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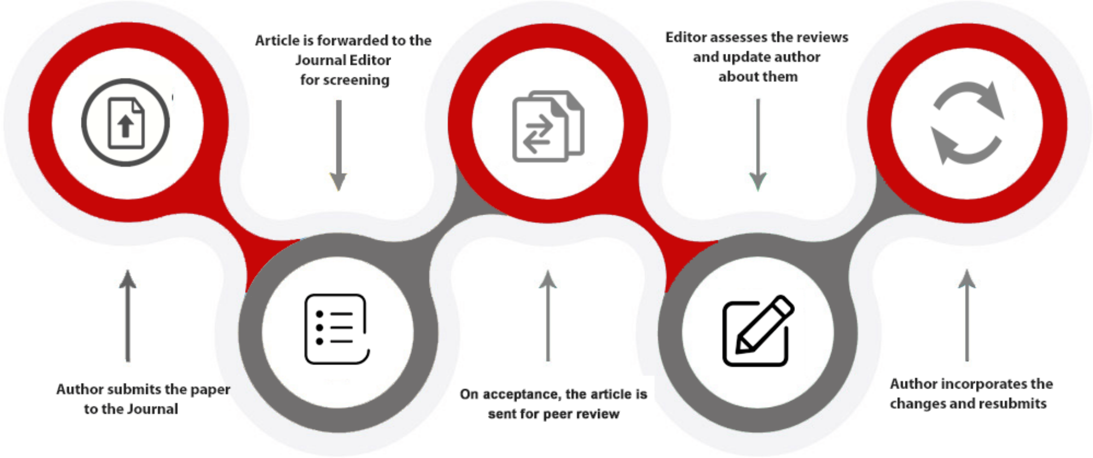

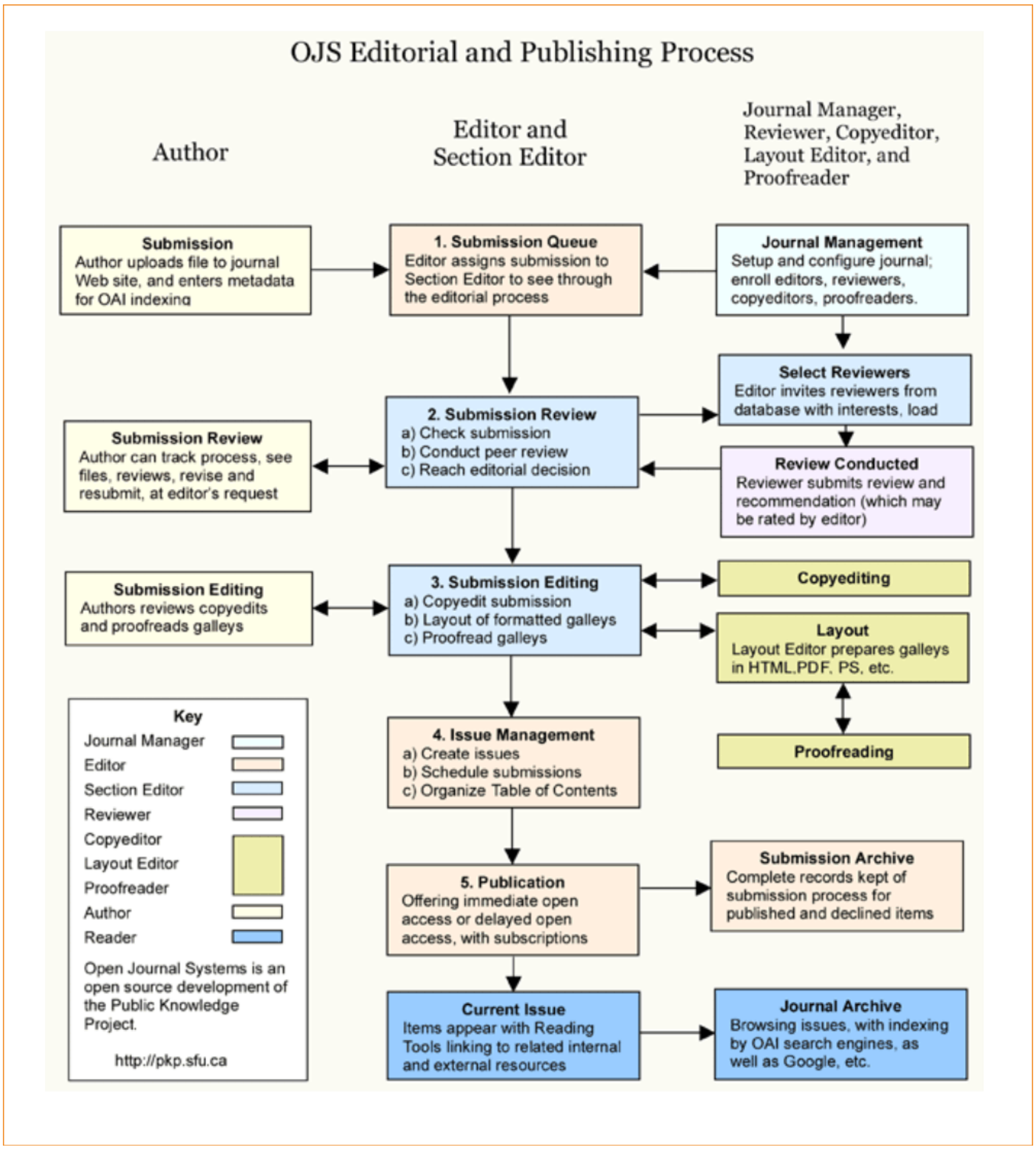

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Challenges of Female Entrepreneurship Pre-, During- and Post-Covid-19 Prospects in South Africa

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ABSTRACT

Purpose: Female entrepreneurship discourse continues to receive heightened attention owing to various factors including the value of their contribution to national socioeconomic development. While the patriarchal nature of African societies remains one of the major issues impacting female entrepreneurs, the Covid-19 pandemic exacerbated the situation, therefore necessitating research that addresses interventions. This study examined the challenges of female entrepreneurship before, during, and the post-Covid-19 prospects in South Africa. By examining these challenges, the study aimed to shed light on factors militating against the success of female entrepreneurship, including the Covid-19 era and proposed solutions to overcome some of the challenges.

Design/methodology/approach: A descriptive literature review methodology was used to conduct this study.

Findings: The findings indicate that numerous cultural, economic, and institutional factors militate against productive female entrepreneurship. In addition, the results show that while Covid-19 affected all types of firms, and female-led enterprises suffered the most. Female-owned enterprises suffered the most in terms of lost revenues, business closures, and women retreating to traditionally assigned roles as family caregivers.

Research limitations/implications: Given that the pandemic resulted in some cases of business closures and scaling down operations, there is a need for targeted support efforts to resuscitate female entrepreneurs in the post-Covid-19 era. Thus, extensive government and institutional financial and non-financial support are needed for female entrepreneurs.

Practical implications: The study contributes to the overall discourse on supporting women's participation in economic activities through entrepreneurship.

Originality/value: This paper is original

Paper type: a Research Paper

Keywords: *economic development, Female entrepreneurship, Post-Covid-19, South Africa, Women entrepreneurship*

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I. INTRODUCTION

There is a growing interest in female entrepreneurship globally, judging by the increased political, social, and scholarly discourse around the topic. Female entrepreneurship has become vital for many reasons, which are often tied to harnessing the untapped potential among females, encouraging gender parity in economic participation, fighting poverty and unemployment, the attendant individual, and national economic goals (T Zizile & Cimucheka, 2018), and increasing the size of the small business economy (Nxopo, 2014). Various scholars such as Derera et al. (2020); Mustafa et al. (2016); Yadav & Unni (2016) have hinted at the adolescence of female entrepreneurship scholarship in developing nations. Littlejohn et al. (2017) called for more contributions from developing countries to be made to the female entrepreneurship discipline to establish a diverse scholarship. Thus, a persuasion exists that there is a dearth of exhaustive and encompassing knowledge about various issues regarding female entrepreneurship. These include, for example, accurate knowledge about the number of female entrepreneurs in an economy, their behavioural aspects, including drivers and motivations, business financing models, if and how they differ from their male counterparts in all aspects, and their unique strengths and weaknesses in running their business (Figueroa-Domecq et al., 2020). In short, many outstanding issues still warrant further research in female entrepreneurship.

One of these outstanding issues that warrant further research in female entrepreneurship is the challenges they face, particularly in the context of the Covid-19 pandemic and how this affects future business prospects. Identifying these challenges contributes toward an overall understanding of how female entrepreneurs can be supported within and outside the Covid-19 context, appreciating their current experiences and imagining the sector's prospects. In addition, incorporating the Covid-19 perspective is informed by the realisation that the pandemic devastated the business sector through, for example, scrapping entrepreneurship opportunities by stopping and reducing levels of business operations, increasing risk perception of entrepreneurs by financiers, and increasing indebtedness (F. Mustafa et al., 2021; Sangem, 2020). Thus, the pandemic altered the normal course of business and social environment, likely bringing unique and long-term challenges to female entrepreneurs. In contrast, there have indeed been other studies that explored female entrepreneurship challenges extensively and in passing (Jaiyeola & Adeyeye, 2021). The current study is distinguishable because of its broad-based focus on generic challenges, Covid-19-induced challenges facing female entrepreneurs and with a bias towards Africa, and South Africa in particular. The study, therefore, sought to answer the following questions:

1. What pre and Covid-19 challenges negatively impacted female entrepreneurial businesses in South Africa?
2. In the context of these challenges, what does the future hold for female entrepreneurs in the country?

II. METHODS

This study attempts to synthesise the literature to uncover any potentially interpretable trends (Etim & Iwu, 2019; Guzzo et al., 1987; Harb & Abu-Shanab, 2000) on the challenges of female entrepreneurship before, during, and after the Covid-19 period. As a result, a non-empirical study was conducted based on a thorough descriptive literature review. This is a planned method of discovering, gathering, and evaluating literature about a certain phenomenon to identify any interpretable trends surrounding the phenomenon (Etim & Iwu, 2019). The strength of this approach is that authors may carefully select publications that communicate various points of view from a body of knowledge (Sharma, A., Zhang & Rai, 2021). We reviewed publicly available literature, including scholarly publications and working papers that were relevant to this study. The documents we gathered included technical reports, journal articles, and unpublished works. Our attention was drawn to documents dealing with the challenges of female entrepreneurship faced by South African entrepreneurs. We used the descriptive literature review technique for this study because we wanted to rigorously discover, assess, and interpret relevant papers on Covid-19-related difficulties, particularly within the female entrepreneurship field.

A. Literature Review

1. Defining female entrepreneurship

Female entrepreneurship refers to the leadership of one or more women in initiating ventures that identify problems and creating solutions to them (Derera et al., 2020; Jaiyeola & Adeyeye, 2021; Nsengimana et al., 2017; Tola Zizile & Tendai, 2018). Basically, female entrepreneurship may be defined by gender as a form of identity to distinguish it from the ordinary conceptions of entrepreneurship that other scholars Jaiyeola & Adeyeye (2021); Yadav & Unni (2016) argue is masculine biased. Therefore, the primary distinction between the meanings attached to entrepreneurship and female entrepreneurship is the gender aspect, which inevitably draws exclusive gender-based peculiarities that females experience as entrepreneurs.

2. Perennial challenges faced by female entrepreneurs

As narrated in literature, there are numerous everyday challenges that female entrepreneurs face. Various scholars found that cultural obstacles, lack of education, lack of finance and business skills, inability to own land and other critical assets, family duties, and burdensome business licensing and registration procedures are among the problems faced by female entrepreneurs (Langevang et al., 2018; Mahrous, 2019). Maciej Serda et al.

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(2017) noted that patriarchal attitudes are one of the deep-rooted socio-cultural problems facing female entrepreneurs. A common patriarchal attitude is gender stereotyping that links certain activities with bad morals (Jaiyeola & Adeyeye, 2021; Maciej Serda et al., 2017). For example, some men will not allow their wives to start a company for various reasons, such as being accused of prostitution, and as a result, female entrepreneurs find it challenging to engage in commercial activities needing them to travel away from home, such as cross-border trading, as they cannot leave families behind (Derera et al., 2020). Thus, women's participation in entrepreneurial ventures may need approval from their husbands.

In their study of female entrepreneurs in Nsengimana et al. (2017) stressed that, although men and women entrepreneurs faced common constraints in business, female entrepreneurs faced specific challenges due to customs, culture, beliefs, and religion, and several other factors. These specific challenges can be listed as follows: cultural influences limiting female entrepreneurial intention; the socio-cultural position of females in society that limit access to available entrepreneurial support systems available; burdens of domestic responsibilities, especially for married women; the role of a housekeeper that makes it difficult for women to reconcile expectations of their families with fulfilling business management roles; patriarchal perceptions that maintain that men should be entirely responsible for his family's finances, which ultimately demotivates women from pursuing business opportunities. Hence, the International Labour Office (ILO), 2018 argued that the main challenge facing female entrepreneurs is a gender-discriminatory environment shaped by social norms, attitudes, laws and gender-neutral national policies and programs.

Regrettably, the negative influences of these cultural and patriarchal structures of society permeate through what female entrepreneurs experience in the business domain and their dealings with their male counterparts worldwide. For example, the (ILO), 2018 noted the general lack of female voices in business associations and policy institutions due to low representation. Thus, their specific needs are often not sufficiently considered in the design of policies for the development of entrepreneurship and small and medium enterprises. Therefore, researchers commonly find that female entrepreneurs hardly enjoy easy access to financial assistance, training/knowledge skills, business counseling/support, legal assistance, and favorable legislation critical to business success (Iwu & Nxopo, 2015). The above trend is the same as in developed economies such as the United States of America (Manolova et al., 2020). For example, female entrepreneurs in the construction industry encountered problems such as a lack of start-up and operating capital, a lack of industry expertise and experience, trouble managing time, client finding, and weariness. Female entrepreneurs have difficulty obtaining collateral in industries where considerable start-up cash is required, such as construction (Maciej Serda et al., 2017). Making sense of all these issues, Etim & Iwu (2019) concluded that the continued marginalisation of the sub-Saharan African female entrepreneur was because of two categories of factors- socio-cultural and economic factors. They further stress that their negative effect is aided by scholarly literature on female entrepreneurship that has recreated and sustained the narrative of women as the weaker sex, with very little confidence in their ability to run a business. Thus, gender-biased literature is fairly culpable in framing a stereotypical view of female entrepreneurs, which prejudices their prospects of success.

A systematic review of global literature to outline the boundaries of scientific literature on female entrepreneurship by Cardella et al. (2020) reveal that the challenges of female entrepreneurship are diverse and can be contentious. One strand of the reviewed literature in the study shows a consensus that culture, limited access to financing, lack of institutional support, and unfavourable business environments negatively impacts female entrepreneurship prospects. The study also identifies challenges attributed to women's behaviour, as entrepreneurial agents, notwithstanding the effects of culture, gender roles and stereotypes. It is reported that females resist starting an entrepreneurial career due to a lower-risk attitude and believing that they lack entrepreneurial skills and knowledge, greater fear of failure, little confidence in their skills, and perception of poor support from social networks. In summary, female entrepreneurs face too many challenges that diminish the prospects of successful ventures for many of them.

Interestingly, some literature has narrated that, despite these difficulties, female entrepreneurs can save their businesses by employing several techniques. According to Maciej Serda et al. (2017) female entrepreneurs in South Africa's construction industry ameliorated the impact of the challenges they face by doing the following: joining business networking organisations, attending training and workshops, partnering with males on some projects, partnering with established females in the industry, forming partnerships with Non-Governmental Organisations (NGOs), and developing strong characters. Similarly, female entrepreneurs in Zimbabwe started lending each other funds, diversifying their businesses, keeping complete control over their operations, and joining savings clubs (Derera et al., 2020) to negotiate through these challenges. In Tanzania, female entrepreneurs negotiated through the institutional complexities that hampered business success through a variety of strategies, including advocacy through women's business associations (WBAs), bootstrapping, semi-informal operations, co-location of home and business, spouse involvement in the business, downplay of gender identity, reliance on persistence and passion, and networking (Langevang et al., 2018). Networking opportunities may create a chance for female entrepreneurs to share their experiences. Collectively these innovative strategies speak to the resilient capabilities that female entrepreneurs possess, suggesting that despite the challenges they face, they still retain prospects of successful entrepreneurship.

3. Challenges faced by female entrepreneurs during Covid-19

In traditional family structures, a more nuanced understanding of Covid-19's impact on female entrepreneurship is premised on how it precluded women from starting businesses to supplement the family income and close the income gap in the case of a loss in husband's income. Female entrepreneurs had to deal with disappointing business performance and an increase in family members who needed unpaid care due to illness or indefinite school closures (Kaberia & Muathe, 2021). Hence the authors Kaberia & Muathe (2021) proclaimed that the pandemic effectively relegated female entrepreneurs back to their first role – unpaid home care, as businesses took a distant last in the list of priorities limited to taking charge and taking care of family through the trying times. Keeping a work-life balance was exceedingly challenging for entrepreneurs (Afshan et al., 2021), suggesting that female entrepreneurs were likely to experience severe mental and psychological health issues from the pressures to reconcile business and social responsibilities. Relatedly, Kumar and Singh (2021) bemoaned the dominance of patriarchal behaviours in societal and state institutions during the Covid- 19 era and in normal times. Thus, further arguing that patriarchy kept female entrepreneurs bound to traditions, limiting their ability to experiment in different ways to sustain their businesses. Furthermore, because businesswomen could not decouple their business from the rest of their lives and profits, they left their operations susceptible to toxic interferences (Kumar & Singh, 2021). In Salman (2022) summary, female entrepreneurs survived the virus under economic and family stress.

The pandemic deferred the aspirations of new female entrepreneurs as opportunities disappeared, with everyday challenges such as lack of access to financial sources becoming chronic as banks revised risk perceptions of new ventures. While most businesses were affected by the pandemic, female entrepreneurs were the most affected (Kumar & Singh, 2021). As discussed in the previous section, the above impact is hardly surprising. Even in normal times, female entrepreneurs grapple with worse challenges than their male counterparts. Studying about 400 000 hospitality industry businesses from 49 countries, including South Africa, Torres et al. (2021) found that female-led businesses were disproportionally severely affected by the Covid-19 shock compared to men-led businesses. They noted that, on this comparative basis, women-led businesses were significantly more likely to shut down due to Covid-19 and experienced severe liquidity issues resulting in a quicker rate of business failure. Arguably these vulnerabilities, as noted in Vietnam, are linked to financial restrictions, a lack of enthusiasm, low levels of digital literacy, fear of failure, and a lack of family support maheswarim (Maheshwari & Maheshwari, 2011). A Poland-based study by Wieczorek-Kosmala, M., Błach, J. (2021) argued that Covid-19 unleashed business risks and anxieties, such as the absence of workers, the destabilisation of the distribution channels, the related anxieties over the ability to continue production, the worries regarding the continuity of sales or the burden of additional costs that may appear while adapting to the new reality female entrepreneurs grappled with alongside all other types of businesses.

Coming to Africa, Ukala & Dassanou (2020) surveyed over 1 300 female-led small business owners from 30 African countries during Covid-19 and found many of their businesses at risk of permanent failure. They attributed this development to the abundance of women in most Covid-19 hard-hit operations such as agriculture, hospitality and tourism, food, education, trade, and other services see also (Manolova et al., 2020; Sangem, 2020) Furthermore, these entrepreneurs faced countless challenges, including poor cash flows, limited cash reserves, operational destabilisation, psychological stress resulting from pandemic-related business insecurity and threats to family and societal stability, which undermined the capabilities of these businesses to operate successfully. In Kenya and Uganda, Covid-19 stalled many economic and agricultural activities, with entrepreneurs losing sources of income and society bearing the brunt of worsening poverty and food shortages (Kansiime et al., 2021).

Evidence from South Africa supports observations about the experiences of female entrepreneurs in these other parts of the world. Primarily, during a hard lockdown period in the country, small businesses involved in the trading of non-essential goods and the rendering of non-essential services were not allowed to operate (Donga et al., 2021), thus bringing any entrepreneurial activity to a halt. Importantly, Donga et al. (2021) noted that even as the South African government sought to intervene through small business subsidies to sustain these entities during periods of inactivity, many female entrepreneurs missed out because the process was laden with red-tape, disqualified unregistered and informal Small, Medium and Micro-Sized Enterprises (SMMEs), the majority of whom are female entrepreneurs. Thus, these female entrepreneurs found themselves with no lifeline emanating from external support and government agencies. In another study, Mapuranga et al. (2021) investigated hurdles emanating from the Covid-19 pandemic for women survivalist entrepreneurs in Johannesburg. The study uncovered that these female entrepreneurs faced numerous challenges, including lack of capital for reinvestment due to poor sales and reprioritising available money to meet family needs; unregistered businesses could not access government grant support, declining demand for products in the

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market, writing off unsold stock, conflict among competitors for good selling spots, and brushes with law enforcement agencies over not meeting regulatory rules of Covid-19. Collectively these studies argue that even some everyday challenges female entrepreneurs faced became complex and more burdensome during Covid-19 because of significantly reduced and or nonexistent business activity, mainly through Covid-19 regulations. Therefore, it is plausible to argue that irrespective of locations across Africa, female entrepreneurs generally experienced similar challenges.

III. RESULTS AND DISCUSSION

A. Discussion of post-Covid-19 prospects for Female Entrepreneurship in the light of identified challenges

Without doubt the discussed existential and Covid-19-induced challenges that beset female entrepreneurs significantly impact their future of entrepreneurial activities. However, it is important to anticipate prospects of female entrepreneurship informed by their experiences during Covid-19, including realities that exist in the broader entrepreneurship ecosystem. Firstly, it is a worldwide phenomenon that the success rate of many new businesses is low, and in South Africa, most close down within the first three years Donga et al. (2021) suggesting that there is little opportunity for businesses that shut down during the pandemic to bounce back. Kariv et al. (2022) concur and similarly argued that the effect of Covid-19 is such that entrepreneurs are more likely to go out of business and may take years to recover, if at all. Nevertheless, at the same time, they also claimed that the pandemic seemed to amplify women’s readiness to start new businesses. It can be deduced that Covid-19 negatively impacted firmly established entities. This may steer productive and necessity-driven entrepreneurship, which as Salman (2022) observed, becomes ‘an engine to manage the family’s stability and provide healthy and educated youths’ in times of crisis.

Moreover, considering the gender-biased practices of credit providers Langevang et al. (2018) and others, female entrepreneurs may struggle to access any finance to restart their business, suggesting that post-Covid-19, the female entrepreneurship sector will continue to shrink. Secondly, connected to this situation, scholars widely observe that purported government and institutional support for entrepreneurs is often unavailable and inaccessible to many (Donga et al., 2021), thus casting doubt on the potency of promised government support schemes tied to Covid-19 to make a difference. Such support should cultivate awareness of the finance options available for a different form of businesses. As Kumar & Singh (2021) observed in India, which is arguably the same worldwide, it is a foregone experience that policy instruments to assist female-led enterprises have largely proved ineffective to serve many of the very small-scale female-owned entities amidst the coronavirus pandemic and in normal times. It can be argued that these policy failures and the incumbent challenges, such as cultural prejudices, liquidity issues, red-tape, and low levels of digital literacy Donga et al. (2021); Kumar & Singh (2021); Torres et al. (2021) will continue to derail the success of female entrepreneurship in the post-Covid-19 era.

Despite these concerns, it is encouraging to note that literature is replete with positivity about how female entrepreneurs have endured the Covid-19 challenges suggesting prospects of a brighter future. In fact, Torres et al. (2021) found that women-led businesses are slightly more optimistic about the post-Covid-19 future but not more uncertain when compared to their male counterparts. From the preceding section, an attempt to understand how female entrepreneurs in other regions (outside Africa) have fared since Covid-19 is instructive. In India, for instance, female entrepreneurs changed their production strategies per changes in demand and some altered production strategies to produce masks to sustain their businesses (Kumar & Singh, 2021). There are also reports of female entrepreneurs integrating digital technologies, such as the use of the internet banking system, online selling, and use of social media for business promotion in Pakistan, a country where female entrepreneurs are also entrapped by patriarchal behaviours Afshan et al. (2021) as in many African countries. The study further claimed that, as a result of their experiences in dealing with the pandemic, female entrepreneurs improved their abilities, became more proactive, and acted more responsibly in their business and personal lives. This observation suggests that, as Donga et al., (2021) also claimed, Covid-19 provided a learning environment for female entrepreneurs wherein they came up better equipped as business managers. The argument is that, even though widely challenging, the experiences of Covid-19 elevated women’s entrepreneurial aptitudes and skills.

The above reflection is supported by numerous studies that refer to business adaptation strategies that female entrepreneurs adopted to sustain their businesses, such as turning to e-commerce, from traditional face-to-face trading systems and establishing an online presence to sell their products (Afshan et al., 2021).

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B. Proposed solutions to make female entrepreneurship successful and their importance to economic development.

Female-led micro-firms were markedly more likely to report increasing the use of digital platforms during the pandemic but less likely to invest in software, equipment, or digital solutions (Torres et al., 2021). Since female-led firms have been reluctant to adopt digital technologies before the pandemic, the way they embraced the new normal exhibits greater potential to support them in digital technologies (Torres et al., 2021). Thus, future support for female entrepreneurs should focus on software, equipment development, providing digital solutions and stimulating an e-commerce-based economy. However, as Salman (2022) observed in Egypt, the success of integrating female entrepreneurs into e-commerce requires the support of complementary programs to be effective. Thus, besides striving for digital inclusion (Sangem, 2020), other support services the Egyptian government provided included trade fairs held by government agencies specialised in supporting national businesses, conducting workshops and training on business skills and the launching of social associations for businesswomen (Salman, 2022).

There is also a call for intense entrepreneurship education to achieve productive entrepreneurship among females. Lipoko, D.U.D, Iwu & Opute (2021) call on stakeholders interested in supporting female entrepreneurs to focus on entrepreneurship education and engage intensively with entrepreneurs and strategic actors also to provide necessary financial and supportive plans to enable young and female entrepreneurs to achieve productive entrepreneurship. The nature of support towards female entrepreneurship can be through readily accessible finances, skills, and capacity-building training in response to the new normal and economic recovery policies and packages tailored to the needs of female entrepreneurs (Mashingaidze, 2022). Relevant support should be tailor-made to specific challenges. For example, the government should put up mechanisms that promote female entrepreneurs in male-dominated industries (Maciej Serda et al., 2017). Apart from financial contributions to female entrepreneurs, financial institutions should make non-financial support services such as financial management skills and mentoring (Iwu & Nxopo, 2015).

Another study by Odeku (2020) examined the plight of women entrepreneurs during the Covid-19 pandemic lockdown in South Africa and recommended various interventions to support female entrepreneurs in the post-Covid-19 era. Odeku (2020) opined that government must provide practical solutions on business aspects such as resilience training, customized business advisory services including financial forecasting, valuation, company restructuring, rebranding, and technology tools such as e-commerce websites which are critical to ensure the viability of women-owned businesses. These solutions are in addition to providing tax reliefs, stimulus packages, financial and material resources to women and enticing the financial sector to create preferential credit packages for female-owned businesses. Informed by perceived prejudices against African female entrepreneurs, (Ukala & Dassanou, 2020) proclaimed that post-Covid-19 policies must be gender-sensitive. In this regard, they called for a gender stimulus package that included, among others, concessional loans or grants, tax debts condo nation, rental and utilities subsidies or moratoria, gender-lens credit literacy programs and such other related measures. Arguably the call for these types of interventions to support female-led businesses in the post-Covid-19 era is seemingly universal see (Manolova et al., 2020) and lends support to a view that female entrepreneurs endured the worst of the pandemic and thus deserve extraordinary support to prop up the sector.

IV. CONCLUSION AND IMPLICATIONS

Speaking to small business owners during the Covid-19 pandemic, Otache (2020) noted two important things: (1) a one-man business is a risky investment and (2) having only one source of income is dangerous to any family. The implications of these are (1) a business owner should try to involve a family member or anyone else in the business because if the owner dies, the business ‘dies’ as well. In this regard, Jaiyeola & Adeyeye (2021) believe the patriarchal nature of the African society affects women in various ways and may also limit the consideration of including a female member of the family. Regarding having only one source of income for a family, Wolf & Frese (2018) suggest the loosening of traditions that encumber the deprivation or neglect of women to own or become part of a family business. Additionally, Otache (2020) suggests having more than one business. Perhaps the advent of Covid-19 spurs the necessary attention from the government to support female entrepreneurs. We make this call given the numerous research that has indicated women as the fairer sex and in need of support. African societies are predominantly patriarchal, and associated stereotypes often beset the females in their attempts to seek survival and support their families. Empowering the female entrepreneur may serve as the panacea for adolescent marriage, unstable homes, and improved acceptance of women as credible role models in societies. We further implore governments to support female entrepreneurship for economic

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development. Kariv et al. (2022) opined that opening new ventures, particularly female-led ones, during a crisis is indispensable for economic recovery.

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Employees' Engagement at Work: The Role of Workplace Health and Safety

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ABSTRACT

Purpose: The main objective of this study was to investigate if there is a correlation between workplace health and safety and employee engagement. Random sampling technique was used in identifying the respondents and sample size of this study.

Design/methodology/approach: This study used the quantitative non-experimental research design using correlational technique with mean, pearson-r, and t-test as statistical tools. A validated survey questionnaire was used as principal data collection instrument.

Findings: Results revealed that the level of workplace health and safety was very high. Same goes with the level of employee engagement which was also very high. Finally, findings showed that there was a significant relationship between workplace health and safety and employee engagement.

Research limitations/implications: The implication of this study to the global setting is that as employee engagement is vital in an academic institution, colleges and universities may provide different intervention programs to employees in order to increase the level of employee engagement in their institution. Since COVID is a Global issue it must also be considered that different programs must be given in accordance with the current practices in this pandemic.

Paper type: Research paper

Keyword: *Employee Engagement, Human Resource Management, Philippines, Tagum, Workplace Health and Safety*

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I. INTRODUCTION

Research on work engagement has become increasingly popular due to the fact that engaged workers contribute to organizational productivity, performance, sales, and customer satisfaction while also reporting improved health and higher well-being (Amor et al., 2021). In fact, Wood, J. et al. (2020) highlighted that companies are making more and more efforts to develop the ideal work-life balance conditions. Employers that care about their organizational-level goals support increasing employee work engagement at the same time. In addition, Work engagement is characterized by a positive outlook on work and a person's level of commitment to the organization. Accordingly, Ali & Anwar (2021) highlighted the significance of work difficulties in inspiring people to get more engaged in their workplaces.

Furthermore, government authorities, standards-setting groups and numerous experts consider the engagement of employees to be a beneficial safety force. Practical guidance on employee engagement has been provided by these organizations and people (Mullins et al., 2019). Moreover, engagement of management with employee safety is central and a primary obligation of the employer. In relation to this, Geller (2008) emphasized that leaders must be held accountable and take responsibility for workplace safety flaws to avoid high turnover rate. To prevent the cost of turnover, leaders and managers must develop a deeper knowledge of how employee engagement influences adjunct faculty member turnover intentions, both favorably and adversely (Saleem & Qamar, 2017) since unnecessary turnover degrades educational quality, disrupts business continuity, and exerts a financial strain on institutions (Takawira, N. Coetzee & Schreuder, 2014). Thus, management, according to Tews, M. J. Michel & Noe (2017), must establish an atmosphere of a safe and healthy workplace and where employees have the freedom to help balance home and work life.

In particular, a safe and healthy working environment appropriate to educational institutions must exist. Simultaneously, the presence of vulnerable groups (such as students) and the requirements of disabled individuals must be taken into consideration. The Philippine National Statistics presented that there has been an overall decline (in trend) of occupational injuries in the Philippines from 2011 (46,655 instances) to 2017. (38,235 cases). But overall, there was a rise in work-related injuries from 2011 (48,975 instances) to 2015 (20,961 cases) (Lu, 2021). In 2015, the European Agency for Workplace Safety and Health has listed five fundamental factors that must be considered in an educational set-up: Indoor workspaces, whether a classroom, a staff office, or a kitchen, must be appropriately ventilated and lit, as well as have an appropriate degree of humidity, sufficient space, and cleanliness. If automobiles are allowed to enter the institution, the signalling must be obvious, and the driveway and pedestrian area must be separated as much as possible; To lessen the risk of slipping and falling, the floors must be adequately maintained and kept clean. The protection against falls from heights in locations such as balconies and staircases will be given special consideration. For very young children, additional railing protection may be required; doors and transparent windows must be marked and made of a suitable material (Rusu-Zagar & Rusu-Zagar, 2015). More so, employees with an adverse perspective of a healthy and safe workplace seem to be involved in dangerous behaviors that improve their vulnerability to injury, and employees experiencing job uncertainty, anxiety and stress have showed declines in motivation and enforcement for safety, whereas employees with a favorable attitude of safety at work have reported lower number of accidents. Employees' perceptions of their organizations as inviting, compassionate, and concerned about their general well-being and happiness are likely to influence their knowledge of the organizational safety environment, as well as effect healthy work habits and accident rates (Gyekye, 2005).

Small-Medium Enterprises' promoters, owners, and managers regard their employees' health and safety issues as a top priority in order to get the most out of them as per (Gyensare et al., 2018) wherein a positive correlation was seen between occupational health and safety on employee engagement. Moreover, engagement of management with employee safety is central and a primary obligation of the employer. In relation to this, Geller, (2008)emphasized that leaders must be held accountable and take responsibility for workplace safety flaws. However, unnecessary turnover degrades educational quality, disrupts business continuity, and exerts a financial strain on institutions (Takawira, N. Coetzee & Schreuder, 2014). To prevent the cost of turnover, leaders and managers must develop a deeper knowledge of how employee engagement influences adjunct faculty member turnover intentions, both favorably and adversely (Saleem & Qamar, 2017). Moreover, employee engagement may suffer when job responsibilities become more demanding, resulting in a high percentage of employee turnover. Management, according to Tews, M. J. Michel & Noe (2017), must establish an atmosphere where employees have the freedom to help balance home and work life.

Meanwhile, even though there is already a committee assigned to ensure if the University of Mindanao Tagum College institution is following the standards of a safe and healthy workplace, it is still helpful to identify the employee’s perceptions on a safe and healthy workplace. The employees' perceptions may enhance the success, satisfaction, and engagement in maintaining a safe and healthy workplace (da Silva & Amaral, 2019). Complying with standards is a must and, extending one’s service beyond can be a way of increasing employee's commitment to the institution.

Therefore, in this context, the researchers feel the need to conduct the study, particularly in identifying if both variables are correlated. Ensuring the employees' welfare is vital in every educational institution since they are the front liners in giving direct service to the students. Moreover, if employees are well valued, a reciprocal process will take place in which they will, in turn, take care of their customers.

In the light of these concerns, this study was undertaken. Specifically, it aimed to answer the following research objectives:

1. To identify the level of workplace health and safety at UM Tagum College in terms of:
   a. premises of establishments;
   b. construction and maintenance;
   c. walkway surface;
   d. working environment;
   e. workplace policies and procedures;
   f. occupational health and safety awareness; and
   g. participation in occupational health and safety
2. To assess the level of employee engagement at UM Tagum College.
3. To ascertain if there is a significant relationship between workplace health and safety and employee engagement.

The outcome of the study would give pertinent data to the institution, especially the *UM Administration*, in implementing a suitable intervention program based on the study's findings. This can also help the administration enhance the level of employee engagement and employee welfare. Also, the results of the study can help the *teaching and non-teaching employees* improve their level of engagement while staying here in the institution. Lastly, this study is beneficial to *Handicapped/Differently abled employees/guests/students* since they can be considered vulnerable groups. The intervention program will be intended mostly for them.

II. METHODS

The quantitative non-experimental descriptive-correlational research approach was utilized since it is a measure of changeable associations with varied levels of measurement. According to Szapkiw (2012), descriptive-correlational studies assess the degree to which two or more variables are related to one another and provide comprehension of what is in a certain circumstance with a selected population. Researchers can use the results of a correlational study to identify whether or not two variables change together, and to what extent. In addition, this technique is used when the goal is to define the status of the scenario as it exists to investigate the causes of a specific phenomenon at the moment (Campbell, 2015).

Presented below are the research steps and procedures that the researchers in this study took. These include the Participants, Research Instruments, Design, and Procedure. A random sampling technique was used wherein the respondents in this study were the 150 teaching and non-teaching personnel of UM Tagum College.

The primary tool used in the data gathering process is an adapted and modified survey questionnaire from the Institute for (Institute for Work & Health, 2016). The researchers contextualized the questionnaire to fit the statements in the workplace setting where the respondents are situated to acquire data efficiently. Moreover, secondary data was utilized to measure the level of employee engagement with the approval of UM Tagum College administration, ensuring the data privacy act. Presented in Table 1 is the Pilot Testing (Cronbach Alpha Reliability Test) Result which shows that there is an internal consistency with regards to the variables in the instrument used.

Table 1. Pilot Testing (Cronbach Alpha Reliability Test) Result

Variable	*Cronbach Alpha*	*Interpretation*
Workplace Health and Safety	*0.967*	*Excellent*
Employee Engagement	*0.929*	*Excellent*

The following steps were followed in gathering the data: Upon approval, the questionnaire was presented to the experts (at least a Master's degree holder in a related field) for modification and content validation of the survey questionnaire. Afterward, the questionnaires were administered via google form by the researchers to the respondents of the study. Lastly, after the questionnaires were accomplished, the data gathered were tallied, analyzed, and subjected to statistical analysis.

