for employee performance. This can be seen from the results of the partial test (t-test) where the value of $t_{count} > t_{table}$ ($7.875 > 1,993$) with a significant value of $0,000 < 0,05$ so that the results show that H_0 is rejected and H_1 is accepted. Thus it can be concluded that the variable Compensation (X_2) is one of the factors that influence the performance of employees at PT. Andalas Citra Elektrindo.

According to Notoatmodjo (2009: 125), salary or incentives are the most powerful tool to increase work motivation and can further improve employee performance in a work organization. The results of this study are in line with previous research by Agiel Puji Damayanti, et al (2013) with the title Effect of Compensation and Work Motivation on the Employee Performance of Surakarta Regional Water Supply Company (PDAM). The results of the study concluded that simultaneously and partially the variable compensation and work motivation had a significant effect on the performance of employees of the Regional Water Supply Company (PDAM) Surakarta.

Conclusion

From the results of the discussion of the data above, conclusions can be drawn from the results of the research as follows:

1. The test results partially indicate that work stress has a significant positive effect on employee performance at PT. Andalas Citra Elektrindo Medan.
2. The test results partially indicate that compensation has a positive and significant effect on employee performance at PT. Andalas Citra Elektrindo Medan.
3. Simultaneous test results show that work stress and compensation have a significant positive effect on employee performance at PT. Andalas Citra Elektrindo Medan with a coefficient of determination (R^2) of 60.7% and the remaining 39.3% can be explained by other independent variables not examined such as variables of job satisfaction, leadership, work motivation, and others.

Suggestions

Based on the conclusions above, the researchers suggested as follows:

1. For companies

It is better for companies to pay attention to employees who work so that they are not easily stressed in carrying out tasks assigned by companies where companies must provide appropriate time to complete the work provided, and be given more freedom to make necessary decisions related to work and supervise work more frequently. In addition, the company should increase the provision of compensation more and in the provision of compensation should be given fairly so that it can increase employee motivation at work.

2. For Universitas Prima Indonesia

So that the results of this study can be used as material for research and reference research for the Bachelor of Management Study Program in the Economics Faculty of the University of Prima Indonesia.

3. For Researchers

Increased knowledge and insight in the field of Human Resource Management, especially those related to the influence of work stress and compensation for employee performance.

4. For Other Researchers

This research is expected to be a reference material for further research relating to theory and concepts, besides that further researchers should develop in examining other variable variables such as organizational culture, leadership, job satisfaction and others that are thought to have a relationship with employee performance.

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FACTORS THAT AFFECTING STOCK PRICE

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Abstract

These research aim to investigate are these variabels as Current Ratio , Profitability Ratio and Debt to Equity effect on Stock Price. Stock Price shows how the price formed by demand and supply that happens in stock market and usually knowns as closing price. The higher the stock price of a company, the more gain that a company will obtain. The data that were used to analyze Property Real Estate and Building Construction Company listed on Indonesia Stock Exchange for the time period from 2012-2016. Explanatory descriptive method were used to analyze these data. The result shows that Current Ratio and Profitability Ratio have effect on Stock Price. Meanwhile Debt to Equity Ratio has no effect on Stock Price.

Keyword : Stock Price , Current Ratio , Profitability Ratio, Debt to Equity

Introduction

Stock market is one of the alternatif way for companies other than the banking sector. This is because there are two functions that are carried out, which is the economic function that connecting the relation between the provider which is called investor and user of these funds called the issuer or the go public company. The function of stock market showed by the existence which allows some parties who have excess funds to investi in the return and companies can utilize these funds for company activities without having to wait the availability of funds from the company's operation.

Some of the instruments that traded on the stock market are equity such as stocks and debt such as bonds. There are some factors that we should know that the investment in stocky is a risky investment. Stock price can rise or go down. Investi in

stocks require a careful analysis both fundamentally, technically and other factors that might influence such as government economic and political policies and psychology.

There are two types of analysis to decide these ensure stock price which are fundamental analysis and technical analysis. Fundamental analysis uses company financial data such as : profit , paid dividends , sales and others. While technical analysis uses stock market data which includes the price and volume of stock transactions. For shareholders fundamental factors provide a clear conception and analytical of the performance of the company's management in managing the company that is their responsibility.

In this framework, this research was carried out, although it was realized that fundamental factors were very broad and complex, including not only the internal condition of the company, but also the condition of macro economy fundamental that were beyond the control of the company. Therefore, this study is limited to only analyzing fundamental factors, which include Current Ratio, Profitability Ratio and Debt to Equity. The selection of these factors as independent variables are based on the idea that these factors describe the return that will receive by the investor.

Current Ratio is a ratio to measure a company's ability to pay short term liabilities or debts that are due date when billed as a whole, in others words how much current assets are available to cover short term liabilities that are due the date . Companies that have a high quality of liquidity ratio will attract investors and will also affect the stock prices which tend to rise due the high demand. (Kasmir 2012 : 134)

Profitability Ratio is the ability of a company to earn profits in relation to sales, total assets and own capital. There is a way to measure profitability is by using return on assets. Return on Asset is a comprehensive measurement of company performance, because this ratio shows the return on all funds invested. The profitability ratio has a positive influence on stock prices because the higher of profitability ratio, the higher the stock price. (Munawir 2014 : 77)

Debt to Equity showed the composition or capital structure of total loans (debt) to total capital owned by the company. Debt to Equity showed the extent to which the company can bear losses without having to endanger the interest of its creditors. The smaller the number of this ratio, means the greater the amount of assets funded by

the owner of the company and the greater the risk buffer of creditors. So that it can affect of the changes in the stock prices where investor will see how much this ratio in a company (Sawir 2015 :13).

Literature Review

A business activity carried out by a company certainly has a goal to achieve by owner of the company. The profits of the company will be obtained are the achievement of predetermined targets. Achieving targets is very important for the company because with the achievement or targets that have been set or exceed that the targets set, this is an achievement for the management of the company. The achievement is a measure how success the company. One of the things that is the focus of investors' consideration is the stock price because it reflects the value of a company. Before investing, Investors need to know and choose which stocks can provide the most optimal profit for the funds invested. (Hutapea : 2017).

According to Puspita (2014) , the problem is that most of the company's income statement with financial ratio showed fluctuations in the increase and decrease, which shows that the financial performance of these companies will also experience increase and decrease, so that it could be said that the existing financial performance was not fully good because good performance showed significant increase in fluctuation without a decline, this was also affect the decline in the value of the company's shares on the stock market.

On of the attraction of shares for investors were stock price. The changes of stock price were influenced by the strength of demand and supply. This research used closing stock prices. The closing stock price is the selling price share offered on the exchange at closing or the last trading price for a periode. This stock price represents a reputation or conclusion for company performance. (Saputri : 2017)

Methodology

These research was conducted on Property Real Estate and Building Construction Company listed on Indonesia Stock Exchange for the time period from 2012-2016.

Purposive sampling is used to choose the sampel, there are 35 companies that are passed the criterias that used as sampel. Quantitative research is used in these research which used to examine certain population or samples. The hypothesis was tested by mutiple linear regression to analyze the effect of independent variables on the dependent variable. The regression model used is:

$$Y = a + b_1X_1 + b_2X_2 - b_3X_3 + e$$

Explanation:

Y = Stock Price

a = Constanta

b₁ = Regression coefficient X₁ (*Current Ratio*)

b₂ = Regression coefficient X₂ (*Profitability Ratio*)

b₁ = Regression coefficient X₃ (*Debt To Equity Ratio*)

X₁ = *Current Ratio*

X₂ = *Profitability Ratio*

X₃ = *Debt To Equity Ratio*

e = Percentage of error (0,05)

Result and discussion

Based on data from Indonesia Stock Exchange, which is the result of descriptive statistics test it can be seen that the data used in this study are varies and can be served.

Table 1
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Current Ratio	175	.24	8.80	2.0959	1.35514
Return on Asset	175	.00	.35	.0719	.05581
Debt to Equity	175	.07	5.67	1.0438	.88638
Stock Price	175	50.00	25750.00	1769.9143	3146.04656
Valid N (listwise)	175				

Variable Current Ratio (X_1) based on the Table 1 which the data (N) are 175 shows that the mean = 2,0959% and standar deviation = 1,35514. The maximum value current ratio = 8,80% and the minimum value current ratio = 0,24%.

Variable Profitability Ratio (X_2) based on the Table 1 which the data (N) are 175 shows that the mean = 0,719% and standar deviation = 0,5581. The maximum value profitability ratio = 0,35 % and the minimum value profitability ratio = 0,00%.

Variable Debt to Equity (X_3) based on the Table 1 which the data (N) are 175 shows that the mean = 1,0438% and standar deviation = 0,88638. The maximum value debt to equity = 5,67 % and the minimum value debt to equity = 0,07%.

Variable Stock Price (Y) based on the Table 1 which the data (N) are 175 shows that the mean = 1769,9% and standar deviation = 3146,04. The maximum value stock price = 25750% and the minimum value stock price = 50%.

The result of Classic Assumption Test

Tabel 2.

The result of Normality Test

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
Kolmogorov-Smirnov Z	1.165
Asymp. Sig. (2-tailed)	.133

a. Test distribution is Normal.

The result of Komogorov-Smirnov based on Table 2 is 1,165. It shows that the data distribution is normal because the value of sig is more than 0,05

Table 3.

The result of Multicolonity Test

C	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Ln_CR	.851	1.175
Ln_ROA	.994	1.006
Ln_DEB	.856	1.168

Based on the Table 3, it shows that the tolerance value of Current Ratio 0,851 > 0,10 and VIF 1,175 < 10 . The tolerance value of Return on Asset 0,994 > 0,10 and VIF 1,006 < 10 . The tolerance value of Debt to Equity 0,856 > 0,10 and VIF 1,168 < 10. The conclusion is there are no multicollinearity between independent variables in these regression model.

Table 4.

The result of Autocorrelation Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.559 ^a	.312	.300	1.13909	.755

a. Predictors: (Constant), Ln_DER, Ln_ROA, Ln_CR

Based on Table 4 , the conclusion the value of Durbin Watson = 0,755 it mean there are no autocorrelation between these independent variables in these regression model.

Table 5.
The result of Heteroscedasticity Test
Correlations

		Ln_CR	Ln_ROA	Ln_DER	Unstandardized Residual
Spearman's rho	Ln_CR	1.000			
	Ln_ROA		1.000		
	Ln_DER			1.000	
	Correlation Coefficient				
	Sig. (2-tailed)				
	N	175	175	175	175
Ln_ROA	Ln_CR		1.000		
	Ln_ROA		1.000		
	Ln_DER			1.000	
	Correlation Coefficient				
	Sig. (2-tailed)				
	N	175	175	175	175
Ln_DER	Ln_CR			1.000	
	Ln_ROA			1.000	
	Ln_DER			1.000	
	Correlation Coefficient				
	Sig. (2-tailed)				
	N	175	175	175	175
Unstandardized Residual	Ln_CR				1.000
	Ln_ROA				1.000
	Ln_DER				1.000
	Correlation Coefficient				
	Sig. (2-tailed)				
	N	175	175	175	175

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

Based on the result on table 5 above, the significant value of the variable where the three variables have significant values are greater than 0,05. Thus from the result of

heteroscedasticity test with the spearman rank test after transformation it can be concluded that there are no heteroscedasticity happens in these regression model.

Table 6.
The result of T test
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.023	.304		29.680	.000
	Ln_CR	-.394	.161	-.168	-2.450	.015
	Ln_ROA	.747	.097	.491	7.712	.000
	Ln_DER	.211	.118	.122	1.787	.076

Based on Table 6 , The value of T table for the probability of 0,05 is $n - k - 1 = 175 - 3 - 1 = 171$ equal 1,97393 which the conclusion Current Ratio and Return on asset affect stock price but Debt to Equity ratio do not affect stock price.

Table 7.
The result of F test

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	100.748	3	33.583	25.882	.000 ^a
	Residual	221.877	171	1.298		
	Total	322.624	174			

a. Predictors: (Constant), Ln_DER, Ln_ROA, Ln_CR

b. Dependent Variable: Ln_StockPrice

Based on the table 7, the value of F test is $25.882 > 2.66$ it means these variables have an effect on and significantly affect the stock price on Property Real Estate and Building Construction Company listed on Indonesia Stock Exchange for the time period from 2012-2016.

Conclusion

Based on the results of these test shows that both Current Ratio and Return on Asset has an affect on stock price. But Debt to Equity has no affected on stock price. The advice that will given to the management is to be able to manage their debt well so that it could be maximize the acquisition of their share price. In addition the value of sales in the company goal's is to maximize the profit that can be achieved. This is because in these study proves that Current Ratio, Profitability Ratio (Return on Asset) and Debt to Equity Ratio have a significant effect on stock prices. For the investor, it is recommended to find informations about the company's profile so that they can find out how was the company's performance before investing.