III. RESULTS AND DISCUSSION

Table 2 shows the level of workplace health and safety at UM Tagum College in terms of premises of establishments, construction and maintenance, walkway surface, working environment, workplace policies and procedures, occupational health and safety awareness, and participation in occupational health and safety. The overall mean for this indicator is 4.39 and described as Very High. This means that the workplace health and safety at UM Tagum College is very much evident.

Results showed that in UM Tagum College, employees have a clear understanding of their rights and responsibilities concerning workplace health and safety. The implementation of workplace health and safety at UM Tagum College is very much evident as perceived and experienced by the employees. In fact, the institution shows standard practice on maintaining a health and safety workplace. Also, employees are well aware and involved in the health and safety procedures.

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Table 2. Summary of the level of workplace health and safety at UM Tagum College

Indicators	*Mean*	*SD*	*Descriptive Level*
Premises of establishments	*4.22*	*0.67*	*High*
Construction and maintenance	*4.47*	*0.68*	*Very High*
Walkway surface	*4.29*	*0.66*	*Very High*
Working environment	*4.39*	*0.65*	*Very High*
Workplace policies and procedures	*4.43*	*0.61*	*Very High*
Occupational health and safety awareness	*4.62*	*0.56*	*Very High*
Participation in occupational health and safety	*4.39*	*0.77*	*Very High*
Overall	*4.39*	*0.55*	*Very High*

Shown in Table 3 is the data on the level of employee engagement among at UM Tagum College. The overall mean for this indicator is 4.49, which is described as Very High. This means that the level of employee engagement at UM Tagum College is very much observed.

Results revealed that employees know what is expected of them at work. They also affirm that in the last year, they had opportunities at work to learn and grow. Likewise, at work, they have the opportunity to do what they do best every day. Also, the University of Mindanao's mission or purpose makes them feel that their jobs are important.

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Table 3. Level of employee engagement at UM Tagum College

Items	*Mean*	*SD*	*Descriptive Level*
Employees know what is expected of them at work.	*4.63*	*0.52*	*Very High*
Employees have the materials and equipment needed to do their work.	*4.49*	*0.55*	*Very High*
At work, employees have the opportunity to do what they do the best every day.	*4.59*	*0.56*	*Very High*
In the last seven days, employees have received recognition or praise for doing good work.	*4.25*	*0.84*	*Very High*
Their supervisor, or someone at work, seems to care about them as a person.	*4.54*	*0.63*	*Very High*
There is someone at work who encourages their development.	*4.53*	*0.61*	*Very High*
At work, employees' opinion seems to count.	*4.38*	*0.74*	*Very High*
The mission or purpose of their company makes them feel their job is important.	*4.57*	*0.55*	*Very High*
Employee's associates or fellow employees are committed to doing quality work.	*4.52*	*0.63*	*Very High*
Employees have a best friend at work.	*4.49*	*0.71*	*Very High*
In the last six months, someone at work has talked to them about their progress.	*4.27*	*0.78*	*Very High*
This last year, employees have had opportunities at work to learn and grow.	*4.63*	*0.61*	*Very High*
Total	*4.49*	*0.48*	*Very High*

Presented in Table 4 is the data on the correlation between Workplace Health and Safety and Employee Engagement. Pearson-r was used to determine the significance of the relationship of both variables.

Since the p-value is lesser than the .05 level of significance, the null hypothesis is therefore rejected. Hence, we can say that there is a significant relationship between Workplace Health and Safety and Employee Engagement at UM Tagum College. The r-value of .162 also exemplifies that there is a positive correlation between the two variables. Thus, when the level of Workplace Health and Safety increases, the same goes with Employee Engagement and vice versa. However, although there is a correlation for both variables, only 2.6% of Workplace Health and Safety affects Employee Engagement, while other factors influenced the remaining 97.4% of it.

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Table 4. Correlation between Workplace Health and Safety and Employee Engagement

Variables	*r-value*	*r-squared*	*p-value*
Workplace Health and Safety	.162	0.026	0.047

Decision on H_o = rejected
n=150

A. Discussions

The level of workplace health and safety is described as very high. The following are the specific results of the seven indicators under this variable. Six out of seven indicators: construction and maintenance, walkway surface, working environment, workplace policies and procedures, occupational health and safety awareness, and participation in occupational health and safety got very high level except for the premises of establishment which acquired a high level. This means that the level of workplace health and safety is very much evident. The result is congruent with the Department of Labor and employment mandate, which emphasized that every establishment shall give mandatory seminars and training on the said matter. This is pertinent to ensure the welfare of all human resources in the workplace. In order to achieve the purpose, the 1978 Occupational Safety and Health Standards (OSHS) offer advice and enforcement for workplaces, including personal health and safety training, safety and health commissions, records of occupational and environmental diseases, occupational and environmental hazard management, personal protection equipment, safe use of equipment, and fire protection and occupational health records. As an educational institution, maintaining a safe and healthy workplace must be taken seriously. (Occupational Safety and Health Center, 2006).

The level of employee engagement at UM Tagum College is very high, which means that UM Tagum College's employee engagement is very much observed. This affirms the proposition of (Nordmark, 2017), who stated that if a school wants to develop a strategy that addresses students' needs and the higher education sector, universities will need fully committed faculty and employees. This approach provides a significant incentive for schools to provide services that assist students in achieving their goals.

Using Pearson-r to determine the significant relationship, results reject the null hypothesis since the p-value is less than .05 level of significance. Therefore, we can say that there is a significant relationship between workplace health and safety and employee engagement. This is in congruence with the key findings of (Nahrgang et al., 2011) study's which showed that there is a positive association with burnout were the job demands of risks, health and hazards and job difficulty, and the work resources of safety expertise, job autonomy, and a supportive atmosphere had positive associations with employee engagement.

IV. CONCLUSION

The following conclusions were derived based on the statement of the problem: First, the level of workplace health and safety is very high. Likewise, the level of employee engagement at UM Tagum College is very high. Lastly, there is a significant relationship between workplace health and safety and employee engagement.

A. Implication

The *practical implication* of the result to UM Tagum College is that even if employees have a clear understanding of their rights and responsibilities concerning workplace health and safety and though they affirm that they had opportunities at work to learn and grow. Enhancement program can still be formulated to help sustain the best practices of the institution. Among all the indicators, the premises of establishments under workplace health and safety must be elevated to very high. To do this, further improvement in the physical facilities are needed to address concerning issues.

Meanwhile, the implication of this study to *future research* is that, since a small percentage of 2.6% of the variation of employee engagement is explained by the workplace health and safety, future researchers may conduct a Focus Group Discussion to determine more about other factors that might affect the employee engagement in the institution. Thus, this may become an opportunity for future study in seeking other factors that might affect the increase and decrease of employee engagement.

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Finally, is the implication of this study to the *global setting*. As employee engagement is vital in an academic institution, colleges and universities may provide different intervention programs to employees in order to increase the level of employee engagement in their institution. Since COVID is a Global issue it must also be considered that different programs must be given in accordance with the current practices in this pandemic.

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The effect of Promotion, Driver Service Quality, Price Discounts and Postage Discounts on Purchasing Decisions of SME's Gempolklutuk Village

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ABSTRACT

Purpose: This study aims to determine the effect of promotions, service quality drivers, price discounts and shipping costs discounts on purchasing decisions using the service SME's Gempolklutuk Village to students in Surabaya.

Design/methodology/approach: This study used quantitative research, testing the hypothesis. The number of samples in this study were 100 respondents, namely consumers who had purchased using the services of UKM Gempolklutuk Village. The data source used is primary data obtained from questionnaires. This study uses multiple linear regression analysis.

Findings: The results of the study stated that Promotion, Driver Service Quality, Price Discounts and Shipping Cost Discounts had a significant influence simultaneously on Purchase Decisions. Promotional variables, Driver Service Quality, Price Discounts and Shipping Cost Discounts have a partially significant effect on Purchase Decisions. The results of the coefficient of determination test concluded that the value of Adjusted R Square Promotion, Driver Service Quality, Price Discounts and Shipping Cost Discounts amounted to 57.3% of the Purchase Decision variable and the remaining 42.7% was influenced by other variables not examined in this study.

Research limitations/implications: The limitations of this research problem are the influence of promotions, driver service quality, price discounts and shipping fee discounts on purchasing decisions by using online delivery services from the MSME platform in Gempolklutuk Village.

Paper type: Research paper

Keyword: *Discounted Prices, Promotion, Purchase Decisions, Service Quality Driver, Shipping Cost Discounts*

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I. INTRODUCTION

Gempolklutuk Village, located in Tarik District, Sidoarjo Regency, is a village with a large landscape of rice fields where most of the people work as farmers. The crops obtained from Gempolklutuk Village are rice, sugar cane, and soybeans. Gempolklutuk Village so far has a website portal that provides information about village activities. The Village Head has started developing the village towards a digital village by creating a new official page belonging to Gempolklutuk Village, later the official page provides information on activities, MSMEs, updates on village conditions. The development process towards digital certainly requires collaboration between the community and the government to make a digital village. According to Simpson (2020) the digitization process must be supported by adequate infrastructure such as internet networks, computers, smartphones, and their accessories. The existence of infrastructure support helps a village become a digital village that is able to develop so that it has a positive impact on the country's development.

MSME is a business activity that is able to expand employment and provide broad economic services to the community and can play a role in the process of equity and increase people's income, encourage economic growth and play a role in realizing national stability. Empowering MSMEs in Gempolklutuk Village by using digital marketing which can later improve marketing and increase employment opportunities. Gempolklutuk Village has several MSMEs, namely Cultivating Catfish, Salted Eggs, Macaroni, and Samiler Crackers. Gempolklutuk Village UMKM products are also marketed outside cities such as Surabaya, so that the products owned by Gempolklutuk Village can also compete in the community. SME's Gempolklutuk Village is one of the fastest growing online buying and selling business applications and is in demand by consumers in Indonesia. In April 2020 SME's Gempolklutuk Village Indonesia has started promoting the sale of fast on the SME's Gempolklutuk Village platform, and this program is named SME's Gempolklutuk Village.

SME's Gempolklutuk Village is a delivery service that is part of the SME's Gempolklutuk Village line of business. We can order online without having to come to the restaurant because the will be delivered by the SME's Gempolklutuk Village driver to the location we have specified. The service quality of a good and friendly driver will make consumers feel happy, especially if the order brought is safe and not damaged at all. Timely service will also be an added value and of course consumers will believe in us

SME's Gempolklutuk Village driver service quality.

Discounts provided by SME's Gempolklutuk Village can make consumers feel thrifty when buying. Free shipping also makes consumers interested in using SME's Gempolklutuk Village, especially among students and can save time without having to pay shipping costs. Students as SME's Gempolklutuk Village users have limitations in purchasing power so it is necessary to analyze what factors are the basis for deciding to buy using SME's Gempolklutuk Village services.

A. Service

According to Kotler & Keller (2012) service is an activity, benefit or performance offered by one party to another that is intangible and does not cause any transfer of ownership, and in its production it may or may not be tied to a physical product.

Online delivery is a delivery service that has been provided by online delivery service sites, such as SME's Gempolklutuk Village, Go and other applications. During the Covid-19 pandemic, such as today, the use of online delivery services is very popular with the people of Indonesia. Online ordering services are currently growing rapidly and they are partnering with small to large scale restaurants. This service also presents many interesting promos.

B. Promotion

Promotion is an effort to introduce a product or service that aims to attract potential customers to use the product or service that has been offered. Promotion is an activity to persuade customers or target buyers by communicating the advantages of the products or services offered in order to attract consumers to make purchasing decisions (Kotler & Keller, 2016). The indicators in this study are as follows (Mursid, 2013):

1. Advertising, namely by promoting products through television advertisements and can also use media such as brochures, pamphlets, banners, posters.
2. Sales promotions, such as discounts, sweepstakes and free products.
3. Publicity, namely by being active on social media such as Instagram.

C. Service quality

Kotler said that service is an activity or benefit that a marriage offers to another party that is essentially intangible and does not result in any ownership. The product may not be tied to a physical product (Kotler & Keller, 2016).

According to Grongross, as well as others, service quality is the result of a customer evaluation process that compares their perceptions of service and the results are in accordance with what they expect (Firmansyah & Haryanto, 2019). Parasuraman et al. (1988) in Tjiptono & Chandra (2016), project the service quality model as follows:

1. Tangible (physical evidence): that is related to the attractiveness of physical facilities such as equipment, and appearance of employees.
2. Reliability: namely the ability of service companies to provide services that satisfy
3. consumers from the first time without making mistakes and use their services in accordance with the agreed time.
4. Responsiveness (responsiveness): namely the willingness and ability of employees to help customers, respond to their requests, and inform when services will be provided, then provide services quickly.
5. Assurance (guarantee and certainty): the behavior and attitudes of employees are able to foster customer trust in the company and can create a sense of security for its customers.
6. Empathy: Means that the company understands the problems of its customers and acts in the interests of customers, and gives personal attention to customers and has comfortable operating hours.

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D. Discounts / Discounts

Discounts are one type of sales promotion. A price discount is a reduction in the price of a product from the normal price within a certain period. While sales promotion is a form of direct persuasion through various incentives that can be arranged to stimulate product purchases by increasing the number of goods purchased by customers, (Tjiptono, 2008). Discount is a price reduction strategy carried out by a company from a predetermined initial price, a price reduction strategy is carried out to create impulse buying so that product sales increase (Baskara, 2018).

The indicators for discounts or rebates are (Philip, 2018):

1. The amount of the discount
2. The validity period of the discount
3. Types of products that get discounted prices

E. Buying decision

According to Kotler & Armstrong (2008) purchase decision is to buy the preferred brand, but two factors can influence the purchase intention and decision purchase. Purchasing decision is choosing between two or more alternative purchase options, a person can make a purchase decision if there are several alternative choices. The decision to buy can lead to the process in which the decision is made. There are several factors that can affect the consumer's process when making a decision to purchase a product or service, usually consumers consider the price and quality of the product that is already known to the public. Quoting Kotler in Habibah & Su'miati (2016), indicators of purchasing decisions include:

1. Stability in a product, that is, consumers must have made their choice on a product that is in accordance with their wishes and after that make a purchase decision.
2. Habits in buying and using products, namely consumers who have often bought a certain product and usually have been based on the previous use of the product.
3. Giving recommendations to other people, namely consumers who have often bought a certain product, then the consumer has indirectly felt satisfaction from the product and will recommend the product to people around him.
4. Evaluation of the product, that is, if consumers have used a product, they will usually evaluate the product that has been used.
5. Make repeat purchases, namely consumers who are satisfied with a product will certainly make repeat purchases.

II. METHODS

This study uses a quantitative approach. Quantitative method is a research that uses a sample of numerical data or data in the form of numbers to examine a particular population or sample, sampling techniques are generally carried out randomly, collecting data using research instruments, quantitative/statistical analysis with the aim of testing the predetermined (Sugiyono, 2013).The object of research is an attribute or nature or value of a person, object, or activity that has a certain variation determined by the researcher to be studied and then drawn conclusions (Sugiyono, 2017). Therefore, in this study, the object of research is to analyze the variables that influence purchasing decisions through online delivery services in 2022, namely: students in Surabaya who use SME's Gempolklutuk Village services.

In this study, the population is consumers, namely students in Surabaya who have made online purchases using SME's Gempolklutuk Village services in 2022. The number of samples to conduct this research is 100 respondents.

The conceptual framework in this research is as follows:

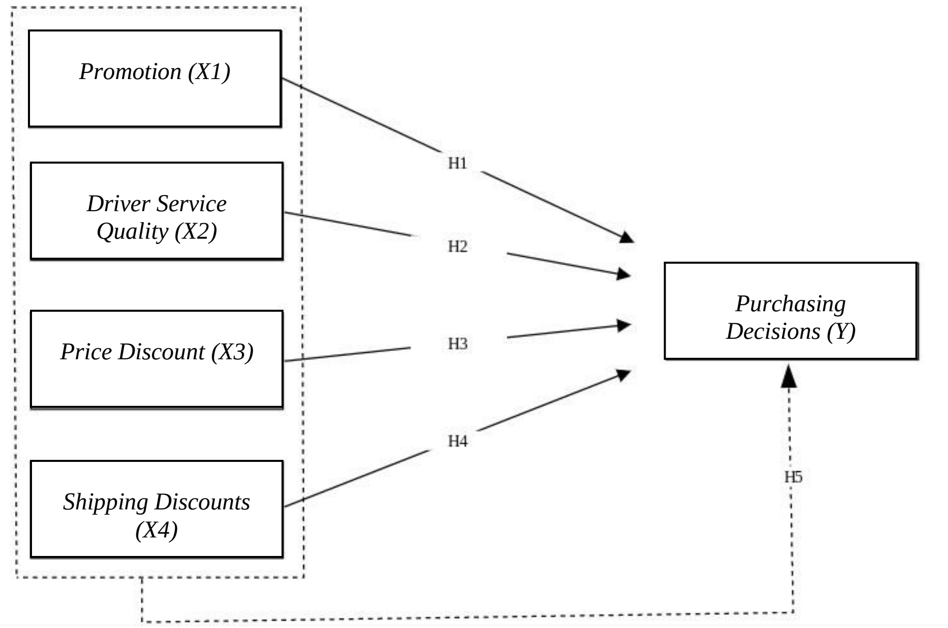

Figure 1. Research Concept Framework

Caption:
——▶ = Partial
- - - -▶ = Simultaneous

A. Hypothesis:

H1 : Promotion has a partial effect on purchasing decisions by using SME's Gempolklutuk Village for Surabaya students

H2 : Service Quality Drivers have a partial effect on purchasing decisions using SME's Gempolklutuk Village for Surabaya students

H3 : Price Discounts have a partial effect on purchasing decisions by using SME's Gempolklutuk Village for Surabaya students

H4 : Postage Discounts have a partial effect on purchasing decisions using SME's Gempolklutuk Village to Surabaya Students

H5 : Promotion, Driver Service Quality, Price Discounts, Shipping Discounts have a simultaneous effect on purchasing decisions using SME's Gempolklutuk Village for Surabaya students

B. Types, Sources and Techniques of Data Collection

The type of data in this study is quantitative data, in the form of a questionnaire distributed to students in Surabaya and who have bought using SME's Gempolklutuk Village. In this study, researchers used primary data and data collection techniques in this study using a questionnaire.

III. RESULTS AND DISCUSSION

A. Validity test

Validity test is a test of the accuracy or accuracy of data reported by researchers in a study with original results obtained in the field (the results submitted are valid and not engineered) (Sugiyono, 2017).

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Table 1. Validity Test Results

Variable	Indicator	Pearson Correlation	r Table	Information
Promotion (X1)	X1.1	0,800	0,1966	Valid
	X1.2	0,742	0,1966	Valid
	X1.3	0,826	0,1966	Valid
Quality Service Driver (X2)	X2.1	0,762	0,1966	Valid
	X2.2	0,773	0,1966	Valid
	X2.3	0,650	0,1966	Valid
	X2.4	0,695	0,1966	Valid
	X2.5	0,883	0,1966	Valid
Price Discount (X3)	X3.1	0,633	0,1966	Valid
	X3.2	0,827	0,1966	Valid
	X3.3	0,809	0,1966	Valid
Shipping Cost Discount (X4)	X4.1	0,779	0,1966	Valid
	X4.2	0,822	0,1966	Valid
	X4.3	0,787	0,1966	Valid
Decision Puchase (Y)	Y1	0,779	0,1966	Valid
	Y2	0,760	0,1966	Valid
	Y3	0,850	0,1966	Valid
	Y4	0,821	0,1966	Valid
	Y5	0,760	0,1966	Valid

Source: SPSS 25. Result Data

Based on the results of the validity test above, it can be concluded that all indicator items on the Promotion variable (X1), Driver Service Quality (X2), Price Discounts (X3), Discount on Shipping Cost (X4), and Purchase Decisions (Y) are declared valid and can be proven through the results of r_hitung > r_table with the minimum value of r_table received is r = 0.1966.

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B. Reliability Test

Reliability test is a test used to determine whether a measuring instrument is reliable or not. In this study, the measuring instrument used was a questionnaire. Reliability test is used to determine whether the questionnaire is reliable or not. Reliability test using the Cronbach Alpha method which focuses on the critical value of 0.6. A questionnaire item can be said to be reliable if the Cronbach Alpha value > critical value (0.6). (Sugiyono, 2017).

Table 2. Reliability Results

Variable	*Result α Cronbach*	*Minimum α cronbach*	*Information*
Promotion (X1)	*0,694*	*0,60*	*Reliable*
Driver Service Quality (X2)	*0,809*	*0,60*	*Reliable*
Discount Price (X3)	*0,632*	*0,60*	*Reliable*
Shipping Cost Discount (X4)	*0,705*	*0,60*	*Reliable*
Puchase Decision (Y)	*0,857*	*0,60*	*Reliable*

Source: SPSS 25 . Result Data

Based on the results of the reliability test in table 2, it can be concluded that the Promotional variables (X1), Driver Service Quality (X2), Price Discounts (X3), Shipping Cost Discounts (X4), and Purchase Decisions (Y) are declared reliable and can be proven through the results cronbach value > 0.6.

C. Normality test

Normality test is a test used to see whether in a regression model an independent variable and a dependent variable or both have a normal or abnormal distribution. This statistical test uses the test One Kolmogorov Smirnov, if the significant value is > 0.05 or 5%, it can be said that the data has a normal distribution and vice versa (Ghozali, 2016).

a. P Plot

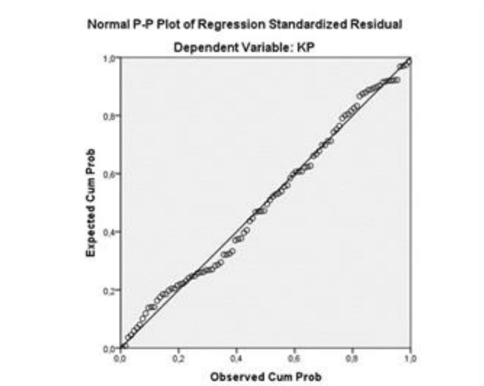

Figure 2. P-Plot of Normality Test Result

Source : SPSS 25, Result Data

Based on Figure 2, it is known that the regression model is normally distributed because the points follow a diagonal line.

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b. Kolmogrov

Table 3. Kolmogrov results One-Sample Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	Standardized Residual
N		100	100
Normal Parameters[a,b]	Mean	0E-7	0E-7
	Std. Deviation	,36518883	,97958969
Most Extreme Differences	Absolute	,060	,060
	Positive	,060	,060
	Negative	-,051	-,051
Kolmogorov-Smirnov Z		,603	,603
Asymp. Sig. (2-tailed)		,860	,860

a. Test distribution is Normal
b. Calculated from data.
Source : SPSS 25, Result Data

Based on the normality test in table 17, it can be seen the significance value in the Asymp section. Sig. (2-tailed) of 0.860 > 0.05, it can be said that all variables in this study are normally distributed.

D. Multicollinearity Test

It would be better if in a regression model there is no correlation between the independent variables. If the independent variables are correlated with each other, then these variables are not orthogonal. Multicollinearity can be known through the value of tolerance and variance inflation factor (VIF). If the tolerance value is greater than 0.1 and the variance inflation factor value is less than 10, the regression is free from multicollinearity (Supriyono et al., 2016).

Table 4. Multicollinearity Test Results

coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Pr	,642	1,558
	KPL	,693	1,443
	DH	,538	1,860
	DO	,547	1,827

a. Dependent Variable: KP
Source: SPSS 25 . Result Data

Based on table 4 above, it can be said that the regression is free from multicollinearity because the tolerance value is greater than 0.1 and less than 10, namely the Tolerance value of the Promotion variable (X1) 0.642, Driver Service Quality (X2) 0.693, Price Discounts (X3) 0.538 , and Discount Shipping (X4) 0.547.

E. Autocorrelation Test

One way that can be used to test autocorrelation is to useDurbin – Waston Test, with the following conditions:

1. ScoreDurbin – Wastonbelow (-2), the conclusion is that there is a positive autocorrelation
2. ScoreDurbin – Wastonbetween (-2) to (+2), the conclusion does not occur autocorrelation

Table 5. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,768[a]	,590	,573	,37280	1,868

a. Predictors: (Constant), DO, KPL, Pr, DH
b. Dependent Variable: KP
Source: SPSS 25. Result Data

Based on the table above, it can be said that the value of Durbin – Wastonis 1.868 which means the value of Durbin–Wastonis between (-2) and (+2), it can be concluded that the data does not experience autocorrelation.

F. Multiple Linear Regression Analysis

The analysis used in this study is multiple linear regression analysis (multiple regressions). Multiple linear regression analysis was used to analyze the effect of independent variables (promotion, service quality drivers, price discounts and shipping costs discounts) on the dependent variable, namely purchasing decisions.

The equation formula is:

Y = + 1 X1 + 2 X2 + 3 X3 + 4 X4 + e

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Table 6. Results of Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Sig.
		B	Std. Error	
1	(Constant)	,085	,342	,805
	Pr	,282	,089	,002
	KPL	,290	,085	,001
	DH	,242	,095	,013
	DO	,215	,089	,018

a. Dependent Variable: KP
Source: SPSS 25 . Result Data

Based on the table above, the unstandardized coefficients column part B, the multiple linear regression equation is obtained as follows:

Y = 0.085 + 0.282 (X1) + 0.290 (X2) + 0.242 (X3) + 0.215 (X4)

G. Partial Test (T)

Partial test (t) is used to test the significance of the constants of each independent variable, whether the promotion variable (X1), driver service quality (X2), price discount (X3) and shipping cost discount (X4) really have a partial effect (separately) on the dependent variable, namely the purchase decision (Y1). (Ghozali, 2005)

Criteria:

1. Each independent variable partially has a significant effect on the dependent variable if the significance level is < 0.05.
2. Each independent variable partially has no significant effect on the variable bound if the significance level > 0.05.

Table 7. Partial Test Results (T)

Coefficients[a]

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		,247	,805
	Pr	,261	3,185	,002
	KPL	,271	3,429	,001
	DH	,228	2,545	,013
	DO	,214	2,411	,018

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a. Dependent Variable: KP
Source: SPSS 25. Result Data

1. The value of the Promotion variable sig (X1) is 0.002 < 0.05, so it can be said to have a partial effect.
2. The sig value of the Driver Service Quality variable (X2) is 0.001 <0.05, so it can be said to have a partial effect.
3. The value of the sig variable Price Discount (X3) is 0.013 <0.05, so it can be said to have a partial effect.
4. The sig value of the Shipping Cost Discount variable (X4) is 0.018 <0.05, so it can be said to have a partial effect.

H. Simultaneous Test (F)

Simultaneous test (f) is a test to determine the effect of the independent variables, namely promotion (X1), driver service quality (X2), price discount (X3), and shipping cost discount (X4). (Y1). (Ghozali, 2005)

The criteria for testing the hypothesis are with a 95% confidence level or a significance level of 5%, then:

1. Each independent variable simultaneously has a significant effect on the dependent variable if the significance level is <0.05.
2. Each independent variable simultaneously does not have a significant effect on the dependent variable if the significance level is > 0.05.

Table 8. Simultaneous Test Results (F)

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	19,007	4	4,752	34,190	,000[b]
1 Residual	13,203	95	,139		
Total	32,210	99			

a. Dependent Variable: KP
b. Predictors: (Constant), DO, KPL, Pr, DH
Source: SPSS 25. Result Data

Based on the table above, the value of sig 0.000 < from 0.05, it can be said that the independent variables Promotion (X1), Driver Service Quality (X2), Price Discounts (X3) and Shipping Cost Discounts (X4) simultaneously affect the dependent variable namely Purchase Decision (Y).

I. Coefficient of Determination Test

The coefficient of determination test (R2) is to measure how far the ability to explain the variation of independent variables simultaneously. The value of the coefficient of determination is between 0 and 1. A small R2 value indicates the ability of the independent variable in explaining the dependent variable is small and if the coefficient value is close to 1, it means that the independent variable has a very strong or significant effect on the dependent variable (Ghozali, 2013).

Table 9. Results of the Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,768a	,590	,573	,37280

a. Predictors: (Constant), DO, KPL, Pr, DH
b. Dependent Variable: KP

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Source: SPSS 25. Result Data

1. The coefficient value of R > 0.5 is 0.768. So it can be said that the Promotion variable (X1), Driver Service Quality (X2), Price Discount (X3) and Shipping Cost Discount (X4) have a significant effect on the Purchase Decision variable (Y).
2. The Adjusted R Square result is 0.573 which shows that the Promotion variable (X1), Driver Service Quality (X2), Price Discount (X3) and Shipping Cost Discount (X4) have an effect of 57.3% on the Purchase Decision variable (Y). And the remaining 42.7% is influenced by other variables not examined in this study.

IV. CONCLUSION

Result and discussion must be written in the same part. They should be presented continuously start from the main result to the supporting results and equipped with a discussion. Unit of measurement used should follow the prevailing international system. All figures and tables placed separately at the end of manuscript pages and should be active and editable by editor.

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The Analysis of Regional Income on Economic Growth Lampung Province

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ABSTRACT

Purpose: The important indicators in economic growth are financial performance and regional finance. This study aims to provide empirical evidence of the role of regional income and financial performance on economic growth, and economic growth as an indicator of community welfare in an area.

Design/methodology/approach: This study uses panel data analysis to test the regression model.

Findings: The findings reveal that regional income and economic performance on economic growth have an influence on the level of community welfare in Lampung Province, but the evidence proves that regional levies are not significant on community welfare.

Practical implications: This study also provides evidence that the regional retribution is not significant, so that the regional retribution has a value that has not been able to improve welfare in the of Lampung province.

Paper type: Research article

Keyword: *Community Welfare, Economic Growth, Financial Performance, Regional Income*

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I. INTRODUCTION

Economic growth and problems level poverty is an important indicator in measure the success of a country's development. Every country will try optimally achieve economic growth and be able to reduce level poverty. Economic growth in developing countries such as Indonesia is accompanied by the emergence of the problem of increasing the number of people living below the poverty line. For Indonesia. The problem of poverty has long been a national problem which until now has shown no signs of ending. based on the results of the National Socio-Economic Survey. To measure poverty, B and P centre Statistics in Indonesia use the concept of the ability to meet basic needs *(basic needs approach).* With this approach, poverty is seen as an economic inability to meet basic food and non-food needs as measured from the expenditure side. So the poor are people who have an average monthly per capita expenditure below the poverty line. One of the provinces in Indonesia that is of concern to the central government is the province of Lampung. In the last 2 years, there has been an increase in the number of poverty in previous years, as seen in the poverty severity index. The following is data on poverty in Lampung Province for the period March 2012-March 2018 which has increased in several years.

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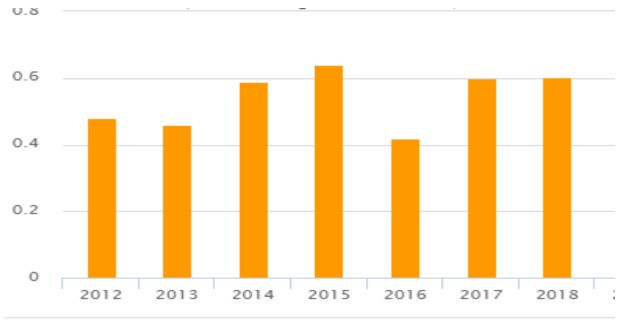

Figure 1. Level index Poverty in Lampung Province March 2012-March 2018

Figure 1. above shows the poverty severity index data for Lampung Province. The data shows that from 2012 to 2015 the poverty severity index of Lampung province continued to increase. In 2016 it decreased, but increased again in 2 consecutive years until 2018. Seeing this condition, local governments need to take strategic steps and special attention to poverty in the community. The development of economic growth in each region affects the economic growth of the country. So that the slowing down of economic growth accompanied by an increase in poverty is one of the problems that needs to be solved by the government.

Desmawati et al. (2015) explains that economic growth also has an impact on increasing Regional Original Income (PAD) where ideally regional income is the main source of local government costs to carry out regional development. Regions with positive economic growth have the opportunity to increase local revenue. Several studies have shown that economic performance, namely the level of financial decentralization and economic independence, indirectly has a positive effect on economic growth. So the research examines several factors that influence economic growth. This research study analyzes the increase or decrease in Regional Original Income in one of the districts in the province of Lampung which in the end will be analyzed for its effect on economic growth.

A. Literature Review

1. Regional Income on Economic Growth and Community Welfare

In an effort to increase regional independence, they are also required to optimize their income potential. One of the factors that can encourage an increase in regional financial capacity is economic growth. Saragih (2003) argues that the increase in regional income is an excess of economic growth. Bappenas (2003) also states that regional income growth must be sensitive to economic growth. Setiawina & Arsa (2015) prove that economic growth has a significant effect on local revenue. This means that economic growth is effective in increasing regional income growth or growth. Economic performance has spread in the economic sector which is a source of income. Desmawati et al. (2015) explain that economic growth also has an impact on increasing Regional Original Income which ideally is the main source of local government costs to carry out development area. Regions with positive economic growth have the opportunity to increase local revenue. This should make local governments concentrate more on empowering regional economic power to create economic growth rather than just issuing laws and regulations related to taxes or levies. Finance is a performance measure that uses financial indicators of regional income.

Basri et al. (2013) stated that quality economic growth will always be a source of increasing local revenue, therefore it is necessary to continue to accelerate the quality of economic growth that is beneficial for improvement. Creating equitable economic growth, especially in economic sectors that are closely related to local revenue. And the economic performance of the three indicators of the degree of financial decentralization and economic independence indirectly has a positive effect on economic growth in financial dependence, and indirectly has a negative effect on regional income Sularso & Restianto (2011).

2. Regional Financial Performance Community Welfare Through Economic Growth

According to Halim (2008) financial analysis is an attempt to identify financial characteristics based on available financial statements. In government organizations to measure financial performance there are several performance measures, namely the degree of decentralization, financial dependence, the ratio of regional financial independence, effectiveness ratios, efficiency ratios, alignment ratios, debt service coverage ratios, and growth. To analyze financial performance and its effect on capital expenditure allocation and economic growth, financial performance analysis focuses on the degree of decentralization, financial dependence, and financial independence. HDI is one indicator of the level of community welfare in an area that describes the combination of the level of health, education level and a decent standard of living (with a measure of inequality between

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regions). In this study, HDI is used as a reference to determine the level of welfare in the form of ranking the welfare of an area. Suciati et al. (2015) In Suparwati & Setyowati (2012) it is stated that HDI is influenced by DAU, DAK and PAD through Capital Expenditures, and HDI is influenced by capital expenditures while economic growth has no effect on HDI through Capital Expenditures.

The results of research by Irviani et al. (2017); Setiawina & Arsa (2015); Sularso & Restianto (2011) prove that there is an indirect effect between regional income and financial performance through economic growth. Similarly, increased income will increase the range of options and capabilities enjoyed by households and governments, and economic growth will increase human development. One of the objectives of decentralization is to improve public services. The consequences of decentralization are based on the starting point for decentralization in Indonesia, namely Level II Regions, with the consideration that district governments better understand and recognize regional needs and potentials. Based on theoretical studies and the results of previous studies, the hypotheses developed in this study are:

H1 : Regional Income and financial performance have a positive effect on economic growth
H2: Regional income and financial performance have a positive effect on community welfare
H3: Regional income and financial performance have a positive effect on community welfare through economic growth

III. METHOD

A. Data and Data Sources

Secondary data obtained from official documents of BPS Lampung Province in 2017 3 -2018 (5 years) obtained from relevant agencies (BPS):

1. GRDP data based on constant prices for districts/cities in Lampung Province
2. Data on Realization of Regional Original Income (PAD) for Regency/City of Lampung Province
3. Regional Tax Realization Data for Regency/City of Lampung Province
4. Data on the Realization of Retribution for Regency/City in Lampung Province
5. Data on the Realization of the Regency/City Balancing Fund of Lampung Province
6. Data on the Realization of Special Allocation Funds (DAK) for the Regency/City of Lampung Province
7. Data on the Realization of District/City General Allocation Funds in Lampung Province

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Table 1. Regencies/Cities of Lampung Province

No	*County/City*
1	*West Lampung*
2	*Tanggamus*
3	*South Lampung*
4	*East _ _*
5	*central Lampung*
6	*North Lampung*
7	*Right Way*
8	*Bone Onion*
9	*Offer*
10	*Pringsewu*
11	*Mesuji*
12	*Bone West Onion*
13	*West Coast*
14	*Bandar Lampung*
15	*Metro City*
	Total 15 Regencies/Cities Lampung province

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B. Variables and Definitions

Table 2 Independent and Dependent Variables

a. Independent variable

Regional Income	
X1= Original Region Income (PAD)	*According to Law Number 33 of 2004 Regional Original Revenue is the income obtained by the region which is collected based on regional regulations in accordance with statutory regulations.*
X2 = Local Tax	*According to Law Number 28 of 2009, Regional Taxes, hereinafter referred to as Taxes, are mandatory contributions to the Regions owed to individuals or entities that are coercive under the Law, with no direct compensation and are used for the benefit of the Region for the greatest prosperity. people.*
X3 = Regional Retribution	*According to Law no. 28/2009 in total there are 30 types of levies that can be levied by regions which are grouped into 3 groups, namely public service levies, business service levies, and certain licensing fees. a. Public Service Retribution, b. Business Service Retribution, c. Certain Licensing Fees*
X4 = Balancing Fund	*Balancing Fund is a fund sourced from the APBN which is allocated to regions to fund regional needs in the context of implementing decentralization.*
X5=Profit Sharing Fund (DBH)	*Revenue Sharing Funds (DBH) are funds sourced from APBN revenues allocated to regions by taking into account the potential of producing regions based on certain percentage figures to fund regional needs in the context of implementing decentralization.*
X6=Special Allocation Fund (DAK)	*Based on the Minister of Home Affairs Regulation No. 30 of 2007 the use of balancing funds, in particular special allocation funds (DAK), is allocated to certain regions to mark physical needs, basic facilities and infrastructure which are regional affairs, including education, health and programs. and other activities. in accordance with the technical instructions stipulated by the relevant technical minister in accordance with the laws and regulations.*
Financial Performance	
X8 = Degrees Decentralization	*are funds sourced from APBN revenues allocated to provinces and regencies/municipalities aimed at equitable distribution of financial capacity among regions through the application of a formula that takes into account personnel expenditure needs, fiscal needs, and regional potential.*
X9 = Financial Dependence	*The degree of decentralization is calculated by the formula of PAD divided by total regional income multiplied by 100% (BPKP, 2012).*
X10=Finance Independence	*Financial dependence is calculated by the formula of Transfer Revenue divided by total regional income multiplied by 100% (BPKP, 2012).*

Dependent variable

Y1 = Economic growth in this study is GRDP (Gross Regional Income) at constant prices.