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FACTORS INFLUENCING OF CAPITAL STRUCTURE

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Abstract

This study investigated the effect of profitability, sales stability, liquidity and asset structure on capital structure. Based on this, the problem of the study was formulated as the followings: Do profitability, sales stability, liquidity, and asset structure affect capital structure in consumer goods industry companies listed in the Indonesia Stock Exchange in the period of 2013 - 2016. This research used quantitative method and approach. The nature of this study was a descriptive study. The research populations were consumer goods industry firms listed on the Indonesia Stock Exchange in the period of 2013 - 2016. The samples of the research were drawn using purposive sampling technique and the research samples investigated were companies of the consumer goods industry sector releasing the financial statements completely on the Exchange Effect of Indonesia in the period of 2013 - 2016. Type and source of data of this study were secondary data retrieved from www.idx.co.id. Partially, the research concludes that profitability has not a significant effect on capital structure, sales stability has a significant effect on capital structure, liquidity affected insignificantly capital structure and asset structure have a significant effect on capital structure of consumer goods industry companies listed in Indonesia Stock Exchange in the period of 2013 - 2016. Simultaneously, profitability, sales stability, liquidity and asset structure have an effect on capital structure in consumer goods industry companies listed in the Indonesia Stock Exchange period 2013-2015.

Keywords: Profitability, Sales Stability, Liquidity, Capital Structure Asset Structure

Introduction

Consumer goods industry companies are producers of consumer goods which are the main needs for consumers. In general, the consumer goods industry sub-sector is not affected by economic conditions. Consumer goods industry companies are often

regarded as a formidable sub-sector in the midst of a crisis because consumer products are generally a primary human need. The meaning of changes in economic conditions does not affect consumers' interest in buying goods from consumer goods industry companies. towards consumer products with various global situations show the defensive nature of the consumption sector, especially for the consumer goods industry sub-sector in the region where the consumer goods market target is humans so that Indonesia, which is inhabited by more than 200 million people, certainly has a high level of demand.

In principle, every company needs funds to develop its business. The source of funds comes from internal sources or external sources. Therefore, it is the duty of financial managers to pay attention to the cost of capital need to determine the capital structure in an effort to determine whether the company's funding needs are met with their own capital or are met with foreign capital. Profitability is one of the factors that influence the capital structure with the company's ability to generate profits from various company activities through a number of policies and decisions made by the company during a certain period. Large companies that have high profitability, have good sales stability, or high growth rates tend not to require too much funding from outside parties because they have a substantial source of funds in the form of substantial profits. sales are relatively stable the company can safely use higher debt and dare to bear a higher fixed burden than its relatively unstable sales. The more stable sales, the more revenue the company gets, the more likely the company to meet its financial obligations. The higher the asset structure, the higher the capital structure, which means the greater the fixed assets that can be used as collateral for debt by the company.

Companies that have a bad capital structure will have debt which is very large so it gives a very heavy burden to the company because the company will be exposed to the burden of the debt and can increase the risk of bankruptcy.

Literature Review

Capital Structure

According to Sjahrial (2008: 179), revealed that the capital structure is a balance between use of loan capital consisting of: permanent short-term debt, debt long term with own capital consisting of: preferred stock and ordinary shares. According to Sartono (2010: 225), capital structure is a balance of the amount of permanent short-term debt, long-term debt, preferred stock and ordinary shares. According to Sjahrial (2008 : 179) revealed that the capital structure is a balance between the use of loan capital consisting of: permanent short-term debt, long-term debt with own capital consisting of: preferred shares and ordinary shares.

According to Sartono (2012: 248) factors that influence the capital structure are:

1. Level of sales: Companies with sales that are relatively stable means that they have a relatively stable cash flow, so they can use more debt than companies with unstable sales.
2. Asset structure: Companies that have assets can still use large amounts of debt because of the scale of large companies it is easier to get access to funding sources compared to small companies.
3. The growth rate of the company: The faster the company's growth, the greater the need for funds to finance expansion.
4. Profitability: The profitability of the previous period is an important factor in determining the capital structure.
5. Variable earnings and tax protection: This variable is very closely related to the stability of sales.
6. Company scale: Companies that are well-established will find it easier to obtain capital in the capital market compared to small companies.
7. Internal company conditions and macroeconomics: Companies need to wait for the right time to sell stocks and bonds.

Profitability

According to Brigham and Houston (2010: 146), profitability ratios are a group of ratios that show a combination of the effects of liquidity, asset and debt management on operating results. According to Harahap (2013: 304), the profitability ratio or also known as racoprofitability describes the ability of companies to earn profits through all abilities, and existing sources such as sales activities, cash, capital, number of employees, number of branches and so on. According to Murhadi (2015: 63), profitability ratios can be interpreted as a ratio that describes the company's ability to generate profits. Profit ratio is generally taken from the income statement. This simple statement of income consists of net sales, gross profit, operating profit, profit before tax, after tax and profit available to ordinary shareholders.

Sales Stability

According to Deanta (2016: 21), sales are a component of corporate earnings. Increased sales means there is a possibility that business profits will increase. According to Sholikhadi and Yahya (2016: 6), stability of Sales is the company's ability to earn profits both in current assets and fixed assets. According to Vitriasari and Indarti (2012: 9), sales stability is that if sales are relatively stable the company can safely use higher debt and dare to bear a higher fixed burden compared to companies whose sales are not stable.

Liquidity

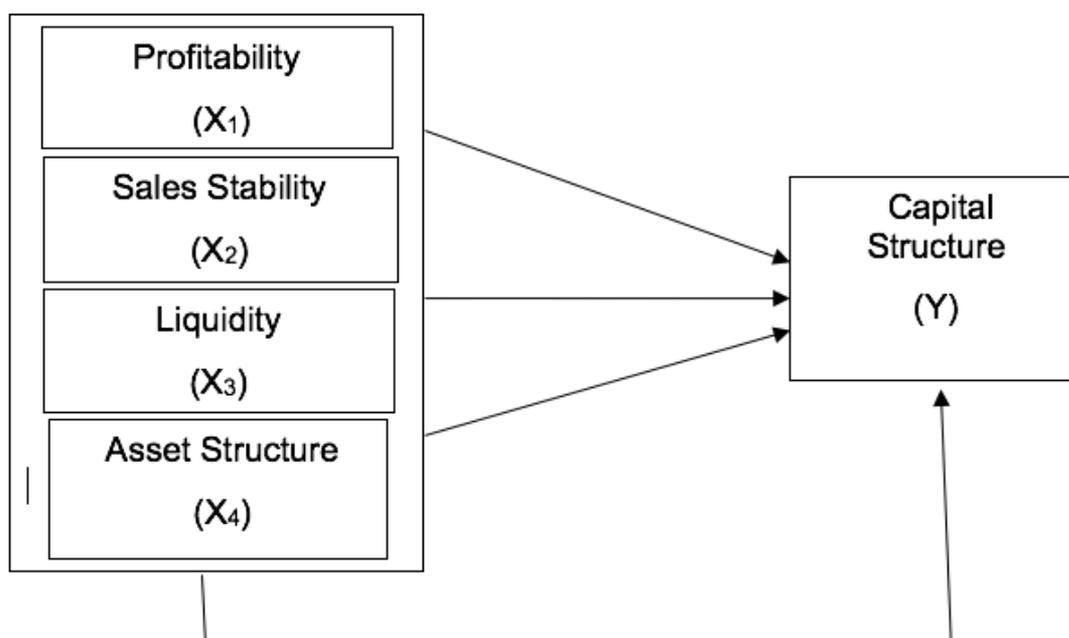
According to Syamsuddin (2007: 41), liquidity is an indicator of a company's ability to pay all short-term financial obligations at maturity using available current assets. According to Utari, et al. (2014: 60), liquidity is the ability of a company to fulfill all its liabilities that fall due. According to Hery (2015: 175), liquidity is a ratio that can be used to measure how far the company's ability to pay off its short-term obligations will soon be due.

Asset Structure

According to the definition given by the Indonesian Accounting Principles (in Jusuf, 2008: 6), assets (assets) are economic resources of a company which also includes costs that have occurred that are recognized based on applicable accounting principles. According to Rudanto (2009: 25), assets are a list wealth owned by a company. Assets are a collection of resources owned by the company that will be used to earn income for the year concerned and the following years. According to Riyanto (2009: 22), asset structure or wealth structure is a balance or comparison both in absolute terms and in the relative sense between current assets with fixed assets.

Methodology

To facilitate analysis in this study, a conceptual framework or research model is needed as follows:



Picture 1
Conceptual framework

Hypothesis

A hypothesis is a guess or a temporary statement that is the answer to a problem.

H1: Profitability affects the capital structure

H2: Stability of sales affects the capital structure

H3: Liquidity affects the capital structure

H4: The active structure affects the capital structure

H5: Profitability, stability in sales, liquidity and capital structure

Research Population and Sample

The population used in this study is a consumer goods industry company listed on the Indonesia Stock Exchange (IDX) with a total of 16 companies in the period 2012-2016. The sampling technique used in this study uses purposive sampling, namely sampling techniques with certain considerations.

Operational Definition and Variable Measurement

1. Capital Structure, Capital structure is the balance of the number of short-term loans permanent, long-term debt, preferred stock and ordinary shares

$$\text{DER} = (\text{Total Debt}) / (\text{Total Capital})$$

2. Profitability, is a group of ratios that show a combination of the effects of liquidity, asset management and debt on the results of operations. The measurement scale in this variable uses the ratio scale can be expressed in the following equation:

$$\text{Return On Asset} = (\text{Earning After Tax}) / (\text{Total Assets})$$

3. Stability of Sales, sales are a component forming company profits, increasing sales means there is a possibility that business profits will increase.

Sales Stability = The outstanding balance stated in the balance sheet of consumer goods industry companies for the period 2013-2016

4. Liquidity, is the ability of the company to fulfill all its obligations that are due

$$\text{Current Ratio} = (\text{Current Asset}) / (\text{Current Liabilities})$$

5. Asset structure is a balance or comparison in both the absolute sense and in the relative sense between current assets and fixed assets

$$\text{SA} = (\text{Aktiva Lancar}) / (\text{Aktiva tetap})$$

Data analysis technique

Analysis of Multiple Linear Regression

The hypothesis was tested by multiple regression analysis to analyze the influence of variables independent of the dependent variable. The regression model used is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Information:

Y = Capital Structure

a = Constant

X1 = Profitability

X2 = Sales Stability

X3 = Liquidity

X4 = Asset Structure

b1, b2, b3, b4 = regression coefficient

e = Disturbing variables

Result and Discussion

Rusult

Table 1
 Multiple Regression Test Results

Persamaan Regresi

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.676	.674		-2.488	.014
1 LN_Profitabilitas	-.163	.043	-.156	-3.754	.000
LN_StabilitasPenjualan	.066	.024	.111	2.756	.007
LN_Likuiditas	-1.263	.066	-.965	-19.214	.000
LN_StrukturAktiva	.178	.056	.162	3.181	.002

a. Dependent Variable: LN_StrukturModal

LN Capital structure = -1,676 - 0,163 LN Profitability + 0,066 LN Stability of sales - 1,263 LN Liquidity + 0,178 LN Asset structure

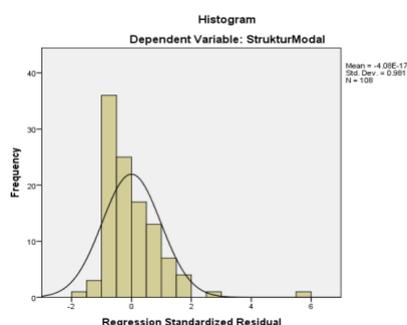
The meaning of the multiple linear regression equation above is:

1. The constant value of -1.676 states that if profitability, sales stability, liquidity and asset structure are considered constant or 0, the capital structure decreases by 1.676.
2. The profitability regression coefficient of -0.163 units states that each increase in 1 unit variable profitability will cause a decrease in capital structure equal to 0.163 units assuming the other variable is constant or equal to zero.
3. The sales stability regression coefficient of 0.066 units states that each increase in the total variable asset structure of 1 unit will cause an increase in the module structure of 0.066 units assuming the other variables are constant or equal to zero.
4. The liquidity regression coefficient of -1,263 units states that each increase in the variable 1 unit liquidity will cause a decrease in the structure of the model of 1,263 units assuming the other variables are constant or equal to zero.
5. The asset structure regression coefficient of 0.178 units states that each increase in the asset structure variable 1 unit will cause an increase in the structure of the structure of 0.178 units assuming the other variables are constant or equal to zero.

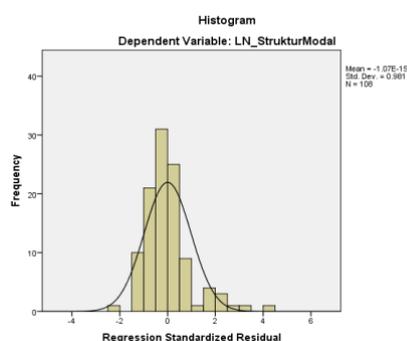
Classic assumption test

Normality test

The normality test aims to test whether in the regression model, the residual confounding variable has a normal distribution. In this test Histogram, Normal P-P Plot and Kolmogorov Smirnov Test will be used. The normality test results obtained:



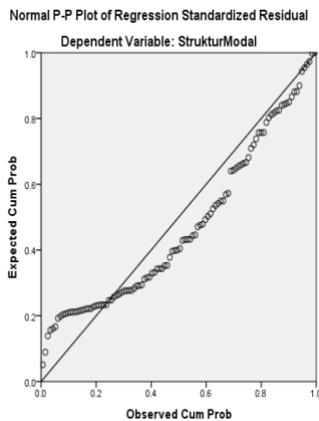
Before Transformation



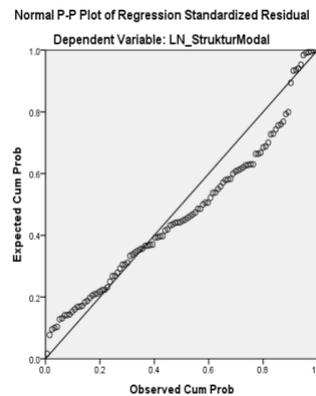
After Transformation

The picture above shows a line of curves that tend to be symmetry (U) so that the data can be normally distributed both before transformation and after transformation.

The test results using the P-P Plot test:



Before Transformation



After Transformation

Can be seen in the P-P Normality chart Plot above before the transformation, it can be seen that the points spread away from the diagonal line so that the data is not normally distributed.

The test results using the Kolmogorov Smirnov test:

Uji Normalitas Kolmogorov Smirnov Sebelum Transformasi

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		108
Normal Parameters ^{a,b}	Mean	.0E-7
	Std. Deviation	.50980285
Most Extreme Differences	Positive	.124
	Negative	-.129
Kolmogorov-Smirnov Z		1.343
Asymp. Sig. (2-tailed)		.054

a. Test distribution is Normal.
 b. Calculated from data.

Uji Normalitas Kolmogorov Smirnov Setelah Transformasi

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		108
Normal Parameters ^{a,b}	Mean	.0E-7
	Std. Deviation	.32953924
Most Extreme Differences	Positive	.113
	Negative	-.069
Kolmogorov-Smirnov Z		1.178
Asymp. Sig. (2-tailed)		.125

a. Test distribution is Normal.
 b. Calculated from data.

The results of the Kolmogorov Smirnov normality test before transformation showed a significant value of $0.054 < 0.05$, so the results of the Kolmogorov Smirnov normality test can be concluded that the data are not normally distributed. However, the results of the Kolmogorov Smirnov normality test after transformation show a significant value

of $0.125 > 0.05$, so the results of the Kolmogorov Smirnov normality test can be concluded that the data are normally distributed.

Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between independent variables.

The results obtained from the Multicollinearity Test are:

Uji Multikolinearitas Sebelum Transformasi

Model		Collinearity Statistics	
		Tolerance	VIF
1	Profitabilitas	.911	1.097
	StabilitasPenjualan	.972	1.029
	Likuiditas	.734	1.363
	StrukturAktiva	.685	1.459

a. Dependent Variable: StrukturModal

Uji Multikolinearitas Setelah Transformasi

Model		Collinearity Statistics	
		Tolerance	VIF
1	LN_Profitabilitas	.889	1.125
	LN_StabilitasPenjualan	.947	1.056
	LN_Likuiditas	.606	1.651
	LN_StrukturAktiva	.589	1.699

a. Dependent Variable: LN_StrukturModal

Based on the table above the multicollinearity test before transformation results of the tolerance value variable profitability, sales stability, liquidity and asset structure before transformation are above 0.10 while the VIF value variable profitability, sales stability, liquidity and asset structure before transformation is below 10. And the value tolerance after transformation for profitability variables, sales stability, liquidity and asset structure after transformation are above 0.10 while VIF values for profitability, sales stability, liquidity and asset structure after transformation are below 10. Thus Multicollinearity test does not occur regression between variables independent. Then in the regression model there is no correlation between independent or no multicollinearity both before and after transformation.

Autocorrelation Test

The autocorrelation test aims to show a correlation between disruptive errors in period t with errors in period t_1 (before). In this study, the autocorrelation test was carried out using the Durbin-Watson test.

Uji Autokorelasi Sebelum Transformasi		Uji Autokorelasi Setelah Transformasi	
Model Summary ^a		Model Summary ^a	
Model	Durbin-Watson	Model	Durbin-Watson
1	1,911 ^a	1	2,439 ^a

a. Predictors: (Constant), StrukturAktiva, StabilitasPenjualan, Profitabilitas, Likuiditas
 b. Dependent Variable: StrukturModal

a. Predictors: (Constant), LN_StrukturAktiva, LN_StabilitasPenjualan, LN_Profitabilitas, LN_Likuiditas
 b. Dependent Variable: LN_StrukturModal

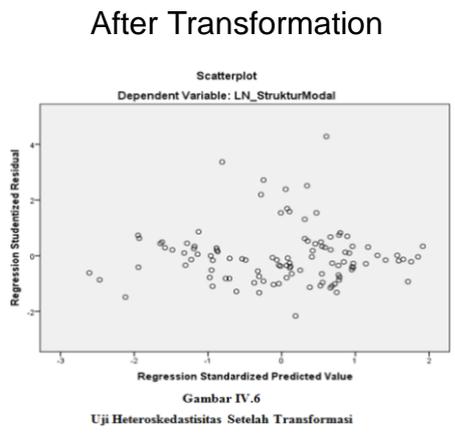
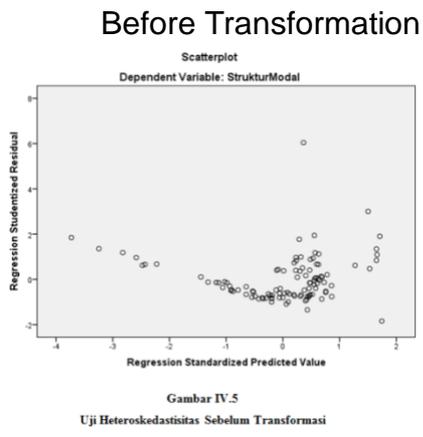
Before Transformation

After Transformation

The results of the autocorrelation test before transformation show the Durbin-Watson value of 1.911; By looking at the criteria in the Durbin-Watson guideline, the value of 1.55 to 2.46 means that there is no autocorrelation, so from the results of the Durbin-Watson test it can be concluded that there is no autocorrelation and the autocorrelation test after transformation shows the Durbin-Watson value of 2,439 ; By looking at the criteria in the Durbin-Watson guideline, the value of 1.55 to 2.46 means that there is no autocorrelation, then from the results of the Durbin-Watson test above it can be concluded that there is no autocorrelation.

Heteroscedasticity Test

A good regression model is not heteroscedasticity. There are several ways to test the presence or absence of heteroscedasticity situations in variance error terms for regression models. In this study, chart methods (Scatterplot Diagram) and Park Statistic Test will be used. The results of the scatterplot graph are:



In the scatterplot graph before transformation it can be seen that the points spread randomly and scattered both above and below zero (0) on the Y axis, not clustered

together, so that from the scatterplot graph it can be concluded that heteroscedasticity does not occur in the regression model. It can be seen that the scattered points randomly scattered both above and below zero (0) on the Y axis, do not gather in one place, so that from the scatterplot graph it can be concluded that heteroscedasticity does not occur in the regression model.

Results of the Park test:

Uji Park Sebelum Transformasi

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.320	.208		1.539	.127
Profitabilitas	.401	.840	.049	.478	.634
StabilitasPenjualan	-1.508E-014	.000	-.023	-.227	.821
Likuiditas	-.038	.058	-.075	-.658	.512
StrukturAktiva	-1.549E-006	.057	.000	.000	1.000

a. Dependent Variable: U2i

Uji Park Setelah Transformasi

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.803	.504		-1.593	.114
LN_Profitabilitas	-.018	.032	-.058	-.566	.573
LN_StabilitasPenjualan	.032	.018	.178	1.805	.074
LN_Likuiditas	.057	.049	.143	1.158	.250
LN_StrukturAktiva	-.065	.042	-.195	-1.558	.122

a. Dependent Variable: U2i2

Park test results, before the transformation show significant values of profitability variables which are equal to 0.127, sales stability variable 0.634, liquidity variables which are equal to 0.821 and asset structure variables which are equal to 0.512 because the significant value of the four independent variables is greater than 0.05 then from the Park test results it was concluded that there was no Heteroscedasticity problem. And the results of Park test after data transformation show significant value of profitability variable which is equal to 0.573 sales stability variable 0.074 liquidity variable which is equal to 0.250 and asset structure variable which is equal to 0.122 because the significant value of the four independent variables is greater than 0.05, from the Park test results concluded there is no problem with Heteroscedasticity.

Model Feasibility Test

Test F

The F test is used to show whether all the independent variables included in the model have a joint influence on the dependent variable.

Uji F

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.767	4	15.192	137.906	.000 ^b
	Residual	11.346	103	.110		
	Total	72.113	107			

a. Dependent Variable: LN_StrukturModal
 b. Predictors: (Constant), LN_StrukturAktiva, LN_StabilitasPenjualan, LN_Profitabilitas, LN_Likuiditas

The results of Fcount = 137.906 > F table = 2.46 with a significance level of 0.000 < 0.05. Then H1 is accepted and H0 is rejected, meaning jointly profitability, sales stability, liquidity and asset structure have an effect on capital structure

Determination Coefficient of Hypothesis

The coefficient of determination is intended to find out how much the model's ability to explain the dependent variable. If the coefficient of determination (R²) is greater or closer to 1, it can be said that the ability of the independent variable (X) is large against the dependent variable (Y). The results of the Adjusted R Square in this study are:

Uji Koefisien Determinasi

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.918 ^a	.843	.837	.33190

a. Predictors: (Constant), LN_StrukturAktiva, LN_StabilitasPenjualan, LN_Profitabilitas, LN_Likuiditas

From the table above the results of the Determination Coefficient Test after transformation obtained the Adjusted R squares value of 0.837, this means 83.7% of the variation of the dependent variable capital structure which can be explained by profitability, sales stability, liquidity and active structure, while the remaining 16.3% (100% - 83.7%) explained by other variables outside the research variable.

Hypothesis testing

Test T

T-test testing is used to show how far the influence of one independent variable on the dependent variable.

Uji t
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.676	.674		-2.488	.014
1 LN_Profitabilitas	-.163	.043	-.156	-3.754	.000
LN_StabilitasPenjualan	.066	.024	.111	2.756	.007
LN_Likuiditas	-1.263	.066	-.965	-19.214	.000
LN_StrukturAktiva	.178	.056	.162	3.181	.002

a. Dependent Variable: LN_StrukturModal

Thus the results of the t test can be explained as follows:

1. The results of the calculation of the t test are partially obtained by the value of t calculated profitability by -3.754 with a significant value of 0,000. The value of t-count <-t table or -3.754 <-1,98326, where H1 is accepted and H0, the rejection of profitability has a negative and significant effect on the capital structure of the consumer goods industry listed in the 2013-2016 period.
2. The results of the calculation of the t test are partially obtained by the value of t calculated the total sales stability of 2.756 with a significant value of 0.007. The value of t count > t table or 2.756 > 1.98326 then H1 is accepted, and H0 is rejected, meaning that the stability of sales has a positive and significant effect on the capital structure of the consumer goods industry listed on the Stock Exchange for the period 2013-2016.
3. The results of the calculation of the t test are partially obtained by the value of the liquidity t count of -19.214 with a significant value of 0,000. The value of t-count <-t table or -19.214 <-1,98326, where H1 is accepted and H0, the rejection of liquidity has a negative and significant effect on the capital structure of the consumer goods industry registered in the 2013-2016 period.
4. The results of the calculation of the t test are partially obtained by the value of t arithmetic active structure of 3.181 with a significant value of 0,000. The value of t count > t table or 2.731 > 1.98326 then H1 is accepted, and H0 is rejected, meaning

the asset structure has a positive and significant effect on the capital structure of the consumer goods industry listed on the Stock Exchange in the period 2013-2016.

Discussion

Effect of Profitability on Capital Structure

The results showed profitability had a negative and significant effect on the capital structure of consumer goods industry registered in the 2013-2016 period. The results of the regression equation showed that every increase in profitability resulted in capital structure. The results of this study are in line with jahrial theory (2008: 205). important in determining the capital structure. With large retained earnings, the company would be happier to use retained earnings before using debt or issuing new shares. The results of this study are in line with the results of the research of Bhawa and Dewi S. (2015), namely profitability has a negative effect on the capital structure of pharmaceutical companies listed on the Indonesia Stock Exchange in the period 2009 - 2012.

Effect of Sales Stability on Capital Structure

The results of the study show that sales stability has a positive and significant effect on the capital structure of consumer goods industry registered in the 2013-2016 period. The results of the regression equation indicate that each increase in sales stability results in a dividend increase. high is possible to spend using debt that is greater than the company whose sales growth is low, because the profits obtained from the increase in sales are expected to still cover the interest costs of debt. The results of this study are not in line with the results of research Vitriasari and Indarti (2012) where the results his research on sales stability does not affect the capital structure while in this study sales stability has a positive and significant effect on the capital structure of Real Estate and Proper companies. which was listed on the Indonesian Stock Exchange in the 2007-2009 period. This is because the research period is different, namely the period 2007-2009 and the company sector under study is the Real estate and Property sector companies.