Y2 = Community Welfare in this study using the Human Development Index (IPM) or Human Development Index (HDI) as an indicator of community welfare.

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C. Data Analysis Method
1. Data Analysis Techniques

Data analysis used panel data regression model estimation method. Panel data or pooled data is a combination of time series and cross section data. By accommodating information related to both cross section and time series variables, panel data can substantially reduce the problem of variable commitment, a model that ignores relevant variables (Wibisono, 2005). To overcome the intercorrelation between independent variables which can eventually lead to inaccurate regression estimates, the panel data method is more appropriate to use. Lampung Province, showed that the normality test used the Kolmogorove-Smirnov test. The significance value is 0 . 3 65 or *p value* = 0 . 3 65 > 0 . 05. This result means that Ho is accepted or the data is normally distributed. This result also means that the regression model can be used for further testing.

III. RESULT AND DISCUSSION

A. Hypothesis Testing Results

Table 3. Testing the Effect of Regional Income and Financial Performance on Economic Growth

ANOVA *and*

Model		Number of Squares	df	Square Average	F	Signature.
	Regression	*3.451*	*10*	*3.456*	*9.126*	***.000*** [b]
1	*Remainder*	*1,571*	*35*	*2,956*		
	Total	*4.922*	*45*			

a. Dependent Variable: GRDP
b. Predictors: (Constant), KEMK, DD, DBH, DAU, DP, DAK, RTBD, KK, PAD, PJKD

The test of the effect of the relationship of all independent variables basically shows that the model has a joint influence on the dependent variable. The results of the regression of the effect of regional income and financial performance on economic growth as measured using the GRDP of the Regency/City of Lampung Province in 2017 3 -2018 using a 95 percent confidence level (α = 0.05), obtained a *p value of* 0 . 000, with F stat = 9,126. From the regression results, it can be concluded that the variables of regional income and financial performance together have a significant effect on economic growth.

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Table 4. Statistical Test Results t Regional Income and Finance

Economic Growth Performance (GDP)

Equation: GRDP= + $_1$PAD 1+ $_2$PJKD 2+ $_3$RTBD + $_4$DP + $_5$DBH + $_6$DAK + _

$_7$DAU + $_8$DD + $_9$KK + $_{10}$KMEK +e

Variable _	Beta	value of t	Sig (p-value)
Constant	0.317	9.251 _	0 . 000***
P A D	0.284	2.169	0.000***
P JK D	0.2 1 4	1. 5 8 3	0 . 000 ***
R TB D	0 . 1 87	3.2 6 3	0.00 1 **
D P	0 .1 7 0	2.181	0.001 ** _
DBH	0.1 53	1.7 1 2	0 . 002 **
DAK	0.242	2,531	0.000***
DAU	0.042	2.134	0.000***
DD	0.153	1,783	0.002**
K K	0.272	0.469	0.003**
KMEK	0.332	1,762	0.002**
N		136	

a. ***, Significance at the level of 0.01, **, at the level of 0.5, *, at the level of 0.1
b. Dependent Variable: GRDP

Based on the probability value of each variable and the significance value of p value which is smaller than alpha 0.05, it can be stated that all regional income and economic performance variables have a significant effect on the level of economic growth in the Regency/City of Lampung Province. In other words, economic income and financial performance are effective in increasing economic growth. This also means that economic growth is largely supported by sectors that are also the main contributors to PAD, such as trade, agriculture, tourism, such as hotels and restaurants. Economic sectors that can directly increase PAD revenues, such as the industrial and trade sectors, are mainly related to tax revenues and regional distribution.

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B. Direct Effect of Regional Income and Financial Performance on Community Welfare

Table 5. Simultaneous Significance Test Results (Test F)

ANOVA

	Model	*Sum of Squares*	*df*	*Mean Square*	*F*	*Sig*
	Regression	*476,643*	*10*	*42,624*	*11,917*	*.000 b*
1	*Residual*	*326,876*	*35*	*10.158*		
	Total	*823.020*	*45*			

a. Dependent Variable: HDI
b. Predictors: (Constant), KEMK, DD, DBH, DAU, DP, DAK, RTBD, KK, PAD, PJKD

Testing the influence of regional income and financial performance on people's welfare as measured by the HDI of the Regency/City of Lampung Province in 2011-2018 with a confidence level of 95 percent (obtained *p value* 0.001, or less than alpha ($\alpha = 0.05$), F stat = 1 1. 227 From the regression results, it can be concluded that the variables of regional income and financial performance together have a significant effect on community welfare.

C. Testing the Direct Effect of Regional Income and Financial Performance on People's Welfare (IPM)

Table 6. Statistical Test Results t Regional Income and Financial Performance on People's Welfare (IPM)

Equation: $HDI= + {}_1 PAD\ 1+ {}_2 PJKD\ 2+ {}_3 RTBD + {}_4 DP + {}_5 DBH + {}_6 DAK + {}_7 DAU + {}_8 DD + {}_9 KK + {}_{10} KMEK +e$

Variable Independ _ _	*Beta*	*value of t*	*Sig (p-value)*
Constant	*0 . 3 2 6*	*7.75 2*	*0 . 000******
P A D	*0.274*	*4.127*	*0.000******
P JK D	*0 .241*	*2.48 2 _*	*0 . 001****
R TB D	*0 . 472*	*0 . 826*	*0.071 _*
D P	*0 0.4 33*	*1 . 241*	*0. 01 1**
DBH	*0.1 2 7*	*1.4 63 _*	*0 . 00 2****
DAK	*0.232*	*4.635*	*0.000******
DAU	*0.311*	*3.134*	*0.000******
DD	*0.125*	*1.433*	*0.002****
K K	*0.273*	*1,276*	*0.001****
KMEK	*0.361*	*1.242*	*0.003****

a. Variable Dependent : HDI
b. ***significance at the level of 0.01, **, at the level of 0.5, * at the level of 0.1

Based on the probability value of each variable and the significance value, the p value is smaller than alpha 0.05, but for regional levies, the variable shows a p value greater than alpha , which is 0.071. So that the results of the study show that all variables in regional income except for regional levies and each economic

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performance variable have a significant effect on the level of community welfare (IPM) in the Regency / City of Lampung Province. Human development is one indicator of the creation of development that is able to encourage economic growth. The high level of human development greatly determines the ability of the population to absorb and manage sources of economic growth, both related to technology and institutions as an important means to achieve economic growth (Dewi & Jati, 2014).

D. Testing the Effect of Regional Income and Financial Performance on Regional Growth and Community Welfare (IPM)

Table 7. Determinant Coefficient Test

Model	*R*	*R Square*	*Adjust R Square*	*Std. Dev*
1	*.512*	*.567*	*.943*	*2.133*

a. Dependent Variable: HDI
b. Predictors: (Constant), PDRB, DP, PAD, DAU, DBH, DAK, KEMK, KK, DD, RTBD , PJKD

Table 8. Simultaneous Test Influence Regional Income and Financial Performance on Regional Growth and Community Welfare (IPM)

ANOVA [and]

Model		*Sum of Square*	*df*	*mean Square*	*F*	*Sig.*
	Regression	*516,318*	*11*	*45.138*	*4030*	*.000 b*
1	*Remainder*	*276,701*	*34*	*8,694*		
	Total	*793.019*	*45*			

a. Dependent Variable: HDI
b. Predictors: (Constant), PDRB, DP, PAD, DAU, DBH, DAK, KEMK, KK, DD, RTBD, PJKD

Testing the influence of regional income and financial performance on economic growth (GRDP) and community welfare as measured by the HDI of the Regency / City of Lampung Province in 2013-2018 using level 95% confidence (obtained p value 0.001, or more smaller than alpha (α = 0.05), F stat = 4030. From the regression results, it can be concluded that the variables of regional income and financial performance together have a significant effect to Community Welfare.

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Table 9. Statistical Test Results t Regional Income and Financial Performance on Economic Growth (GRDP) and Community Welfare (IPM)

Equation: HDI= + $_1$PAD 1+ $_2$PJKD 2+ $_3$RTBD + $_4$DP + $_5$DBH + $_6$DAK + $_7$DAU + $_8$DD + 9 KK + $_{10}$KMEK + $_{11}$GDP + e

Variable Independ _ _	*Beta*	*value of t*	*Sig (p-value)*
Constant	*0.267 _*	*3 . 2 3 1*	*0 . 000 ****
P A D	*0.174*	*1,432*	*0.000 ****
P JK D	*0 .241*	*1.6 4 5*	*0.001 *** _*
R TB D	*0.26 5*	*0 . 0 8 6*	*0.075 _*
D P	*0.323*	*1.3 57*	*0. 01 1**
DBH	*0.15 7*	*1 . 643*	*0 . 00 2***
DAK	*0.272*	*4.235*	*0.000****
DAU	*0.359*	*2.434*	*0.000****
DD	*0.181*	*1.523*	*0.001***
K K	*0.255*	*1.325*	*0.001***
KMEK	*0.242*	*1.212*	*0.002***
GDP	*0.157*	*2.134*	*0.001***

a.. Dependent Variable: HDI
b. ***significance at the 0.01 level,
**, at the level of 0.5, * at the level of 0.1

The results referring to the table above show that Regional Revenue (PAD, Taxes, Balance Funds, Profit Sharing Funds, DAK, and DAU) and Financial Performance (Degrees of Decentralization, Financial Dependence, and Financial Independence) have a significance value or p value that is smaller than alpha 0.05. These results indicate that PAD (0.000 ***), Taxes (0.001 ***), Balancing Fund (0.011 *), Revenue Sharing Fund (0.002 **), DAK (0.000 ***), DAU (0.000 ***) has a significant effect on the Human Development Index (IPM) in Lampung Province . Furthermore, the financial performance of the level of decentralization (0.001 **), financial dependence (0.001 **) and financial independence (0.002 **) has a significant effect on HDI or community welfare in Lampung Province. However, the regional retribution shows a p value of more than 0.05, i.e. 0.075, which means that the regional retribution does not affect the welfare of the people in Lampung Province. So these results indicate that all variables in regional income except for regional levies and each economic performance variable have a significant effect on economic growth (GRDP) and the level of community welfare (IPM) in the Regency / City of Lampung Province.

E. Discussion

The results of this study indicate that the regional income variables (PAD, Taxes, Balancing Funds, Revenue Sharing Funds, DAK, and DAU) and Financial Performance (Degree of Decentralization, Financial Dependence, and Financial Independence) have a significant effect on economic and social growth. cities in Lampung Province Empirical evidence shows that district / city levies in Lampung Province have an effect

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significant on economic growth. The results of this study in line with Setiawina & Arsa (2015); Sularso & Restianto (2011) also prove that that there is an indirect influence between the financial performance of regional income on economic growth.

The results of this study also prove that the regional retribution in the Regency / City of Lampung Province does not significant to the welfare of society. This study provides evidence that regional retribution is still not able to improve the welfare of the community. This is because the value of community retribution payments still does not meet the expected number each year, so it has not been able to contribute to regional development that can improve welfare in districts/cities. Lampung province. Several factors cause regional levies to be relatively low, including: 1) Both regional taxes and regional levies if the percentage of rates are increased will collide with the SKPD (Regional Tax Assessment Letter), 2) In addition, it will burden the region. taxpayers and the public who have the obligation to pay regional levies.

IV. CONCLUSION

The results of the hypothesis test of the effect of regional income and economic performance on economic growth using Panel Data show a significant effect. So that regional income and economic performance have a significant effect on the level of economic growth in the Regency / City of Lampung Province. In other words, economic income and financial performance are effective in increasing economic growth. The results showed that all of the factors tested had an effect on Community Welfare as measured by the HDI Index. These factors, namely regional income (PAD, Taxes, Balance Fund, Revenue Sharing Fund, DAK, DAU) and Financial Performance (Degree of Decentralization, Financial Dependence, and Financial Independence) have a significant influence on economic growth and community welfare throughout regencies/cities in Lampung Province, while the test results show that the Regional Retribution does not have a significant effect on the level of community welfare (IPM) in the Regency/City of Lampung Province.

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Community Empowerment in Onion Waste Management Programs to Create A Circular Economy

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ABSTRACT

Purpose: The purpose of this study is to get an overview of the application of circular economy to the community empowerment process carried out by PT Paiton Energy's CSR in the Sumber Rejeki farmer group in managing low-quality onion waste as raw material for instant seasoning.

Design/methodology/approach: The type of research is descriptive qualitative with a case study approach in the Sumber Rejeki farmer group, Pondok Kelor Village, Paiton District, Probolinggo Regency. Data were obtained through in-depth interviews, participatory observations and documentation. The subject of the study was a member of a fortune-source farmer group consisting of 10 people.

Findings: The results of community empowerment activities have implemented a circular economy, farmer groups have been skilled in utilizing low-quality onion waste into ready-to-eat cooking seasonings and into processed products typical of the village and producing an economic value of Rp. 8,488,000.00 per harvest period. Thus efforts to save low-quality onion waste provide benefits in increasing the income of onion farmer groups.

Research limitations/implications: Subjects in the study were limited to onion farmers who were members of the source farmer group and members who processed onion waste.

Practical implications: This revenue will not be generated if the group does not carry out sewage treatment.

Originality/value: The Sumber Rejeki Farmer Group is the first farmer group to process Onion waste and get a community empowerment program with a circular economy approach.

Paper type: A case study

Keywords: *Circular Economy, Community Empowerment, Onion, Waste*

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I. INTRODUCTION

Onions are herbs whose existence is important for all circles of society. Onion production in Paiton district, Probolinggo Regency, East Java increased significantly from 2019 to 2020 Production of onions in 2019 is 1805 tons, and in 2020 it increase to 16,180 tons (Hadiyanto, 2020). The problem faced by Onion farmers in Pondok Kelor village is low-quality Onions that do not sell well, becoming waste every harvest period, especially when rainfall is high (Fadila, 2021). Onion waste is usually disposed of, has no economic value, and has the potential to pollute the environment (Susilowati et al., 2021). Some of the studies on onion waste that have been carried out are onion waste derived from the skin and leeks left over from production. From several studies, the Waste of onion peel and leeks can be processed into various products, including as an ingredient in cooking pindang eggs (Hidayati, 2018) as fertilizer (Susanawati, 2019; Rinzani, 2020; Banu, 2020) hand sanitizer (Usman, 2020) as a skin beauty cream and scrub (Kurniaty, 2020) and as pottery (Syamsiyah et al., 2019). The onion waste in the Pondok kelor village is not only composed of skins and leeks but is a low-quality Onion, whose low selling value is not even sold in the market which is further said to be onion waste. By the Sumber Rejeki farmer group, waste is processed into instant cooking seasoning products.

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A circular economy is described as a combination of reduction, reuse, and recycling activities (Kirchherr et al., 2017). The emergence of a circular economy against the background of a Linear Economy with a consumption model “take-make-use-dispose” since the industrial revolution that caused various social, economic, and environmental problems, and was unsustainable (Agustin & Rianingrum, 2021). Circular economy applied at different levels (macro, meso, or/and micro) or for a different action or purpose (Smol, 2021). In the circular economy industrial activities are efforts to update and regenerate management processes so that resources are used as long as possible. The embodiment of a circular economy is carried out by, for example, suppressing the use of raw materials (Primus, 2022). In MSME (UMKM) activities, the practice of a circular economy system has been carried out by a small number of business actors. One of them is by minimizing the use of plastic bags to reuse packaging for products that are issued (Widya, 2021).

Efforts to process onion waste into instant seasoning products are carried out by the Sumber Rejeki farmer group in collaboration with the Corporate Social Responsibility (CSR) through community empowerment programs. Higher education institutions has a community service program as a form of concern, then the company also has a program that is carried out as a form of corporate responsibility for the community around the company or what is called Corporate Social Responsibility (CSR). CSR is a company's business ethics that is implemented in a program to improve the socio-economic community around the company (Widiputranti, 2020). CSR is an important part of a company, because in Indonesia there is a law that regulates it. In addition to complying with the law, CSR is also carried out because of the company's awareness in helping the state in alleviating poverty (Marwah, 2018). The objectives of this study are (1) analyzing the application of a circular economy to the process of obtaining added value from Onion waste, (2) analyzing the revenue by members of the farmer group from processing Onion waste.

II. METHODS

The study was conducted in Pondok Kelor Village, Paiton District, Probolinggo Regency, East Java with the following considerations: (i) Farmer group Sumber Rejeki is the first in processing onion waste at the research site. (ii) Farmer Group Sumber Rejeki get mentoring from PT Paiton Energy’s CSR through community empowerment programs (iii) Field research was conducted during the onion harvest period, from Februari to March 2022.

Informants are chosen by purposely, consists of 1) members of the onion farmers group Sumber Rejeki, which processes onion waste and does not process onion waste. 2) Community development specialists as community empowerment officers, as trainers and mentors for farmer groups. 3) The village headman as a community leader that very understanding about characteristics of the community.

Data obtained through interviews, observation and documentation. The variables in this study are (i) community empowerment practices (ii) circular economy practices (iii) Revenue from processed products onion waste. The analysis method used is descriptive qualitative, describing the process community empowerment and circular economy application. Analysis of the cost of processing onion waste is carried out by grouping the cost of production. To calculate Revenue using formulas: The two formulas that businesses use to calculate their earnings are: Gross revenue = (price per product or service) x (total number of products or services sold) Net revenue = (gross revenue) - (cost of goods sold).

III. RESULTS AND DISCUSSION

A. Application of the Circular Economy Concept to PT Paiton Energy's CSR Community Empowerment Program to the Sumber Rejeki Farmer Group

The results of the Sumber Fortune farmer group in the treatment of onion waste are as follows: 1) Community empowerment programs for farmer groups that have problems managing onion waste. 2) Training activities for processing waste into instant cooking seasonings are planned and implemented jointly between farmer groups and program-providing companies. 3) The training material is to process onion waste into instant cooking seasonings, marketing, gaturan finance in accordance with existing business needs and capabilities. The objectives of empowerment are: (1) Increasing community business awareness, especially in improving agricultural activities and local culture of the community, (2) increasing knowledge and skills of self-managed home-based businesses by utilizing natural resources. The method carried out is in the form of workshops in the form of networking, training and mentoring that reaches the community to achieve the goal of improving the economy of the creative community (Katili, 2019). Previously, onion waste almost never utilized due to limited knowledge about the management of low quality Onion. During the onion harvest season, almost every farmer's house in the village has onion waste, to utilize onion waste, the community does not have sufficient knowledge and skills. Before there was an empowerment program, the community did not use onion waste as an economic product. Instead, onion waste is dumped into ditches, rivers, sewers,and buried around the house. Community empowerment implemented by PT PT Paiton Energy's CSR for Sumber Rejeki farmer groups is an effort to encourage, protect local economic growth and knowledge, skills and use of simple and appropriate technology by farmers based on people's power effectively and efficiently on the potential of local resources for the benefit of farmers.

Company involvement is very important to take part in agricultural business development. One thing that can be done is through CSR programs. CSR is one of the company's commitments that aims to build a better quality of life with related parties, especially the community and the social environment where the company is founded. Corporate CSR support and agricultural development are closely related, where CSR assistance provided by a company can improve agricultural development in regions throughout Indonesia. ISO 26000 interprets social responsibility as the responsibility of an organization for the impact of its decisions and activities on society and the environment, through transparent and ethical behavior, which is consistent with sustainable development and the welfare of society (Mahani, 2011). Community empowerment is one concept that is suitable for agricultural extension. Empowerment has the objectives of 1) developing community competencies (trying out, seeking information and managing activities) 2) Changing people's behavior and 3) Organizing communities. This is achieved by implementing strategies and stages of developing human resources, capital, business institutions and business development (Bista, 2018) Empowerment is a process of community awareness through transformative, participatory and sustainable capacity building to address the fundamental problems faced and improve living conditions as expected (Margolang, 2018) Empowerment is an effort to build community capacity by encouraging, motivating, increasing awareness of their potential, and trying to develop that potential into practical actions (Ngawit et al., 2020).

Community empowerment refers to the concept of empowerment which is interpreted as an effort to increase community empowerment to act in accordance with dignity, rights, and responsibilities as human beings and citizens (Margolang, 2018). PT PT Paiton Energy's CSR empowerment program is carried out by applying the concept of sustainability, both sustainability for the environment, as well as the sustainability of human, social, and economic life by prioritizing local characteristics (Anonymous, 2019). In the context of empowering the Sumber Rejeki farmer group, the area that is changed and developed is to increase the knowledge of farmer group members in managing Onion waste. As an institution, farmer groups need to be strengthened for the social and economic transformation of the community, besides that they also need to build trust, networks, and social synergies to support change by utilizing the full potential of social capital owned at the local level. The program implemented and monitored together with many parties/multi-stakeholders (Collaboration and synergy) whose results are measured and reported openly through written reports and reported to related parties, government, shareholders and the community (Anonymous, 2019).

CSR as a practice of community empowerment by companies, must be based on the theory: Community-based development that requires community participation and empowerment. Community empowerment is directed at increasing the capacity and power of the community in relation to increasing awareness, abilities and opportunities (Ramada et al., 2020). Participation (in decision making, planning, implementation, monitoring and evaluation as well as utilization of development results) will increase income and business distribution for the entire community. The explanation of the process is that each program begins with a needs analysis, needs analysis includes potential empowerment locations and problems, so that the community and the company will initiate joint activities according to the results of the needs analysis. The process of determining activities is carried out in a participatory manner to avoid program failures, after both parties agree, the new program can be run. In the case of farmer group Sumber Rejeki programs and activities are to overcome onion waste that does not yet have economic value, potentially causing methane gas and CO2 which contribute to the greenhouse effect (Global Warming). In accordance with the vision and mission of PT Paiton Energy, how to contribute to reducing environmental damage through community empowerment programs, so that the economy continues to run, the environment remains sustainable and the community becomes empowered.

The implementation of the empowerment program is explained in the following table:

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Tabel 1. Implementation of community empowerment by PT Paiton Energy to the Sumberrejeki Farmer Group

No	Activity	Target	Schedule	Stakeholders1 involved
1	Training processing Marketing training	2 Times of training	February 2021 to June 2021	The Sumber Rejeki Farmer Group Village Government Agricultural extension worker Dinas Koperasi dan Perdagangan
2	Procurement of means of production	provision of capital for production equipment 1	February 2021	The Farmer Group Sumber Rejeki
3	Mentoring	Implementation of mentoring activities	February 2021 – February 2022	The Sumber Rejeki Farmer Group Village Government Agricultural extension workers Office of Cooperatives and Trade
4	Evaluation	Evaluation of program activities is carried out	February 2022	The Sumber Rejeki Farmer Group

The purpose of this training is to increase the knowledge of farmer group members in processing onion waste so that it has a higher economic value. Onion waste is converted into instant seasoning and onion cake. Supporting production equipment in the form of: Blender, jumbo pan, spatula, digital scales, food grade standard plastic packaging and sealer to the group. Support is given to the group to build independence and togetherness and cooperation among group members. It is hoped that this group will be motivated to buy production equipment from the results of the seasoning business. Mentoring is an activity carried out to maintain group consistency in practicing the results of training on processing onion waste into instant seasoning products and onion cakes. After attending training and practice as well as assistance in processing instant seasonings and onion cakes, the enthusiasm of the entrepreneurial community is increasing and in the end it is able to increase their economic income.

The last stage in community empowerment is the evaluation of the program The evaluation of the program is carried out as feedback which will be followed up on mentoring activities in the following year and as a recommendation for other institutions in implementing similar community empowerment activities. There is cooperation in organizing training, village government leaders are involved in training activities. Overall, the activities were followed well, the activities took place according to the expected standards, participants practiced independently in their respective homes so that seasoning production continued to run and generate income.

The process and results of applying the circular economy of processing onion waste into cooking spices are described as follows:

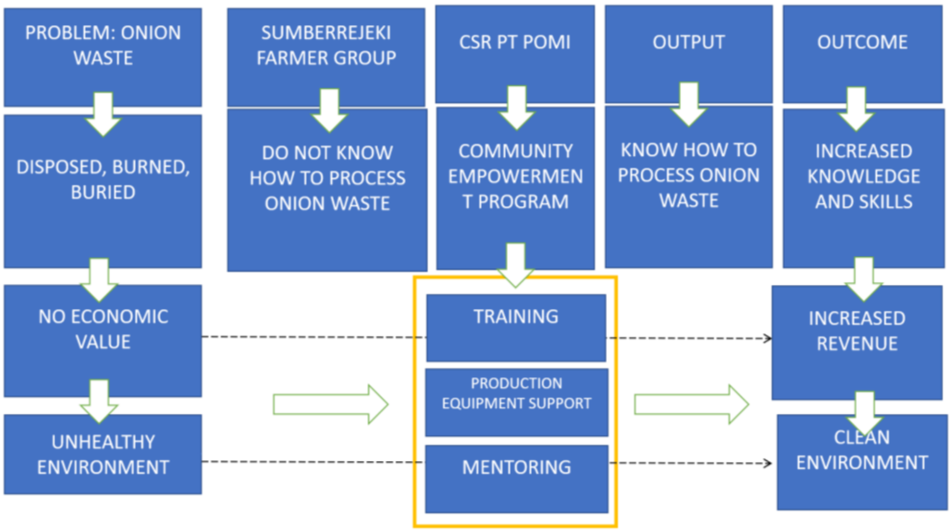

Figure 1 : Application of circular economy in the treatment of onion waste

Community empowerment programs Increasing community knowledge through training and mentoring activities, previously the community does not know that low-quality onion waste can be processed and used as a cooking spice with economic value. The community also does not have the skills on how to process onions, but after training, the community has skills in processing low-quality onion waste into cooking spice products that can be used as a basic ingredient for processing other foods such as cakes and other cooking spices. Previous research Rinzani et al. (2020) conducted research on the benefits of Onion skin waste as organic liquid fertilizer as a substitute for synthetic chemical fertilizers, as well as increasing the knowledge and skills of farmers in processing onion peel waste as organic liquid fertilizer. Onion waste was not used, sold cheaply and sometimes simply thrown away and even thrown away, so it has the potential to pollute the environment. In addition to seasoning, the leftover onion peels are processed into organic fertilizers for the needs of fertilizing their fields. as well as the empowerment of the cisadane river community (Intan, 2022) waste is used as a product of the creative economy that makes money. The circular economy concept can be applied to small farmer groups by empowering the community to optimize waste potential. The community becomes empowered to recognize the potential that exists around it (Naufal, 2021). By processing onion waste, the environment of pondok kelor environment which was once unhealthy is now clean and more healthy.

The circular economic system can have an impact on the creation of new jobs in small sector industries this is based on the assumption that as a circular economy or a new economic system aims to process waste, Along with the introduction of a circular economy by using waste as raw materials, people are trained to get used to processing individually the waste produced and in the agricultural industry, there is productivity, because there are human resources who are motivated to do it (Marup, 2021).

The circular economy aims to generate economic growth that maintains as long as possible the value of products, materials and resources in the economy, thereby minimizing the social and environmental damage caused by the longstanding linear economic approach of circular economy activities that focus on Reduce, Reuse, Recycle Reset, Renovate, and renew (Hart & Pomponi, 2021). In the modern world, the concept has been adapted as an economic framework, especially by the industrial sector to maintain value and increase efficiency. According to Winans Circular Economy became popular around the 1990s to answer the challenges of economic development and reduce excessive use of natural resources. According to his research circular economy is an economic system with the end of the product life cycle with the main concept of reducing, reusing, and increasing materials in the production/distribution and consumption processes (Henry & Kirchherr, 2020). CSR PT PT Paiton Energy has implemented the concept of a circular economy in the empowerment program for the Sumber Rejeki farmer groups. The definition of circular economy is an economic concept in a closed loop flow, trying to use resources, raw materials and finished products that can be reused as long as possible, and produce as little waste or waste as possible. In this concept, the 5R principles are applied, namely Reduce, Reuse, Recycle, Recovery and Repair (Anonymous, 2021).

Circular economy is a model that seeks to extend the life cycle of a product, raw materials, and reducing waste and pollution, keeping products and materials in use if possible, and regenerating natural systems (Ellen Macarthur Foundation). Through a circular economy, achieve more by using less (Anonymous, 2020). The

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green economy is an economic concept that makes environmental sustainability an important part of realizing sustainable development goals (Auwalin, 2022).The problems faced by farmers in Pondok Kelor village often receive less attention, their production is still low, and has not been able to compete with other business units. The opportunity to process low-quality onions into superior products typical of Desa Pondok Kelor is quite prospective, the raw material for onions will always be there because it is produced in the village of Pondok Kelor itself.

B. Revenue Analysis of Farmer Groups Sources of Fortune in Processing Onion Waste into Instant Cooking Seasonings

Cost analysis is carried out by grouping the costs incurred to produce onion waste into instant cooking seasonings that are ready to be marketed. Production costs consist of fixed costs and variable costs. Cost Analysis is all the sacrifices that need to be made to a production process, expressed in units of money according to the prevailing market price, both already occurring and about to occur.

Production Volume: 1. Fixed Costs (FC) i.e. costs that do not increase along with the increase in production. 2. Variable Costs (VC) i.e. costs that increase along with the increase in production. 3. Total Cost (TC) is the overall cost incurred for production until the creation of goods.

Cost Calculation: Calculating the amount of costs used in a business is used cost analysis (Soekartawi, 1995).

Formula: TC = FC + VC
Information:
TC is the total cost, calculated Rp/production process
FC is a fixed cost, calculated Rp/production process
VC is a variable cost, calculated rp/production process

The following are the results of the calculation and analysis of the cost of producing seasonings in the farmer group

Table 2. Fixed costs

Item	*Quantity*		*Unit Cost*	*Total*
Blender	*1.00*	*Unit*	*400,000.00*	*400,000.00*
Washbasin	*2.00*	*Unit*	*40,000.00*	*80,000.00*
Digital Scales	*1.00*	*Unit*	*200,000.00*	*200,000.00*
Jumbo Griddle	*2.00*	*Unit*	*500,000.00*	*1,000,000.00*
Spatula	*2.00*	*Unit*	*30,000.00*	*60,000.00*
Stove	*1.00*	*Unit*	*120,000.00*	*120,000.00*
Tube	*1.00*	*Unit*	*125,000.00*	*125,000.00*
	Total Fixed Costs			*1,985,000.00*

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Table 3. Non-fixed costs

Item	Quantity		Unit Cost	Total
Onion	*100.00*	*Kg*	*15,000.00*	*1,500,000.00*
Garlic	*50.00*	*Kg*	*20,000.00*	*1,000,000.00*
Salt	*10.00*	*Ons*	*2,000.00*	*20,000.00*
Coriander	*1.00*	*Ons*	*40,000.00*	*40,000.00*
Flavoring	*5.00*	*Bks*	*7,000.00*	*35,000.00*
Cooking oil	*10.00*	*Ltr*	*15,000.00*	*150,000.00*
LPG Gas	*1.00*	*Tab*	*18,000.00*	*18,000.00*
Plastic Packaging	*200.00*	*Pcs*	*500.00*	*100,000.00*
Stickers	*200.00*	*Pcs*	*300.00*	*60,000.00*
Work Costs	*1.00*	*Lot*	*50,000.00*	*50,000.00*
	Total Non-Fixed Costs			*2,973,000.00*
	Total Cost			*4,958,000.00*

Income is the result of business, which is the gross result with production that is assessed with money, then reduced by production and marketing costs so that the net income of the farming business is obtained (Mubyarto, 2003). Meanwhile, according to Hermanto (1995: 203) income analysis is very important in relation to the goals to be achieved by each business, as well as for those with an interest in business with various considerations and motivations. According to Soekartawi (2006:58), the calculation of operating income can be formulated: π= TR – TC.

Information:
π= Revenue
TR = Total Revenue
TC = Total Cost

From the results of the sale of seasonings that have been obtained, it is known that once produced using 100 kg of onions plus other complementary ingredients, the group succeeded in producing 177 packaged cooking seasonings. Furthermore, the spices are packaged in a size of 50 grams per pack, so that when it is packaged into 3540 packs with a selling price of Rp. 2000, 00/ pack If added up, the result is Rp. 7,080,000.00

Income analysis musing the formula: π= TR – TC. This income is every 100 kg. Meanwhile, the waste onions that are disposed of on average reach 10-tons or equal to ten. 000 kg Based on the information of the rijek onion group (low quality) is equivalent to throwing away half of it even more, so from 10,000 kg of onions that can be saved 5,000 kg (Gross, it can still shrink) then the lowest value is taken, namely 4000 kg. Each 100 kg produces RP 2,122,000.00. From 4000 onions will yield Rp. 8,488,000.00 per harvest period. It will not be obtained if the group does not carry out sewage treatment.

IV. CONCLUSION

The empowerment program carried out by PT PT Paiton Energy's CSR to the Sumber Rejeki farmer group applies the circular economy concept, namely utilizing waste produced by a production process, namely onion production. Onion waste is processed into instant cooking seasonings that are economically beneficial, the results that have been achieved in community empowerment activities show that the Sumber Rejeki farmer group and PT PT Paiton Energy are skilled in utilizing low-quality onion waste into ready-to-eat cooking seasonings and then making it a typical village processed product. Onion fields can have a higher selling value and can increase the income of farmer groups. The results of the income analysis from processed onion waste as an instant cooking spice resulted in an economic value of Rp. 8,488,000.00 per harvest period. This effort to address low-quality Onions provides benefits in increasing the income of onion farming groups.

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The Using of Media Games to Improve SMCP (Standard Marine Communication Phrases) Vocabulary in Maritime English

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ABSTRACT

Purpose: Shipping is the world's largest trade and also one of the most dangerous. Safety of life at sea, the environment at sea, and 80% of world trade depend on professional and competent seafarers. Ziarati (2006) identified that poor communication as one of the most significant factors in accidents at sea and ports. SMCP is a collection of words or phrases in English which is supported by the international community means of communication at sea then developed and adapted to IMO (International Maritime Organization) standards. SMCP aims to explain external communication phrases such as communication between ships, between ships and land parties such as ports. The main goal is to reduce language problems in communicating at sea and also to avoid misunderstandings that can lead to accidents. So, it is possible to learn vocabulary in SMCP to achieve maximum results if it is done in a pleasant atmosphere.

Design/methodology/approach: This study uses a quantitative approach using a quasi-experimental method.

Findings: In this study, the result in question was the use of games to support the learning of maritime English SMCP vocabulary.

Research limitations/implications: The population in this study was the cadets of the diploma program majoring in Nautica in the second semester of The Surabaya Shipping Polytechnic (2015-2016) academic year, amounting to 110 people. The sample of this study was 20 cadets in class C.

Paper type: A case study

Keywords: *Games, Maritime English, SMCP, Vocabulary,*

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I. INTRODUCTION

Shipping is perhaps the most international of the entire world's great industries and one of the most dangerous. Safety of life at sea, the marine environment and over 80% of the world's trade depends on the professionalism and competence of seafarers. It has been reported that over 80% of accidents and incidents are due to human error (Ziarati & Maritime, 2006). IMO (2005) also reports that 80% of accidents are caused by human negligence and one of the influential factors is the low level of capability to speak maritime English. The language of the sea is Maritime English and many ships related parties such as ports, loading and unloading staff, etc are generally handled by people of different nationalities. In a situation like this, good communication in maritime English is very important to create good working conditions. effectively and support the safety of its workers.

The low ability to communicate maritime English which caused sea and ports accidents was also identified by Ziarati & Maritime (2006) that, poor communication as one of the most significant factors in accidents at sea and ports. In addition, land and sea officers on land must be master English as stated in the Marine Communication Phrase Standard (SMCP). SMCP is a collection of English phrases to communicate at sea which is then developed and adapted to IMO (International Maritime Organization) standards.

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SCMP aims to explain external communication phrases such as communication between ships and land parties such as port. One of the results is the use of SMCP by all those associated with the shipping industry, including shipping educational institutions SMCP (2002). SMCP was adopted at the twenty-second IMO meeting in November 2011, one of the results is the use of SMCP by all those associated with the shipping industry, including shipping educational institutions. The main goal is to reduce communication problems at sea that cause misunderstandings which can lead to accidents.

To be able to speak English, especially SMCP in maritime English, prospective of Indonesian sailors at The Surabaya Shipping Polytechnic are expected to improve their vocabulary. Vocabulary acquisition activities are the core activities of foreign language learning with general or specific goals because communication is impossible without words. Students or in this case cadets who have a large vocabulary can learn the language easily. Someone who has a broad vocabulary will be able to understand the message of the text and write it even though he doesn't know the grammatical structure of the text (Nunan, 1999).

Vocabulary can be interpreted as a compilation of words (Poerwadarminta, 2007: 524). While Richards & Schmidt (2002: 580) define vocabulary as a set of lexemes, including single words, compound words and idioms, then for words they (ibid) define the word as the smallest of the linguistic units which can occur on its own in speech or writing. So, it can be concluded that vocabulary has a broader meaning than words because words are used in meanings in the form of units that can be counted while vocabulary refers to a single unit of words that become vocabulary.

At the time of learning vocabulary is expected to be done in a fun way. Rasinski & Padak (2004) explain that vocabulary learning should be enjoyable. Thornbury (2002) made games in vocabulary learning such as Word clap, word snap, coffeepot, and Nought and Classes. Other games were also introduced by Nation (1994) such as Vocabulary exchange Game, Word Building, Prefixes: A Word Game, and others. These Examples mentioned earlier are the proves that games are indeed the right form to use in vocabulary learning.

Parkinson et al. (2012) explained that students who study English often say that they like "Games" as a fun learning activity, but teachers are also still wondering what kind of "games" can be done. There are so many games that can be obtained from applications and the internet, but in general, these games are not "games" but only fun activities.

So, in this study, we will use 3 games out of 101 games that are already categorized as competitive or learning activities.” The list of games here are all true games in the sense of the first definition of a game being a form of competitive activity or sport played according to the rules” (Oxford English Dictionary, 2012). The three games or “games” that will be played are “catch! Play Ball!”, “scavenger Hunt” and “Quiz show” in part a of the SMCP (Standard Marine Communication Phrases) lesson, namely External Communication.

Phrases: Distress Traffic which discusses communication using standard SMCP vocabulary when the ship experiences an emergency. These emergencies include fires and ships exploding (free/explosion), large les (flooding), collisions, grounding, ships tilting, overturning (list, danger of capsizing), sinking (sinking), drifting (disabled and adrift), piracy (armed attack/piracy), unspecified distress (undesignated distress), leaving the ship (abandoning vessel), people falling into the sea (person overboard) along with safety equipment on board.

II. METHODS

To find out if the application of this study was either successful or not, there were 20 cadets in the Class II Nautica used as samples. The study used a quantitative approach with experimental quasi-experiments. Data retrieval by comparing initial ability with after taking the initial test (pre-test) and final test (post-test). This study took on The Surabaya Voyagers Second Class. In this study there are two variables of free or variable x (independent variable) and variable bound or variable y (variable). The free variable was the study of vocabulary using games. This variable can be manipulated and controlled by researchers. Whereas the fixed variable was the ability of the SMCP of the English maritime language of the cadets.

1. The methods of data collection used in the study are those of tests and the questionnaire. Test method testing methods are used for data retrieval, (pre-test) for treatment before treatment and post-test, after treatment is administered.
2. Method of observation (observation) Observation methods are used to identify any or no obstacles to the implementation of the game games "catch, play ball," "scavenger hunt," and "quiz show" at vocabulary class.

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III. RESULTS AND DISCUSSION

In this chapter will be discussed some matters related to the processing of data for research, starting with: Presentation of data, analysis presentation, hypothetical testing, and research results. As for more details, as follows: Starting and final tests are analysed with the following steps:

1. Determining assessment criteria given to cadets and tabulating frequencies according to assessment category
2. Based on the data tabulations, the percentage of each according to the margin.
3. The sum deduction of each data is derived from the small percentage.
4. In this data analysis, it's searched for a percentage of the extent of SMCP Maritime English vocabulary proficiency on initial and final tests to find out the improvement in vocabulary proficiency. Pre-test value data from 20 cadets were obtained and shown with the following descriptive statistics:

Table 1. Maritime English Pretest Scores

N Valid	*20*
Missing	*0*
Mean	*62.1000*
Median	*68.0000*
Mode	*60.00*
Std. Deviation	*4.37547*
Minimun	*38.00*
Maximun	*92.00*
Sum	*1242.00*

Based on the table 1 above, the value of the average (mean) is 62.10, the minimum on which the cadet gets is 38 and the maximum value of 92 and The Frequent mode or score of 60.

Table 2. Distribution of The Frequency of Maritime English Achievement Value

Valid	*Freguency*	*Precent*	*Valid Precent*	*Cumulative Precent*
38.00	1	5.0	5.0	5.0
48.00	3	15.0	15.0	20.0
50.00	1	5.0	5.0	25.0
54.00	1	5.0	5.0	30.0
60.00	4	20.00	20.00	50.0
62.00	3	15.0	15.0	65.0
68.00	1	5.0	5.0	70.0
70.00	1	5.0	5.0	75.0
72.00	1	5.0	5.0	80.0
74.00	1	5.0	5.0	85.0
76.00	1	5.0	5.0	90.0
78.00	1	5.0	5.0	95.0
92.00	1	5.0	5.0	100.0
Total	20	100.0	100.0	

Based on the table, it shows that the most common value is 60 with the number of cadets as many as 4 or 20% of the number. Whereas the least of which appears is 38.50,54.68.70,72,74,778 and 90 of the remaining 30.

Maritime English Post-Test value data presentation of 20 cadets is obtained with descriptive statistics as follows:

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Table 3. Maritime English post-tests scores

N	Valid	
		20
	Missing	
Mean		0
Median		80.2000
Mode		80.2000
Std. Deviation		82.00
Minimum		8.0786842
Maximum		60.00
Sum		94.00
		1604.00

Based on the table 2 above, the average value (mean) for a 80.20 minimum value cadets get is 60 and the maximum value they reach is as high as 94. Frequent score of 82.

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Table 4. Distribution of English Post-Test Value Frequency Maritime

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
60.00	1	5.0	5.0	5.0
70.00	1	5.0	5.0	10.0
72.00	2	10.0	10.0	20.0
74.00	2	10.0	10.0	30.0
78.00	1	5.00	5.00	35.0
80.00	2	10.0	10.0	45.0
82.00	4	20.0	20.0	65.0
84.00	1	5.0	5.0	70.0
86.00	2	10.0	10.0	80.0
88.00	2	10.0	10.0	90.0
90.00	1	5.0	5.0	95.0
94.00	1	5.0	5.0	
	20	100.0	100.0	100.0

Based on the table above, it appears that the frequently appear value is 82 with a total of 4 or 20% of the number of cadets. While at least 60, 70, 78, 84, 90 and 94 in the number of 1 person.

In the maritime English vocabulary test instrument, given a value of 1 for the correct answer and vice versa given the number 0, then the processing is carried out using validated analysis of the Pearson Correlation Method obtained the following calculations:

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Table 5. Pearson Correlation's calculations for the validity test

No	*The Points*	*Conclusions*
1.	*.691***	*Valid*
2.	*.642***	*Valid*
3.	*.826***	*Valid*
4.	*.848***	*Valid*
5.	*.738***	*Valid*
6.	*.681***	*Valid*
7	*.426***	*Valid*
8.	*.756***	*Valid*
9.	*.384***	*Valid*
10.	*.419***	*Valid*
11.	*.443***	*Valid*
12.	*.515***	*Valid*
13.	*.632***	*Valid*
14.	*.496***	*Valid*
15.	*.361***	*Valid*
16.	*657***	*Valid*
17.	*427***	*Valid*
18.	*350**	*Valid*
19.	*509***	*Valid*
20.	*661**	*Valid*

Based on the data, that maritime English test instruments have 20 problems with different things. By comparison with table 5% (n =20) by 0356, it is decided that the English assessment is valid because t calculating > table. As to know the reliability of the English maritime test, it can be calculated using a version of the SPSS program 17.0 and obtained the following results.

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Table 6. Table of calculating Reliability Test

Case Processing Summary

	N	*%*
Cases Valid	*20 0*	*100.0*
Excluded Total	*20*	*.0*
		100.0

Table 7. Listwise deletion based on all variables in the procedure Reliability Statistics

Cronbach's Alpha	*Cronbach's Alpha Based On Standardized Items*	*N of items*
.755	*.743*	*20*

Based on the tables, they obtained a host of technical analyses with the value of Cronbach alpha 0.755, which is more than an alpha religious requirement of the amount, 0.6, so that the test instrument was restated reliable or when re-examined the latter at later time, it obtained no different results.

The usage of the independent test 1 sample is to find out if there's a difference between pre-test and post-test scores. The meaning of the word independent is free, which means no relation between two samples or two values will be tested. To perform the test, it requires a preliminary hypothesis as follows.

1. H0: there is no difference in result
2. H1: there's a difference in result

Table 8. As for the following accounting results.

	Average	*result*	*Df*
Pre-test	*62,10*	*3,186*	*55*
Post-test	*80,20*		

Alternative hypotheses posed in this study claimed that the medical study of games could improve the skills of the naval English vocabulary (SMCP) of the cadets. For the sake of testing, alternative hypotheses were changed to 0 hypotheses and thus read: media games could not improve the ability of the maritime English vocabulary (SMCP) cadets. If a thing costs more than t table with a degree of blame used 5% then h0 is rejected and h1 is accepted. While the inspectors for hypotheses 2 alternative hypotheses read no obstacles that arise during vocabulary study using the game model "catch! Play ball, "scavenger hunt" and "quizzes show." For the sake of testing, alternative hypotheses were changed to zero (h 0) hypotheses and thus read: obstacle that emerged during vocabulary study using the game model "catch! Play ball! ". "Scavenger hunt" and "quizzes show." Based on the observation, there is no sign of any interference at the time Vocabulary study using media games "catch! Playing Ball! ", scavenger hunt "and quizzes show.

The Result Study of media games could improve maritime English vocabulary skills (SMCP). Based on data analysis, it is known that there are significant differences at the level of maritime English vocabulary (SMCP) capability on cadets in teaching vocabulary using media games. This is presented graphically in Fig. 1.

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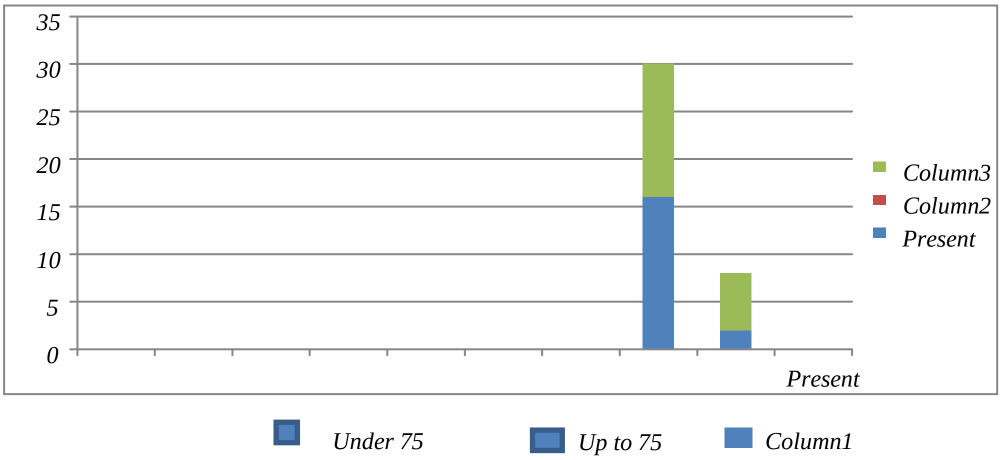

Figure 1. Pretest and posttest scores comparisons

There were no constraints when vocabulary study used media games "catch! Play ball!" Scavenger hunt "and" a quiz show." Under observation during the activities, the use of media games for vocabulary study was not found.

IV. CONCLUSION

The conclusions that can be drawn from the research as follows: The result of the study may be stated that learning using media games could improve Maritime English Vocabulary Skills (SMCP) of those cadets. Vocabulary class then used the media games "catch! Play ball "scavenger hunt" and "quizzes show" have no obstacles to their implementation.

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Potential and Agricultural Development Strategies in Cupak Village, Ngusikan District, Jombang Regency

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ABSTRACT

Purpose: The purpose of the research is to find out and dig deeper into the potential of agriculture to design a development strategy for the potential of agriculture in Cupak village.

Design/methodology/approach: The research method is descriptive analytic which is carried out randomly at the Cupak Village Farmers Group. Samples were taken as many as 150 farmers who own land and cultivators. Data analysis was carried out descriptively and SWOT. The results of the analysis show that: 1) Agricultural potential in Cupak Village includes: a) active human resources in farmer group activities, b) producers of food crops, secondary crops, horticulture and plantations with the main plantation food commodities being porang and gadung, c) agricultural land quite fertile, d) small risk of pest disorders. 2) Agricultural development strategies that can be applied include: a) Development of agricultural products to increase product selling value, b) Empowerment of institutions and farmer organizations, c) Revitalization of technological innovation, and d) Development of access to distribution networks and product marketing.

Findings: Based on the results of the SWOT analysis, it shows that the strength of Cupak Village in the development of agriculture is quite good, because the conditions in developing agriculture in Cupak Village are very supportive. The condition of the area is very potential for the development of tuber farming, especially Porang and Gadung. The number of farmers is quite large, both owner farmers and farm laborers, and the need for fertilizers and other inputs is also available. The majority of the people's livelihood in the village is as farmers and ranchers. Root crops also do not require intensive care so that they are suitable to be developed as a mainstay agriculture in Cupak Village. Livestock, especially ruminants such as cattle and goats/sheep, have a large population and are a slow source of income for the farmers of Cupak Village.

Research limitations/implications: This study discusses how to increase the potential and development of agricultural strategies in Cupak Village, Jombang.

Practical implications: The results of this study, the agricultural potential of Cupak Village, Jombang can develop and can improve the standard of living of farmers in Cupak Village, Jombang.

Originality/value: Potential and strategies for agricultural development in Cupak Village, Jombang with direct surveys to farmers in Cupak Village, Jombang.

Paper type: Research paper

Keyword: *Agriculture, Cupak Village, Development, Potential.*

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I. INTRODUCTION

Indonesia is an agricultural country where most of the population lives in rural areas with a livelihood as farmers (Simatupang et al., 2021). Indonesian population at generally consume agricultural products as a staple food. The agricultural sector holds an important role in the development the current national economy and the future due to the agricultural sector the livelihood of the majority of the population (Saragih, 2018). Agriculture is also part food producer Indonesia's population is large, especially rice (Prakoso, 2000). The agricultural sector has high sectoral linkages (Rizani, 2017). Thus increasing the production of agricultural products is aimed at

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achieving self-sufficiency in food, but the challenges to achieving these results are enormous because the area of agriculture is increasingly shrinking, climate deviations and the use of modern agricultural technology (Mardikanto, 2011). The development of the agricultural sector in rural areas faces various challenges with the increasingly limited land ownership by farmers. The number of smallholders increased from 10.80 million in 1993 to 13.66 million in 2003, and it is estimated that more than 15 million farmers in 2010 (BPS 1993; 2003). The main obstacles in agricultural development include technical and non-technical factors. Declining land capacity and quality, land conversion, land and air degradation, climate change and environmental damage are constraining factors that must be considered in future agricultural development. The lack of attractiveness of agricultural activities in the current young generation, land use for the non-agricultural sector, industry and agriculture is an obstacle in the development of the agricultural sector. Various potentials and challenges in the development of the agricultural sector expected to be able to manage and handled well. Participation of farmers, government, universities with tri dharma, as well as the general public much needed support potential improvement and development agricultural sector (Fauzi, 2018).

Cupak Village, which is located in Ngusikan District, Jombang Regency, is one of the villages that has good agricultural potential. This village is located in a lowland area in the Ngusikan District. The potentials include the availability of agricultural land, especially land owned by Perhutani, the plantation sector, horticulture and food crop agriculture, the availability of agricultural human resources, and the existence of active farmer group activities. According to Rahim & Astuti (2008), there are several influences on agricultural production, namely: agricultural land, labour, fertilizers, pesticides, seeds and technology. Meanwhile, according to Suprapto in Maryam (2006), the development of ideal agricultural policies requires the support of the following, namely consistent macro policies, mastery of technology, support for facilities and infrastructure, support for human resources, and institutional support. The existing agricultural potential has various obstacles that have not been used optimally in increasing the income of farmers and their families.

This study aims to: 1) Find out and explore the deeper potential in the agricultural sector in Cupak Village 2) Design a development strategy for the agricultural potential in Cupak Village. The results of this study are expected that the people in Cupak Village are able to manage and overcome obstacles properly and various potentials and challenges in the development of the agricultural sector in the future. For this reason, the participation of farmers, the government, and universities (research, development and service) as well as the general public is needed in supporting the potential improvement and development of the agricultural sector. Therefore, alternative strategies in efforts to develop agriculture in Cupak village are needed.

II. METHODS

This research was conducted using a survey method in Cupak Village, Ngusikan District, Jombang Regency as one of the 2022 Matching Fund activities obtained by the Accounting Study Program, Faculty of Economics and Business, Universitas 17 Agustus 1945, Surabaya.

Cupak Village has various agricultural potentials, including: food crops and plantations, especially porang and gadung, but this potential has not been optimally utilized by farmer groups and families. This research approach uses a quantitative approach because it uses numbers, starting from data collection, interpretation of the data, and the appearance of the results (Arikunto, 2005). The research method that has been carried out is using descriptive analytic method (Ahmad, 2017). Descriptive quantitative research is used to describe, explain, or summarize various conditions, situations, phenomena, or various research variables according to events as they are that can be photographed, interviewed, observed, and that can disclosed through documentary materials (Bungin, 2005).

The data obtained in the form of primary data through questionnaires distributed to farmers and secondary data from literature review. According to (Moehar, 2005) and (Nasir, 1999), a questionnaire is a list of questions containing logical questions related to the research problem, each question represents answers that have meaning in testing the hypothesis, the questionnaire created and is a tool in data collection.

To determine the potential of the research area, the samples obtained came from Cupak Village farmers. The number of samples taken was 150 respondents consisting of farmers who own land and farm labourers in the research area, in 2 (two) hamlets, namely: Cupak and Munggut, each taken as many as 75 respondents.

The data analysis method used in the research to determine the agricultural potential of Cupak Village uses a descriptive method. According to Soetriono dan Hanafie (2007), descriptive research aims to make a hostage/painting/description of facts and characteristics of a particular population or area in a systematic, factual, and thorough manner. The variables studied were limited or certain, but were carried out extensively in a population or area. Usually this kind of research is called a survey (as opposed to a case study, where the facts and characteristics are studied in detail and in depth). SWOT analysis is used to see between internal and

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external factors externally assuming that an effective strategy will maximize strengths and opportunities, and minimize weaknesses and threats (Rangkuti, 2003). SWOT analysis is also one such tool used to determine the advantages and disadvantages of the object to be researched and arise directly or indirectly because of their existence competition (Khoiriyah et al., 2012). SWOT analysis (David & Fred, 2005) is influenced by the environment which are strategic, namely the condition of the region, situation, circumstances, and influences that surrounds and can affect development over time and structurally the strategic environment, namely the strength factor (Strengths) and weaknesses (Kotler & Keller, 2012), in the form of external environment consisting of 2 (two) strategic factors namely opportunities (Opportunities) and threats (Threats) (Rauf et al., 2015). SWOT analysis is a strategy planning technique as well as solving existing problems. This method emphasizes the importance of the role of internal and external factors in order to formulate strategies for planning ideas and solving problems effectively. The SWOT analysis method can determine future agricultural development strategies using Strengths and Opportunities in future agricultural development (Sianipar & Entang, 2003) in Cupak Village, Ngusikan, Jombang. The assessment of each driving factor and inhibiting factor is carried out quantitatively, but must be supported by accurate data. The driving factors come from strengths and opportunities, while the inhibiting factors come from weaknesses and threats.

III. RESULTS AND DISCUSSION

A. Cupak Village Overview

Administratively, Jombang Regency has the following regional boundaries: 1) North side: Lamongan Regency and Bojonegoro Regency, 2) South side: Kediri Regency and Malang Regency, 3) East side: Mojokerto Regency, and 4) West: Nganjuk Regency. Cupak Village is located in Ngusikan District, a northern area of Jombang Regency, located north of the Brantas River, is part of the limestone mountains which have a horizontal, hilly physiology, covering the Districts of Plandaan, Ploso, Ngusikan, Kudu, and Kabuh.

Geographically, Ngusikan District has a horizontal physiology or is a lowland with an average height of 500 meters above sea level. 43% of the forest area covering an area of 1,607 hectares includes: Asemgede, Cupak, Kromong, Mojodanu, Ngampel, and Sumbernongko villages which are hilly areas with a slope of 2-15%. This area is a limestone mountain (mountain Kendeng) so it is suitable for teak forest plantations. Cupak Village is the result of the expansion of Kudu sub-district, located in the northern part of Jombang Regency which borders Mojokerto Regency and Lamongan Regency. Cupak Village has an area of 71.5 hectares and has a population of around 1005 people, 49.65% are male and 50.35% are female. This village consists of 2 hamlets, namely Dusun Cupak and Dusun Munggut, the distance from Cupak Village to Ngusikan sub-district is about 10 km.

In 2016, Cupak Village was appointed as a Family Planning Village (KB) by the Jombang Regency Government, because every family from toddlers, teenagers, parents, and the elderly in Cupak Village is actively involved in activities related to family planning. The village has population innovations that have been carried out by local residents for a long time.

Figure 1. Potential Map of Ngusikan District, Jombang Regency

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Cupak village has considerable potential, namely: 1) The religious area of Mount Pucangan, a place that has relics of the King Airlangga site, is often visited by residents as a historical tourist spot to find out the traces of King Airlangga's journey with ancient tombs, one of which is Dewi Kilisuci , Airlangga's only daughter. Most of them visit the tomb of Dewi Kilisuci every Kliwon Thursday or Legi Friday, 2) The agricultural system, they apply an intercropping pattern in the vast mountains belonging to Perhutani. Crops such as corn, porang and gadung are planted with terracing techniques in the middle of a teak forest. Corn grown in Cupak Village is used as superior seeds for the type of bisi and as an ingredient for noodle flour, 3) The craft of making woven mats. The residents of Cupak Village use pandan leaves as a craft to make mats that are ordered to other areas such as Mojokerto and Surabaya. The existence of this Matching Fund activity is expected to help develop the village economy and increase the income of the surrounding community in a sustainable manner.

Figure 2. Preparation of the 2022 MF research team and the implementation of the team survey along with students and youth organizations.

B. Cupak Village Farmer Profile

Profile of farmers in Cupak Village, Ngusikan District, Jombang Regency, will be described according to age and education level.

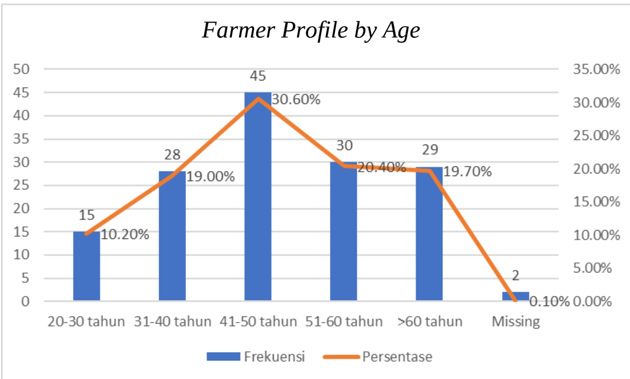

Figure 3. Farmers Profile by Age

Figure 3. shows that most of the farmers in Cupak Village are 41-50 years old, which is 30.6 percent. In general, more than 70 percent of the farmers in Cupak Village are over 40 years old, and only 29.2 percent are young or under 40 years old. As has happened elsewhere, the number of young farmers in the country continues to decline. Indonesia, which used to be known as an agrarian country, is currently experiencing a crisis of young farmers. Similar to what happened in Cupak Village, in the future the farming profession has the potential to be abandoned, especially by young people who prefer to work in the service and manufacturing sectors.

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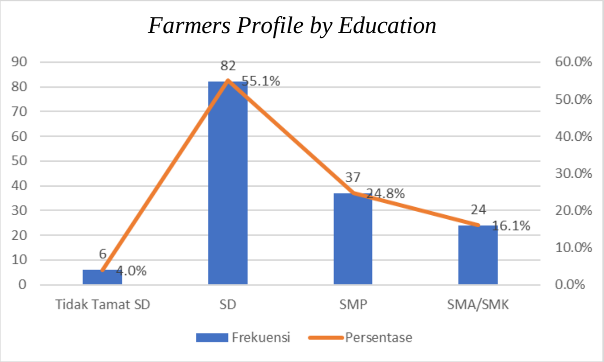

Figure 4. Farmers Profile by Education

Figure 4. shows that most of the farmers in Cupak Village only graduated from elementary school, namely 55.1 percent. Until now, there are no university graduates who work as farmers. The low level of education of farmers in Cupak Village will contribute to the slow application of agricultural technology, so it cannot quickly change according to conditions.

The human resources of farmers in Cupak Village are dominated by the old age workforce and low education. With a low level of education and most of the elderly, it is very influential on the level of productivity, innovation and mastery of technology and information. This means that the competitiveness of agriculture in Cupak Village will be inferior to other regions, or other countries that have advantages in the use of agricultural technology. In Cupak Village, or in Indonesia in general, the use of agricultural technology is still low, less massive, and not evenly distributed, meaning that it cannot be accessed and/or used by all levels of farmers. The main obstacle has not been able to massively use precision agricultural technology is the problem of the low human resources of farmers. The agricultural production process in Cupak Village still relies on conventional and less innovative techniques. The slow use of agricultural technology and lack of innovation result in weak productivity and competitiveness of agricultural products.

C. Cupak Village Agricultural Potential

Cupak village consists of 3 hamlets, namely Cupak hamlet itself, Mberan hamlet, and Munggut hamlet. The results of a random survey of 149 farmers in all hamlets of Cupak Village provide an overview of the area of land use and types of agricultural varieties as a source of farmers' income.

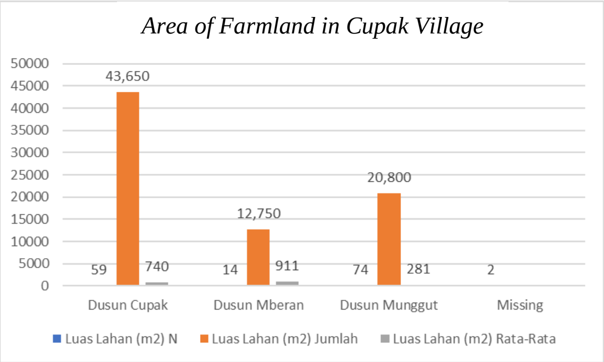

Figure 5. Area of Farmland in Cupak Village

Figure 5. shows that of the 149 farmers surveyed, 2 of them do not have agricultural land that can be worked on, so the remaining 147 farmers have land. Dusun Mberan, even though the total land area is smaller than other hamlets, on average the farmers have more agricultural land than farmers from other hamlets, with an average land area of 911 m2 per farmer. While farmers in Cupak Hamlet have an average land area of 740 m2 and farmers in Munggut Hamlet have an average land area of only 281 m2.

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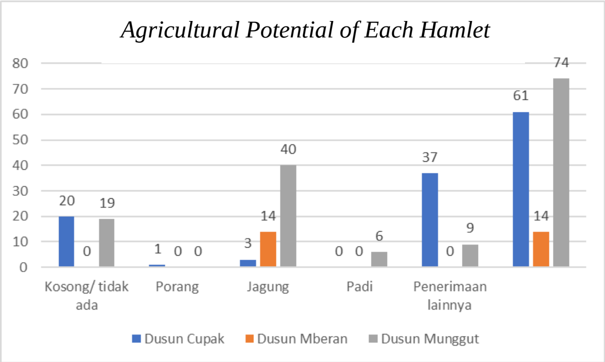

Figure 6. Agricultural Potential of Each Hamlet

Figure 6. shows that of the 149 farmers surveyed in Cupak Village, most of them are corn farmers as many as 57 farmers, the remaining 6 rice farmers and only 1 Porang farmer. There are 39 farmers who do not have income or income from the land they own, because they have not planted or planted but have failed to harvest. Furthermore, there are quite a number of 46 farmers who earn income apart from farming Porang, corn, and rice, they earn income from selling wood, selling woven mats, and selling grass as animal feed. If you look at each hamlet, the land planted by Porang is in Cupak Hamlet, Paddy is planted in Munggut Hamlet, while the land planted with Corn is mostly in Munggut Hamlet and Mberan Hamlet.

Figure 7. Cornfields

The agricultural potential in this area is quite good, farmers generally grow food crops, secondary crops, horticulture and tubers. Porang and Gadung plantations are widely planted between forest plantations belonging to Perhutani. Meanwhile, horticulture, corn and other food crops are grown on privately owned land. The development of maize, porang and cattle farming is presented in Figures 7, 8 and 9.

Figure 8. Porang plant

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Figure 9. Cow farm

D. Cupak Village Agricultural Development Strategy

SWOT analysis is used to determine the agricultural development strategy of Cupak Village. The table below is a SWOT analysis conducted by researchers.

Strenghts (S)	Weakness (W)
• •Potential area conditions for the development of root crops • The majority of the population work as farmers • Available manure • Easy maintenance • Low Risk • There are transportation and markets	• Low farmer technology mastery • Limited capital • There is no guarantee of availability every season • Management of agriculture (tubers) is not optimal • The quantity and quality of the product is not continuous • The period from planting to harvesting is quite long
Opportunities (O)	Threats (T)
• Existence of import restriction policy • Increased demand for tubers • Availability of agricultural inputs • Availability of adequate infrastructure (communication & transportation infrastructure) • The existence of the Department of Agriculture as a supervisory agency • Availability of banking institutions as a source of capital • There are market opportunities	• Changes in the weather • Pests & diseases • Competition • There is no technology application to handle the unpredictable weather

Figure 10. SWOT Analysis

Based on the SWOT analysis from figure 10. that the strength of Cupak Village in agriculture is quite good, because the conditions for developing agriculture in the village are very supportive, such as the condition of the area which is very potential for tuber farming which is quite extensive, the availability of quite a lot of farmers and also the need for fertilizer is also available because the majority of the livelihoods of the population in the village are farmers and ranchers. Root crops also do not require intensive care so that it is suitable to develop the potential of tuber farming in Cupak Village.

Based on the SWOT analysis from figure 10. that the strength of Cupak Village in agriculture is quite good, because the conditions for developing agriculture in the village are very supportive, such as the condition of the area which is very potential for tuber farming which is quite extensive, the availability of quite a lot of farmers and also the need for fertilizer is also available because the majority of the livelihoods of the population in the village are farmers and ranchers. Root crops also do not require intensive care so that it is suitable to develop the potential of tuber farming in Cupak Village.

The availability of banking institutions as a source of capital (O-6) is also able to overcome the limited capital (W-2) which is perceived by farmers as burdensome, of course, if it can be used properly so as not to cause default in the future. The existence of an import restriction policy (O-1), a large demand for tubers (O-2) and a market opportunity (O-7) are also able to overcome problems in the field of competition (T-3) which is quite tight.

IV. CONCLUSION

The agricultural potential in Cupak Village, Ngusikan District, Jombang Regency is quite good, farmers generally grow food crops, secondary crops, horticulture and tubers in the form of Porang and Gadung. Porang

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and Gadung tubers are mostly planted between forest plantations belonging to Perhutani, while horticulture, corn and other food crops are grown on privately owned land. The development of corn, porang and livestock, especially cattle and goats/sheep, has the potential to be further developed.

Based on the results of the SWOT analysis, it shows that the strength of Cupak Village in the development of agriculture is quite good, because the conditions in developing agriculture in Cupak Village are very supportive. The condition of the area is very potential for the development of tuber farming, especially tubers Porang and Gadung. The number of available farmers is quite large, both owner farmers and farm laborers, and the need for fertilizers and other inputs is also available. The majority of the people's livelihood in the village is as farmers and ranchers. Root crops also do not require intensive care so that they are suitable to be developed as a mainstay agriculture in Cupak Village. Livestock, especially ruminants such as cattle and goats/sheep, have a large population and are a slow source of income for the farmers of Cupak Village.

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The Influence of Labor Competence, and Innovation Behavior on the Motivation for Achievement and Performance of Wooden Furniture Smes Employees in Pasuruan City

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ABSTRACT

Purpose: The phenomenon that occurs in the midst of wooden furniture SMEs in Pasuruan City shows that labor competence is still low, innovation behavior is less creative, motivation for low achievement and employee performance fluctuates. This study aims to determine the influence of labor competence and innovation behavior on the motivation for achievement and performance of employees of the Wooden Furniture Medium Keil Industry (IKM) in Pasuruan City.

Design/Methodology/Approach: Research models with hypothesis development are derived based on literature. To provide empirical evidence, researchers conducted a survey, primary data were collected using a list of questionnaires, and saturated sampling of 50 employees.

Findings: The results showed that the variable of Labor Competence had a positive effect on Achievement Motivation, while Innovation Behavior had a positive and significant effect on Achievement Motivation. However, the three variables of Manpower Competence, Innovation Behavior and Motivation for achievement have a direct effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City.

Practical Implications: The implications of this study are to test the perception of 50 employees of IKM Wooden Furniture in Pasuruan City. The analysis technique used is Partial Least Square (PLS).

Originality/value: Papers.

Type of paper: Research Paper.

Keywords: *Achievement Motivation, Employee Performance, Workforce Competence*

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I. INTRODUCTION

To achieve its goals, an organization is influenced by the behaviour and attitudes of the human resources contained in it. Sedarmayanti (2017) states that every employee who works in an organization must have the competence to support the person concerned in completing each job entrusted to him in accordance with the work characteristics as stipulated by the company. Likewise, a low-performing workforce indicates that the workforce concerned has low competence (Sedarmayanti, 2017). Sedarmayanti (2017); Wibowo (2014) agree that employees with high competence in an organization will certainly describe the quality of the workforce concerned which will ultimately determine the ability of the organization itself to win the competition because it is able to work efficiently and effectively. According to Spencer (1993) that competence is closely related to performance. This means that the more competent an employee is, the more efficient and effective it will be in carrying out its work and have the motivation to excel as shown by superior performance.

The results of the Guo et al. (2021) study explains that this study, for the first time, used a moderated mediation model to reveal the relationship between the motivation of achievement and work achievement among Chinese doctors. It explained that employee performance and physician gender were not strongly correlated. The nature of agreeableness and conscientiousness moderates the strength of the relationship

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between the motivation of achievement and work achievement. The results of Mudhofar (2021) explained that work achievement supported by the motivation to achieve is the key to improving employee and organizational performance.

The problems found in wooden furniture companies in Pasuruan City indicate that some employees who work as small wooden furniture industry companies do not have competence in accordance with the demands of work in the field of wood furniture processing. In addition, it was found that the performance of employees both in quantity and quality was not fully in accordance with company standards. This can be seen from the still finding customer orders that often go back from the time as previously determined. (Furniture Customer from Surabaya)

A. Review the Literature

1. Workforce Competence

Competence is the ability to apply or use a set of knowledge, skills, that a workforce needs to complete its work on time and on target. Wibowo (2007) states that competence is based on skills and knowledge and is supported by the work attitude (*behaviour*) demanded by the work as an effort to improve performance. Sedarmayanti (2017) Competence is the work ability of every individual and every workforce in the organization must have competence because in every carrying out of their work must be based on competence if they do not want to obtain low performance.

2. Innovation Behaviour

Innovation is the ability of the workforce to generate innovation through continuous learning, knowledge transformation, creativity, and exploitation of internal and external resources available in the company (Assink, 2006; Hogan et al., 2011; Lawson & Samson, 2001; Saunila & Ukko, 2013; Wang & Ahmed, 2004).

3. Motivation to Achieve

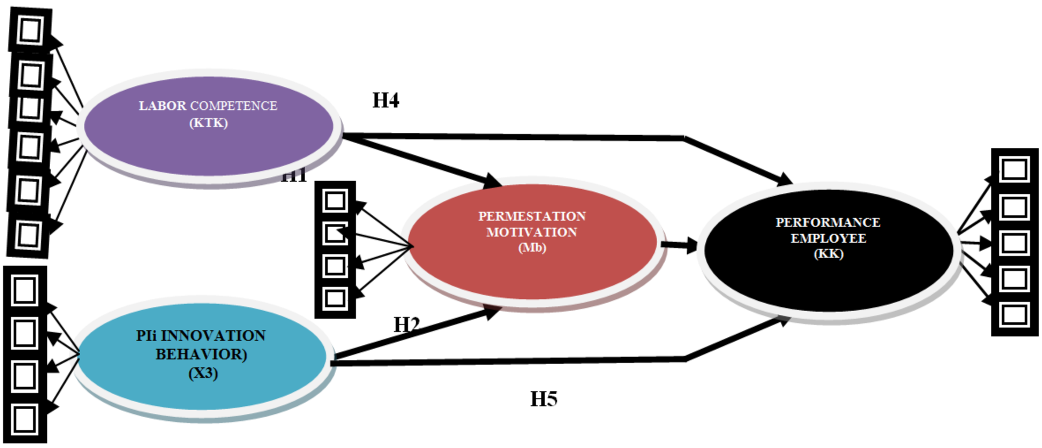
Motivation to achieve is a psychological process that has a direction and goal to succeed as the best measure. Mc Clelland in Sukadji (2001) Motivation has an important role in a person to get the most out of a job he does Awan & Bukhari (2011); Christine w.s, megawati oktariani (2010). Cloud, emphasizes that Motivation pre-empts as an internal condition that stimulates, moves, and maintains behaviour, while Apurva Anand & M.D.Singh (2011) mentions motivation as a driver to achieve targets and processes to maintain such drivers (Slavin, 2015).