Influence of Liquidity on Capital Structure

The results showed that liquidity had a negative and significant effect on the capital structure of consumer goods industry companies registered in the 2013-2016 period. The results of the regression equation showed that every increase in liquidity resulted in a decrease in dividends. The results of this study are in line with Sunyoto's theory (2013: 14). corporations can borrow from banks through short-term loans, overdrafts and factoring. The results of the study are in line with the results of Sari and Oetomo's research (2016) where liquidity research has a negative and significant effect on the capital structure of automotive companies listed on the Indonesia Stock Exchange in 2010- 2014

Effect of Activity Structure on Capital Structure

The results of the study show that the active structure has a positive and significant influence on the capital structure of the consumer goods industry registered in the 2013-2016 period. The results of the regression equation show every increase in the total asset structure resulting in an increase in capital structure. The results of this study are in line with Sjahrial's theory (2008: 205), companies that have large amounts of fixed assets can use large amounts of debt because the scale of large companies is easier get access to funding sources compared to small companies. Then the amount of fixed assets can be used as collateral or collateral for corporate debt. The results of this study are not in line with the results of Vitriasari and Indarti (2012) research that asset structure has a negative and significant effect on capital structure while in this study asset structure has a positive and significant effect on capital structure the Real Estate and Property company listed on the Indonesia Stock Exchange in the 2007-2009 period. This is due to the different research period, namely the period 2007-2009 and the company sector under study, namely the real estate and property sector companies.

Conclusion

Based on the results of the study, the conclusions from the results of this study are:

1. Partially profitability has a significant negative effect on the capital structure of the consumer goods industry registered in the 2013-2016 period.
2. Partially sales stability has a significant positive effect on the capital structure of the consumer goods industry registered in the 2013-2016 period.
3. Partially liquidity has a significant negative effect on the capital structure of the consumer goods industry registered in the 2013-2016 period.
4. Partially the asset structure influences the positive capital structure in the consumer goods industry listed in the 2013-2016 period.
5. Simultaneously profitability, sales stability, liquidity and activity structure influencing the capital structure of consumer goods industry registered in the 2013-2016 period with the results of the coefficient of determination after transformation obtained 83.7% of the dependent variation of capital structure which can be explained by independent variables profitability, stability sales, liquidity and asset structure.

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PENGARUH RASIO LANCAR, MODAL KERJA, DAN AKTIVA TETAP TERHADAP RETURN ON ASSETS PADA PERUSAHAAN MAKANAN DAN MINUMAN YANG LISTING DI BURSA EFEK INDONESIA PERIODE TAHUN 2012-2017

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Abstrak

Tujuan penelitian ini untuk menguji pengaruh rasio lancar, modal kerja dan aktiva tetap terhadap return on assets. Penelitian ini dilakukan dengan menggunakan sampel 11 perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia periode tahun 2012-2017. Metode pemilihan sampel menggunakan purposive sampling dan model analisis yang digunakan adalah model analisis regresi linear berganda. Secara parsial, hasil penelitian ini menunjukkan bahwa rasio lancar berpengaruh positif dan signifikan terhadap return on assets. Hal ini dapat dilihat dari nilai koefisien positif sebesar 4,597 dengan signifikansi sebesar 0,000 lebih kecil dari pada taraf signifikansi 0,05. Modal kerja tidak berpengaruh negatif dan tidak signifikan terhadap return on assets. Hal ini dapat dilihat dari nilai koefisien negatif sebesar -0,887 dengan signifikansi sebesar 0,406 lebih besar daripada taraf signifikansi 0,05. Aktiva tetap tidak berpengaruh positif dan tidak signifikan terhadap return on assets. Hal ini dapat dilihat dari nilai koefisien positif sebesar 0,566 dengan signifikansi sebesar 0,574 lebih besar daripada taraf signifikansi 0,05. Sedangkan secara simultan, rasio lancar, modal kerja dan aktiva tetap berpengaruh secara simultan terhadap return on assets. Hal ini ditunjukkan dengan signifikansi F sebesar 0,000 lebih kecil dari pada taraf signifikansi 0,05.

Kata Kunci: Pengungkapan rasio lancar, modal kerja dan aktiva tetap terhadap return on assets.

Pendahuluan

Latar Belakang

Awal tahun 2017, persaingan sejumlah perusahaan di industri makanan dan minuman sangat kompetitif. Rasio lancar dianggap sebagai salah satu rasio yang harus diperhatikan oleh perusahaan agar dapat bersaing secara kompetitif. Rasio lancar biasanya digunakan untuk mengukur kemampuan perusahaan dalam

memenuhi kewajibannya. Semakin rendahnya nilai dari rasio lancar, maka akan mengindikasikan ketidakmampuan perusahaan dalam memenuhi kewajiban jangka pendeknya, sehingga hal ini dapat mempengaruhi tingkat profitabilitas perusahaan, dimana perusahaan yang tidak mampu memenuhi kewajibannya akan dikenai beban tambahan atas kewajibannya. Dengan memperhatikan rasio lancar, modal kerja dan aktiva tetap maka perusahaan menginginkan investasinya mendapatkan hasil yang sesuai dengan yang diharapkan. Kesalahan dalam pengambilan keputusan investasi maka akan mengakibatkan profitabilitas perusahaan menurun terutama pada tingkat pengembalian aset atau *Return On Assets*. Hal inilah yang menjadi tantangan bagi setiap perusahaan di industri makanan dan minuman bagaimana perusahaan memperoleh *Return On Assets* yang tinggi. Dengan kata lain *Return On Assets* yang tinggi dapat menggambarkan adanya keuntungan bersih yang besar diperoleh oleh perusahaan.

Perumusan Masalah

Berdasarkan latar belakang yang telah dikemukakan di atas, maka menjadi rumusan permasalahan dalam penelitian ini adalah :

1. Bagaimanakah pengaruh rasio lancar secara parsial terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2017?
2. Bagaimanakah pengaruh modal kerja secara parsial terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2017?
3. Bagaimanakah pengaruh aktiva tetap secara parsial terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2017?
4. Bagaimanakah pengaruh rasio lancar, modal kerja dan aktiva tetap secara simultan terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.

Tujuan dan Manfaat Penelitian

Tujuan yang hendak dicapai dari penelitian ini adalah sebagai berikut :

1. Untuk menguji dan menganalisis pengaruh rasio lancar secara parsial terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.
2. Untuk menguji dan menganalisis pengaruh modal kerja secara parsial terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.
3. Untuk menguji dan menganalisis pengaruh aktiva tetap secara parsial terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.
4. Untuk menguji dan menganalisis pengaruh rasio lancar, modal kerja dan aktiva tetap secara simultan terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.

Adapun manfaat penelitian adalah:

1. Bagi peneliti, diharapkan dapat menjadi acuan bagi peneliti selanjutnya yang tertarik untuk meneliti mengenai kajian yang relevan dengan penelitian ini.
2. Bagi perusahaan makanan dan minuman, hasil penelitian ini diharapkan dapat mengetahui variabel rasio lancar, modal kerja dan aktiva tetap yang berpengaruh terhadap *Return On Assets* pada perusahaan makanan dan minuman yang *listing* di Bursa Efek Indonesia (BEI) periode tahun 2012-2016, serta mengetahui variabel yang paling dominan berpengaruh terhadap *Return On Assets* periode tahun 2012-2016.
3. Bagi Universitas Prima Indonesia, yaitu sebagai bahan referensi dan data tambahan untuk melakukan penelitian selanjutnya yang berhubungan dengan bidang akuntansi dan manajemen keuangan.
4. Bagi investor, sebagai bahan pertimbangan para investor dan calon investor, dalam pengambilan keputusan investasi di Bursa Efek Indonesia. Sebagai bahan referensi yang bermanfaat bagi perusahaan karena perusahaan dapat

berpartisipasi di dalam meningkatkan profitabilitas bagi pemegang saham.

5. Bagi peneliti selanjutnya, diharapkan dapat menjadi acuan bagi peneliti selanjutnya yang tertarik untuk meneliti mengenai kajian yang relevan dengan penelitian ini.

TINJAUAN PUSTAKA

Rasio Lancar

Brigham dan Houston (2012:134), "*current ratio* atau rasio lancar yaitu rasio yang dihitung dengan membagi aset lancar dengan kewajiban lancar". Rasio ini menunjukkan sampai sejauh apa kewajiban (hutang) lancar ditutupi oleh aset atau aktiva yang diharapkan akan dikonversi menjadi kas dalam waktu dekat (aktiva lancar).

Ross (2009:80), rasio lancar dapat dinyatakan sebagai berikut:

$$\text{Rasio Lancar} = \frac{\text{Aktiva Lancar}}{\text{Hutang Lancar}}$$

Model Kerja

Mulyawan (2015:193), "modal kerja adalah keseluruhan aktiva lancar yang dimiliki perusahaan, atau dana yang harus tersedia untuk membiayai kegiatan operasi perusahaan sehari-hari".

Ross (2009:31), modal kerja merupakan selisih antara aset lancar sebuah perusahaan dengan kewajiban lancarnya.

$$\text{Modal Kerja} = \text{Aset Lancar} - \text{Kewajiban Lancar}$$

Aktiva Tetap

Jumingan (2014:19), aktiva tetap merupakan harta kekayaan yang berwujud, bersifat relatif permanen, digunakan dalam operasi regular lebih dari satu tahun, dibeli dengan tujuan untuk tidak dijual kembali.

Kasmir (2012:39), secara garis besar, aktiva tetap dibagi dua macam, yaitu : aktiva tetap yang berwujud (tampak fisik) seperti tanah, bangunan, mesin, kendaraan, dan lainnya, dan aktiva tetap yang tidak berwujud (tidak tampak fisik) merupakan hak yang dimiliki perusahaan, contoh hak paten, merek dagang, goodwill, lisensi, dan lainnya.

Return On Assets

Sudana (2014:25), *return on assets* merupakan kemampuan perusahaan dengan menggunakan seluruh aktiva yang dimiliki untuk menghasilkan laba setelah pajak.

Sinaga (2014:243), rasio ini merupakan perbandingan antara laba bersih dengan total aset.

$$\text{Return On Assets} = \frac{\text{Laba Bersih}}{\text{Total Aset}}$$

Teori Pengaruh Rasio Lancar Terhadap *Return On Assets*

Horne Dan Wachowicz (2012:163), semakin besar likuiditas perusahaan, semakin kuat kondisi keuangan keseluruhan perusahaan dan semakin besar profitabilitas perusahaan.

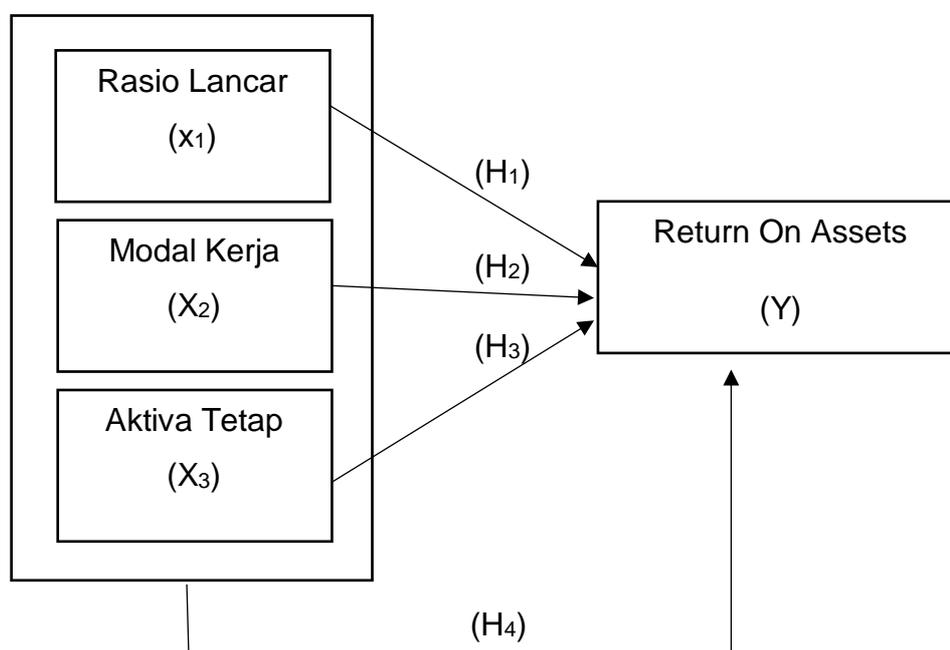
Teori Pengaruh Modal Kerja Terhadap *Return On Assets*

Kasmir (2012:252), dengan terpenuhi modal kerja, perusahaan juga dapat memaksimalkan perolehan labanya. Dan sebaliknya perusahaan dalam kekurangan modal kerja dapat membahayakan kelangsungan hidup perusahaan yang bersangkutan, akibat tidak dapat memenuhi likuiditas dan target laba yang diinginkan.

Teori Pengaruh Aktiva Tetap Terhadap *Return On Assets*

Rudianto (2012:256), agar dapat menghasilkan produk untuk memenuhi tujuannya, setiap perusahaan harus memiliki aset, tanpa memiliki aset, tidak ada perusahaan yang dapat menghasilkan suatu produk untuk dijual, yang pada akhirnya akan berpengaruh terhadap kemampuan perusahaan dalam mencapai tujuannya.

Kerangka Konseptual



Gambar 1
Kerangka Konseptual

Hipotesis

Hipotesis dalam penelitian ini adalah sebagai berikut :

H₁ : Rasio lancar berpengaruh secara parsial terhadap Return On Assets pada perusahaan makanan dan minuman yang listing di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.

H₂ : Modal kerja berpengaruh secara parsial terhadap Return On Assets pada perusahaan makanan dan minuman yang listing di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.

H₃ : Aktiva tetap berpengaruh secara parsial terhadap Return On Assets pada perusahaan makanan dan minuman yang listing di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.

H₄ : Rasio lancar, modal kerja dan aktiva tetap berpengaruh secara simultan terhadap Return On Assets pada perusahaan makanan dan minuman yang listing di Bursa Efek Indonesia (BEI) periode tahun 2012-2017.

METODE PENELITIAN

Jenis Penelitian

Jenis penelitian ini menggunakan metode deskriptif. Menurut Umar (2013:22), metode ini bertujuan untuk menggambarkan sifat sesuatu yang tengah berlangsung pada saat riset dilakukan dan memeriksa sebab-sebab dari suatu gejala tertentu.

Populasi Dan Sampel

Dalam penelitian ini, populasi yang digunakan adalah perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia pada tahun 2017. Jumlah populasi perusahaan ini adalah 15 perusahaan.

Sampel penelitian ini menggunakan teknik *purposive sampling*. Menurut Umar (2013:92), teknik *purposive sampling* merupakan pemilihan sampel berdasarkan pada karakteristik tertentu yang dianggap mempunyai sangkut paut dengan karakteristik populasi yang sudah diketahui sebelumnya. Beberapa karakteristik yang ditentukan adalah :

1. Perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia selama periode tahun 2012-2017.
2. Perusahaan makanan dan minuman yang memperoleh laba selama periode tahun 2012-2017.
3. Perusahaan makanan dan minuman yang mempublikasikan laporan keuangan secara berturut-turut periode tahun 2012-2017.

Teknik Pengumpulan Data

Teknik pengumpulan data ini menggunakan dengan teknik dokumentasi dimana teknik ini berbentuk catatan historis yang tertulis dalam dokumen seperti arsip data dengan format elektronik. Di samping itu peneliti juga dapat menambahkan dan melakukan studi dokumentasi dengan cara pemahaman dan pendalaman literatur-literatur, seperti buku, jurnal dan laporan penelitian yang berkaitan dengan masalah

yang diteliti.

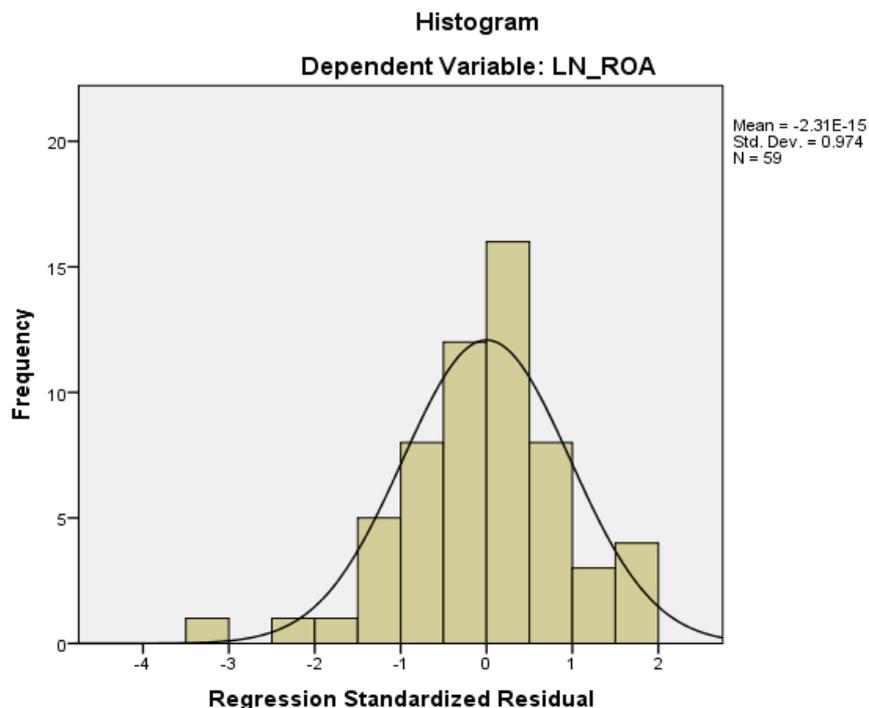
HASIL PENELITIAN DAN PEMBAHASAN

Uji Asumsi Klasik

Tabel.1 Hasil Uji Statistik Deskriptif

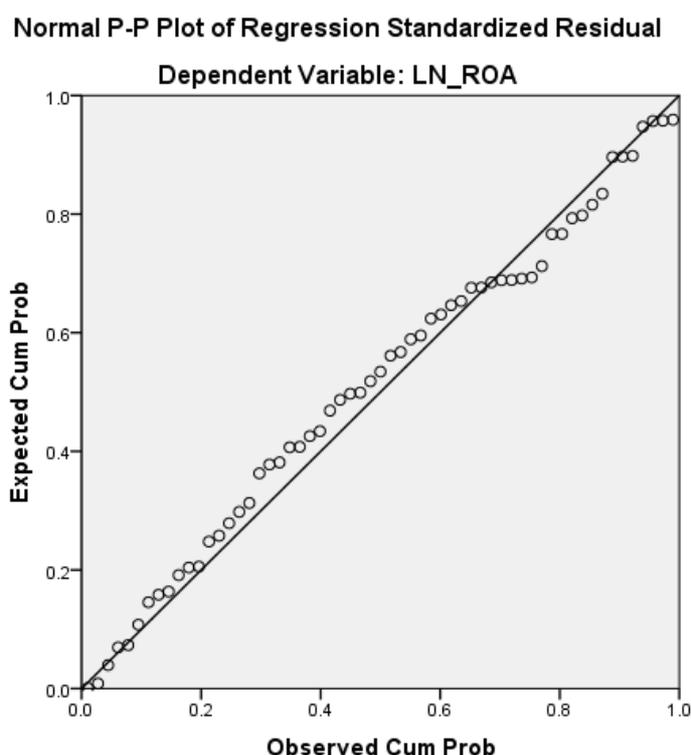
Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
RASIO_L	66	.5139	8.6378	2.223727	1.5713075
ANCAR					
MODAL_	66	-	1835529200	2648766631	4426813062
KERJA		77230700	0000	000.00	000.000
		0000			
AKTIVA_T	66	11397361	5542408900	6249832108	1354466270
ETAP		4000	0000	000.00	0000.000
ROA	66	.0159	.6572	.130341	.1211176
Valid N (listwise)	66				

Gambar.1 Hasil Uji Normalitas



Dari grafik histogram pada Gambar 1 di atas dapat disimpulkan data residual tidak berdistribusi normal karena dapat dilihat dari arah histogram yang miring ke kanan maupun ke kiri dan menunjukkan garis kurva cenderung simetri (U).

Gambar.2 Hasil Uji P-Plot



Grafik probability *plot* menunjukkan titik-titik menyebar mendekati garis diagonal, maka dapat disimpulkan bahwa data dalam model regresi berdistribusi normal.

Tabel.2 Hasil Uji K-S

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		59
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.44854369
Most Extreme Differences	Absolute	.071
	Positive	.065
	Negative	-.071
Test Statistic		.071
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Uji statistik *Kolmogorov-Smirnov* menunjukkan nilai signifikan 0,200 dimana lebih besar dari nilai signifikan 0,05 dengan demikian hasil uji normalitas *Kolmogorov-Smirnov* dapat diambil kesimpulan data berdistribusi normal. Karena data telah berdistribusi secara normal, maka dapat dilakukan pengujian asumsi klasik lainnya.

Tabel.3 Hasil Uji Multikolinearitas

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
RASIO_LANCAR	.933	1.072
MODAL_KERJA	.204	4.891
AKTIVA_TETAP	.202	4.945

a. Dependent Variable: ROA

Hasil uji Multikolonieritas pada tabel.2 nilai *tolerance* dan VIF pada variabel Rasio Lancar (X_1) memiliki nilai *tolerance* 0,285 dan nilai VIF 3,515, variabel Modal Kerja (X_2) memiliki nilai *tolerance* 0,111 dan nilai VIF 9,016, variabel Aktiva Tetap (X_3) memiliki nilai *tolerance* 0,143 dan nilai VIF 7,008 karena semua variabel memiliki nilai *tolerance* lebih besar dari 0,10 dan nilai VIF lebih kecil dari 10 maka dapat disimpulkan terjadi multikolonieritas pada variabel bebas.

Tabel.4 Hasil Uji Autokorelasi

Model Summary ^b	
Model	Durbin-Watson
1	

a. Predictors: (Constant), LN_AKTIVATETAP, LN_RASIO_LANCAR, LN_MODAL_KERJA

b. Dependent Variable: LN_ROA

Tabel.4 menunjukkan nilai *Durbin-Watson* sebesar 1,789; sedangkan dalam tabel

DW untuk “k” = 3 (variabel bebas, tidak termasuk variabel terikat) dan N = 59 besar nilai dl (batas bawah) = 1,4745 dan du (batas atas) = 1,6875; 4 – dl = 2,5255 dan 4 – du = 2,3125. Dengan melihat kriteria pada pedoman *Durbin-Watson* maka nilai du < d < 4-du atau 1,6875 < 1,789 < 2,3125 maka dari hasil uji Autokorelasi tidak terdapat autokorelasi positif atau negatif.

Tabel.5 Hasil Uji Heteroskedastisitas

			Correlations			
			RASIO_ LANCA R	MODAL _KERJA	AKTIVA _TETAP	ROA
Spearman's rho	RASIO_L ANCAR	Correlation Coefficient	1.000	.732**	.137	.268*
		Sig. (2-tailed)	.	.000	.273	.029
		N	66	66	66	66
	MODAL_ KERJA	Correlation Coefficient	.732**	1.000	.634**	-.017
		Sig. (2-tailed)	.000	.	.000	.893
		N	66	66	66	66
	AKTIVA_ TETAP	Correlation Coefficient	.137	.634**	1.000	-.028
		Sig. (2-tailed)	.273	.000	.	.826
		N	66	66	66	66
	ROA	Correlation Coefficient	.268*	-.017	-.028	1.000
		Sig. (2-tailed)	.029	.893	.826	.
		N	66	66	66	66

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

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

Uji Analisis Linear Berganda

Tabel.6 Hasil Uji Analisis Regresi Linear Berganda

Coefficients^a		
Model	Unstandardized Coefficients	
	B	Std. Error
1 (Constant)	-2.591	.934
LN_RASIO_LANCA	1.027	.223
LN_MODAL_KERJA	-.074	.089
LN_AKTIVA_TETAP	.049	.087

a. Dependent Variable: LN_ROA

Persamaan Regresi linier berganda dalam penelitian ini berdasarkan tabel.5 tersebut adalah sebagai berikut:

$$Y = -2,591 + 1,027X_1 - 0,074X_2 + 0,049X_3$$

Dimana : Y = *Return On Assets*

X₁ = Rasio Lancar

X₂ = Modal Kerja

X₃ = Aktiva Tetap

1. Konstanta a sebesar -2,591 menyatakan bahwa jika Rasio Lancar, Modal Kerja dan Aktiva Tetap konstan atau bernilai 0 maka *Return On Assets* sebesar -2,591 satuan.
2. Koefisien b₁ sebesar 1,027 menyatakan bahwa jika terjadi peningkatan setiap satuan variabel Rasio Lancar maka *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia akan mengalami kenaikan sebesar 1,027 satuan.
3. Koefisien b₂ sebesar -0,074 menyatakan bahwa jika terjadi peningkatan setiap satuan variabel Modal Kerja maka *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia akan mengalami penurunan sebesar 0,074 satuan.
4. Koefisien b₃ sebesar 0,049 menyatakan bahwa jika terjadi peningkatan setiap satuan variabel Aktiva Tetap maka *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia akan mengalami kenaikan 0,049satuan.

Koefisien Determinasi

Tabel.7 Koefisien Determinasi

Model Summary^b

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.706 ^a	.499	.471		.46061

a. Predictors: (Constant), LN_AKTIVATETAP, LN_RASIOLANCAR, LN_MODALKERJA

b. Dependent Variable: LN_ROA

Nilai R sebesar 0,706 menunjukkan bahwa korelasi atau keeratan hubungan antara Rasio Lancar, Modal Kerja dan Aktiva Tetap dengan *Return On Assets* yang rendah yaitu 70,6% nilai *Adjusted R Square* (R^2) atau koefisien determinasi (R^2) sebesar 0.471 mengidentifikasi bahwa variasi keempat Rasio Lancar, Modal Kerja dan Aktiva Tetap hanya menjelaskan variasi *Return On Assets* sebesar 47,1%. Sedangkan sisanya sebesar 52,9% dipengaruhi oleh faktor-faktor lain diluar variabel yang diteliti.

Uji F

Tabel.8 Hasil Uji Simultan (Uji F)

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.608	3	3.869	18.237	.000 ^b
	Residual	11.669	55	.212		
	Total	23.277	58			

a. Dependent Variable: LN_ROA

b. Predictors: (Constant), LN_AKTIVATETAP, LN_RASIOLANCAR, LN_MODALKERJA

Berdasarkan tabel.8, menunjukkan uji signifikansi simultan / bersama-sama (uji statistik F) menghasilkan nilai Fhitung sebesar 18,237. Pada derajat bebas 1 (df_1) = $k - 1 = 4 - 1 = 3$, dan derajat bebas 2 (df_2) = $n - k = 59 - 4 = 55$, dimana n = jumlah sampel, k = jumlah variabel, nilai f tabel pada taraf kepercayaan signifikansi 0,05 adalah 2,77 dengan demikian $F_{hitung} = 18,237 > F_{tabel} = 2,77$ dengan tingkat signifikansi 0,000 Maka H_0 diterima artinya secara bersama-sama Rasio Lancar, Modal Kerja dan Aktiva Tetap berpengaruh terhadap Return On Assets pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia tahun 2012-2017.