4. Employee Performance

Employee performance is defined as the achievements achieved by an employee who works in a certain period. Hasibuan (2012); Hoque et al. (2014), says performance is "a result of the work that a person achieves in carrying out the tasks charged to him based on skills, experience, and earnestness and time".

5. Conceptual Framework of Research

The Conceptual Framework in this study can be seen in Figure 1.



Source: Literature Review Chapter two, compiled

Figure 1. Conceptual Framework of Research

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II. METHODS

A. Research Design

This research is an explanatory research, namely research to obtain an explanation of the causal relationship between several variables studied, namely exogenous variables consisting of: Labour Competence, Innovation Behaviour, and their effect on Achievement Motivation, and Employee Performance of Wooden Furniture SMEs in Pasuruan City through hypothesis testing. The method used is the survey method because the information collected from respondents using questionnaires as a data collection instrument (Sofian Effendi & Masri Singarimbun, 1995).

B. Population and Sample

The population in this study was all employees of wooden furniture IKM in Pasuruan City amounting to 50 people. To conduct research on all members of the population or respondents of 50 employees. Saturated sample according to Sugiyono (2016).

C. Operational Definition of Variables

1. Manpower Competence (X1): is the ability of employees to complete their work within a certain period of time both in quantity and quality in accordance with work standards as determined by the Wooden Furniture IKM Company in Pasuruan. Indicators Refer to Gordon in Sutrisno. E, (2011) which consists of:1). Knowledge Level (X1.1), 2). Comprehension Level (X1.2), 3). Skills. (X1.3) , 4). Value. (X1.4) 5). Attitude. (X1.5) 6). Interest. (X1.6)
2. Innovation Behaviour (X2). is the discovery of new products and ways of service that are different from the previous ones in the form of thoughts and ideas that can be developed and implemented in an effort to improve the existence of IKM Wooden Furniture. Indicator refers to George and Zhou in Purba, (2009) which includes: 1) Figuring out new technologies, processes, techniques and new ideas (X2.1). 2) Generate creative ideas. (X2.2). 3) Fight for ideas to others. (X2.3) 4) Determine a mature schedule to bring new ideas to life. (X2.4).
3. Motivational Parties (Y1). is the encouragement that exists in the Employees of IKM Wooden Furniture in Pasuruan City to achieve a goal that is the expectation of himself so as to enable optimal performance to be achieved. Indicator refers to Hinson et al., (2001) which includes; 1) Able to set tasks that can be done well. (Y1.1). 2) Likes work that is of moderate difficulty (Y1.2), 3) Likes specific help/concrete directions (Y1.3), 4) Able to reduce the fear of failure (Y1.4)
4. Employee Performance (Y2). is the result achieved by the Employees of IKM Wooden Furniture in Pasuruan City in the form of goods or services that are used as the basis for assessing the employee concerned in terms of quality, quantity and time of completion in a period. The indicator refers to Edwin B. Flippo, (1984) in accordance with the object of study, namely; 1) Quantity of work, (Y2.1). 2) Quality of work, (Y2.2). 3) Punctuality, (Y2.3). 4) Cooperation (Y2.4). 5) Personal qualities. (Y2.5).

III. RESEARCH AND DISCUSSION

A. Inferential Analysis

1. Evaluate the outer Model

Outer reflective model testing is carried out by looking at the value of the outer loading factor (outer loading) of each indicator..

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Table 1. Evaluation Results of the Outer Model of Labor Competency Variables.

Variables	Indicators	Outter Loading	-Statistics	Probability (p-value)	Information
Labor Competence ($_{X1}$)	The Level of Knowledge I have supports me in completing my work ($X_{1.1}$)	0,705	6,788	0,000	Significant
	I was able to complete all my work because I understood it well ($X_{1.2}$)	0,847	7,744	0,000	Significant
	The skills I have support me in getting my work done ($X_{1.3}$)	0,724	5,856	0,000	Significant
	My work culture conforms to company values ($X_{1.4}$)	0,703	8,029	0,000	Significant
	I don't feel burdened to complete the work charged to me ($X_{1.5}$)	0,847	7,744	0,000	Significant
	The work charged to me according to my interests ($X_{1.6}$)	0,634	4,288	0,000	Significant

Table 2. Evaluation Results of Outer Model Variables of Innovation Behavior

Variables	Indicators	Outter Loading	T-Statistics	Probability (p- Value)	Information
Behavioral Innovation (X2)	I am always trying to find out new technologies, processes, techniques and new ideas in getting my work done (X2.1)	0,859	5,929	0,000	Significant
	To complete my work, I always come up with innovative ideas. (X2.2)	0,873	6,311	0,000	Significant
	I always Fight for my new ideas to others,(X2.3)	0,834	7,539	0,000	Significant
	Company leaders provide facilities and infrastructure for each employee in realizing new ideas (X2.4)	0,662	3,224	0,001	Significant
	I always Set a careful schedule to bring new ideas to life (X2.5)	0,873	6,311	0,000	Significant

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Table 3. Evaluation Results of the Outer Model of Achievement Motivation Variables

Variables	*Indicators*	*Outter Loading*	*t-Statistics*	*Probability (p-value)*	*Information*
Motivation to Excel (Y1)	*I was able to set a task that could be done well*	*0,660*	*3,973*	*0,000*	*Significant*
	I like jobs that are of moderate difficulty.	*0,785*	*3,329*	*0,001*	*Significant*
	I like the specific/concrete direction help	*0,816*	*3,508*	*0,000*	*Significant*
	I was able to reduce the fear of failure	*0,783*	*3,605*	*0,000*	*Significant*

2. Inner Model Evaluation

Through the evaluation of the inner model, the relationship between latent constructs that have been hypothesized can be known.

Table 4. Path Coefficient Test Results

Relationships between variables	*Original Sample*	*T-statistics*	*Probability (p-value)*	*Information*
Workforce Competence (X 1) Motivation to Excel ($Y\rightarrow_1$)	*0,004*	*0,014*	*0,494*	*Insignificant*
Innovation behavior (X_2) Motivation to Excel ($Y\rightarrow_1$)	*0,119*	*2,591*	*0,005*	*Significant*
Workforce Competence (X_1) Employee Performance ($Y\rightarrow_2$)	*0,097*	*1,705*	*0,045*	*Significant*
Behavioral Innovation (X 2) Employee Performance ($Y\rightarrow_2$)	*0,112*	*2,791*	*0,003*	*Significant*
Motivation to Achieve (Y_1) Employee Performance ($Y\rightarrow_2$)	*0,168*	*3,957*	*0,000*	*Significant*

Source : Appendix 6 data processed.

The results of the Partial Least Square (PLS) inner model test in this study can be described through a path diagram as shown in Figure 4.

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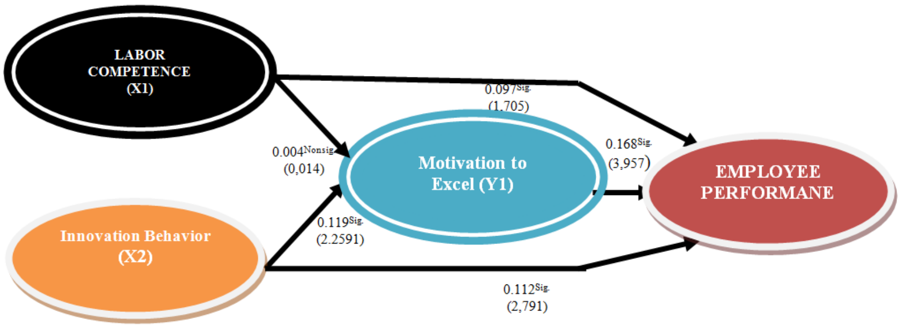

Figure 2. Partial Least Square (PLS)

Source : Table 4 and Appendix 6 of the data processed.

Information:
Sig.: Significant Path
No Sig. : Insignificant path

Table 5. The Loading and Mean Value of Each Indicator

Variables	*Indicators*	*Loading*	*Mean*
Labor Competence (X1)	*The Level of Knowledge I have supports me in completing my work*	*0,740*	*4,32*
	I was able to complete all my work because I understood well	*0,651*	*3,98*
	The skills I have support me in getting my work done	*0,784**	*4,16*
	My work culture is in line with company values	*0,717*	*4,11*
	I don't feel burdened to complete the work that is charged to me	*0,689*	*4,41**
	The work charged to me according to my interests	*0,597*	*3,93*
Behavioral Innovation (X2)	*I am always trying to find out new technologies, processes, techniques and new ideas in getting my work done*	*0,859*	*3,49*
	To complete my work, I always come up with innovative ideas.	*0,873**	*3,68*
	I always Fight for my new ideas to others	*0,834*	*3,76*
	Company leaders provide facilities and infrastructure for every employee in realizing new ideas	*0,783*	*4,17*
	I always Set a mature schedule to bring new ideas to life	*0,662*	*3,99**
Motivation to Excel (Y1)	*I was able to set a task that could be done well*	*0,859*	*3,49*
	I like jobs that are of moderate difficulty.	*0,873**	*3,68*
	I like the specific/concrete direction help	*0,834*	*3,76*
	I was able to reduce the fear of failure	*0,745*	*4,23*

Description: The * sign represents the highest value for the indicator in each variable
Source : Appendix 6 data processed.

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B. Discussion

1. The Effect of Labour Competence on the Motivation of Wooden Furniture IKM Employees in Pasuruan City

Based on the test results, it can be seen that Labour Competence has an insignificant effect and has a positive sign on Achievement Motivation, as shown in Table 1. This means that employees also have competence, but in limited competence, causing no change in the level of work motivation from low to medium and from medium to high level of motivation. In addition, employees at work often work on ordered wooden furniture with new motifs or designs, which if the number of orders exceeds the production capability of the IKM, the excess will be transferred to other furniture IKM entrepreneurs. Employees at IKM Wooden Furniture are also still less able to operate various machines – production machines for wooden furniture so that they require training related to increasing labour competence

The results of this study support the results of the research of Yanti et al. (2020) who explained his findings that 1) Competency variables have an insignificant positive influence on the work performance of PT employees. Batam Branch of the Indonesian Classification Bureau, 2) Motivational variables have a significant influence on the work performance of PT. Indonesian Classification Bureau Batam Branch, 3) Training variables have a significant influence on the work performance of PT. Indonesian Classification Bureau Batam Branch.

2. The Influence of Innovation Behaviour on the Motivation to Achieve Wooden Furniture SMEs in Pasuruan City

Innovation Behaviour has a positive and significant effect on Achievement Motivation, as shown in Table 2 meaning that To complete his work, always produce innovative ideas. ideas that come from himself or from outside, greatly affect the Motivation to Excel. because these ideas are applied to improving employee performance. Henderson & Cockburn (1994); Peter F Drucker & Djordjevic (1985) explain that Innovation Behaviour is a type of ability that employees have to integrate knowledge across parts within a company to create a source of competitive advantage The significance of the influence of the relationship between Innovation Behaviour and Achievement Motivation can be explained by the fact that shows that changes in the Behaviour of Wood Furniture IKM Innovation in Pasuruan City have an impact on the Motivation for Achievement.

3. The Effect of Achievement Motivation on the Performance of Wooden Furniture IKM Employees in Pasuruan City

Based on the results of hypothesis testing as shown in Table 3, it can be seen that Achievement Motivation has a positive and significant effect on Employee Performance. This indicates that the change in Motivation to Achieve in Wooden Furniture IKM will also increase Employee Performance at Wooden Furniture IKM in Pasuruan City. The results of the hypothesis test stated that it was accepted, meaning that the Motivation to Excel in the IKM Wooden Furniture environment, especially as indicated by employees likes work that with a mode level of difficulty is able to improve Employee Performance. The results of this study support the results of the research of Nurcahyani & Adnyani (2016) which states that Motivation has a positive and significant effect on employee performance, job satisfaction has a positive and significant effect on employee performance and job satisfaction mediates the effect of compensation and motivation on employee performance.

4. The Effect of Labour Competence on Employee Performance

From the results of hypothesis testing as shown in Table 1, it can be seen that Labour Competence has a positive and significant effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City. This indicates that the Manpower Competence represented by the ability of employers to the efficiency of the production process can improve Employee Performance at the Wooden Furniture IKM in Pasuruan City. Labour Competence in this study refers to the definition that has been outlined by Dubois et al. (2004) states that labour competence is the ability of employees to apply or use a set of knowledge, skills, that employees need to complete their work on time and on target. According to Spenser, competence is closely related to performance. In this study the concept of Labour Competence indicators is indicated by six Indicators Referring to Gordon in Sutrisno. E (2011) which have been shown to be valid and reliable and significant in reflecting the characteristics of his variables consisting of: 1) Level of Knowledge ($X_{1.1}$), 2) Level of Understanding ($X_{1.2}$), 3) Skills ($X_{1.3}$), 4) Value ($X_{1.4}$), 5) Attitude ($X_{1.5}$), 6). Interests ($X_{1.6}$)

From the explanation above, the value of direct influence is smaller than the value of indirect influence which means that the ability variable is able to mediate competence to employee performance. Indirect influence on employee performance through proven and acceptable capabilities.

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5. The Effect of Innovation Behaviour on Employee Performance

As shown in the hypothesis testing results as presented in Table 5, it can be seen that Innovation Behaviour has a positive and significant effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City. This means that the Innovation Behaviour of Wooden Furniture IKM Employees in the creation of new wooden furniture products will help improve the Performance of Wooden Furniture IKM Employees in Pasuruan City.

Innovative behaviour generally occurs due to intentionality or invention and innovation occurs due to accidental or discovery (Joe Tidd et al., 2005). Invention is the process of the emergence of a new thing consisting of a combination of old things that have existed. Meanwhile, discovery is the discovery of new things, whether in the form of tools or ideas, this discovery can turn into invention if the community has recognized, accepted, and utilized the results of these innovations. The results of hypothesis testing state that it is accepted, meaning that the Innovation Behaviour owned by employees, especially those indicated in the form of a commitment to development, is able to improve employee performance.

The empirical study further strengthens how much influence Innovation Behaviour has on improving Employee Performance at Mebel Kayu IKM in Pasuruan City.

C. Research Findings

The findings in this study are divided into theoretical and empirical findings which are described as follows:

D. Theoretical Findings

1. This research confirms the implementation of Economic Theory according to Schumpeter. It is proven by the tendency of Innovation Behaviour, especially in terms of commitment to develop which is felt by employees who are members of the Wooden Furniture IKM in Pasuruan City.
2. Confirming the implementation of the Neo-classical Theory through activities carried out by employees who are members of the Wooden Furniture IKM in Pasuruan city. It is proven to show the beginning of economic growth that comes from humans, capital accumulation, the use of modern technology and results or outputs. As for population growth, it can have a positive impact and can have a negative impact. Therefore, according to Robert Solow, population growth must be used as a positive resource.

E. Empirical Findings

1. Reviewed based on the value of the weight (loading) of the variable relationship between Labor Competence and Employee Performance who are members of the Wooden Furniture IKM in the City of Surabaya in Figure 5.1, it is known that the t-statistic of Innovation Behaviour (X2) with Achievement Motivation (Y1) of 2,591, and Employee Performance (Y2) of 3,957 where the value is more than the t-Table value of 1,705. This means that there is a significant influence of the indirect relationship of Innovation Behaviour (X_2) on Employee Performance (Y_2) through Achievement Motivation (Y1).
2. Likewise with Labour Competence (X1), based on the value of the weight (loading) of the variable relationship between Labour Competence and Achievement Motivation who are members of the Wooden Furniture IKM company, it is known that the t-statistic of Labour Competence (X1) with Achievement Motivation (Y1) of 2,461, and Achievement Motivation (Y1) to Employee Performance (Y2) of 3,957 where the value is more than the t-Table value of 1,705. This means that there is a significant influence of the indirect relationship of Labour Competence (X1) to Employee Performance (Y2) through Achievement Motivation (Y1).

F. Research Contributions

Evaluation of testing and development of Manpower Competency indicators based on employee perceptions has proven significant in explaining the condition of Wooden Furniture IKM Manpower Competencies in Pasuruan City, but has no role in increasing Achievement Motivation. So that these indicators are not suitable to be used as a measuring tool to find out the Motivation for Achievement in the Wooden Furniture IKM environment in Pasuruan City. The contribution of this research to research in the field of Human Resources and employment is an assessment based on the perception of employees should use variables other than Labour Competence to measure their effect on Achievement Motivation.

G. Research Limitations

The limitation in this study is to use the concept of self-rating, which allows subjective assessment (individual assessment) which is only based on employee perceptions without involving judgments from related agencies that maintain wooden furniture SMEs in Pasuruan City.

IV. CONCLUSIONS

1. Labour Competence has an insignificant positive effect on the Motivation for Outstanding Employees of IKM Wooden Furniture in Pasuruan City. Labour Competence, which is reflected mainly by the work charged to employees according to the interests of employees, is not able to increase the Motivation for Achievement which is reflected by the addition of an increased ability to do work that is of moderate difficulty Thus, high labour competence does not necessarily guarantee an increase in the Motivation for Outstanding Employees of IKM Wooden Furniture in Pasuruan City. .
2. Innovation behaviour has a positive and significant effect on the Motivation for Outstanding Employees of IKM Wooden Furniture in Pasuruan City. Behaviour Innovation which is reflected mainly by the commitment in carrying out development is able to improve the Performance of Employees which is reflected by the increase in the number of customers served. Thus, Behaviour Innovation of employees and employers that is conceptually based on a commitment to development guarantees an improvement in employee performance.
3. Motivation to Achieve has a positive and significant effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City. Achievement Motivation which is reflected mainly by improving employee performance. Thus, the increasing number of automatic customers requires more manpower to serve customer demand for wooden furniture products there will be an increase in business performance.
4. Labour Competency has a positive and significant effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City. Labor Competence, which is reflected by work productivity, is able to improve Employee Performance. This indicates that the Competence of Manpower represented by the ability of employees to efficiency of the production process can improve Employee Performance at the Wooden Furniture IKM in Pasuruan City.
5. Behaviour Innovation has a positive and significant effect on Employee Performance at the Wooden Furniture IKM in Pasuruan City. Behaviour Innovation which is reflected mainly by the commitment in developing is able to improve employee performance. Thus, Behaviour Innovation Employee based on a commitment to always want to develop, strongly guarantees the improvement of employee performance. This is due to the development carried out in various aspects, especially the aspects of quality and quantity including labour.
6. An overview of the results of the study shows a relationship between Labour Competence, Innovation Behaviour, and Employee Performance through Achievement Motivation.

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The Role of Financial Statements using the Camel Ratio Method to Assess Financial Performance at BNI Banks Registered at OJK

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ABSTRACT

Purpose: The aim is to determine the soundness of Bank Negara Indonesia (BNI in the 2017-2019 period, of which all four are State-Owned Enterprises (BUMN).

Design/methodology/approach: The analysis carried out is a qualitative analysis using the CAMEL ratio method (CAR, KAP, NPM, ROA&BOPO, LDR).

Findings: The results of the research in the last 3 years after being measured by the applicable standard Bank Indonesia regulations, it was found that the average soundness level of state-owned banks was in the Unhealthy Predicate. State-owned banks should improve their financial performance to increase the title as a healthy or very healthy bank because SOEs are banks that have the largest assets in Indonesia.

Practical implications: Iincreasing the predicate as a healthy or very healthy bank because BUMN is the bank that has the largest assets in Indonesia.

Originality/value: This paper is genuine

paper type: research paper

Keyword: *Assets, Capital, Income, Liquidity, Management*

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I. INTRODUCTION

Economic growth is one of the benchmarks for the success of a country's development (Istanti, Negoro, et al., 2021). The economic and monetary crisis that hit Indonesia resulted in a very sharp decline in the exchange rate of the rupiah against the US dollar. By creating jobs with the aim of equalizing income and being able to reduce unemployment (Istanti, Kn, et al., 2021). Similarly, the inflation rate that occurred, the crisis conditions resulted in a wide impact on the joints of the economy and the banking world. The higher the civilization and development in a society, the more diverse the needs. The rapid development of the economy makes people more critical in their thinking to follow the development of economic information.

Financial reports are the results of collecting financial data presented in the form of reports, which will then become a tool for users to make decisions (Thomas Sumarsan, 2020). Financial reports that will be used as a means of information (screen) for analysts in the decision-making process (Istanti et al., 2021). Financial statements are one of the right instruments to be studied in evaluating and measuring the company's financial performance because it contains important information including financial information about the results of operations and financial position of the bank company. Financial statements also contain financial information that reflects the health and capabilities of the company concerned (Kasmir, 2019). From the financial statements, a number of financial ratios can be calculated which will be used as the basis for assessing the soundness of the bank.

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This financial ratio analysis allows management to identify and interpret various relationships and trends that can provide a basis for balancing the company's potential in the future. Because the financial statements contain important information about the company's results in terms of the position of the financial statements in the banking sector, financial statements can be a tool to see the health of the bank.

One of the purposes of analyzing financial statements is to see the bank's performance. This is useful to determine the efficiency and effectiveness of the bank in achieving its goals. Financial statements can be analyzed to see the condition of the company. The type of analysis varies according to the interests of the parties conducting the analysis. Financial statement analysis will be sharper if the financial figures are compared with certain standards. These standards can be in the form of internal standards set by management, comparing financial figures with previous financial periods, or comparing with companies or similar entities.

Financial ratios will reflect the soundness of the bank. The soundness of the bank is an important element to study, a bank must have a good level of health because the bank collects funds from customers who have given trust to the bank. The soundness of a bank is a barometer of the ability to compete in business, because a bank is also a company, therefore it is very important to maintain public confidence in its performance. Banks that do not have problems with the level of health, will become a superior bank for their customers and make a positive contribution to the progress of the country's economy. Recognizing the importance of soundness of a bank, Bank Indonesia as the country's central bank, has established regulations regarding bank health.

Bank is an intermediary institution for parties who have excess funds and parties who need funds (Enny Istanti1, Bramstyo Kusumo Negoro, 2021). To measure the soundness of a bank, the CAMEL method is an appropriate method. Researchers are interested in conducting research on the soundness of BNI Bank using the CAMEL method because the CAMEL method is a method regulated by Bank Indonesia as a mechanism for assessing the soundness of a bank. In addition, the CAMEL method also functions as a benchmark for bank performance and is useful in detecting various kinds of risks that can disrupt the smooth operation of the bank. This study took 3 years of research and used the financial statements of Bank BNI in 2017-2019 as the object of research, this aims to measure the health of Bank BNI, it can be described in the research title: "Analysis of Bank Soundness Levels Using the CAMEL Method (Study at PT Bank BNI Registered at OJK 2017-2019).

A. Theoretical Basis

1. Financial performance

Financial performance is an analysis carried out to determine the extent to which the company has correctly implemented the principles of financial implementation (Fahmi, 2016) Meanwhile, according to Mustafa (2017) defines financial performance as determining certain analyzes using financial implementation rules that can measure the success of a company in generating profits.

2. Financial statements

Financial statement analysis is the stage of analyzing the statement of financial position and the results of the company's current and past operations with the main objective of determining estimates and predictions about the company's condition and company performance in the future (Fahmi, 2011).

According to Harry (2019) a financial report is a corporate document that reports a company in monetary terms that provides information to help people make business decisions based on that information.

3. Financial Ratio

Financial ratios are needed by the company in order to check the company's health. The tool used in the examination is a financial ratio that connects two financial data by dividing one data by another. While the ratio has several meanings quoted from several experts. According to Kasmir (2018) Financial Ratios are activities to compare the numbers in the financial statements. Comparisons can be made between one component with components in one financial report or between components that exist between financial statements.

4. Types of Financial Ratio Analysis

In simple terms, a healthy bank is a bank that performs its functions well. A healthy bank can maintain the trust of its customers. Bank soundness level can be calculated through the following types of Financial Ratio Analysis:

According to Darmawan (2020) stated that the procedure for assessing the soundness of a bank in English is abbreviated as CAMEL, therefore the procedure for assessing the level of soundness of a bank is known as CAMEL Ratio analysis, which can be described as follows:

1. *Capital*(bank capital) which is assessed is the fulfilment of the minimum capital adequacy requirement (KPMM) or the so-called capital adequacy ratio (CAR), the credit value is 100 with a CAR value of 25%.
2. Assets (assets) that are assessed are the quality of productive assets (KAP) consist of:

$$\text{KAP} = \frac{\text{Classified Productive Assets}}{\text{Total Productive Assets}} X\ 100\%$$

Credit score is 100 and the KAP score is 30%.

3. Management, the management aspect is proxies by net profit margin with consideration of this ratio showing how management manages any sources of use or allocation of funds efficiently, so that the ratio value obtained is directly multiplied by the CAMEL weight value of 25%, for a credit score of 100.
4. Earnings (profitability) assessed is the bank's ability to generate profits. The rated ratios are:
   a. Return on Assets (ROA). Credit points awarded for ROA are as follows for ROA of 0% the credit score is 0. For every increase of 0.005% the credit score is added by 1 with a maximum of 100 the weight of the ROA value is 5%.
   b. BOPO ratio. The credit points awarded for the BOPO ratio are as follows: for an BOPO ratio of 100% or more, the credit score is 0. For every decrease of 0.08%, the credit score is added by 1 with a maximum of 100. The BOPO ratio is 5%.
5. Liquidity, which is assessed is the bank's ability to maintain / maintain liquidity. The ratios assessed include:
   a. Loan to Deposit Ratio (LDR). Credit points awarded for LDR
   are as follows: for an LDR of 110% or more, the credit score is 9. For an LDR below 110%, the credit score is 100, the weight of the LDR value is 5%.

5. CAMEL method

According to the Bank Indonesia Banking Dictionary (2017), it is the aspect that has the most influence on the financial condition of the Bank which also affects the soundness of the Bank. Ratio analysis using the CAMEL method consists of capital (capital), assets (assets), management (management), income (earnings), and liquidity (liquidity).

According to Kasmir (2011) the CAR method (Capital Adequacy Ratio) or the Capital method is by comparing capital to risk-weighted assets according to RWA (Risk-Weighted Assets)". This CAR method is a capital adequacy ratio that shows the ability of banks to provide funds used to overcome possible risk of loss. This ratio is formulated:

$$\text{CAR} = \frac{\text{Bank Capital}}{\text{Risk} - \text{Weighted Assets (RWA)}} x\ 100\%$$

To calculate the credit value of Capital:
Nilai Kredit =Ratio 0.1% + 1

6. Analysis of Assets Method (Assets)

The second analysis is Asset Ratio Analysis or Assets Quality or commonly called assets. Asset quality can determine the robustness of a financial institution against the loss of asset value. "According to Hariyani, (2016) Assets are placements of funds in the form of deposited funds or loans, securities, placements of funds with other banks, and investments in order to obtain optimal floating yields. Asset valuation is based on the quality of the assets owned by the bank. There are two kinds of measured ratios, namely the ratio of earning assets classified to earning assets and the ratio of allowance for losses on earning assets to classified earning assets (Kasmir, 2019). This ratio is measured to measure the probability of receiving the invested funds back. Describe the quality of assets in the company that shows the ability to maintain and return the funds invested. Asset quality can be calculated using the Earning Assets Ratio.

This ratio is formulated:

$$\text{KAP} = \frac{\text{Classified Productive Assets(CPA)}}{\text{Total Productive Assets}} x\ 100\%$$

To calculate the credit value of the Assets Method (Assets)
Nilai Kredit =1 + (15.5% Ratio 0.15%)□1

7. Analysis of Management Methods (Management)

Management Quality shows management ability Predicate Ratio 2% 1. Very Healthy 2%< KAP 3% 2. Healthy 3%< KAP 6% 3. Fairly Healthy 6%< KAP 9% 4. Unhealthy KAP > 9% 5. It is not healthy for banks to identify, measure, monitor, and control the risks that arise through their policies and business strategies to achieve targets. The success of the Bank's management is based on a qualitative assessment of management which includes several components. Bank management can be classified as healthy if it has met at least 81% of all these aspects. In research on the Management Method using the Net Profit Margin Ratio or Net Profit Ratio.

"According to Kasmir, (2019) Net Profit Margin is a ratio used to measure a bank's ability to generate net income from its main operating activities.

This ratio is formulated:

$$\text{NPM} = \frac{\text{Net Income}}{\text{Operating Income}}\ x\ 100\%$$

8. Earning Method Analysis (Profitability)

Profitability is a measure of a bank's ability to increase its profits or measure the level of efficiency and effectiveness of management in running its business and the bank's ability to support current and future operations.

According to Kasmir, (2019)Assessment in this element is based on two kinds, namely:

a. The ratio of profit to total assets (Return on Assets).
This ratio is used to measure the effectiveness of the bank in obtaining overall profits. This ratio is formulated:

$$\text{ROA} = \frac{\text{Net profit}}{\text{Total Assets}}\ x\ 100\%$$

To calculate the ROA credit score:

$$\text{Credit Score} = \frac{\text{Ratio}}{0{,}015}$$

b. Ratio of Operating Expenses to Operating Income (BOPO).
BOPO is a comparison between operating expenses and operating income.
This ratio is formulated:

$$\text{BOPO} = \frac{\text{Operating Expenses}}{\text{Operating Income}}\ x\ 100\%$$

To calculate BOPO credit score

$$\text{Credit Score } = \frac{100 - \text{Ratio BOPO}}{0{,}08\%}$$

9. Liquidity Method Analysis (Liquidity)

Liquidity shows the level of the bank's ability to pay off its short-term obligations on time. Calculation of liquidity is used to determine whether it has the ability to meet obligations that are immediately billed (short term). According to Kasmir, (2019) The liquidity ratio can be calculated using the Loan to Deposit Ratio (LDR) ratio.

Loan to Deposit Ratio (LDR) is a ratio used to measure the composition of the amount of credit given compared to the amount of public funds and own capital used. The LDR ratio is used to measure the bank's ability to repay obligations to customers who have invested their funds with the loans that have been given. According to (Enny Istanti1, Bramstyo Kusumo Negoro2, 2021), Loan to Deposit Ratio (LDR) is a "ratio that states how far the bank has used the money of depositors (depositors) to provide loans to its customers".

This ratio is formulated:

$$\text{LDR} = \frac{\text{Amount of Credit givenn}}{\text{Third Party Funds}}\ x\ 100\%$$

To calculate LDR credit score

$\text{Credite Score} = 1 +($ 115−LDR Ratio)x 4
1.00%

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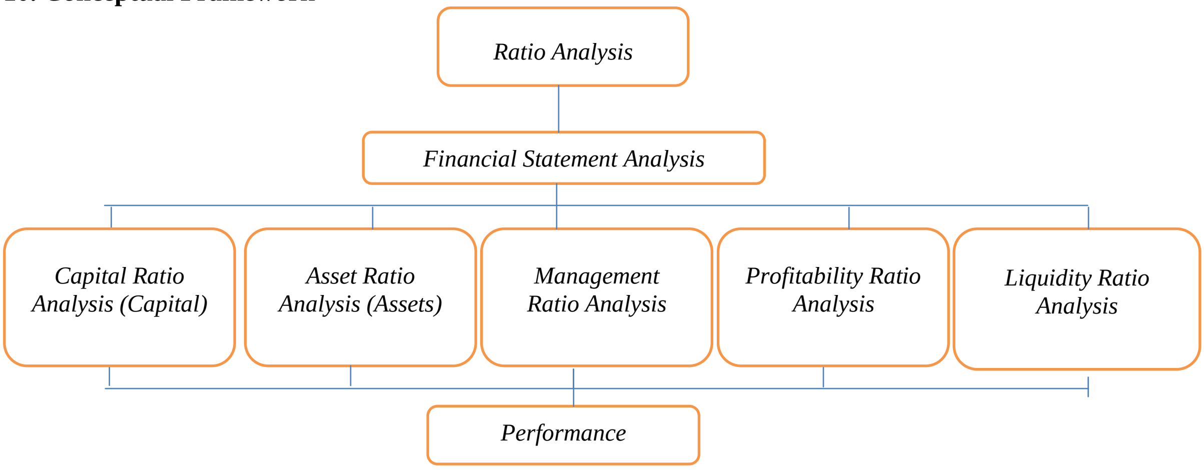
10. Conceptual Framework



Source: Researcher (2022)

Figure 1. Conceptual framework

11. Research Questions and Analysis Models

1. Main Research Question

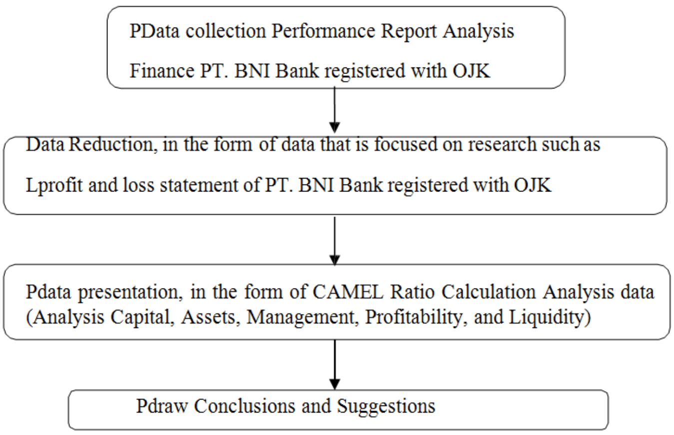
The Main Research Questions of this research are as follows: “How is the financial performance of PT. Bank BNI registered with OJK when viewed from the CAMEL Ratio analysis (Analysis of Capital, Assets, Management, Profitability, and Liquidity) ?

2. Mini Research Question

The Mini Research Questions for this research are as follows:

a. “Is the analysis of Capital Ratio (Capital) able to assess the financial performance of PT. BNI Bank registered with OJK”
b. “Is the Asset Ratio analysis able to assess the financial performance of PT. BNI Bank registered with OJK”
c. “Is the Management Ratio analysis able to assess the financial performance of PT. BNI Bank registered with OJK”
d. "Is the Profitability Ratio (Earnings) analysis able to assess the financial performance of PT. Bank BNI registered with the OJK"
e. "Is the Liquidity Ratio analysis able to assess the financial performance of PT. Bank BNI registered with the OJK?"

12. Analysis Model



Source: Researcher (2022)

Figure 2. Analysis Model

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II. METHODS

A. Research Approach

The type of research used by the author in this study is a descriptive qualitative research type. This research intends to understand phenomena about what is experienced by research subjects such as behaviour, perception, motivation, action, etc. holistically, and by means of description in the form of words and language, in a special context that is natural and by utilizing various natural methods (Sugiyono, 2019).

B. Research Limits

So that this problem does not spread, the researcher provides a limitation of the problem of this study. The problem limitation focuses on the research objective, namely to determine the values of ratio analysis using the CAMEL method and the assessment of the financial performance of PT. BNI Bank registered with OJK

C. Research Assumptions

The assumption that is the basis in this research is the value of ratio analysis can use the CAMEL method

D. Data Test

In qualitative research, the main instrument is human, therefore what is checked is the validity of the data. To test the credibility of the research data, the researcher uses tribulation. sources in various ways, and at various times. Thus there is a triangulation of sources, triangulation of data collection techniques, and time.

IV. RESULTS AND DISCUSSION

A. CAMEL Method of Financial Performance Analysis

1. Capital Method Analysis (Capital)

This CAR method is a capital adequacy ratio that shows the ability of banks to provide funds that are used to overcome possible risk of loss.

Table 1. Amount of Bank BNI CAR Credit in 2017-2019

Year	*Car Ratio*	*Credit Value Percent*	*Maximum*
2017	*18.53%*	*186.25*	*100*
2018	*18.50%*	*186.03*	*100*
2019	*19.73%*	*198.32*	*100*

Source: data processed from Bank BNI in 2019

Based on table 1, it can be seen that in 2017-2019 the health level of Bank BNI's CAR ratio is said to be very healthy because it has a CAR ratio value of 12%. In 2018 the CAR ratio of 18.50% decreased by 0.03% from 2017 which was 18.53%. This is because the amount of capital has increased but is not balanced with the increase in the RWA, while the CAR increased again in 2019 by 1.23% to 19.73%, this is due to the amount of capital and RWA both increasing. Changes in capital can occur every year due to the provision of the maximum amount of credit to the bank which can change every year.

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2. Analysis of Assets Method (Assets)

Table 2. Amount of Credit Value for BNI Bank KAP in 2017-2019

Year	*Cap Ratio*	*Credit Value Percent*	*Maximum*
2017	*42.4%*	*13.67*	*100*
2018	*126.4%*	*8.07*	*100*
2019	*52.5%*	*13.00*	*100*

Source: Data processed from Bank BNI in 2019

Based on table 2, it can be seen that in 2017-2019 the level of health in the KAP ratio is said to be Unhealthy because the ratio value is at the KAP ratio level > 9%. In 2018-2019 KAP has increased, in 2018 the ratio of KAP by 84% to 126.4% from 2017 which was 42.4%, then in 2019 it decreased by 73.9% to 52.5%, this is due to APYD which every year can experience enhancement.

3. Analysis of Management Methods (Management)

Table 3. BNI Bank NPM Calculation Results for 2017-2019

Year	*Net Profit*	*Operational Income*	*Npm*
2017	*13,771,000*	*44,746,000*	*30.8%*
2018	*15,092,000*	*48,771,000*	*30.9%*
2019	*15,509,000*	*52,012,000*	*29.8%*

Source: Data processed from Bank BNI in 2019

Based on table 3, the results of the NPM calculation show that the results of Bank BNI's NPM in the last 3 years have fluctuated due to an increase or decrease in operating profit. From the results of this NPM ratio, it can be said that the NPM ratio in 2017-2019 has an unhealthy level of health because the value of the NPM ratio is at the NPM ratio level <51%. The NPM credit value has been combined with other components in the CAMEL model, because the management aspect is projected by Net Profit Margin. With the growth of this ratio, it shows how management manages resources and allocation of funds efficiently, so that the value of the NPM ratio obtained directly into the NPM ratio credit score.

4. Earning Method Analysis (Profitability)

Profitability is a measure of a bank's ability to increase its profits or measure the level of efficiency and effectiveness of management in running its business and the bank's ability to support current and future operations. Profitability assessment is based on two types, namely the Ratio of Profit to Total Assets (ROA) and the Ratio of Operating Expenses to Operating Income (BOPO).

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5. Return On Assets (ROA)

Table 4. Bank BNI ROA Credit Value in 2017-2019

Year	Roa Ratio	Credit Value Percent	Maximum
2017	1.94%	129.43	100
2018	1.87%	124.43	100
2019	1.83%	122.27	100

Source: Data processed from Bank BNI in 2019

Based on the results of this research, it can be seen that the ROA ratio value at BNI Bank is at the Very Healthy health level because it is within the criteria for ROA value > 1.5%. It is known that in 2018 the ROA value decreased by 0.07% to 1.87% from 1.94% in 2017, then decreased again in 2019 by 0.4% to 1.83%. This is due to the increasing number of assets each year, although net income also increases.

6. Operating Expenses to Operating Income (BOPO)

Table 5. Amount of Bank BNI BOPO Credit in 2017-2019

Year	Bopo Ratio	Credit Value Percent	Maximum
2017	104.9%	86.89	100
2018	100.6%	87.42	100
2019	103.5%	87.06	100

Source: Data processed from Bank BNI in 2019

From table 5 it is shown that the value of the BOPO ratio at Bank BNI in 2017-2019 is at the Very Healthy health level because it is at the BOPO criteria level 94%. It is known that in 2018 the BOPO value decreased by 0.9% to 44.7% from 45.6% in 2017, then increased again in 2019 by 0.9% to 45.5%.

7. Liquidity Method Analysis (Liquidity)

Table 6. Amount of LDR Bank BNI Credit in 2017-2019

Year	Ldr Ratio	Credit Value Percent	Maximum
2017	239.3%	451.43	100
2018	210.7%	452.57	100
2019	157.0%	454.72	100

Source: Data processed from Bank BNI in 2019

Based on the results of this study, it can be seen that the LDR ratio value at BNI Bank is at the Unhealthy health level because it is in the LDR value criteria > 120%. It is known that in 2018 the LDR value decreased by 28.6% to 210.7% from 2017 at 239.3%, then decreased again in 2019 by 53.7% to 157.0%.

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B. Discussion

After calculating the financial performance ratio at the State-Owned Bank, it will be known the financial soundness assessment based on the CAMEL method that has been obtained. This is intended to assess whether or not the financial performance of state-owned banks in the last 3 years, namely 2017-2019. According to Bank Indonesia regulations, the healthy category can be grouped into four groups which can be seen in the following table:

Table 7. CAMEL Method Criteria

Credit Score	*Predicate*
81-100	*Healthy*
66-<80	*Healthy enough*
51-<67	*Unwell*
<51	*Not healthy*

Source: Data from Bank Indonesia

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Table 8. Results of Financial Performance Evaluation Using the CAMEL Method at BNI Bank in 2017-2019

Year	Factor Prating	Indicator Performance	NRatio value (%)	Nvalue Credit	Weight (%)	Nvalue CAMEL
2017	Capital (Capital)	CAR	18.53%	100	25%	25
	Assets (Assets)	HOOD	42.38%	13.67	30%	4.10
	Mmanagement	NPM	30.78%	30.8 25%		7.7
	Earnings	ROA	1.94%	100	5%	5
	(profitability)	BOPO	45.58%	100	5%	5
	Liquidity (Liquidity)	LDR	239.35%	100	10%	10
		fridayis CAMEL's Value				56.80
Year	Factor Prating	Indicator Performance	NRatio value (%)	Nvalue Credit	Weight (%)	Nvalue CAMEL
2018	Capital (Capital)	CAR	18.50%	100	25%	25
	Assets (Assets)	HOOD	126.42%	8.07	30%	2.42
	Mmanagement	NPM	30.94%	30.9	25%	7.73
	Earnings	ROA	1.87%	100	5%	5
	(profitability)	BOPO	44.66%	100	5%	5
	Liquidity (Liquidity)	LDR	157.04%	100	10%	10
		fridayis CAMEL's Value				55.15

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Year	Factor Prating	Indicator Performance	NRatio value (%)	Nvalue Credit	Weight (%)	Nvalue CAMEL
2019	Capital (Capital)	CAR	19.73%	100	25%	25
	Assets (Assets)	HOOD	52.53%	13.00	30%	3.90
	Mmanagement	NPM	29.82%	29.8	25%	7.45
	Earnings	ROA	1.83%	100	5%	5
	(profitability)	BOPO	45.54%	100	5%	5
	Liquidity (Liquidity)	LDR	157.04%	94.6	10%	9.46
		fridayis CAMEL's Value				55.81

Source: Data processed from Bank BNI in 2019

Based on the table above, the results of the calculation of the CAMEL ratio value are shown, so the results of a financial health assessment with the CAMEL ratio can be made, especially in 2017-2019, which are presented in the following table:

Table 9. Results of the 2017-2019 Bank BNI Financial Soundness Assessment

Year	Nvalue CAMEL	PBank Health Credit
2017	56.80	Unwell
2018	55.15	Unwell
2019	55.81	Unwell

Source: Data processed from Bank BNI in 2019

The table above shows that the results of the calculation of the Bank's financial health

BRI in 2017 was 56.80, in 2018 it was 55.15 and in 2019 it was 55.81. From the results of the CAMEL value for the last 3 years in 2017-2019, it is shown that the CAMEL value in 2017-2019 is in the range of criteria 51 -< 67, so it can be stated that the financial performance of BNI Bank is in the Unhealthy predicate.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the results of research that has been carried out by researchers, it can be presented a number of conclusions from the results of the study as follows:

1. The results of the calculation of the financial health of Bank BNI in 2017 were 56.80, in 2018 it was 55.15 and in 2019 it was 55.81. From the results of the CAMEL value for the last 3 years in 2017-2019, it is shown that the CAMEL value in 2017-2019 is in the range of criteria 51 - < 67, so it can be stated that Bank BNI's financial performance is in the Unhealthy predicate.

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2. It can be concluded that the average level of soundness at BNI Bank registered with OJK in the last 3 years in 2017 was 78.99, in 2018 it was 76.23, and in 2019 it was 67.60 which was in the 66 criteria range.
3. - <80, so it can be said in the predicate quite healthy.

B. Suggestion

Based on the conclusions that have been conveyed previously, the researcher would like to convey a number of suggestions as follows:

1. Researchers provide advice to state-owned banks to conduct financial performance analysis using the CAMEL method periodically, this is intended so that this method can be used as a bank review to determine the soundness of the bank's financial performance as well as consideration in improving financial performance in the future .
2. Future researchers are expected to be able to use this research as a reference by adding other factors that can affect the value of the company in accordance with the development of the banking industry in Indonesia so that there are other measuring tools that are more varied so that the results obtained can be more comprehensive and can extending the same research to the banking industry.

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Implementation of Liquidity, Profitability, Solvency and Activity on Stock Prices of Food and Beverages Sub Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 Period

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Purpose: Determine the effect of liquidity ratios, profitability, solvency and activities of food and beverage sub-sector companies listed on the Indonesia Stock Exchange on stock prices.

Design/methodology/approach: The analysis carried out is quantitative analysis using multiple linear regression to answer the problem formulation and determine the effect of predetermined variables.

Findings: Profitability, solvency and activity variables partially affect stock prices, liquidity variables partially have no effect on stock prices. Simultaneously, the variables of liquidity, solvency, profitability and activity affect the stock price of banking companies listed on the Indonesia Stock Exchange.

Practical implications: Intensify business in the economic field

Originality/value: This paper is original

Paper type: Research paper

Keywords: *Activity, Liquidity, Profitability, Solvency, Stock Price*

Received : September 4th
Revised : September 16th
Published : November 30th

I. INTRODUCTION

Economic growth is a measure of the success of the development of the Berseni State. An economy is considered to be in high growth if all Raheel allowances for Berseni's production factors in a year are greater than the income received by the community in the previous year (Istanti, Negoro, & GS, 2021). Financial statements play a very important role in analyzing a company (Istanti, 1), et al., 2021).

The current economic development is very rapid due to globalization which makes every company must be able to compete to provide the best for its customers (Istanti et al., 2022). In analyzing the company's performance which is closely related to the financial statements, financial ratio analysis is used (Istanti, Negoro, & Gs, 2021). Financial ratios can help business people and the government in analyzing and evaluating the company's past, present financial condition and projecting future results or profits. In general, financial ratios can be grouped into the ratio of Liquidity, Profitability, Solvency and Activity to Stock Price.

So that this sector more accurately reflects the situation of the capital market, the Indonesia Stock Exchange. Because the stock prices of these industrial enterprises rise annually, many investors prefer to place their money in the food and beverage sector. However, the stock price of the food and beverage sector is extremely unpredictable. Additionally, the status of the Indonesian economy has a significant impact on how much the stock price of the food and beverage sector fluctuates. Similar to a few years ago, when there was a global crisis, the stock values of companies in the food and beverage sector dropped. Rising inflation and higher interest rates were the main factors contributing to the drop in stock prices.

The increase in inflation led to an increase in raw material prices as well as an increase in operating costs. In addition, this increase in inflation causes interest rates to also increase so that investors prefer to invest their funds in deposits rather than investing in the capital market. The purchasing power of the people also decreased when the global crisis occurred and caused a decline in sales for the food and beverage industry companies. The decline in sales accompanied by rising prices of raw materials and operating costs resulted in a decrease in net income of most food and beverage industry companies.

Food and averages companies are the ones that will be under investigation on the Indonesia Stock Exchange (IDX). The company has a strong business foundation, as seen by the growth of its assets year after year and the size of its marketing footprint. A company's assets do not, however, guarantee that it will be successful in all of its endeavours. An evaluation and analysis that can inform interested parties on the company's development is conducted to determine whether there has been advancement in the organization. The researchers are interested in undertaking additional research using the title rates based on the description above. "The Influence of Liquidity, Profitability, Solvency, and Activity on Stock Prices in Food and Beverages Sub-Sector Companies listed on the IDX for the 2017-2021 Period".

A. Literature Review

1. Liquidity

Liquidity is the company's ability to meet its short-term obligations, or financial obligations that must be met immediately (Kasmir, 2019). This study uses a liquidity ratio represented by the Current Ratio (CR) which is a comparison between current assets and current liabilities, describing how the current assets are able to finance their current liabilities.

According to Munawir (2011:74) Because inventory takes a while to turn into cash, the quick ratio measures the company's capacity to meet its obligations without taking inventory into consideration. Due to the fact that it exclusively contrasts highly liquid assets (those that can be quickly liquidated or cashed) with current liabilities, this ratio is sharper than the current ratio. Thus, how many resources can currently be accessed to cover the expected temporary obligations soon. Now Proportion can also be said as a structure to measure the degree of security (edge) of an organization (Poniwatie et al., 2021).

2. Profitability

Profitability is a reflection of the company's ability to generate profits (Rahardja, Pratama and Manurung, 2008). Net Profit Margin is the component of this ratio. The amount of net profit brought in by sales is indicated by this ratio. The ability of a business to turn a profit in relation to sales, total assets, and own capital is known as profitability. Therefore, this profitability study will be of great interest to long-term investors. For instance, shareholders will see profits that are really paid out as dividends (Weston, 2020).

3. Solvency

The debt-to-equity ratio (DER), which compares the total amount of debt and equity held by the company, is one measure of the company's long-term viability. This ratio indicates the proportion of debt to equity held by the company (Kasmir, 2012). Activity is a company's ability to demonstrate efficiency in the use of its assets. This ratio is used to assess the efficiency with which the company uses and manages the company's resources. This ratio is a measure that shows the company's ability to perform day-to-day activities such as sales, debt collection, inventory management, working capital management, and management of all assets.

4. Stock price

Stocks are one of the securities traded on the IDX, as well as bonds and certificates (Istanti, 2022). According to Baridwan (2015) The shares are a deposit of a sum of money by the owner as proof of ownership which is presented to the subjects who manage the capital pool and have rights based on the type of shares held.

II. METHODS

A. Population

The population of this study is made up of agribusiness manufacturing companies listed on the Indonesian Stock Exchange (IDX) for the period 2012-2016. The total population is 12 companies. The sample of this research is composed of 7 agribusiness manufacturing companies listed on the Indonesian Stock Exchange (IDX) for the period 2012-2016.The analysis used is a quantitative analysis. An explanation of the relationship model in this study used multiple linear regression analysis.

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B. Types of research

This research was designed using quantitative data analysis and using questionnaire data collection methods. This research is categorized as causal research type because one variable is correlated with other variables i.e. independent variable and dependent variable. According to Sugiyono (2019) causal relationship when there is a dependent variable (variable of influence) and a dependent variable (variable of influence). This study uses a quantitative approach. Based on Sugiyono (2019) The quantitative research method is research that uses research data in the form of numbers and analysis using statistics.

III. RESULTS AND DISCUSSION

A. Descriptive statistics

The following presents the results of descriptive data on liquidity, profitability, solvency and activity on stock prices in manufacturing companies in the Food and Beverages sector for five consecutive years in 2017-2021:

Table 1. Descriptive Statistics of Stock Prices of Manufacturing Companies in the Food and Baverages Sector Listed on the IDX in 2017-2021

Descriptive Statistics

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
CRA (X1)	*35*	*,16784*	*4,84364*	*1,8075709*	*,88402483*
ROA (X2)	*35*	*,021109*	*,175107*	*,08112063*	*,041513992*
DER (X3)	*35*	*,214937*	*1,719018*	*1,04503986*	*,399910102*
TATO (X4)	*35*	*697603*	*13,255210*	*1,88679591*	*2,069991292*
Share Price (Y)	*35*	*180*	*30500*	*4793,74*	*7389,637*
Valid N (listwise)	*35*				

Source: Researcher (2022)

B. Analysis of Research Results and Hypothesis Testing

1. Normality test

The results of normality testing in this study are shown in the following figure:

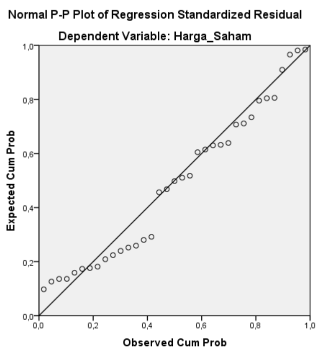

Figure 1. Normality test

Source: Data processed

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Based on Figure 1, the data is known to spread around the diagonal line and follow the direction of the line or if the histogram graph shows a normal distribution pattern, the regression model satisfies this assumption.

2. Multicollinearity Test

The results of multicollinearity testing in this study are shown in the following table:

Table 2. Multicollinearity Test

Coefficients[a]

Model		Correlations			Collinearity Statistics	
		Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)					
	CRA	,354	,259	,200	,646	1,549
	ROA	,419	,469	,397	,585	1,708
	DER	-,357	-,489	-,419	,963	1,039
	TATO	-,043	,405	,331	,644	1,552

Source: Researcher (2022)

Based on the data in the table, it can be concluded that the tolerance number is greater than 0.1 and the VIF value is less than <10, so it can be interpreted that there is no multicollinearity between the variables independents and the regression model. These data show that the multicollinearity hypothesis is satisfied.

3. Heteroscedasticity Test

Table 3. Heteroscedasticity Test

Coefficients[a]

Model		Unstandardized Coefficients			T	Sig.
		B	Std. Error	Beta		
	(Constant)	,547	,298		1,838	,076
	CRA	-,382	,214	-,361	-1,784	,085
1	ROA	,143	,230	,132	,621	,539
	DER	,318	,181	,291	1,757	,089
	TATO	,066	,235	,057	,280	,781

Source: Researcher (2022)

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Based on the results above, the significance value of the four variables is above 0.05 so it can be concluded that this regression model passes the heteroscedasticity test.

4. Autocorrelation Test

The following are the results of the autocorrelation test in this study:

Table 4. Autocorrelation Test Results

Model Summary

Model	*Change Statistics*			*Durbin-Watson*
	df1	*df2*	*Sig. F Change*	
1	*4*[a]	*30*	*,001*	*1,287*

Source: Researcher (2022)

Based on the results of the Durbin Watson test in the table above, the value of Durbin Watson is at 1.287, which means that there is no autocorrelation problem in the sample of this study.

5. Multiple Linear Regression Analysis

Table 5. Regression Analysis

Coefficients[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	*T*	*Sig.*
		B	*Std. Error*	*Beta*		
1	*(Constant)*	*4,939*	*,588*		*8,396*	*,000*
	CRA	*,621*	*,424*	*,249*	*1,467*	*,153*
	ROA	*1,324*	*,455*	*,519*	*2,909*	*,007*
	DER	*-1,097*	*,357*	*-,427*	*-3,070*	*,005*
	TATO	*1,129*	*,465*	*,413*	*2,426*	*,021*

Source: Researcher (2022)

The model used in multiple linear regression:$Y = 4.939 + 0.621X1 +1.324X2 - 1.097X3+ 1.129X4 + e$

6. Coefficient of Determination

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Table 6. Coefficient of Determination (R2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	,664[a]	,440	,366	,47446	,440	5,904

Source: Researcher (2022)

The value of the coefficient of determination or R2 is used to measure the extent to which the model's ability to explain the change in the dependent variable or dependent variable (Y) is the share price variable. The level of objection to the determination ratio (R2) is 0.440 or 44%. This shows that 44% of the share price can be explained by the Liquidity, Profitability, Solvency and Asset variables. While the rest (100% - 44% = 56%) is explained by other reasons outside the model.

C. Hypothesis testing
1. Statistical t test

Table 7. t test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,939	,588		8,396	,000
	CRA	,621	,424	,249	1,467	,153
	ROA	1,324	,455	,519	2,909	,007
	DER	-1,097	,357	-,427	-3,070	,005
	TATO	1,129	,465	,413	2,426	,021

Source: Researcher (2022)

The confidence level is 5% or 0.05. The table above shows that the results of the t test for the variable “Liquidity” has a value of 1.467 with a significance of 0.153 > 0.05, for the variable “Profitability” a value of 2.909 with a significance of 0.007 < 0 .05, the “Solvency” variable receives a value of -3.070 with a significance of 0.005 < 0.05. the activity variable was given a value of 2.426 with a significance of 0.021 < 0.05.

2. F test

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Table 8. F Test Table

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	5,317	4	1,329	5,904	,001[b]
1	Residual	6,753	30	,225		
	Total	12,070	34			

Source: Researcher (2022)

The results of the aforementioned F-test show that the independent variables Liquidity, Profitability, Solvency and Asset in general or collectively significantly affect the share price. This is evident from the significance value of F of 0.001 <0.05.

3. Test that has a dominant effect on stock prices (Y)

Table 9. Dominant Affecting Variables

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	4,939	,588		8,396	,000
	CRA	,621	,424	,249	1,467	,153
1	ROA	1,324	,455	,519	2,909	,007
	DER	-1,097	,357	-,427	-3,070	,005
	TATO	1,129	,465	,413	2,426	,021

Source: Researcher (2022)

From standard (B) or normalized coefficients. The default value of the coefficient of the liquidity variable is 0.249, the profitability variable is 0.519, the default value of the coefficient of the solvency variable is -0.427, the default value of the activity coefficient is 0.413. Among some of the variable values above, the dominant variable for stock price is the profitability variable.

D. Discussion

Based on the results of the research conducted on the independent variables Liquidity, Profitability, Solvency and Asset, the value of R Square (R2) of 44% can be explained so that the share price of 44% can be explained by the independent variables of Liquidity, Profitability, Solvency and Assets, while the remaining 56% is explained by other variables outside of this study.

1. Effect of Liquidity variable on Stock Price

According to the results of the study described above, the results of the t-test table for the liquidity variable are 1.467 with a significance of 0.153 > 0.05. This figure shows that the first variable is accepted in this study, that is, liquidity has a positive impact on stock prices.

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2. The Effect of Profitability Variables on Stock Prices

According to the results of the research described above, the results of the T test for the Profitability variable obtained a value of 2.909 with a significance of 0.007 <0.05. This figure shows that the second variable in this study is accepted, meaning that profitability has a positive effect on stock prices.

3. The Influence of Solvency Variables on Stock Prices

According to the results of the study described above, the results of the T-test for the solvency variable were equal to -3.070 with a significance of 0.005 <0.05. This figure shows that the third variable is rejected in this study, which means that solvency has a significant effect on stock prices.

4. The Effect of Activity Variables on Stock Prices

According to the results of the study described above, the results of the t-test for the firm size variable reached a value of 2.426 with a significance of 0.021 < 0.05. This graph shows that the fourth hypothesis of this study is accepted, namely that activity has an impact on stock prices.

5. Effect of Liquidity, Profitability, Solvency and Activity variables on stock prices

According to the results of the study described above, the F-test results were 5.904 with a significance of 0.001 <0.05. If together a company that has large assets to guarantee its debts can make a profit, has a low risk of bankruptcy, then the investors will invest their capital in the company. For example, the Liquidity, Profitability, Solvency and Asset variables simultaneously (together) affect the Share price.

IV. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the results of data analysis regarding the Effect of Liquidity, Profitability, Solvency and Activity on Stock Prices in Food And Beverages Companies listed on the IDX for the period 2017-2021, it can be concluded that:

1. The results of the study show that the Liquidity variable has no effect on the Stock Price
2. The results of the study show that the profitability variable has a positive influence on stock prices
3. The results showed that the solvency variable had a negative effect on stock prices
4. The results of the study show that the activity variable has a positive influence on stock prices
5. The results showed that the variables of Liquidity, Profitability, Solvency and Activity had a positive influence on stock prices
6. Test Results The coefficient of determination in this study obtained an Adjusted R2 value of 0.366. This shows that 44% of stock price variations can be explained by variations in liquidity, profitability, solvency and activity, while the remaining 56% is explained by other factors not examined in this study.

B. Suggestion

Based on the conclusions and limitations described above, some suggestions can be made as follows:

1. For Manufacturing Companies in the Food And Beverages Industry Sector

It is expected that many Manufacturing Companies will reduce Solvency and increase Profitability and Activities to have an impact on Share Prices.

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Soybean Imports in Indonesia

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ABSTRACT

Purpose: Based on its various uses, it produces a high level of consumption of soybeans, but this is not balanced with sufficient domestic production. The increasing population of Indonesia, this further increases the level of soybean consumption. The prospects for soybean development are very good considering that demand continues to increase as the population increases. The growth in soybean demand over the past 34 years is quite high, in line with population growth and the development of the soybean-based food industry. Demand growth is increasingly unbalanced by production growth, so since 1976 Indonesia has always been a net importer of soybeans. The objectives to be achieved in this scientific study are 1) To analyze how much influence soybean production has on soybean imports in Indonesia.

Design/methodology/approach: The object of research in this study is Indonesia. The subjects to be studied are soybean imports, to see whether soybean production, soybean consumption, producer soybean prices, the rupiah exchange rate against the United States dollar, soybean exports and soybean import demand in the previous year affected soybean imports using data from 1994 to 2020. The data used in this study is time series data.

Findings: The results showed that the Variables of Soybean Production, Soybean Production of Previous Years, Soybean Consumption, Soybean Price consumption of the Previous Year, Soybean Price of the Previous Year, Exchange Rate, soybean exports and soybean exports of the previous year simultaneously influenced the demand for soybean imports in Indonesia.

Originality/value: This paper is original

Paper type: Research article

Keyword: *Import, Indonesian Soybean Production*

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I. INTRODUCTION

The demand for soybean commodities is dominated by the processed food industry. Various industries in Indonesia use soybeans as the main raw material in their production. Some of these industries include the soy sauce industry, tofu industry, tempeh industry, soy milk industry, and taoco. According to Tahir et al. (2010), over the past decade the demand for soybeans in Indonesia increased by an average of 8.74% per year. On the other hand, supply from domestic production continues to decline due to the decline in the area of harvested areas. Zakaria et al. (2010) revealed that the decline in crop acreage was due to the lower participation of farmers in soybean farming. Therefore, efforts to improve the quantity and quality of production in Indonesia are serious challenges to maintain the continuity of soybean production development.

According to Ramadhani & Sumanjaya (2014) in his research stated that several obstacles in an effort to increase soybean production in the country, one of which is the way of growing soybeans which tends to be complicated, causing a number of farmers to switch land functions and restrain the pace of production. In addition, growing rice and corn crops is still more profitable at the level of farm business costs compared to soybeans which are less intensive than the government.

The increase in soybean consumption is so rapid and cannot be offset by the increase in domestic soybean production, so there is a gap. The gap was closed with imported soybeans that seized a lot of foreign exchange.

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Since the soybean trade was separated from BULOG starting in 1991 soybean imports have increased very rapidly (Sudaryanto & Swastika, 2007). Domestic soybean prices and world soybean prices also affect the volume of soybean imports in Indonesia because soybean prices will affect the amount of soybean demand. Cheap world soybean prices and the absence of import burdens have caused the non-conducive development of soybeans in the country. Dependence on soybean imports in Indonesia has a negative impact, namely soybean imports will kill the domestic soybean industry and agricultural sectors due to the low price of imported soybeans, so the government needs to review the soybean import policy in Indonesia.

II. METHODS

A. Soybean Demand in Indonesia

Demand is the large number of goods requested on a particular market with a certain price level and in a certain period. The law of demand says that for normal goods there is an inverse relationship between price and quantity, that is, if the price increases, the quantity that consumers want to buy will decrease. The law of demand only applies when the condition of the paribus cateris or it is assumed that other factors have not changed (Putong, 2002:32). There are three important things in the concept of demand. First, the quantity requested is the desired quantity. Second, what is desired is not an empty expectation, but is an effective demand, meaning the amount by which people are willing to buy at the price they have to pay for the commodity. The quantity demanded is a continuous flow of purchases (Lipsey et al., 1995).

III. RESULTS

Some of the factors that influence demand include:

A. Production

Production is expressed as a tool of procedures for activities that occur in the creation of commodities in the form of farming and other businesses. Factors – production factors used for the production process include; land, labour, capital, fertilizers, pesticides and technology. The production process known as plant cultivation is the process of farming in the process of farming in the process of producing fresh material (Hadi & Hadianto, 2013).

B. Consumption

Public consumption expenditure or what is called "consumption" is one of the macroeconomic variables which is the expenditure made by households to goods - final goods and services with the aim of meeting the needs of the people who carry out the spending or also known as income spent (Dumairy, 2004).

C. Price

According to Case (2007) in Sari et al. (2014) states that in addition to the price factor of such products, the cost of production depends on the price of inputs and technological production. The increase in input prices also caused the supply curve to shift. If farmers face higher input costs, then the supply curve will shift to the left , which will produce less than a certain market price, so farmers need to increase prices so that farmers can continue to produce.

D. Exchange rate

According to Blanchard (2011: 398) in Aimon & Satrianto (2014) it is dependent on domestic income or output and the rupiah exchange rate. The implications of the theory and function of imports also need to be *reduced form,* because in international trade domestic output becomes an identity as well as in the consumption function. In this regard, the import function is influenced by the consumption of the commodity concerned and the real exchange rate (rupiah is facing US$).

E. International Trade Policy

International trade can be interpreted as trade transactions between the economic subjects of one country and another country, both regarding goods and services. Trade or exchange in this case goods and services can be interpreted as a process of exchange based on the will of each party. In this case, each party must have the freedom to determine the profit and loss of the process of exchanging goods and services. Judging from the interests of each party and then determining whether one of the parties to the transaction is willing or not in

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making an exchange. But there are basically two theories that explain the emergence of the theory of international trade (Boediono, 2000).

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Interaction of Ethics and Understanding of Auditor Information Systems in Determining Audit Quality

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ABSTRACT

Purpose: This research to analysis internal and external factors influencing audit quality. Internal factors include independence, competence, understanding of information system and audit ethic. Meanwhile, external factors involve time budget pressure and audit fees.

Design/methodology/approach: Of this study was using survey by distributing questionnaires via online and offline with auditor respondent in Java Island. The respondents are 35 auditors who are spread around Surabaya. Hypothesis testing used regression test and interaction test.

Finding: The results in this study were Competence and Independence had a positive effect on Audit Quality; Audit Fee and Time Budget Pressure had no effect on Audit Quality; (Interaction between Auditor Competencies) Auditor Ethics had no effect on Auditor Quality; (Interaction between Auditor Independence) Auditor Ethics had a negative effect on Auditor Quality; (Interaction between Time Budget Pressure) Understanding of Information Systems had no effect on Audit Quality.

Research limitation/Implication: In this research only auditor respondent in Surabaya.

Practical Implication: Is understand the factors that influence audit quality.

Originality/value: This research is factors influencing audit quality to auditors in Surabaya.

Paper type: Is research paper

Keyword: *Audit Quality, Competence, Ethic, Fee, Independence, Information System, Time Budget Pressure*

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I. INTRODUCTION

Audit quality is closely related to audit ethics, where according to (Simanjuntak, 2008) audit quality is a systematic and independent examination to carry out activities, quality, and results by existing regulations, with the hope that an auditor must behave professionally as a profession that obeys the code of ethics. Where the auditor must carry out his duties to make decisions about what behaviour should be made and not be wrong in making unethical decisions by not thinking about self-interest and always remembering commitments and responsibilities. In addition, the auditor must have the experience to be more proficient and think more critically about audit findings. In addition to ethical issues in determining audit quality, audit fees also influence it. (Haryono Jusup, 2014) states that the audit fee is the number of professional fees that are considered by their performance. In general, the determination of the audit fee is determined based on the contract between the auditor and the client by the length of the audit process, audit services, and the number of members needed in the audit process.

Client-imposed time constraints also affect test quality. Time budget pressure is also caused by increased competition between accounting firms (KAP), where this pressure creates personal stress caused by an imbalance between tasks and available time. This indicates that the demand for financial reports with a limited time is a separate pressure for the auditor. Stressful conditions cause the auditor to tend to behave dysfunction ally, for example, to prematurely sign off, or to place too much trust in the client's explanations and presentations, which in turn will have an impact on the results of low-quality financial reports..

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The existence of environmental changes such as understanding technology requires auditors to be able to anticipate them, namely by understanding and mastering the information system. If the auditor does not understand and master the information system that is being developed, it means that the auditor's audit segment is also limited. That is, only companies that do not use information technology. Understanding client information systems helps us conduct audits smoothly and produce higher quality reports. Information technology assistance that has been designed by the Financial Professional Development Centre (PPPK) and the Indonesian Institute of Accountants (IAPI) is the ATLAS (Audit Tools and Linked Archive System) software. Auditors are required to follow business developments and existing standards at all times. One of the implications of implementing auditing standards based on International Standards on Auditing (ISA) is that auditors need to understand these international standards and how to apply them in practice. This requires one or more tools that help the auditor apply the audit criteria. An understanding of the information system will assist the auditor in determining appropriate audit procedures and can reduce the complexity of auditing activities. Auditors who conduct audits on companies that have information systems with technology will of course need a comprehensive analysis to determine the steps of the audit program, of course this will increase the complexity of the audit and the pressure of the time budget. This study tries to improve the implications of previous research conducted by Faten and M. Ali 2010 where previous research has not found the correct model related to audit quality which was previously measured by KAP size, tenure and specialists owned. This study tries to develop from several previous studies related to audit quality. Factors that affect audit quality come from internal factors which include independence, competence, understanding of information systems and audit ethics, while external factors include time budget pressure and audit fees. These factors become special problems that will be tested in this study in order to obtain an audit quality model.

There are so many phenomena regarding audit deviation cases. The latest facts related to the audit quality are questionable with the emergence of the case of PT. Garuda Indonesia where the Ministry of Finance sanctioned KAP Tanubrata, Sutanto, Fahmi, Bambang & Rekan and Public Accountant Kasner Sirumapea with a license suspension for 12 months 2019. There were 3 things that were violated, namely: firstly, they did not properly assess the substance of the transaction related to the recognition treatment. receivables and other income at once up front which is considered to be in violation of SA 315 concerning Identifying and Assessing the Risk of Material Misstatement through Understanding the Entity and Its Environment. Second, violating SA 500 related to public accountants not yet fully obtaining sufficient and appropriate audit evidence to assess the appropriateness of accounting treatment in accordance with the substance of the transaction and the agreement that underlies the transaction. The third violated SA 560 related to public accountants not considering facts after the date of the financial statements, as the basis for considering the appropriateness of treatment. (economy.okezone.com,).

Based on this incident, dare to violate the Code of Ethics, such as improper accountability under the law, inappropriate use of skills, vulnerability to clients or other stakeholders, lack of trust, etc. We can conclude that there are still many auditors. The information presented in the financial statements, the assessment of the financial statements is not in accordance with the actual situation, and the payment of audit fees is not commensurate with the auditor's performance. Obviously, manipulation of financial statements reduces the quality of information.

Several studies that discuss audit quality include (Dessler & Gary, 2007) which reveals that an auditor's ethics based on the principles of a code of ethics can strengthen the relationship between competence and audit quality. As well as research by Singgih et al. (2010), Mabruri & Winarna (2020), Haeridistia & Fadjarenie (2019) reveal that the attitude of the independence of external auditors has a very significant influence on audit quality. According to Hoitash et al. (2007) and Dhaliwal et al. (2008) auditor fees occur when the auditor negotiates with management regarding the amount of fees to be paid, this is most likely a reciprocal concession that will reduce the quality of the audited report. From several previous studies, making this topic important to study so that this study wants to analyze the influence of competence, independence, audit fees, time budget pressure, understanding of information systems and ethics on audit quality

II. METHODS

Auditors working at The Big Four and Non-The Big Four Public Accounting Firms, which consist of 471 KAPs in Indonesia as of July 2022, are the population of this study, while the sample is auditors located on the island of Java. Sampling was done on the island of Java because many KAPs in Indonesia are domiciled on the island of Java and the head office of The Big Four KAPs is located in Jakarta (Active KAP Data of the Ministry of Finance). Data collection by survey method through google forms and questionnaires. The questions in this study use a Liker scale with the following grid: Auditor Competency Variables are measured by personal quality

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indicators, general knowledge indicators and special skills indicators. The time budget pressure variable is measured by the auditor's attitude indicator using audit time and the auditor's attitude indicator in decreasing audit quality. Auditor Ethics variable is measured by indicators of auditor professional responsibility, integrity indicators, and objectivity indicators. The auditor independence variable is measured by the relationship indicator with the client, the independent indicator of the implementation of the work, this indicator of the independence of the report. The audit quality variable is measured by indicators of compliance with audit standards, indicators of quality of audit reports. Audit fees are measured by indicators of audit risk, indicators of the complexity of the services provided, indicators of the level of expertise in the industry and indicators of KAP's fee structure. Hypothesis testing in this study started from validity, normality, and multiple regression and moderation tests.

A. Auditor competence has an influence on auditor quality

Competence based on the definition of Arens et al. (2012) states that competence is a must for auditors to have formal education in the field of auditing and accounting, adequate practical experience for the work being carried out, and follow continuous professional education. To improve audit quality, an auditor is very dependent on his level of competence, so if the competence of the auditor is very high, the auditor will easily carry out his duties and will produce quality audit reports and vice versa. Competence in this study is seen from the point of view of the individual auditor who is directly related to the audit process as seen from his knowledge and experience. Which will result in a quality audit. This indicates for the first hypothesis that the competence possessed by the auditor is very influential on the quality of the audit it produces. Competence affects audit quality according to research by Suryo & Medianto (2016), W et al. (2014), and is not in line with Nuraini (2013). Competence is also closely related to the ethics of an auditor, where the code of ethics itself is the auditor's behaviour rules in accordance with the demands of the profession and organization as well as audit standards that is a measure of the minimum quality that must be achieved by the auditor in carrying out his duties. Compliance with the code of ethics only results from a well-planned educational program that regulates itself to improve understanding of the code of ethics. The results of research by Dessler & Gary (2007) state that the existence of a code of ethics has a positive impact on the quality of assessments made by professional accountants. This indicates that the ethics of an auditor based on the principles of the code of ethics is able to strengthen the relationship between competence and audit quality produced by an auditor. The description concludes a provisional assumption that H1 Auditor competence has an influence on auditor quality and H5 Interaction of competence and auditor ethics has an influence on auditor quality.

B. Auditor independence has an influence on auditor quality

According to Louwers & J. (2015) the principle of responsibility requires the auditor to maintain independence in mental attitude and independence in appearance. By considering independence, auditors are expected to be impartial, non-discriminatory, and to respect all professional judgments and all audited accounts. The appearance of independence is related to the auditor's perception of independence. For example, if the auditor has no direct or indirect financial interest, the auditor should not consider that any part of his actions that might appear to affect his independence in forming an audit opinion should be avoided. The quality and professional value of an audit If the independence of the auditor is in doubt, users of the audited financial statements will question whether the motives of the public accounting firm in completing their audit tasks, which can reduce the value of the audit. Independence protects the auditor's ability to form judgments and allows the auditor to have an unbiased view of the audit process. Francis (2011) states that audit quality exists when the auditor is competent and can work independently. Singgih et al. (2010) research supports the hypothesis that independence has a significant effect on audit quality. Similarly, research by Mabruri & Winarna (2020) also supports the hypothesis that partial independence has a very positive effect on audit quality. If a person already has an independent attitude, both independence in metal attitude and independence in appearance, then obedience to the code of ethics results from a well-planned educational program that self-regulates to improve understanding of the code of ethics. This indicates that the ethics of an auditor based on the principles of the code of ethics is able to strengthen the relationship between independence and audit quality produced by an auditor. The description concludes a provisional assumption that H2 auditor independence has an influence on auditor quality and the next H6 is the interaction of independence and auditor ethics has an influence on auditor quality.