Uji t

Tabel.9 Uji Parsial (uji t)

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-2.591	.934		-2.774	.008
LN_RASIO LANCA R	1.027	.223	.823	4.597	.000
LN_MODAL KERJA	-.074	.089	-.240	-.837	.406
LN_AKTIVATETAP	.049	.087	.143	.566	.574

a. Dependent Variable: LN_ROA

Nilai t tabel untuk probabilitas 0.05 pada derajat bebas $n - k - 1 = 59 - 3 - 1 = 55$ adalah sebesar 2,00404. Dengan demikian hasil dari Uji t dapat dijelaskan sebagai berikut :

1. Hasil perhitungan uji t secara parsial diperoleh nilai t_{hitung} Rasio Lancarsebesar 4,597. Nilai $t_{hitung} > t_{tabel}$ atau $4,597 > 2,00404$ dengan nilai signifikan sebesar $0,000 < 0,05$ maka menerima H_1 dan menolak H_0 yang berarti artinya Rasio Lancarberpengaruh dan signifikan terhadap *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia Periode 2012-2017.
2. Hasil perhitungan uji t secara parsial diperoleh nilai t_{hitung} Modal Kerja sebesar -0,837. Nilai $t_{hitung} > t_{tabel}$ atau $0.837 < 2,00404$ dengan nilai signifikan sebesar $0,406 > 0,05$ maka menerima H_0 dan menolak H_1 yang berarti artinya Modal Kerja tidak berpengaruh negatif signifikan terhadap *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia Periode 2012-2017.
3. Hasil perhitungan uji t secara parsial diperoleh nilai t_{hitung} *Growth* sebesar -0.566. Nilai $t_{hitung} > t_{tabel}$ atau $0.566 < 2,00404$ dengan nilai signifikan sebesar $0,574 > 0,05$ maka menolak H_1 dan menerima H_0 yang berarti artinya Aktiva Tetap tidak

berpengaruh signifikan terhadap *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia Periode 2012-2017.

KESIMPULAN DAN SARAN

Kesimpulan

Berdasarkan hasil pengujian hipotesis yang dilakukan dengan menggunakan alat SPSS, diperoleh kesimpulan sebagai berikut :

1. Rasio Lancar (X_1) berpengaruh terhadap *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia tahun 2012-2017.
2. Modal Kerja (X_2) tidak berpengaruh terhadap *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia tahun 2012-2017.
3. Aktiva Tetap (X_3) tidak berpengaruh terhadap *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia tahun 2012-2017.
4. Rasio Lancar, Modal Kerja dan Aktiva Tetap secara simultan berpengaruh terhadap *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia tahun 2012-2017.

Saran

Berdasarkan hasil penelitian yang telah peneliti kemukakan, saran-saran yang dapat peneliti berikan adalah sebagai berikut:

1. Perusahaan

Penentuan *Return On Assets* merupakan masalah penting bagi setiap perusahaan karena baik dan buruknya *Return On Assets* akan memiliki dampak terhadap finansial perusahaan. Oleh karena itu sebaiknya manajemen perlu mempertimbangkan variabel-variabel yang mempengaruhi *Return On Assets* dalam hal ini Rasio Lancar, Modal Kerja dan Aktiva Tetap.

2. Universitas Prima Indonesia

Hasil penelitian ini sebagai bahan referensi yang ada di kampus Universitas Prima Indonesia.

3. Investor

Sebagai informasi dan bahan pertimbangan dalam pengambilan keputusan investasi di Bursa Efek Indonesia agar para investor dalam meningkatkan profitabilitas bagi pemegang saham.

4. Peneliti Selanjutnya

Hasil penelitian ini sebagai acuan peneliti selanjutnya suntuik menambah bahan referensi dalam karya tulis ilmiah mengenal pengaruh Rasio Lancar, Modal Kerja dan Aktiva Tetap terhadap *Return On Assets* pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia tahun 2012-2017.

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PURE SCIENCE

PART 14: ALTERNATIVE HEALTH

ANALYSIS OF THE USE OF NON-HEALTH STANDARD GLASSES AND CONTACT LENS AT MEDAN JOHOR DISTRICT

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Abstract

The refractive disorder and blindness in Indonesia continue to increase with a prevalence of 1.5% and it was the highest compared to the rate of blindness in Southeast Asian countries. Refractive disorder may be treated by using glasses and contact lens. This research was conducted to analyse the use of non-health standards glasses and contact lenses in Medan Johor District, Medan. This study was conducted using qualitative and content analysis methods to analyze both secondary and primary sources. Primary sources of the study were obtained from the in-depth interview method involving a group of respondents determined through purposive sampling techniques. The informants were those who used non-health standard glasses and contact lenses. The result showed that the respondents who use these non-health standard glasses and contact lenses possess minimal knowledge regarding services offered by refractive optician at optics, thus caused them not to acquire a proper check on eyes condition prior to using glasses or contact lenses. The findings also show that society expects the authorities to set up rules to address these problems, as well as the need to use media channels to instill awareness on the importance of using glasses and contact lenses that meet health standard requirements.

Keywords: glasses, contact lens non-health standard, refractive disorder and blindness

Introduction

Humans have the eyes as their visual senses that really functional. Since the eyes are the window of life, without the eyes, they cannot see the world. Although its function for human life is very important, but often it gets less attention, then many diseases that attack the eye do not treated well and cause visual impairment and blindness. The most common visual impairment is myopic, farsighted and near sighted. The efforts to prevent and cope the visual impairment and blindness really need serious concern (Ministry of Health 2014).

According the data from WHO, there are 285 million people in the world who experience visual impairments, 39 million of them suffer from blindness and 246 million people experience low vision. Visual acuity can be said to be low if the visus has reached 6/18. In global, the visual impairment is caused by 43% refractive abnormalities, 33% cataracts and 2% glaucoma. The estimated number of people in worldwide with visual impairment in 2010 was 285 million people or 4.24%, 39 million people or a population of 0.58% suffering from blindness and 244 million or 3.65% of people experiencing low vision. Then about 65% of people with visual impairments and 82% of people with blindness were 50 years old or even older (WHO, 2014).

The national data on the number of visual impairments have been collected through various surveys, including the Eye Health Survey, National Health Survey / Household Health Survey, Basic Health Research and Rapid Assessment of Avoidable Blindness (RAAB). Basic Health Research (RisetKesehatanDasar/Riskesdas) 2007 and 2013 had collected data on the health of the eyes. In Riskesdas 2007 and 2013, the respondents who were examined coming from the 6 years old and above and allowed to be examined for their vicus. The examination was carried out in optimal correction. In 2013, there were 924,780 people as the respondents. They were classified as suffering from severe visual impairment with visual acuity ranged from 6/60 to 3/60 and as having blindness with vision sharpness <3/60 (Ministry of Health 2014).

The number of refractive disorders and blindness in Indonesia is regularly increased with 1,5% prevalence and the highest if compared with the blindness rate in Southeast Asian countries; such as Thailand by 0.3%. And The refractive disorders

(0.14%) are the third position as the main cause blindness after cataracts (0.78%) and glaucoma (0.20%) (Richard, 2014).

The survey conducted by the Indonesian Ministry of Health in eight provinces (West Sumatera, South Sumatera, West Java, Central Java, East Java, North Sulawesi, South Sulawesi and West Nusa Tenggara) in 2009 found a refraction rate of 61.71% and held the first ranked in 10 biggest eye diseases in Indonesia (Ratanna, 2014).

According to data in province of Sumatera Utara, there were 172,110 blind residents or 1.5% of the population of Sumatera Utara. The causes of blindness consisted of 52% of cataracts, 13.4% of glaucoma, 9.5% of abnormalities in eye pressure (refraction), and 25.1% of other causes (Siahaan, 2011).

The refractive disorder is the abnormalities in the refraction of the eye so that the light is not focused on the retina or yellow spots, but can be in front of or behind the retina. The refractive disorder is not only caused by hereditary factors, birth defects; but commonly also caused by habits of close focus, excessive light radiation that causes fatigue in the eyes. The result of refraction in the eye is determined by the visual media consisting of the cornea, eye fluids, lenses, glass objects, and the length of the eyeball are equal then the shadow of objects always through the visual medium is refracted right in the area of the macula lutea (Ilyas, 2006). The refractive disorder includes myopia where the light that enters the eye is focused in front of retina, hypermetropia behind of retina and astigmatism in front and behind of retina. The refractive disorder test can be done by pinhole test, when advanced vision is obtained then it is a refractive disorder and if it is not advanced then it is not refractive disorder (Ilyas, 2006).

The refractive disorder is not a disease but refractive disorders are a serious problem if they are not quickly addressed. It will interfere the activities of daily life and can even reduce the degree of human resources (Sidartallyas, 2014). The aids for refractive disorders are glasses and contact lenses that can normalize the vision. The user of eyeglasses and contact lenses needs to know the types of glasses and contact lenses, how to use, and care, and to carry out the principle of using the right glasses and contact lenses to prevent another complication (Ratna, 2015).

The using of glasses and contact lenses that experience refractive disorders is increasing, for children, teenagers, and adult. Optical development is increasing rapidly then the sellers of eyeglasses and contact lenses can be found easily everywhere, and it makes people have no trouble in getting visual aids without caring whether the glasses and contact lenses are suit for health standard or not. Their lack of knowledge in choosing the glasses and contact lenses which not suit for health standard causes people to be easily provoked to use visual aids that are needed at low prices, without thinking about the impact. The guidelines standard of optician refraction service must be followed by the opticians in conducting health services (Permenkes, 2015).

Based on the results from survey conducted in Medan Johor on January 15, 2016; it was found that mostly patients who used eyeglasses or contact lenses did the examination in any places, and be accompanied by wearing glasses and contact lenses that were not suit health standards. This was caused by the limited time, economic level and ignorance of visual aids. The interview was conducted in Tiara Optic for those who came and did not know at all about the health standard. Most of them used to buy the glasses and contact lens in any place such as in the market, any outlets, even via online; as long as it can made their eyes brighter than before.

Every optical service that provides consultant, diagnostic, vision therapy, rehabilitation, vision training and aesthetic services in the field of refraction, eyeglasses or contact lenses must obtain an organizer's permission from the Head of Health Department. Based on the description above, it can be concluded that the knowledge of informants regarding optics, refractive disorders, health services are very low as well as their knowledge of the selection and using of glasses correctly. Based on the background above, the authors conducted a study on The Analysis of Using the Non Health Standard Glasses and Contact Lens at Medan Johor District in 2016.

Theoretical Review

Refractive Disorders

Clinically, refractive disorders are the result of visual accommodation damage. The refraction is caused by the changes in bulb oculi, or lens abnormalities. The most

common refractive disorders that are often faced are myopia, hypermetropia, and astigmatism. The refractive disorder test can be done by pinhole test, when advanced vision is obtained then it is a refractive disorder and if it is not advanced then it is not refractive disorder (Ilyas, 2006).

It is already known that refractive disorder is a refraction disorder in the eye wherein parallel rays that fall into the balloon are then refracted by refractive media in the orbital axis which are not right on the retina. The refractive disorder on eyes (ametropia) is caused by decreased vision. It will interfere the activities of daily life and can even reduce the degree of human resources. It can only be overcome or refined by using eyeglasses to sharpen the vision. The patients whose eyes get the refractive disorder, usually can be characterized by complaints of frequent watery eyes more than normal, dizziness in the frontal area around the eyeball, followed by the sore eyes and feeling tired when seeing objects. There are three types of refractive / ametropia disorders, namely: myopia; hypermetropia; and astigmatism

Eye

The eye is a very important part because it is one of the five senses of human. The eyes are organs of vision to detect light. The simplest eye does nothing but knowing whether the surrounding environment is dark or bright. The more complex eyes are used to provide visual understanding. The human eye has perfect automatic working methods, which are formed with 40 different main elements and all of them have an important function in the process of seeing. The damage or the absence of one part of the eyes can impair the process. The eyes can function properly when there is light, in the darkness they cannot see objects because there is no light coming in.

Refraction Service Standard

The refractive optician or Optometrist must have SIKRO or SIKO. The number of human resources as refractive optician / optometry in health care facilities is adjusted to the conditions of each health service. The need for refractive optician / optometrist in health care facilities is determined based on workload analysis and the ratio between client and refractive optician / optometric. A refractive optician can only

serve 25 patients / clients per day to carry out their work in Health Care Facilities, such as health centres, clinics, hospitals, optics and other health care facilities. The refractive optician or optometry in carrying out their work, have minimal competences to do as follows: a. Refraction service consists of refraction service preparation, anamnesis and preliminary examination, eye basic examination, objective refraction and subjective monocular examination, binocular vision examination, determination of eye abnormalities that need to be referred, counselling / vision maintenance (vision care), lens size determination or kinds of therapy needed to achieve a single, clear and comfortable binocular vision and to fulfil the patient's visual needs, refraction service evaluation, recording refraction services and leading refraction work units.

b. Optician service consists of translating eyeglass prescriptions from ophthalmologists and self-examination results / from another optometrists, recommending eyewear according to the patient's visual needs, ordering lenses for eyeglass, assessing glasses, cutting eyeglass lenses, checking processing lenses, adjusting standard glasses, attaching glasses to the face of the client / patient, counselling and guidance on the using of glasses, evaluating the optics service, recording the optics service, and leading the optical work unit.

c. Contact lens service: In carrying out its work, the refractive optician and optometrists have the obligation: (a) respecting the rights of patients / clients; (b) referring cases that cannot be handled; (c) keeping the confidential of patients / clients in accordance with the provisions of the legislation; (d) providing the information about health problems and services needed; (e) requesting approval of actions that need to be taken; (f) assisting Government programs in order to improve public health status; and (g) following the professional standards, service standards, and standard operational procedures for refractive optician and optometry (Permenkes, 2015).