C. Audit fees have an influence on auditor quality

The audit fee is income and the amount depends on several factors in the audit work, such as the accounting firm that provides audit services. Quality is a component of professionalism that must be maintained by a public accountant. Audit fees have a positive impact on audit quality, when the auditor negotiates with management regarding the amount of fees that must be paid by management on the work of the audited report.

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Hoitash et al. (2007) found evidence that when the auditor negotiates with management regarding the fee rate that must be paid by the management on the work of the audited report, it is likely that reciprocal concessions will occur which will reduce the quality of the audited report. This action leads to actions that override professionalism, where the reciprocal concession will reduce the importance of maintaining the quality of the auditor. Dhaliwal et al. (2008) also investigated the relationship between non-audit fees, and total auditor fees and audit quality. This proves that audit fees have an effect on audit quality. Thus H3 is the audit fee has an influence on the quality of the auditor.

D. Time budget pressure has an effect on auditor quality

Time budget pressure can be said to be a situation that shows the auditor to be efficient on the time budget that has been prepared or there is a strict and rigid budget time discussion. produce quality products in a limited time is a difficult thing to do. This indicates that time budget pressure has an influence on audit quality where the auditor will tend to take actions that cause a decrease in audit quality. To suppress the time budget pressure where the auditor can behave in various ways to produce quality products in a limited time can be minimized when the auditor has an understanding of information systems both in terms of knowledge about the information system itself, information systems owned by clients and the benefits of information systems. the. Auditors who conduct audits on companies that have information systems with technology will of course need a comprehensive analysis to determine the steps of the audit program, of course this will increase the complexity of the audit and the pressure of the time budget. This indicates that an understanding of information systems can strengthen the interaction between time budget pressure and the resulting audit quality. The length of time a person works as an auditor is an important part that affects audit quality. From this description, it can be concluded that the provisional assumption in this study H4 Time budget pressure has an influence on auditor quality and the second assumption is the interaction of time budget pressure and H7 understanding of information systems has an influence on auditor quality.

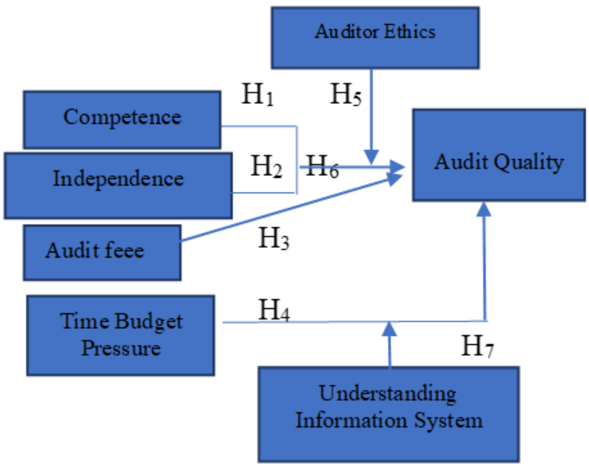

Figure 1. Research Model

III. RESULTS AND DISCUSSION

Respondents in this study were auditors on the island of Java. Based on the respondent's data, the area that has the highest number of auditors is the Surabaya area, which is almost 45 Public Accounting Firms. This indicates that the respondents in this study are dominated by auditors in the Surabaya area. The number of respondents in this study were 35 respondents. The distribution is done through google forms and questionnaire sheets which are distributed to the Public Accountant Office specifically for the Surabaya area.

The results of the R square test in this study had a value of 0.57% while the Cronbach alpha value for the validity and reliability test was 0.82% with 63 question items. This shows that the questionnaire in this study is reliable. The following table t test results:

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Table 1. t Test Results

Model	*Unstandardized Coefficients B*	*t*	*Sig*
(constant)	*-12.899*	*-0.997*	*0.327*
Competence	*0.760*	*3.980*	*0.000*
Independence	*0.742*	*3.731*	*0.001*
Audit fee	*0.142*	*0.709*	*0.484*
Time Budget Pressure	*0.234*	*1.111*	*0.276*
Auditors Ethics	*-0.063*	*-0.321*	*0.751*
Understanding of Information Systems	*-0.024*	*-0.251*	*0.804*

a. Dependent Variable : Audit Quality

Table 1. is used to test H1, H2, H3 and H4 where the Competence (H1) and Independence (H2) variables affect audit quality (hypotheses 1 and 2 are accepted), while audit fees (H3) and Time Budget Pressure (H4) have no effect. on audit quality (hypothesis 3 and 4 are rejected).

Table 2. Interaction Test Result (H5)

Model	*Unstandardized Coefficients B*	*t*	*Sig*
(constant)	*8.192*	*0.088*	*0.930*
Competence-Ethics	*-0.003*	*-0.107*	*0.915*
Competence	*0.728*	*0.482*	*0.633*
Auditor Ethics	*0.348*	*0.233*	*0.818*
Understanding of Information Systems	*-0.024*	*-0.251*	*0.804*

a. Dependent Variable : Audit Quality

The results of table 2. are used to test hypothesis 5 where the interaction of competence, auditor ethics on audit quality is rejected.

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Table 3. Interaction Test Result (H6)

Model	*Unstandardized Coefficients B*	*t*	*Sig*
(constant)	*-354.522*	*-3.434*	*0.002*
Independence-Ethics	*-0.160*	*-3.508*	*0.001*
Independence	*10.386*	*3.691*	*0.001*
Auditor Ethics	*6.411*	*3.841*	*0.001*

a. Dependent Variable : Audit Quality

The results of table 3. are used to test hypothesis 6 where the interaction of independence, auditor ethics on audit quality is accepted.

Table 4. Interaction Test Results (H7)

Model	*Unstandardized Coefficients B*	*t*	*Sig*
(constant)	*26.259*	*0.679*	*0.502*
Time Budget Pressure-Understanding of Information Systems	*-0.020*	*-0.535*	*0.597*
Understanding of Information Systems	*0.470*	*0.561*	*0.579*
Time Budget Pressure	*1.650*	*0.932*	*0.359*

a. Dependent Variable : Audit Quality

The results of table 4. are used to test hypothesis 7 where the interaction of time budget pressure, understanding of information systems on audit quality is rejected.

A. Effect of Competence on Audit Quality (H1)

Improving audit quality requires competence. This means that the auditor must have good personal qualities, appropriate knowledge and expertise in their field. Competence in this study is measured by the auditor's personal quality, general knowledge and special skills, while audit quality is measured by audit compliance with audit standards and increasing audit report quality. The results of statistical tests in this study indicate that the ability of the examiner has a positive effect on the quality of the test, with a significance value of 0.000. This shows that the auditor plays an important role in the activities of the audit process according to professional standards, so that the competence (personal quality, general expertise and special expertise) is the higher the audit quality. This research is in line with Afoan & Felisisima (2015) research.

B. Effect of Independence on Audit Quality (H2)

Independence in this study is measured by how the relationship with the client, the implementation of work and independence in the report, while audit quality is measured by the conformity of the examination with audit standards, the quality of the audit report. The results of statistical tests in this study indicate that independence has a positive effect on audit quality with a significance value of 0.001. Where audit quality and professional value depend on auditor independence. If the independence of the auditor is in doubt, users of the audited financial statements will question whether the motives of the public accounting firm in completing their audit tasks can reduce the value of the audit. This research is in line with Afoan & Felisisima (2015) research.

C. Effect of Audit Fee on Audit Quality (H3)

The audit fee in this study is measured by indicators of audit risk, the complexity of the services provided, the level of expertise in the client's industry and the fee structure at the Public Accounting Firm, while audit quality is measured by the conformity of the examination with audit standards, and the quality of the audit report. The results of statistical tests in this study indicate that audit fees have no effect on audit quality with a significant level of 0.484. This shows that audit risk, task complexity, expertise have no impact in determining the quality of audits in accordance with standards. It can be interpreted that to achieve quality performance is not influenced by the amount of fees obtained.

The findings in this study are not in line with the research of Kurniasih & Rohman (2014)which states that a higher fee will improve quality because the fees obtained and the estimated operational costs needed to carry out the audit process will improve the quality of the audit. This implies that rational company managers will not choose high-quality auditors and pay high fees if the company's condition is not good. So it can be concluded that the higher/lower the audit fee charged by the client company for audit services, the less impact on the quality of the resulting audit.

D. Effect of Time Budget Pressure on Audit Quality (H4)

The time budget pressure variable in this study was measured by the attitude of the auditor in using time, the attitude of the auditor in decreasing audit quality, while audit quality was measured by the conformity of the examination with audit standards, and the quality of the audit report. The results of statistical tests in this study indicate that time budget pressure or what is commonly called time budget pressure has no effect on audit quality with a significance value of 0.276. The results of this study are supported by Utami & Sirajuddin (2013). This condition requires an auditor to work to complete his audit report in accordance with a predetermined time, this will also have an impact on the auditor will tend to accelerate the process in completing his work and can also reduce the amount of work that should be done according to the audit program because of the time allotted..

The results of this study indicate that the time pressure imposed on the auditor in completing the audit program does not affect the quality of the audit it produces, although time pressure can affect a person's behaviour in decision making. Time pressure has no impact on professional attitudes and actions that can reduce the quality of the audit and the audit report it produces.

E. Effect of Interaction between Auditor Competence, Auditor Ethics on Auditor Quality (H5)

Auditor competence variable in this research is measured by personal quality, general knowledge and special knowledge, while auditor ethics variable is measured by auditor's professional responsibility, integrity, and objectivity. The results of statistical tests show that the interaction of competence and auditor ethics has no effect on the quality of the resulting audit with a significant value of 0.915. This shows that competencies related to personal quality, knowledge greatly affect the quality of the audit provided but are not related to auditor ethics in terms of responsibility, integrity and objectivity. So that the ethics of the auditor does not affect the competence of the auditor in improving the quality of the audit report. The results of this study are in line with the research of Alim et al. (2007) and Afoan & Felisisima (2015). The results of this study are not in line with the research by Dessler & Gary (2007) which states that the existence of a code of ethics has a positive impact on the quality of assessments made by professional accountants. In this study, it is not possible to prove that an auditor's ethics based on the principles of a code of ethics are able to strengthen/weaken the relationship between competence and audit quality produced by an auditor.

F. Effect of Interaction between Auditor Independence, Auditor Ethics on Auditor Quality (H6)

Auditor independence in this study is measured by how the relationship with the client, the implementation of work and independence in the report, while ethics is measured by the auditor's professional responsibility, integrity, and objectivity. The results of statistical tests show that the interaction of independence and auditor ethics has a negative effect on auditor quality with a significant value of 0.001. The results of this study are in line with the research of Deis & Giroux (1992) in Karnisa et al. (2015) which found that auditors and management did not reach an agreement in terms of performance, so this condition would encourage management to force auditors to take actions that are different from the standards included in opinion matters. It can be said that audit quality which is influenced by independence and ethics in carrying out audit duties is closely related to the behavior of the client to the auditor. Where the client really wants the audit results as expected so they tend to treat the auditor as well as possible so this requires the auditor to be independent. It can be said that professional responsibility, integrity and objectivity greatly affect the relationship between the independence of an auditor in improving the quality of his audit.

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G. Effect of Interaction between Time Budget Pressure, Understanding of Information Systems on Auditor Quality (H7)

Time budget pressure variable is measured by the auditor's attitude in utilizing audit time and in decreasing audit quality, while the information system understanding variable is measured by the level of use of accounting information systems and information system-based audit techniques. The results of statistical tests show that the interaction of time budget pressure and understanding of information systems has no effect on audit quality with a significance value of 0.597. The results of this study are in line with Afoan & Felisisima (2015). Auditors who conduct audits on companies that have information systems with technology will of course need a comprehensive analysis to determine the steps of the audit program, of course this will add to the complexity of the audit and time budget pressure. However, the results in this study indicate that the understanding of information systems does not strengthen/weaken the interaction between time budget pressure and the resulting audit quality. The length of time a person works as an auditor becomes an important part that affects audit quality regardless of understanding the auditor's information system.

IV. CONCLUSION

Conclusion First, Competence has a positive effect on Audit Quality with a significant value of +0.000. This shows that the more competent a person is, the higher the quality in auditing. Independence has a positive effect on audit quality with a significant value of + 0.001. This shows that the more independent, the more quality in auditing. The second conclusion, the Audit Fee has no effect on Audit Quality, a significant value of 0.484. This indicates that the audit fee given for the audit fee does not have an impact or does not motivate the auditor to provide quality in auditing. The third conclusion, Time Budget Pressure has no significant effect on Audit Quality + 0.276. This shows that the time specified in the audit engagement does not make the auditor reduce the quality in auditing the client's financial statements.

The fourth conclusion, the interaction between auditor competence, auditor ethics has no effect on the quality of the auditor, the value is significant - 0.915. This indicates that Auditor Ethics does not strengthen or weaken the relationship between auditor competence and audit quality. The fifth conclusion, the interaction between auditor independence, auditor ethics has a negative effect on the quality of the auditor, with a significant value of - 0.001. This indicates that auditor ethics weakens the relationship between independence and auditor quality. The sixth conclusion, Interaction between Time Budget Pressure, Understanding of Information Systems has no effect on Auditor Quality, significant value - 0,597. This indicates that Understanding Information Systems does not strengthen or weaken the relationship between Time Budget Pressure and audit quality. The limitations of this study are the limited number of respondents because during the pandemic it is difficult to interact directly with respondents, so it is hoped that suggestions for further researchers are to add respondents and interact with respondents through interviews. The next suggestion is to shorten the questionnaire, the limitation in this study is that too many questions are asked (63 questions) making respondents bored in filling out so that further research can shorten/combine question items that have the same definition.

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The effect of Utilitarian Web Browsing, Price Attribute, Sensory Attribute toward Impulse Buying SME's Product

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ABSTRACT

Purpose: The phenomenon of online shops in the 4.0 industrial revolution is increasing, which makes online shopping sellers have to pay attention to variety of selection, price attributes, and sensory attributes in order to increase impulse buying customer online of SME's product. Purpose of this study is to determine the effect of variety of selection, price attributes, sensory attributes on impulse buying SME's product

Design/methodology/approach: This research is an explanatory research design. This type of research is a survey research, the number of respondents in this study was 200. The sample was taken using purposive sampling and using questionnaire method, and then processed through SPSS software. The analytical tool in this study uses linear regression

Findings: Only Sensory attribute has no significant effect on impulse buying SME's product

Research limitations/implications: This research has limitations, which is only in one city

Practical implications: The practical implications of this research are as an enrichment of management knowledge, especially marketing and costumer behavior who buy SME's products on digital platforms.

Originality/value: The originality found in this study is research that focuses on SME's products sold online in the industrial revolution 4.0 era

Paper type: Research paper

Keyword: *Impulse buying, Price Attribute, SME's Product, Sensory Attribute, Utilitarian Web Browsing.*

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I. INTRODUCTION

Indonesia has enters the industrial revolution 4.0 era where digitalization has become major part of people's daily activities (Hidayatno et al., 2019). Industrial revolution 4.0 is the name of the latest automation and data exchange trend in technology of factory. This situation has altered the people behavior especially when doing a commercial transaction. The International Data Corporation (IDC) Indonesia reports that spending on Information and Communication Technology (ICT) in Indonesia is expected to increase by 16% from US $ 9.6 billion in 2017 to US $ 11.9 billion in 2020 (Ali, 2019).

The increasing use of gadgets makes people in Indonesia often shop via online by utilizing Lazada, Shoppe, Tokopedia, and etc as stated in tech data from iprice-insight as of the 4th quarter in 2019 that online shopping is widely used by the community as an alternative to online shopping. The convenience offered by online shopping media is expected to increase impulse buying, but there is a gap in previous research conducted by Park et al., (2012) where the results obtained in this study for the utilitarian factor of web browsing have no effect on impulse buying in Korea in 2012. Another study conducted by Wahab et al., (2018) also found that utilitarianism has no effect on unplanned purchases in Instagram consumers. Thus, researchers want to explore

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the gaps that exist in both studies whether the results will be the same or different at the time of the Industrial Revolution 4.0 in 2020.

Online shopping are the applications most frequently used by people in Indonesia in the 2020. Utilitarian factor of web browsing, price attribute and sensory attribute make it easier for consumers to make purchases online. Price attribute is the main factor taken into consideration by consumers when shopping offline and online. Research from Wahab et al., (2018), Park et al., (2012) suggests that the price attribute factor affects impulse buying. Whether in the era of the Industrial Revolution 4.0 price attribute is also a major consideration in online shopping, this gap will be revealed in this research.

The sensory attribute in the form of colour, size, design, and materials that consumers cannot perceive when shopping online will also be a variable that encourages impulse buying as in the results suggested by Suarmaja et al., (2016) and Park et al., (2012)or which can be considered when consumers shop online. This gap is also the focus of this research.

From the background problem above, this research aims to determine the influence of the utilitarian web browsing factor, price attribute and sensory attribute on the impulse buying SME’s product of online shopping consumers in the era of the Industrial Revolution 4.0

II. METHODS

This research is an explanatory research design which is planned to be completed within 1 year and is carried out based on primary data collected from questionnaires and secondary data obtained from data collection in the form of journals or previous research conducted by researchers. The data collection technique is done by distributing questionnaires to the people of Malang and Surabaya who do online shopping, to answer variable statements using online shopping to impulse buying

This research uses a quantitative approach that works with numbers, the data is in the form of numbers, analyzed using statistics to test hypotheses or answer specific research questions and to predict that certain variables affect other variables (Creswell & W, 2010). This is due to the quantitative of the variables studied, so the data collection in this study uses a perceptual approach. The statistical method SPSS 23.0 (Statistical Product and Service Solutions) is a program used in analyzing data

This study also uses a qualitative approach, to find an explanation of the relationship between variables from the analysis of the quantitative approach. Based on the substance of the problem in this study, this research is causality, which aims to analyze the relationship between online shopping variables on impulse buying.

Literature studies and field studies on consumer behaviour in using gadgets were carried out at the beginning of the study. Furthermore, the researcher identifies the problem and formulates the problem. After everything has been formulated, the team members conduct a survey of e-wallet users who are the research samples. The data collected is processed by statisticians and the results will be interpreted and concluded as research results

The research sample is purposive sample, samples with certain characteristics. The samples with certain characteristics. The sample characteristics in this study include :

1. The respondent has a gadget with an internet connection
2. Respondents have purchased products through online-shopping SME’s Product
3. Respondent has purchase products by online for at least one year

III. RESULTS AND DISCUSSION

Table 1. Respondents' characteristics

Profile	*Description*	*Percentage*	*Frequency*
Gender	*Male*	*42.5%*	*85*
	Female	*57.5%*	*115*
Education	*Senior High School*	*41%*	*82*
	Under Graduate	*14%*	*28*
	Graduate	*45%*	*90*
Occupation	*Private service*	*27%*	*54*
	Housewife	*23.5%*	*47*
	Lecture	*11.5%*	*23*
	Student	*12.5%*	*25*
	Gov't service	*18%*	*36*
	Entrepreneur	*7.5%*	*15*
Age (yo)	*< 20*	*27.5*	*55*
	21-45	*68%*	*136*
	> 45	*4.5%*	*9*
Online shopping	*Have*	*100%*	*200*
	Doesn't have	*0%*	*0*
Number of using Online shopping on a month	*1-5*	*83%*	*166*
	6-10	*17%*	*34*
	>10	*0%*	*0*
Budget used for online shopping within one month	*<1.000.000*	*66%*	*132*

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	1.000.000-3.000.000	*18%*	*36*
	>3.000.000	*16%*	*32*

*Source: Processed, 2022

The number of respondents who have been studied is 200 people, by filling in online and offline forms. Respondents who are 57.5% female and male 42.5% of the total. Table 1 shows that 41% are still students, 14% have not graduated with a bachelor's degree, and 45% have graduated. In terms of employment in the private sector, it was 27%, housewives 23.5%, lecturers 11.5%, students 12.5%, civil servants 18%, entrepreneur 7.5%. In terms of age, the highest age is 21 to 45 years with 68% of which is the productive age and has been able to make their own choices. All respondents in this study have confirmed that they have purchased products online, so the results of the characteristics of the respondents described in the table above are in accordance with the objectives of this study. For purchase expenses per 1 month, it is known that most respondents spend less than IDR. 1,000,000, - for online purchases or purchases online

For achieving valid results, and before testing the hypothesized relationship, tests for indicator validity and reliability of the measurement model were conducted. The results show that there are 3 items that are invalid and have been deleted during the study.

Table 2. Regression Analysis

Predictor	*Coef*	*SE Coef*	*T*	*P*
Constant	*10,711*	*2,264*	*4,73*	*0,000*
X1	*0,8195*	*0,1812*	*4,52*	*0,000*
X2	*-0,4139*	*0,1257*	*-3,29*	*0,001*
X3	*0,5550*	*0,1734*	*3,20*	*0,002*

S = 3,10838 R-Sq = 24,4% R-Sq(adj) = 23,3%
*Source: Processed, 2022

Table 2 shows that 2 of the 3 variables studied had a significant effect (P < 0.05) while one hypothesis was statistically not significant (P>0.05) (Hair et al., 2016; Kock, 2012). Regression analysis result show that utilitarian web browsing and price attribute have a simultaneous effect to impulse buying in revolution industry 4.0 era.

H1 Price Attribute has a significant effect on impulse buying (P<0.05, T= 4,52). H1 is accepted.
H2 Sensory Attribute has no significant effect on impulse buying (P>0.05, T= -3,29) H2 is rejected.
H3 Utilitarian Web Browsing has a significant effect on impulse buying (P<0.05, T= 3,20) H3 is accepted.

The era of the Industrial Revolution 4.0 showed the change in people's online shopping patterns. In the objectives that were stated, this study wanted to find how much influence have on impulse buying in the era of the industrial revolution 4.0. Utilitarian Web Browsing, Price Attribute, Sensory Attribute were the basis for Impulse Buying. Majority of respondents agree that Utilitarian Web Browsing and Price Attribute significantly affected Impulse Buying with R Square value is 0.244. The R square value showed that 24,4% variation of impulse buying can be explained by Utilitarian Web Browsing and Price Attribute, while 75,6% is explained by other variables which are not included in model.

Table 1 showed the research model for this study, which explains the interrelationships among the variables (Utilitarian Web Browsing, Price Attribute, sensory attribute and impulse buying). Empirically, the results of this study suggest that Online shopping had dominant effect on Impulse Buying in purchasing product online. Online Shopping which has variables Utilitarian Web Browsing, Price Attribute, sensory attribute was a process of purchasing goods and services from those who sell goods via the internet, or buying and selling services online without face to face between sellers and buyers directly According to the statement from Alchazin & Firdaus (2021); Sari (2015). A positive and significant relationship in this variable meant that

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Online Shopping provides a variety of product, choices, prices that were considered as friendly for consumers. This situation is able to encourage consumers to buy products online. This result was in accordance with the aim of this study which state that online shopping has an effect on impulse buying. A different study was put forward by Rahmisyari et al. (2021) who argued that price had no effect on impulse buying.

This study showed that variable Utilitarian web browsing and price attribute had a positive response to Impulse Buying. The majority of respondents agreed that Utilitarian web browsing and price attribute were the strongest indicators of Buying Impulse. These results contradictive with previous research by Park et al., (2012) and Wahab et al., (2018) which stated that the variable Utilitarian web browsing have a negative effect on impulse buying. However, Park et al. (2012) have the same results where the price attribute has a significant effect on impulse buying. It can be concluded that the research was carried out in different locations and in different years, where in 2020 utilitarian web browsing and price attribute is preferred.

This study showed that variable Utilitarian web browsing and price attribute had a positive response to Impulse Buying. The majority of respondents agreed that Utilitarian web browsing and price attribute were the strongest indicators of Buying Impulse. These results contradictive with previous research by Cahyono et al. (2016); Park et al. (2012); Wahab et al. (2018) which stated that the variable Utilitarian web browsing have a negative effect on impulse buying. However, Park et al. (2012) have the same results where the price attribute has a significant effect on impulse buying. It can be concluded that the research was carried out in different locations and in different years, where in 2020 utilitarian web browsing and price attribute is preferred.

The results of this study are new because the results are different from previous study by Suarmaja et al., (2016) and Park et al., (2012) where sensory attribute have positive impact to impulse buying which is different from the results found in this study. This research suggests that the sensory attribute variable has no effect on impulse buying SME’s product. This can be because consumers in the era of the industrial revolution 4.0 are more careful with products and think they need to feel the product attributes before making purchases via online shopping.

Overall, the research this time has its novelty that prove this study are different from previous studies, namely the utilitarian variable web browsing which has a positive effect on impulse buying for online shopping consumers, on the other hand sensory attributes have no effect on impulse buying in the era of the industrial revolution 4.0, where previous studies have had different results.

IV. CONCLUSION

The research results showed that Utilitarian Web Browsing and Price Attribute affect impulse buying online shopping. The results also show that the Sensory Attribute indicator is the only indicator in online shopping that has no effect on impulse buying SME’s product on Industrial Revolution 4.0

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Factors Affecting Consumer Interest in Shopping at Mangga 2 Traditional Market Surabaya

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ABSTRACT

Purpose: The purpose of this study is to identify and analyze the factors that influence consumer interest in shopping at the Mangga 2 Traditional Market Surabaya.

Design/methodology/approach: The research approach used in this study is a quantitative approach. In this study using a sample of 100 visitors who have done shopping at the Mangga 2 Traditional Market Surabaya. The technique used for sampling is by means of library research and field research such as observation and distributing questionnaires. The data analysis used is Multiple Linear Regression Analysis.

Findings: 1) Price has a significant effect partially on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya; 2) Place has a significant partial effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya; 3) Product quality does not have a partial significant effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya; 4) Service does not partially significantly affect Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya; 5) Facilities have a significant partial effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya; 6) The variables of price (X1), place (X2), product quality (X3), service (X4), and facilities (X5) have a significant simultaneous effect on consumer purchasing decisions. The variables of price (X1), place (X2), and facilities (X5) have an effect on consumer purchasing decisions, while the variable quality of products (X3) and service (X4) has no effect on consumer purchasing decisions.

Paper type: Research paper

Keyword: *consumer purchasing decisions, facilities, place, Price, product quality, service.*

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I. INTRODUCTION

Traditional markets are places where people buy and sell. More fully, the market is a meeting place for sellers and buyers which is marked by direct buying and selling transactions and usually a bargaining process. Markets generally consist of kiosks, shops, and open grounds opened by sellers or market managers. Markets usually provide daily necessities, such as food, cloth, clothing, electronic goods, services, and others. In general, markets are located near residential areas to make it easier for residents to reach the market location.

Traditional markets are markets where the activities of sellers and buyers are carried out directly in the form of retail for a temporary or permanent time with a limited level of service. In the book Indonesian Culture by Widiyanto (2009), traditional markets are markets that develop in the community with indigenous traders. Traditional markets usually arise from the needs of the general public who need a place to sell the goods they produce. Meanwhile, consumers who need certain goods for their daily needs can get them there.

The main function of the traditional market is as a centre for people's socio-economic activities. In traditional markets, patterns of economic relations are formed which result in social interactions. The nature of

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social interaction in traditional markets is familiar. Social interaction occurs between traders and buyers, traders with traders and traders with suppliers. Indirectly, traditional markets become a place of socialization for individuals in the community. Another function of traditional markets is as a meeting centre, information exchange centre, implementation of folk arts, and tourism offerings. Assets owned by traditional markets are of regional economic and socio-economic value. Traditional markets not only play a role in regulating public finances, but also become social institutions. In carrying out the functions of social institutions, traditional markets naturally shape them through social interaction. The trigger for interaction in traditional markets is the community's primary need for products traded in the market. Traditional markets are not only a place of trade, but also a place of cultural heritage. Traditional markets indirectly become the centre of economic cycle that involves many people in the community. Traditional markets make the circulation of money undergo a long shift of ownership. This condition then causes economic activity in urban areas and rural areas to continue.

A. Objectives

This study has several objectives, namely:

1. Testing and also analyzing whether price (X1) has a partially significant effect on consumer purchasing decisions (Y) at Mangga 2 Market Surabaya
2. Testing and also analyzing whether place (X2) has a significant effect onpartial to consumer purchasing decisions (Y) at Mangga 2 Market Surabaya
3. Testing and also analyzing whether product quality (X3) has a significant effect partially on consumer purchasing decisions (Y) at Mangga 2 Market Surabaya
4. Testing and also analyzing whether the service (X4) has a partially significant effect on consumer purchasing decisions (Y) at Mangga 2 Market Surabaya
5. Testing and also analyzing whether facilities (X5) have a partially significant effect on consumer purchasing decisions (Y) at Mangga 2 Market Surabaya
6. Referring and analyzing whether the price (X1), place (X2), product quality (X3), service (X4) and facilities (X5) Simultaneous significant effect on consumer purchasing decisions (Y) at Mangga 2 Market Surabaya

B. Literature Review of Consumer Behaviour Consumer

Behaviour theory is a study that studies a person's actions towards a product, service, brand, or company. the decision-making process to spend a customer's money, time, and effort was also part of the study.

1. Consumer Purchase

Decision Consumer Purchase Decision is an action taken by consumers to buy a product. According to Kotler (2002), purchasing decisions are influenced by several factors including:

a. Cultural factors
b. Social factors
c. Personal
d. Psychological.

2. Price

Price is the amount of money that consumers have to pay to the seller to get the goods or services they want to buy. The price also consists of several parts, namely:

a. Price function
b. The purpose of pricing
c. Price types

3. Place

Location is a place where something is located. According to Lupiyoadi (2001:80) location is a decision made by the company regarding where its operations and staff will be located. According to Heizer & Render (2001) in Adrianto (2006:33) there are 6 factors that need to be considered in the selection of the company's place/location, namely:

a. Community environment
b. Proximity to market
c. Labour
d. Proximity to raw materials and suppliers
e. Facilities and transportation costs
f. Resource

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4. Product

Quality Product quality is a physical condition, nature, and function of a product, whether it is a product or service product, based on a quality level that is adjusted to the durability, reliability, and ease of use, suitability, repair and other components made to meet customer satisfaction and needs. Product quality has several parts, namely:

a. Product quality benefits
b. Indicators that affect product quality

5. Services

Services are the process of meeting needs through the activities of other people directly. Service-related factors include the following:

a. Guarantee. A guarantee offered by the company to refund the purchase price or make repairs to damaged products after purchase.
b. Response and troubleshooting methods. Response to and Remedy of Problems is the attitude of employees in responding to complaints and problems faced by customers.

6. Facilities

The definition is things that support and facilitate various activities and their nature cannot be separated in daily life. With this facility, activities can be carried out quickly, practically and of course profitable for the surrounding area.

II. METHODS

In this study using a quantitative approach. The population in this study amounted to 100 respondents who were visitors to the Mangga 2 Traditional Market Surabaya. The sampling technique used in this study was direct observation and questionnaires. The conceptual framework in this research are:

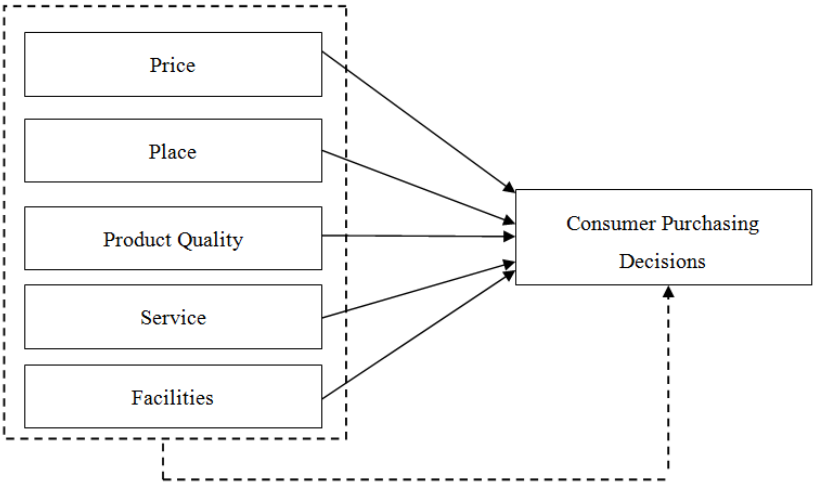

Figure 1. conceptual framework

A. Data Collection

In this study data collection was done by distributing questionnaires that were made and in accordance with several aspects related to the variables in this study. The analysis was carried out with the T test. The T test was conducted in order to determine the effect of the independent variable (X) on the dependent variable (Y). if the significant value < 0.05 and t arithmetic > t table means that there is a significant effect between the independent variables on the dependent variable but if the significance value is > 0.05 and t count < t table it means that there is no significant effect between the independent variables on the dependent variable. Validity test to determine whether or not an item to be used will be tested for coefficient significance at a significance level of 0.05, which means an item is considered valid if it is correlated with the total score. If r count > r table

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then the question or variable is declared valid. On the other hand, if r count < r table, the question or variable is declared invalid. Reliability test to find out whether an indicator is reliable or not. With the decision-making criteria as stated by Ghozali (2018:46), namely if the Cornbach Alpha coefficient > 0.07 then the question is declared reliable or a construct or variable is declared reliable. Conversely, if Corn Alpha < 0.07 then the question is declared unreliable.

III. RESULTS AND DISCUSSION

A. Multiple Linear Regression Analysis Regression

Analysis is carried out based on the standardized coefficients of each variable studied. The results of the analysis carried out can be seen in the table below.

Table 1. Multiple Linear Regression Analysis Regression

Coefficients[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*			*Collinearity Statistics*	
		B	*Std. Error*	*Beta*	*t*	*Sig.*	*Tolerance*	*VIF*
1	*(Constant)*	*3.837*	*1.515*		*2.533*	*.013*		
	Price	*.374*	*.110*	*.324*	*3.412*	*.001*	*.772*	*1.295*
	Place	*.164*	*.057*	*.250*	*2.876*	*.005*	*.917*	*1.090*
	Product quality	*-.005*	*.105*	*-.004*	*-.050*	*.960*	*.908*	*1.102*
	Service	*-.041*	*.065*	*-.060*	*-.631*	*.530*	*.760*	*1.316*
	Facilities	*.263*	*.082*	*.303*	*3.202*	*.002*	*.777*	*1.287*

a. Dependent Variable: Consumer buying decisions

Based on the results above, the constant value is 3.837 and the coefficient value of each independent variable is X1 of 0.374, X2 of 0.164, X3 of -0.005, X4 of -0.041 and X5 of 0.263.

The formula for multiple linear regression is as follows:

$Y=A+b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + e$

$Y = 1.515 + 0.110\ X1 + 0.057\ X2 + 0.105\ X3 + 0.065\ X4 + 0.082\ X5 + e$

From this equation, it can be seen that all independent variables affect consumer purchasing decisions. Based on the above equation, it can be seen that the most influential independent variable is the price variable (X1) with a coefficient value of 0.374, the second is the facility variable (X5) with a coefficient value of 0.263, the third is the place variable (X2) with a coefficient value of 0.164. , the fourth is the product quality variable (X3) with a coefficient value of -0, 005 and the last is the service variable (X4) with a coefficient value of 0.041

B. Hypothesis Testing (Partial Test / T Test)

The results of the T test in this study can be seen in the table below.

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Table 2. Hypothesis Testing (Partial Test / T Test)

Variable	*TCount*	*Sig*	*Confirmation of Hypothesis*
Price	*3.421*	*0,001*	*Hypothesis accepted*
Place	*2. 876*	*0,005*	*Hypothesis accepted*
Product Quality	*-050*	*0,960*	*Hypothesis not accepted*
Service	*-631*	*0,530*	*Hypothesis not accepted*
Facilities	*3.202*	*0,002*	*Hypothesis accepted*

Based on the results of the T test above, it shows that the value of sig on the price variable (X1), place (X2) and facilities (X5) is smaller than 0.05 and t count is greater than t table while the sig value on the product quality variable (X3) and service (X4) is greater than 0.05 and t count is smaller than t table which means that the variable price (X1), place (X2) and facilities (X5) have an influence on the Y variable while the product quality variable (X3) and service (X4) there is no effect on the Y variable.

C. Hypothesis Testing (Test F)

According to Ghozali (2018:179) the joint effect test is used to determine whether the independent variables jointly or jointly affect the dependent variable. The F statistic test conducted in this study used a significance level or confidence level of 0.05. If in this study there is a significance level < 0.05 or F count > F table, then all independent variables simultaneously have a significant effect on the dependent variable. However, if the significance value is > 0.05 and f count < f table, then all independent variables have no effect on the dependent variable.

F Table = 2.31

Table 3. Hypothesis Testing (Test F)

ANOVA[b]

Model		*Sum of Squares*	*df*	*Mean Square*	*F*	*Sig.*
1	*Regression*	*87.043*	*5*	*17.409*	*9.996*	*.000[a]*
	Residual	*163.707*	*94*	*1.742*		
	Total	*250.750*	*99*			

a. Predictors: (Constant), Facilities, Premises, Product quality, Price, Service
b. Dependent Variable: Consumer buying decisions

Based on the results of the F test above, it shows that the significance value is less than 0.05 and f count is greater than f table, which means that all independent variables have an effect on the dependent variable.