Research Methods

The qualitative research method that was used in this study by describing and exploring the reality that might not be explored if only using questionnaires or

quantitative studies. This research was conducted to find out the information from informants about the factors that encouraged them to use non-health standard glasses and contact lenses, as well as to explore deeply about our needs to deal with the refractive disorders. The study was conducted in Tiara Optic, Medan Johor. The researcher has found some cases of refractive disorders that used non-health standard glasses and contact lenses which commonly occur in this area. This research was conducted from January 2016 to July 2016.

RESULTS AND DISCUSSION

Informant Profile

Informant	Age	Status
1	18 years old	Student
2	21 years old	Student
3	35 years old	Teacher
4	25 years old	Bank employee
5	50 years old	Lecturer

The researcher gathered information through primary data from five informants who were interviewed by using in depth interviews, which discussed about the using of non-health standard glasses and contact lenses.

Based on the results of the interview, an interview transcript was made. From the result description of the interview transcripts then a theme analysis was formed.

Knowledge

Informants who already knew about the optics: Two of them stated that it is a about public health services; three informants stated that they sell glasses and contact lenses. Five informants knew that glasses and contact lens are visual aids. The informants have different refractive disorders. There were four informants who had never received services in optics with health standards

Attitude

Informants' responses about the using of non-health standard glasses and contact lenses: Two informants stated that they are dangerous. The informants' response about selling non-health standard glasses and contact lenses: five informants stated that it is not a problem; only one informant stated that it is not a problem to buy a non-standard glasses.

Action

For the eye check-up routine: only two informants who routinely check up their eyes. For the counselling that provided by the optician: five informants never received any counselling. For the intensity of using of glasses and contact lenses: only three informants routinely wear glasses and contact lenses.

Informant's Knowledge in Using Non-Health Standard Glasses and Contact Lenses

Optics is a health facility that organizes a basic eye examination services, refraction checks and services for glasses and contact lenses. Every optical that organizes consultancy, diagnostic, vision therapy and aesthetic services in the field of refraction, glasses or contact lenses must obtain an operating permit from the local District / City Health Service.

The license for optical operators in accordance with the Decree of the Minister of Health of the Republic of Indonesia number 1424 / MENKES / SK / XI / 2002. The regulation talks about the requirements of optical facilities and equipment for room requirements, equipment requirements which consist of equipment for basic eye examination, refraction examination, binocular examination, the installation of glasses and contact lenses, and laboratory requirements.

The results of interview were obtained from all informants relating to the knowledge about optics, glasses and contact lenses. The informants' knowledge about optics was very low, as seen from several opinions expressed that optics was a place to sell glasses and only two other informants who knew that optics was also a centre community health services in accordance with RI Minister of Health Regulation No. 41 2015.

The standardization of glasses and contact lenses must meet the health standards regulated in the Republic of Indonesia in PERMENKES NO 41 of 2015 where to obtain the size of glasses and contact lenses must be under supervision of implementation standards of optician services for refraction inspection activities, optics services and services for glasses and contact lenses. Giving the prescription lenses to patients must be under regulation about refractive disorders and dioptric measurements obtained. It is not always about the size of the glasses, generally reduced S-025 diopters from the size of visual distance obtained, and this is not absolutely seen the limits the patient's nerve ability.

The society believes that the standard glasses and contact lenses will cost more than those with non-health standards. The informant stated that the health standard was better used for visual impairments suffered. However, the informant is still based on the price and reluctant to use it.

Based on the results of examining the refraction of the eye, opticians should explain the eye abnormality that is suffered so that the patient knows the type of abnormality that is experienced, because by knowing the refractive disorders they will understand what the condition suffered. On normal eyes (emmetropia), shadows will fall right in retina, while abnormal eyes will fall in front of the retina (myopia), behind the retina (hypermetropia) and also in front and behind the retina (astigmatism) or commonly called the cylindrical eye. The types of refractive disorders can also be a combination of some factors, such as; the effects of age, the addition to close vision (usually for 40 years old and above). Therefore, the function of glasses is made in accordance with refractive disorder that can normalize the vision again because the rays that enter the eyes are right on the retina.

Respondents' Attitudes in Using Non-Health Standard Glasses and Contact Lenses

Glasses and contact lenses that are used by patients with refractive disorders and procedures for service and manufacture of glasses and contact

lenses are not in accordance with the procedures regulated by Minister of Health the Republic of Indonesia No. 41 of 2015. The results of visual measurements are sometimes not same, then they do not achieve optimal vision. Purchasing glasses and contact lenses such as in outlets, roadside, campus market, mobile optical seller (those who come to houses, property, recitation, offices and others) are generally non-health standards. In this case, the vendor cannot be blamed because they earn money for their life needs. The government cannot prohibit and giving sanction because there still no policies that prohibit it. However, the government's attention is needed to direct and improve public knowledge and awareness. It is seriously recommended that people should do not carelessly, because the eye size that can be obtained for glasses or contact lenses does not match the size of the patient's refraction.

The society related to purchasing non-health standard glasses and contact lens can be seen from the information of informants who often buy glasses and contact lenses carelessly, such as at outlets, campus market, and mobile optical seller without caring the side effects of using that non health glasses and contact lenses.

According to Notoadmodjo (2012) attitude is a reaction or response that is still closed from someone to a stimulus or object. It can be concluded that the manifestation of the attitude cannot be directly seen, but can only be interpreted first. Attitude is not yet an action or activity, but it is a predisposition to an act of behaviour.

Informant's Actions in Using non-Health Standard Glasses and Contact Lenses

The explanation from the opticians to the patient needs to be applied, because an explanation of the results of the examination, giving the right glasses and contact lenses can make the patient's eyes comfortable because according to what the patient needs. Optics refraction health workers must be able to provide counselling services to patients who enter optics. The examination performed by optic refraction is generally very accurate because from the examination room, the use of highly trained check equipment is used.

To realize the attitudes into an action, supporting factors are needed or a condition that is possible, such as facilities or infrastructure. After someone knows the stimulus or health object, then holds an assessment or opinion on what is known, the next process is expected to be carried out or practiced what is known or treated (considered good). This is what is called health practice (Notoatmodjo, 2012).

Conclusion And Suggestion

Conclusion

Based on the research, it can be concluded that informants' knowledge is only limited to the notion that optics is only a place to sell glasses and contact lenses. The informants did not yet know that optics is one of the public health services that has a refraction optician and the lack of their knowledge about glasses and contact lenses that must be used in accordance with health standard.

The society attitudes regarding non-health standard glasses and contact lenses can be seen from the way they buy and use these glasses and contact lenses, where people are still accustomed to buy glasses and contact lenses from places that offer relatively cheap prices.

The people with visual impairments still does not have their eyes checked even though they already know about the awareness of eye disorders, visual aids and the importance of routine eye checks.

Suggestion

Based on the results of the study and in accordance with the objectives of the study, there are some suggestions, namely: to reduce the rate of eye refractive disorders by making a program to promote eye health to the public and issuing a regulation for standardization of optic; to develop communication media and bring the access of information closer to the public; to gain an understanding and knowledge about the using of non-health standard glasses and contact lenses. And the need for close monitoring from the Refraction Optician Association (IROPIN) and the Indonesian Optical Entrepreneurs Association (GAPOPIN) to improve the quality of

health services in the community, not only for selling glasses and contact lenses, but also for overall public health.

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ANALYSIS OF ENVIRONMENTAL RELATIONS ON THE IMPLEMENTATION OF NON-SMOKING AREA POLICIES IN SMA RAKSANA MEDAN

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Abstract

Smoking is one of the addictive substances that when used caused harm to the health of individuals. Indonesia is the third country with the largest number of smokers in the world after China and India. The increase in cigarette consumption has an impact on the higher burden of diseases caused by smoking and the increase in the death rate from smoking. One effort to reduce exposure to cigarette smoke, Medan City Government issued a Regional Regulation of Medan City Number 3 of 2014 concerning Non-Smoking Areas. The research problem is how the Analysis of the Effect of Environment on the Implementation of Non-Smoking Area Policy in SMA Raksana Medan. This type of research is a cross-sectional survey with an explanatory research method approach. The research data was obtained from the results of giving questionnaires and documentation. Data analysis using SPSS data analysis. The research used cross-sectional survey with an explanatory research method approach method. The data were gathered by conducting questionnaire, observation, and documentation and analyzed by using interactive data analysis by SPSS. The results showed a significant relationship between the influence of environment on the implementation of non-smoking area policy in SMA Raksana Medan with p value = 0.001. So that the Implementation of the No Smoking Area Policy in SMA Raksana Medan has not run optimally. The conclusion was that the implementation of non-smoking area policy in SMA Raksana Medan would not run well if there were some obstacles such as environment. It is recommended that personnel and budget be added, socialization medium be provided through promotion video and health promotion regularly about non-smoking area and strict sanction.

Keywords: environment, policy, no smoking area.

Introduction

Smoking is one of the addictive substances that when used cause harm to the health of individuals. Smoking is a cigarette smoking behavior that is favored by many men. The World Health Organization (WHO) estimates there are more than 1.1 billion smokers worldwide with more than 80% of members living in low and middle income countries (WHO, 2014).

Facts prove many cases of smokers who experience suffering because of diseases caused by tobacco. However, some people ignore the dangers of smoking. Not only for smokers who get the impact of the dangers of cigarettes, but people in the surrounding environment also receive the impact. Cigarettes contain more than 400 chemicals that are very dangerous for health. There are 25 types of diseases caused by smoking habits such as Emphysema, Lung Cancer, Chronic Bronchitis and other Lung Diseases (Depkes, 2017).

Based on the background of the problem described, the researcher is interested in figuring out what are analysis of environment on the implementation of non-smoking area policy in SMA Raksana Medan.

Literature Review

Policy analysis is the activity of creating about and in the policy making process. Analysis is also interpreted as an intellectual and practical activity that is intended to create, critically assess and communicate knowledge about and in the policy process. Policy analysis is the beginning not the end of efforts to improve the policy making process. Before information relevant to the policy can be used by the intended user, that information must be assembled into documents that are relevant to the policy and communicated in various forms of presentation (Dunn, 2016)

According to H. M. Hasbullah (2015) explained simply the purpose of policy implementation is to establish direction so that policy objectives can be realized as a result of government activities. According to Sri Lestari (2016) in a journal *The Influence Of Attitudes And Social Support On The Smoking Behavior Pulmonary*

Tuberculosis Patients In Medan City 2016, smoking is one of the reasons for failure in the treatment of tuberculosis.

Non-Smoking Area is a room or area that is declared prohibited for smoking activities or producing, selling, advertising or promoting tobacco products (Perda, 2014).

Methodology

This research is a cross-sectional survey study using the explanatory research method that is explaining the relationship between environment and economy in Medan Raksana High School in 2018. The selection of samples in this study was carried out by proportional stratified random sampling. The sample size based on each level obtained 84 people.

Results and Discussion

The results of the study obtained environmental relations to the implementation of non-smoking area policies in SMA Raksana Medan can be seen in the following chi square table:

Table 1. Environmental Relations Against the Implementation of Non-Smoking Area Policy in SMA Raksana Medan

Environmental Relation	Non Smoking Area						Totality		P
	Good		Enough		Less		F	%	
	F	%	F	%	F	%			
Good	4	36,4%	0	0,0%	7	63,6%	11	100%	0,001
Enough	9	13,8%	12	18,5%	44	67,7%	65	100%	
Less	5	62,5%	3	37,5%	0	0,0%	8	100%	
Totality	18	21,4%	15	17,9%	51	60,7%	84	100%	

Source: Analyzed by Researcher based on questionnaires, 2018

The results of the chi square statistical test were conducted to determine the relationship of the environment with the policy arena in SMA Raksana Medan obtained p value 0.05 ($p = 0.001$). This shows statistically that there is a relationship between the environment and the implementation of policies in SMA Raksana Medan.

According to researchers the family environment is a place that greatly influences the formation of a child's character. If you have a parent or sibling who smokes, then the students have a sense of wanting to imitate the people around him who smoke. As a real example we can see that parents often tell their children to buy cigarettes at a shop near his house.

This is the situation that introduces a child to cigarettes so that he has an interest in smoking.

Students who smoke because in their family environment there is smoking. For example, a teenage boy smokes because he sees his father like smoking. He was very impressed with his father so he wanted to be like his father and the student liked to imitate his father's behavior to his father's bad habit of smoking. Apart from this, there are also parents who don't mind their sons smoking. The behavior of both parents will be a reflection or description of the child's behavior. When there are family members such as father and brother who smoke, the child will tend to imitate the behavior. Family parenting is also very influential on a child's smoking behavior. (Machini et al., 2015).

Conclusion

Environmental factors are important factors that first introduce adolescents to cigarettes, especially students who are in the family environment (parents or siblings who smoke) and peers who smoke. Smoking is very closely related to the influence of friends, the influence of parents and school.

The conclusion was that the implementation of non smoking area policy in SMA Raksana Medan would not run well if there were some obstacles such as environment. It is recommended that personnel and budget be added, socialization medium be

provided through promotion video and health promotion regularly about non smoking area and strict sanction.

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ANALYSIS OF COMMUNICATION RELATIONSHIP TO PERFORMANCE OF FEMALE NURSES IN THE INVITATION ROOM OF ROYAL PRIMA GENERAL HOSPITAL

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Abstract

One of the factors that influence the success rate of a hospital is the performance of nurses. Efforts to improve nurse performance, among others, are by paying attention to nurse work stress. The purpose of this study was to determine the effect of stress factors, especially communication on the performance of female nurses in the inpatient room. The type of research used is a cross-sectional survey with an explanatory research method approach. The population is 41 nurses and the entire nurse is used as the respondent (total sampling). Data were analyzed using Chi-square test and logistic regression was used to obtain OR (Odds Ratio). The results of the study showed that there was an influence between communication and performance ($p = 0.012$) and the OR value was 6.708 meaning that nurses with good communication would improve performance by 6.7 times. It is expected that the hospital will pay more attention to the needs and comfort of nurses in carrying out daily tasks in the hospital.

Keywords: Job Stress, Performance, Nurse, Communication

Introduction

The work of a nurse to provide comprehensive nursing care is a job that has a high level of stress, On the one hand the nurse is responsible for physical tasks, administrative from the agency where he works, facing anxiety, complaints and patient

self-defense mechanisms that arise in patients due to illness , tension, boredom in dealing (Nurcahyani E., Widodo D., and Rosdiana Y. 2016).

Some survey results indicate that the prevalence of work stress on nurses is quite high. The 2003 Canadian Community Health Survey survey showed that 45% of health workers experienced work stress, including nurses. The survey results from the UK Office for National Survey for the 2011/2012 period also showed that health professionals, especially nurses still had the highest prevalence of work stress during the three survey periods. Meanwhile the results of a survey conducted in Indonesia by the Indonesian National Nurses Association (PPNI) in 2006 showed that around 50.9% of nurses working in four provinces in Indonesia experienced work stress. And nurses at Tanjung Pura Hospital, showed nurses who experienced work stress (41.7%). (Nopa I, 2016)

There are two categories of stressors, namely on the job and off the job. According to Handoko. Hani T (2001), the stressful causes of "On The Job" include the following: Excessive workload, Pressure or time pressure, Poor supervision, Interpersonal / group conflict, Uncomfortable work climate, and Career development . While the causes of stress "Off The Job" include: Financial worries, family problems, physical problems, marital problems, and changes that occur at home. Thus the company must be able to minimize work stress on employees, so that employee performance is higher. (Wartono T, 2017)

The low performance of nurses may be caused by work stress experienced by nurses where from the results of researcher observations and interviews with nurses in the inpatient ward found factors that can cause stress.

Based on this background the researchers were interested in conducting research on the factors that influence work stress on the performance of female nurses in the inpatient room of Royal Prima Hospital in 2018.

Literature Review

According to Handoko and Tani (2001) "stress is a condition that affects tension, the process of thinking, and a person's condition". Stress according to Hans Selye in 1950 is an object response that is non specific for each load level. (Hawari D, 2001)

Causes of Stress Work can be grouped into three categories: organizational causes, individual causes, and environmental causes.

1. Organizational causes

Lack of autonomy and creativity

Logical expectations, time and quota Relocation of work

Lack of training A melting career

Relations with a bad boss

Downsizing, increasing responsibility without salary increases Work is sacrificed (decrease in profits earned)

2. Individual causes

Contradictions between career and family responsibilities Economic uncertainty Lack of appreciation and recognition of work Saturation, job dissatisfaction, and boredom Inadequate child care

Conflict with colleagues

3. Environmental causes

Poor working environment conditions (lighting, noise, temperature ventilation, etc.

Race discrimination Sexual harassment Workplace violence

Congestion when leaving and returning to work. (Widyastuti P, 2004)

The term performance or work performance comes from the English word "performance". According to Ivancevich, Konopaske, and Matteson, the desired performance results from behavior (performance is the desired result of behavior). The point is that employer / employee performance is the result of performance in carrying out a job (Fattah and Hussein, 2017).

Nursing care standards or nursing practice standards refer to professional practice standards and professional performance standards. The standard of

professional practice in Indonesia has been described by the Indonesian National Nurses Association (PPNI) in 2009 no.025 / PP.PPNI / SK / K / XII / 2009 The standards of professional practice refer to the nursing process consisting of nursing studies, nursing diagnoses, nursing planning, implementation, and nursing evaluation (Muhith and Abdul 2015).

Nurses who have high levels of work stress tend to have characteristics towards physiological symptoms so that their performance is far from those set by management while nurses with moderate levels of work stress have no physiological symptoms (Faudin M, Sungkawati E, and Samiadji, 2016).

Methodology

This research is a cross-sectional survey study using the explanatory research method that is explaining the factors that influence work stress on women in the inpatient room of Royal Prime Hospital in 2018.

The population of this study was female nurses who worked in the inpatient rooms of the first and second classes of the Royal Prima General Hospital. The number of female nurses working in class I and II inpatients lives 41 people. Data were analyzed using Chi-square test and logistic regression to obtain OR (Odds Ratio).

Results and Discussion

In this study, data collection was carried out at the Royal Prima General Hospital. Royal Prima General Hospital is located on Jalan Ayahanda No. 68 A, Ayahanda, Medan, North Sumatra.

Table 1. Results of Bivariate Analysis by Chi Square Communication
 Relationship Against Performance

	Performance					Sig. (p)	OR (CI 95%)
	Well		Bad		Total		
	F	%	F	%	%		
Well	23	74,2%	8	25,8%	100,0%		
Communication							6,708
Bad	3	30,0%	7	70,0%	100,0%	0,012	1,391- 32,363
Total	26	63,4%	15	36,6%	100,0%		

Source: Analyzed by Researcher based on questionnaires, 2018

Based on the results of the chi square test, it was found that the Communication factor had a very efficient relationship with the hospitalization of Royal Prima Hospital ($p = 0.012$)

Based on the results of multivariate analysis with the logistic regression test that there is an appropriate relationship between communication factors for performance. This can be seen from the 95% CI in the values above 1 in each of the upper and lower ranges. One subject not adjusted for OR is 6.708 which means that nurses with good communication will improve performance 6.7 times compared to nurses with poor communication.

According to the researchers' assumptions, good communication will build good interpersonal relationships. A conducive work environment that makes nurses more comfortable and able to improve their performance. This is supported by the research of Park and Hahn, 2016 which states that open communication between work teams will foster clear traits among others.

The results of this study are based on Hendriani S.'s research in 2014 which reported that the value of the communication variable tcount (X2) was 2.848. In this case the tcount is greater than ttable 1.9901. Then it can be concluded that communication is very significant on employee performance.

Conclusion

There is an influence between Communication Factors on performance. This can be seen from the 95% CI in the values above 1 in each of the upper and lower ranges. Can be seen the Unadjusted OR value is 6.708 which means that nurses with good communication will improve performance by 6.7 times compared to nurses with poor communication.

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PART 15: BIOLOGY

COMPARISON OF THE EFFECTS OF CD (II) INDUCTION ON BRAIN ORGANS, HEART AND REPRODUCTIVE ORGANS TO EXPERIMENTAL MICE

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Abstract

Pollution caused by heavy metals has harmful effects on the environment throughout the world. For example, various kinds of toxic effects on aquatic organisms will cause ecosystem threats. Metal pollutants released into the environment will circulate and accumulate in the food chain which can pose a serious threat to animals and humans. The method used in this study is the Batch system. Based on the results of this study, the highest accumulation of Cd (II) is in the heart organ and the lowest is in the reproductive organs. There is no accumulation in the brain organs.

Keywords: Experimental mice, Cd (II), Organs

Introduction

Cadmium (Cd), mercury (Hg), copper (Cu), arsenic (As), zinc (Zn) and lead (Pb) are dangerous heavy metals that have high toxicity and a tendency to accumulate in the food chain even at low concentrations. Especially cadmium (Cd) and Cd (II) compounds are dangerous compounds with high toxicity. Cadmium concentrated in the kidneys, liver and various types of organs is estimated to have higher toxicity than lead or mercury. Cadmium is toxic at a tenth level of lead, mercury, aluminum or nickel (El Sayed et al, 2010).

The sources of Cd (II) pollution to the environment are electroplating, metal processing, pigments, plastics, batteries, mining and refining processes (Anzeze et al, 2014). Cadmium is known to cause a variety of health problems such as liver, lung, bone defects, cancer and hypertension in humans (Chen and Lin, 2007). The formulation of this research problem is how the comparison of the effects of Cd (II) Induction on brain organs, reproduction and the heart of mice. The purpose of this study was to compare the effects of Cd (II) Induction on brain organs, reproduction and the heart of mice. The benefit of this study is to determine the toxicity of Cd (II) to the organs of mice.

Literature Review

The toxicity of cadmium has been widely studied and reported. Exposure to cadmium can cause damage to organs, especially in humans which can cause "disease". All cadmium compounds are also classified as carcinogenic elements to humans (Karimi et al, 2012). After absorption Cd (II) will enter the bloodstream and bind to the erythrocyte membrane, blood albumin or MTs and distributed throughout the body. At higher exposures Cd (II) can also bind to the -SH group containing proteins such as glutathione and cysteine. In acute exposure carried out in mice conducted by Buha et al (2012), these free radicals also affected cellular function by interfering with signal transduction such as protein kinase C (PKC), mutagen activated protein kinase (MAPK) and cAMP pathways (Karimi et al , 2012).

The ability of Cd (II) to produce free radicals can cause damaging effects on plasma lipids and lipoproteins through lipid peroxidation and contribute to the ability of Cd (II) to produce effects on the cardiovascular system, based to several recent studies conducted by Olisekodiaka et al (2012).

Methodology

The method used in this study is the Batch system. The making of 1000 mg/L Cd (II): solution of 1000 mg/L Cd (II) was made by dissolving 2.3699 grams (CH₃COO) 2Cd.2H₂O into 1 liter of solution by using distilled water as a solvent.

Testing of Metal Levels in Experimental Mice Organ

For metal content testing, first heated porcelain saucer in an oven with a temperature of 100-105 °C for an hour then put in a desiccator for ± 15 minutes, weighed the mass, put it in the oven again for an hour and weighed again until the mass was constant. The porcelain cup was then filled with mice' organs which had been crushed with mortar first. Then put it again in the oven until the water content is gone and the mass of porcelain + organ is constant. Then put in the Furnace for 6 hours with a temperature of 600 °C. Samples that have become ash are then destroyed. The sample in porcelain was put into a fume hood, then added 3mL of 86% HNO₃ and heated to HNO₃ left a little in porcelain and added 1 mL of distilled water. Then dissolved to 10 mL in a measuring flask. The solution is then determined by the metal concentration by using AAS. The measurement results are then calculated for the metal content of each organ in the mice.

Nine mice were divided into 2 groups with 3 mice in each group.

The treatment groups are as follows:

Group I (control) : given aquades with a normal diet

Group II (metal only) : given Cd (II) 1000 mg /L

Three mice were inducted with 1000mg/L Cd (II) metal with a dose of 1 mL x weight of mouse/ 200 g of mouse weight by injecting in the near part of the stomach.

Results and Discussion

Data on Cd (II) metal levels in several experimental mice groups I and II are shown in Table I.

Table 1. The level of the organs in the rat group I and II

No	Organ	Control (mg / g) (Group I)	Cd Metal (mg / g) (Group II)
1	Brain	TD	TD
2	Heart	TD	0,01852
3	Reproduction	TD	0,00511

From Table I, it can be seen that there was an accumulation of Metal Cd (II) in each organ of the experimental mice except in the brain. Based on the table above it can be seen that there is a difference in the distribution of Metal Cd (II) accumulation in the organs of mice. The highest accumulation of Cd (II) until the least is the heart and reproductive organs. Cd (II) affects various organs such as bones, liver, kidneys and even the nervous system. Cd (II) is an important environmental pollutant that is in soil, water, air and food. Anthropogenic sources contribute Cd (II) until 3-10 times more than natural resources. Cd (II) is more toxic than lead and can cause liver and kidney damage in exposed animals. Josthna et al (2012) in their study reported that mice exposed to Cd (II) metal will experience accumulation of Cd (II) in some of their organs, where the most accumulated organs of Cd (II) are liver, kidney and tissue. After absorption by the body, Cd (II) will be transported throughout the body, usually Cd (II) will bind to the sulfhydryl group, a group containing metallothienin protein. About 30% Cd (II) will accumulate in the liver and the rest will spread throughout the body (Bernhoft, 2013). The same results were also reported by Annabi et al (2013) where fish exposed to high doses of Cd (II) will experience significant accumulation in the tissues and organs of the liver and followed by kidney organs.

Conclusion

From this study, it was concluded that the highest concentration of Cd (II) content was in the heart organs of mice, then in the reproductive organ, but did not found in brain organs.

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