D. Coefficient of Determination Analysis

Determinants are used to see how much influence the independent variables have on the dependent behavior. In other words, the determinant coefficient is used to measure the influence of the independent variables studied (X1, X2, X3, X4, X4), namely price, place, product quality, service, and facilities on consumer decisions (Y) which is the dependent variable. The coefficient of determinant (R2) ranges from zero to one (0 R2≤ 1). This means that R2 = 0 indicates that there is no influence of the independent variable on the dependent variable.

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Table 4. Coefficient of Determination Analysis

Model Summary[b]

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of Estimate*
1	*.589a*	*.347*	*.312*	*1.320*

a. Predictors: (Constant), Facility, Place, Quality Product, Price, Services
b. Dependent Variable: consumer purchase decision

Based on the results from the table above, it can be seen that the value of R Square is 0.312, which means that the independent variables influence price (X1), place (X2), product quality (X3), service (X4) and facilities (X5) on the dependent variable on purchasing decisions. Consumers (Y) by 31.2% from 100%. 68.8% is influenced by other variables outside this study.

F. Discussion

1. Of the effect of price on consumer purchasing decisions at Mangga 2 Traditional Market Surabaya

Price is the amount of money that consumers must pay to the seller to get the goods or services they want to buy. Therefore, prices are generally determined by the seller or service owner. However, in the art of buying and selling, buyers or consumers can bid the price. When an agreement has been reached between the buyer and the seller, then the transaction takes place. But bargaining cannot be done in all lines of marketing.

Based on the results of the research conducted, it can be seen that the price has a significant partial effect on Consumer Purchase Decisions at the Mangga 2 Traditional Market Surabaya. This is evidenced by looking at the results on the T test where t count > t table is 3,421 > 1.68 or sig value 0.001 < 0.05.

2. The influence of place on consumer purchasing decisions at Mangga 2 Traditional Market Surabaya

Location is a place where something is located. According to Lupiyoadi (2001:80) location is a decision made by the company regarding where its operations and staff will be located. Choosing the wrong location for the company will result in losses for the company. Location determines the success of a service, because it is closely related to the potential market Tjiptono (1995:91).

Based on the results of research conducted, Place has a significant effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya. This can be proven by looking at the results of the T test where t count > t table is 2.876 > 1.68 or sig value 0.005 < 0.05.

3. The influence of product quality on consumer purchasing decisions at Mangga 2 Traditional Market Surabaya

Product quality is a physical condition, the nature and function of the product, whether it is a product or service product, based on the level of quality that is adjusted to the durability, reliability, and ease of use, suitability, repair and other components made to meet customer satisfaction and needs.

According to (Kotler & Armstrong, 2008) quality is a characteristic of a product in its ability to meet predetermined and latent needs. Meanwhile, according to Garvin and A. Dale Timpe (1990) in Alma (2011) quality is the advantage possessed by the product. Quality in the view of consumers is something that has its own scope that is different from the quality in the view of producers when issuing a product which is commonly known as actual quality.

Based on the results of the research conducted in this study, product quality has no significant effect on consumer purchasing decisions at the Mangga 2 Traditional Market Surabaya. This can be proven by looking at the results of the T test where t count < t table is -0.050 < 1.68 or sig value 0.960 > 0.05.

4. The influence of service on consumer purchasing decisions at Mangga 2 Traditional Market Surabaya

Service is the process of meeting needs through the activities of other people directly. Meanwhile, the definition of service in the General Indonesian Dictionary, service is helping to provide everything that is needed by other people such as guests or buyers.

According to Kotler (1994), services are activities or results that can be offered by an institution to other parties that are usually invisible, and the results cannot be owned by the other party. Outside the main task *(job description)* given to consumers - customers, customers, and so on - and is felt both as appreciation and respect activity Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya. This can be proven by looking at the results of the T test where t count < t table is -0.631 < 1.68 or sig value 0.530 > 0.05.

5. The influence of facilities on consumer purchasing decisions at Mangga 2 Traditional Market Surabaya

The meaning is things that support and facilitate various activities and cannot be separated in their daily life. With this facility, activities can be carried out quickly, practically and of course profitable for the surrounding area.

According to Kotler in Apriyadi (2017) argues that "everything that is physical equipment and is provided by the service seller to support consumer convenience. So facilities are physical resources that exist before a service can be offered to consumers.

Based on the results of research conducted shows that the facility has a significant effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya. This can be proven by looking at the results of the T test where t count > t table is 3.202 > 1.68 or sig value 0.002 <0.05

IV. CONCLUSION

Based on the results of research and analysis conducted on "What are the Factors Affecting Consumer Interest to Shop at the Mangga 2 Traditional Market, Surabaya", several conclusions can be made, namely:

1. Price has a significant effect on Consumer Purchase Decisions at the Mangga 2 Traditional Market. Surabaya.
2. Place has a significant effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya.
3. Product quality has no significant effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya.
4. Service does not have a significant effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya.
5. Facilities have a significant effect on Consumer Purchase Decisions at Mangga 2 Traditional Market Surabaya.
6. Variables of price (X1), place (X2), product quality (X3), service (X4), and facilities (X5) have a simultaneous effect on consumer purchasing decisions.
7. Variables of price (X1), place (X2), and facilities (X5) has an effect on consumer purchasing decisions while product quality (X3) and service (X4) variables have no effect on consumer purchasing decisions.

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Green Rural Infrastructure and Economic Recession, Research in China, USA and Europe, also Potential Future Research in Indonesia

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ABSTRACT

Purpose: The impact of rural land utilization, which further affects the spatial structure and efficiency of rural ecosystems. With recession, the spatial distribution of dwelling values was more heterogeneous and decoupled from the socioeconomic profile of local contexts, with the highest growth rate recorded in accessible rural districts and coastal areas - including islands.

Design/methodology/approach: Documents by years by country or territory, compare the document counts for up to 15 countries/territories, USA, UK, China, Italy and India are very dominant in the World. In ASIA Indonesia 3rd rank and in ASEAN 1th rank for Green Rural Infrastructure documents result since 2000 to 2021 SCOPUS.COM research publication.

Findings: This is excellent for Green Rural Infrastructure development in Indonesia. But for Rural Economic Recession documents result since 2000 to 2021, there are no Indonesia documents research publication. So for this, challenge for Indonesia. The best 3 journals are well established, with good editor and good article. None by source, from Indonesia, documents per year by source. Indonesia only 1(one) by funding sponsor, Institute for Research and Community Service. Indonesia better support more funding sponsor for Green Rural Infrastructure and Rural Economic Recession. Indonesia, totally 270,277 document SCOPUS.COM since 1849, dominant documents by subject area, Engineering, followed by Environmental Science and Physics and Astronomy. So this is connected between Indonesia research publication by subject area trend and world trend in Green Rural Infrastructure and Rural Economic Recession. Indonesia only 1(one) affiliation with Diponegoro University, Semarang, in SCOPUS.COM from 1986 to 2023 have 2,082 documents, dominant subject area with Environmental Science, Earth and Planetary Sciences, Engineering, Agricultural and Biological Sciences, and Medicine. So there are connection between Green Rural Infrastructure, Rural Economic Recession, and research trend in Diponegoro University, Semarang, Indonesia.

Paper type: Research paper

Keyword: *Future Research, Green Rural Infrastructure, Potential Research, Rural Economic Recession.*

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I. INTRODUCTION

The level of economic development, urban-rural income gap and infrastructure level act as positive roles in advancing the development of new urbanization in the region, while the urban-rural living gap has a negative inhibitory effect, among which the level of economic development exerts the most significant impact. The pandemic on agriculture (socioeconomic impacts on rural areas, impacts on agricultural production), food processing businesses (decline in the economic viability of food businesses, sharp economic downturn in the food industry, economic recession, incentives for innovation), food distribution networks (distribution channels fallout, food supply disruption), and consumers' food habits and preferences (increasing interest in health protection, adoption of unhealthy eating habits, demand for innovative and sustainable foods). With recession, the spatial distribution of dwelling values was more heterogeneous and decoupled from the socioeconomic profile of local contexts, with the highest growth rate recorded in accessible rural districts and coastal areas - including islands.

1. Objectives

The research objective is to analyze Green Rural Infrastructure and Rural Economic Recession, Potential Research, Future Research in Indonesia. Based on SCOPUS.COM database, analyze search results, 499 Green Rural Infrastructure documents result since 2000 to 2021, title, abstract, keyword article include Green Rural Infrastructure, also 325 Rural Economic Recession documents result since 2000 to 2021, title, abstract, keyword article include Rural Economic Recession.

2. Literature Review

The impact of rural land utilization, which further affects the spatial structure and efficiency of rural ecosystems. Optimizing the structure of urban green infrastructure is an effective way to alleviate the fragmentation of rural landscapes, coordinate the relationship between rural development and ecosystem services, and ensure sustainable rural development, the optimization of construction for the sustainable development of rural green infrastructure. The spatial distribution and priority of green infrastructure networks to achieve sustainable rural development. The level of economic development, urban-rural income gap and infrastructure level act as positive roles in advancing the development of new urbanization in the region, while the urban-rural living gap has a negative inhibitory effect, among which the level of economic development exerts the most significant impact. The pandemic on agriculture (socioeconomic impacts on rural areas, impacts on agricultural production), food processing businesses (decline in the economic viability of food businesses, sharp economic downturn in the food industry, economic recession, incentives for innovation), food distribution networks (distribution channels fallout, food supply disruption), and consumers' food habits and preferences (increasing interest in health protection, adoption of unhealthy eating habits, demand for innovative and sustainable foods). With recession, the spatial distribution of dwelling values was more heterogeneous and decoupled from the socioeconomic profile of local contexts, with the highest growth rate recorded in accessible rural districts and coastal areas - including islands. Spatial changes in the average dwelling value reflect the (evolving) geography of economic performance and wealth accumulation

II. METHODS

Research methodology, SCOPUS.COM is a source-neutral abstract and citation database curated by independent subject matter experts who are recognized leaders in their fields. SCOPUS.COM puts powerful discovery and analytics tools in the hands of researchers, librarians, research managers and funders to promote ideas, people and institutions. 1.8+ billion cited references dating back to 1970, 84+ million records, 17.6+ million author profiles, 94.8+ thousand affiliation profiles, 7+ thousand publishers, 84+ million records, 58.5+ million post-1995 records, including references, 25.4+ million pre-1996 records, as far back as 1788, 18.0+ million open access items, including gold, hybrid gold, green & bronze, 10.9+ million conference papers, 15.8+ million items with funding details, 47.4 million patent links, 27.1+ thousand active serial titles, 25.8+ thousand active peer-reviewed journals including 5.3+ thousand gold open access journals, 825+ book series featuring 63.3+ thousand book series volumes, 240+ trade publications. SCOPUS.COM includes: 1.06+ million preprints from arXiv, bioRxiv, ChemRxiv, medRxiv & SSRN, available in Scopus Author Profiles, Average of 29+ references per paper, Average of 11+ citations per paper, 59.0+ thousand titles have a 2020 Cite Score, 4%+ increase year-on-year for the past 3 years. SCOPUS.COM includes article, author and journal level metrics, including Cite Score metrics, 249.0+ thousand books includes monographs, edited volumes, major reference works & textbooks focus on arts & humanities & social sciences, as well as science, technology & medicine.

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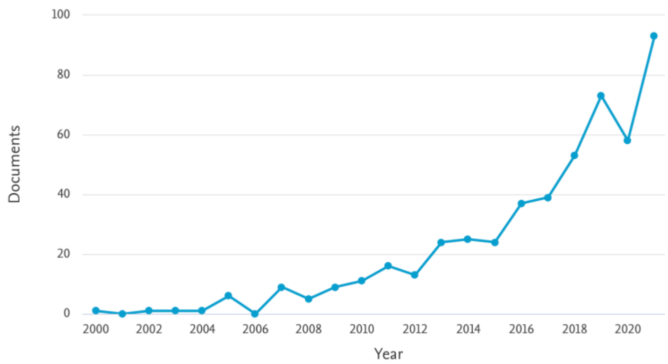
Health Sciences 7.5+ thousand titles in medicine; nursing; dentistry; health professions; veterinary. Life Sciences 5.1+ thousand titles in agriculture & biological sciences; biochemistry, genetics & molecular biology; immunology & microbiology; neuroscience; pharmacology, toxicology & pharmaceutics. Physical Sciences 9.0+ thousand titles in chemical engineering; chemistry; computer science; earth & planetary sciences; energy; engineering; environmental science; materials science; mathematics; physics & astronomy. Social Sciences, 11.5+ thousand titles in arts & humanities; business, management & accounting; decision sciences; economics, econometrics & Nance; psychology; social sciences.

Based on SCOPUS.COM data based, analyze search results, 499 Green Rural Infrastructure documents result since 2000 to 2021, title, abstract, keyword article include Green Rural Infrastructure, also 325 Rural Economic Recession documents result since 2000 to 2021, title, abstract, keyword article include Rural Economic Recession.

Research methodology, refer to followed article, published in SCOPUS.COM, there're: I Nyoman Sudapet et al., (2021), research was conducted descriptively based on SCOPUS.COM data, where researchers obtained 203 documents whose article titles were digital tourism for the last ten years. Setiawan et al., (2021), research was conducted descriptively based on SCOPUS.COM data, where researchers obtained 62 documents entitled digital transportation for the last ten years (2012-2021). Sudapet et al., (2021), research was conducted descriptively based on SCOPUS.COM data, which obtained 249 documents with the title digital rural for the last five years. Setiawan, Nasihien, Sukoco, Rosyid, et al., (2021), research is conducted descriptively based on SCOPUS.COM data, where researchers obtained 586 documents over the last ten years (2012-2021). The analysis process uses (1) research country documents, (2) affiliation documents, (3) affiliation documents, and (4) funding sponsor documents. Sudapet et al., (2019), Type of research publication Tourism and digital tourism, internationally reputed SCOPUS.COM, in Indonesia is still limited to Conference Paper, Article, Conference Review and Book Chapter, so it requires a strong effort to catch up with other countries. Setiawan, M.I, 2019a, there are 171 documents related to titles, abstracts, and keywords in SCOPUS.COM publications. Fish and solar cell technology researches are available in 122 journals. Setiawan et al., (2019), 57 Affiliation, SCOPUS.COM document title-abstract-keywords results, Sustainable Mobility and Transportation Research in Indonesia, 1989-2020. Sudapet, Sukoco, Setiawan, et al., (2019), As the international publication affiliation of SCOPUS.COM, Institut Teknologi Sepuluh Nopember Surabaya (ITS) ranks fourth in tourism and maritime research. Halim et al., (2019), Based on SCOPUS.COM publication paper data, there are only five reputable international publications that are related to the research on sociology and sustainable management in Indonesia, in the last 30 years (1990-2020). Setiawan, Abdullah, Lestari, et al., (2019), based on SCOPUS.COM Analyze search results and VOS Viewer analysis of supply chain and fisheries research, the development of the portable inflated solar power cold storage house technology is on the right track for the future research and publication in Indonesia.

III. RESULTS AND DISCUSSION

How we check and analysis based on SCOPUS.COM databased, analyze search results. Based on SCOPUS.COM data based, analyze search results, 499 Green Rural Infrastructure documents result since 2000 to 2021, title, abstract, keyword article include Green Rural Infrastructure, also 325 Rural Economic Recession documents result since 2000 to 2021, title, abstract, keyword article include Rural Economic Recession, divided: (1) documents by year and by country or territory; (2) documents per year by sources; (3) documents by funding sponsor area; (4) documents by subject; and (5) documents by affiliation.



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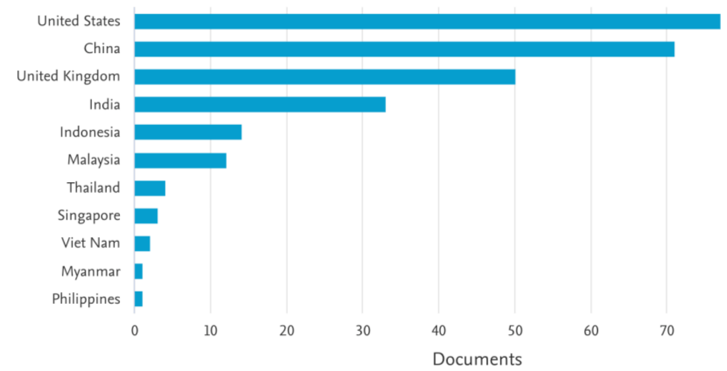
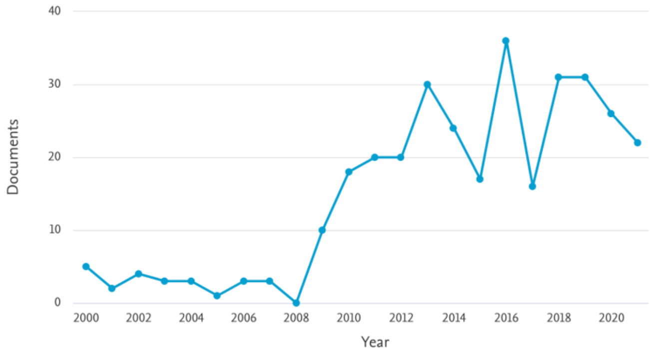


Figure 1. Documents by years and by country or territory, 499 Green Rural Infrastructure documents result since 2000 to 2021, title, abstract, keyword article include Green Rural Infrastructure



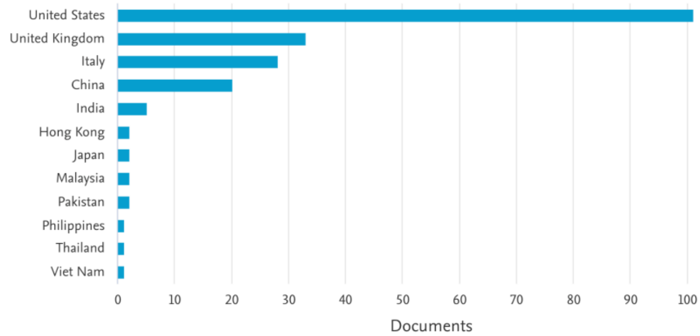


Figure 2. Documents by years and by country or territory, 325 Rural Economic Recession documents result since 2000 to 2021, title, abstract, keyword article include Rural Economic Recession

Figure 1 and 2, Green Rural Infrastructure and Rural Economic Recession based on SCOPUS.COM research publication, increasing so fast in past 20 years, especially Green Rural Infrastructure research publication. Documents by years by country or territory, compare the document counts for up to 15 countries/territories, USA, UK, China, Italy and India are very dominant in the World. In ASIA Indonesia 3rd rank and in ASEAN 1th rank for Green Rural Infrastructure documents result since 2000 to 2021 SCOPUS.COM research publication. This is excellent for Green Rural Infrastructure development in Indonesia. But for Rural Economic Recession documents result since 2000 to 2021, there are no Indonesia documents research publication. So for this, challenge for Indonesia

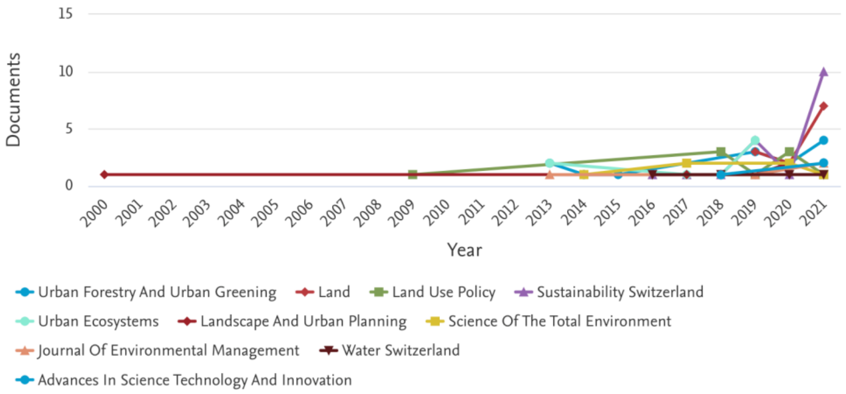


Figure 3. Documents per year by source, 499 Green Rural Infrastructure documents result since 2000 to 2021, title, abstract, keyword article include Green Rural Infrastructure

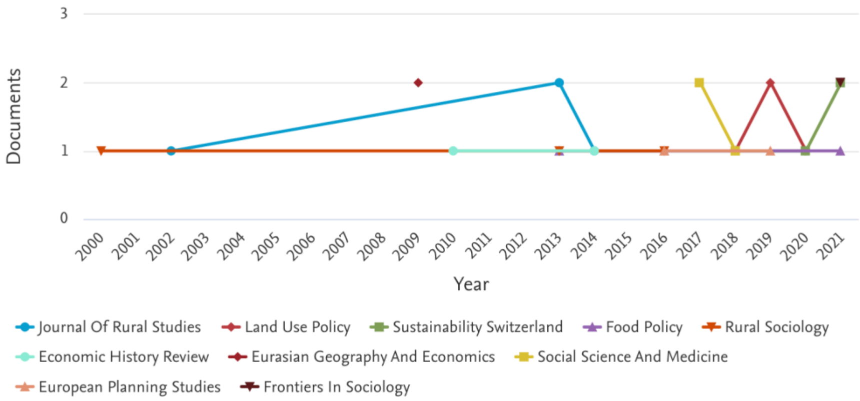


Figure 4. Documents per year by source, 325 Rural Economic Recession documents result since 2000 to 2021, title, abstract, keyword article include Rural Economic Recession

Figure 3 and 4, describe documents per year by source, compare the document counts for up to 10 sources. Dominant are Sustainability Switzerland, Urban Forestry And Urban Greening, and Land Journal. Then followed by Land Use Policy, Urban Ecosystems, Landscape And Urban Planning, Science Of The Total Environment, Forests, Journal Of Environmental Management, Water Switzerland, Journal Of Rural Studies, Food Policy, Rural Sociology, Economic History Review, Eurasian Geography And Economics, Social Science And Medicine, European Planning Studies, and Frontiers In Sociology. Sustainability journal, Open Access, Scopus coverage years: from 2009 to Present, Publisher: Multidisciplinary Digital Publishing Institute (MDPI). Urban Forestry and Urban Greening journal, Scopus coverage years: from 2002 to Present, Publisher: Elsevier. Land journal, Open Access, Scopus coverage years: from 2012 to Present, Publisher: Multidisciplinary Digital Publishing Institute (MDPI). The best 3 journals are well established, with good editor and good article. None by source, from Indonesia, documents per year by source

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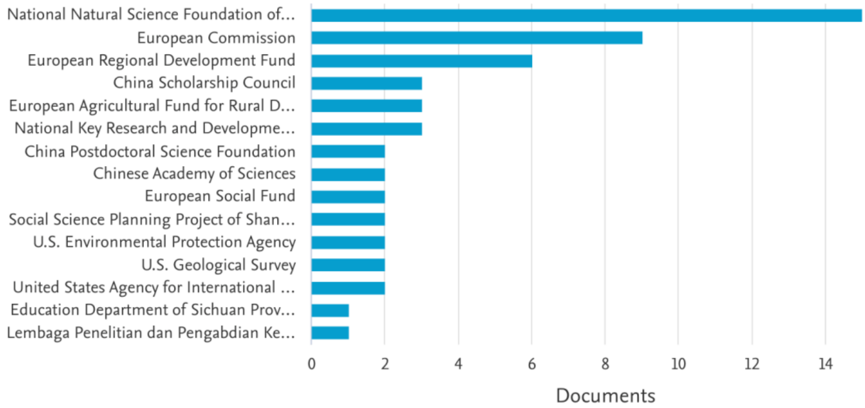

Figure 5. Documents by funding sponsor, 499 Green Rural Infrastructure documents result since 2000 to 2021, title, abstract, keyword article include Green Rural Infrastructure

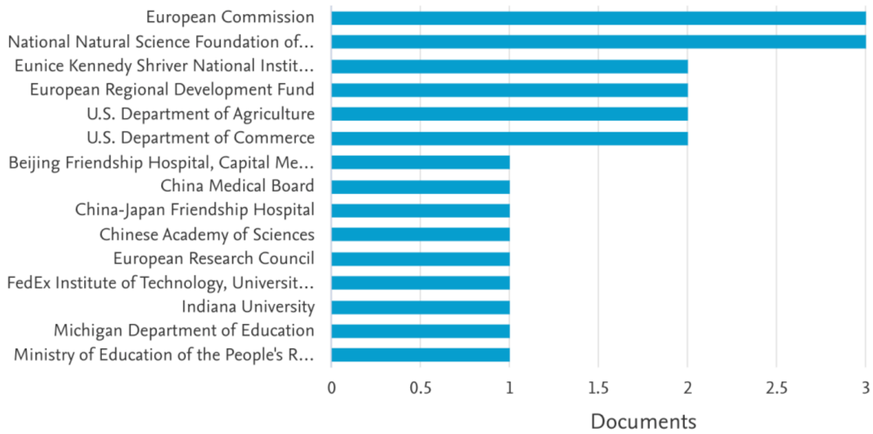

Figure 6. Documents by funding sponsor, 325 Rural Economic Recession documents result since 2000 to 2021, title, abstract, keyword article include Rural Economic Recession

Figure 5 and 6, describe documents by funding sponsor, compare the document counts for up to 15 sources. China very dominant, National Natural Science Foundation, National Key Research and Development, Beijing Friendship Hospital, Capital, China Medical Board, China Scholarship Council, China Postdoctoral Science Foundation, China-Japan Friendship Hospital, Chinese Academy of Sciences, Ministry of Education of the People's, Social Science Planning Project of Shan, and Education Department of Sichuan. USA followed with Eunice Kennedy Shriver National, U.S. Department of Agriculture, U.S. Department of Commerce, U.S. Environmental Protection Agency, U.S. Geological Survey, United States Agency for International, FedEx Institute of Technology, Indiana University, and Michigan Department of Education. Europe also support, with European Commission, European Regional Development Fund, European Research Council, European Agricultural Fund for Rural, and European Social Fund. Indonesia only 1(one) by funding sponsor, Lembaga Penelitian dan Pengabdian. Indonesia better support more funding sponsor for Green Rural Infrastructure and Rural Economic Recession

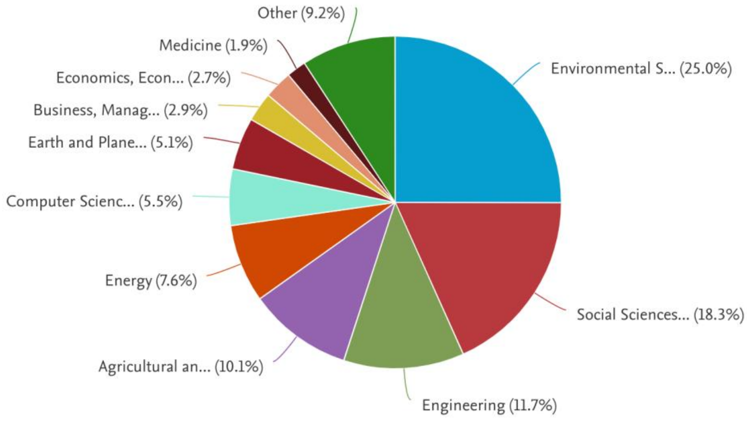

Figure 7. Documents by subject area, 499 Green Rural Infrastructure documents result since 2000 to 2021, title, abstract, keyword article include Green Rural Infrastructure

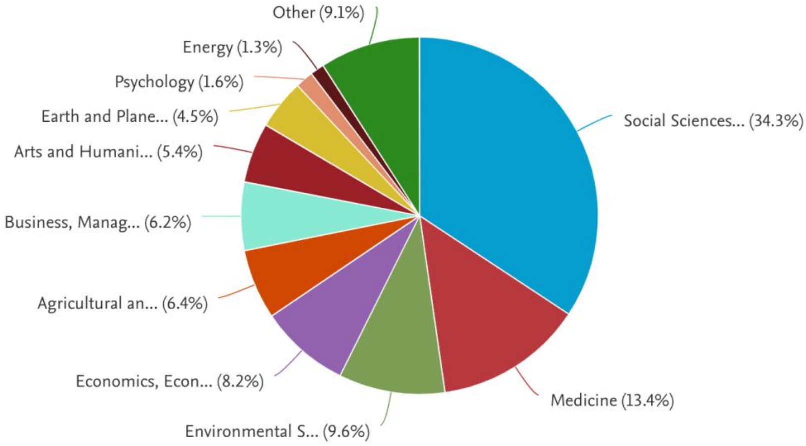

Figure 8. Documents by subject area, 325 Rural Economic Recession documents result since 2000 to 2021, title, abstract, keyword article include Rural Economic Recession

Figure 7 and 8, describe documents by subject area, compare the document counts for up to 15 sources. Dominant Environmental Science, followed documents by subject area, Social Sciences, and Engineering. Indonesia, totally 270,277 document SCOPUS.COM since 1849, dominant documents by subject area, Engineering, followed by Environmental Science and Physics and Astronomy. So this is connected between Indonesia research publication by subject area trend and world trend in Green Rural Infrastructure and Rural Economic Recession

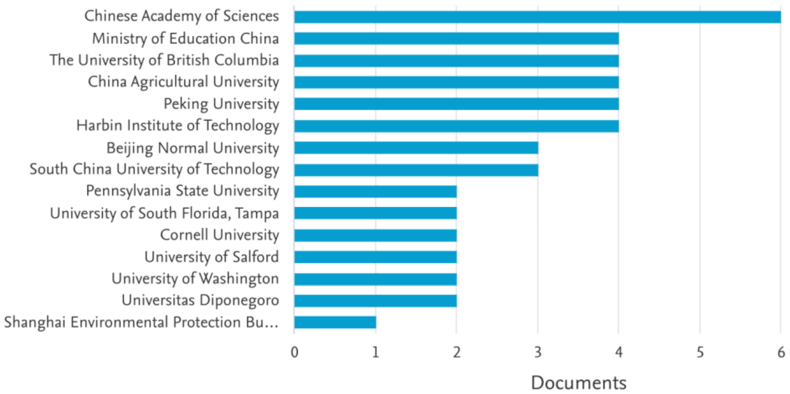

Figure 9. Documents by affiliations, 499 Green Rural Infrastructure documents result since 2000 to 2021, title, abstract, keyword article include Green Rural Infrastructure

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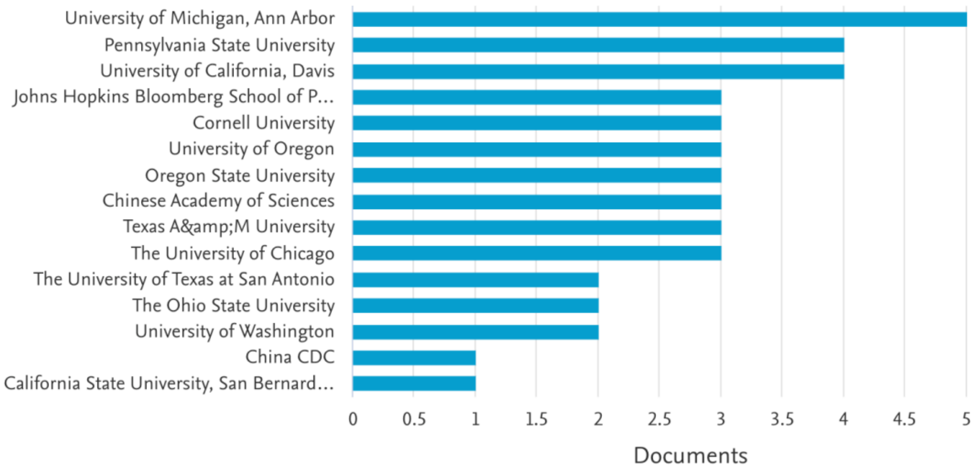

Figure 10. Documents by affiliations, 325 Rural Economic Recession documents result since 2000 to 2021, title, abstract, keyword article include Rural Economic Recession

Figure 9 and 10, describe documents by affiliations, compare the document counts for up to 15 sources. USA dominant with California State University, San Bernard, Cornell University, Johns Hopkins Bloomberg School, Oregon State University, Pennsylvania State University, Texas AM University, The Ohio State University, The University of British Columbia, The University of Chicago, The University of Texas at San Antonio, University of California, Davis, University of Michigan, Ann Arbor, University of Oregon, University of Salford, University of South Florida, Tampa, and University of Washington. China followed with Beijing Normal University, China Agricultural University, China CDC, Chinese Academy of Sciences, Harbin Institute of Technology, Ministry of Education China, Peking University, Shanghai Environmental Protection, South China University of Technology. Indonesia only 1(one) affiliation with Diponegoro University, Semarang, in SCOPUS.COM from 1986 to 2023 have 2,082 documents, dominant subject area with Environmental Science, Earth and Planetary Sciences, Engineering, Agricultural and Biological Sciences, and Medicine. So there are connection between Green Rural Infrastructure, Rural Economic Recession, and research trend in Diponegoro University, Semarang, Indonesia.

IV. CONCLUSION

The impact of rural land utilization, which further affects the spatial structure and efficiency of rural ecosystems. With recession, the spatial distribution of dwelling values was more heterogeneous and decoupled from the socioeconomic profile of local contexts, with the highest growth rate recorded in accessible rural districts and coastal areas - including islands. Documents by years by country or territory, compare the document counts for up to 15 countries/territories, USA, UK, China, Italy and India are very dominant in the World. In ASIA Indonesia 3rd rank and in ASEAN 1th rank for Green Rural Infrastructure documents result since 2000 to 2021 SCOPUS.COM research publication. This is excellent for Green Rural Infrastructure development in Indonesia. But for Rural Economic Recession documents result since 2000 to 2021, there are no Indonesia documents research publication. So for this, challenge for Indonesia. The best 3 journals are well established, with good editor and good article. None by source, from Indonesia, documents per year by source. Indonesia only 1(one) by funding sponsor, Lembaga Penelitian dan Pengabdian. Indonesia better support more funding sponsor for Green Rural Infrastructure and Rural Economic Recession. Indonesia, totally 270,277 document SCOPUS.COM since 1849, dominant documents by subject area, Engineering, followed by Environmental Science and Physics and Astronomy. So this is connected between Indonesia research publication by subject area trend and world trend in Green Rural Infrastructure and Rural Economic Recession. Indonesia only 1(one) affiliation with Diponegoro University, Semarang, in SCOPUS.COM from 1986 to 2023 have 2,082 documents, dominant subject area with Environmental Science, Earth and Planetary Sciences, Engineering, Agricultural and Biological Sciences, and Medicine. So there are connection between Green Rural Infrastructure, Rural Economic Recession, and research trend in Diponegoro University, Semarang, Indonesia.

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Analysis of the Influence of Brand, Service, Image, Sales Promotion Staff, and Sales Discounts on Home Living Product Purchase Decisions at USUPSO Galaxy Mall Surabaya

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ABSTRACT

Purpose: In this study aims to test and analyze Analysis of the Influence of Brand, Service, Image, Sales Promotion Staff, and Sales Discounts on Home Living Product Purchase Decisions at USUPSO Galaxy Mall Surabaya.

Design/methodology/approach: In this study using quantitative research methods. This study uses a sample of 100 respondents from visitors and consumers who have made transactions or visited USUPSO Galaxy Mall Surabaya. This study uses Non Probability Sampling with Accidental Sampling technique, which is a sampling technique based on chance, mean anyone who happens to be met can be used as a sample, if the person who happens to be met is suitable as a data source. In data collection, as well as testing using the help of data analysis, namely the SPSS program.

Findings: The results of this study indicate that the brand, service, image, sales promotion staff and sales discounts partially positive effect. Simultaneously brand, service, image, sales promotion staff and discounts also have a significant effect on purchasing decisions.

Paper type: Research paper

Keyword: *Brand, Service, Image, Purchase Decision at USUPSO Galaxy Mall Surabaya, Sales Discount, Sales Promotion Staff.*

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I. INTRODUCTION

The retail business today is a very promising business because the retail business itself is a marketing activity to meet the needs of individuals, families, and households. Competition in the retail world is currently very tight, due to high competitiveness and it makes business people start to compete in improving sales strategies such as improving service, store image, Sales Promotion Staff & sales discounts. The high level of consumption and people's purchasing power also grew in line with economic growth.

The increasing number of retail businesses in Indonesia, USUPSO is here to meet people's daily needs with licensed products from Japan. USUPSO was present in Indonesia in 2017 to be precise in April. Opened the first outlets in Indonesia, namely in the cities of Cibinong and Bogor. The enthusiasm of the community with the presence of USUPSO made the company more optimistic and opened outlets in more than 30 big cities and small cities, one of which is Jakarta, Balikpapan, Solo, Malang, Pekanbaru, Surabaya, Makassar, Yogyakarta, Jayapura, Bali and so on. In Surabaya itself, 2 outlets have been established, namely at Galaxy Mall and at WTC E-Mall. This retail business is also surrounded by many similar competitors, such as Miniso, Daiso, KKV and so on..

This factor also makes competition between retail companies. Consumers can also choose in terms of quality, brand, price, service, convenience and others. So this is the factor that makes company owners develop effective marketing strategies to attract consumers and keep up with the times in the modern era in order to compete and be superior to competitors.

Understanding the brand itself is a combination of a name, term, symbol or design that is expected to be a characteristic for the products of the company and can be a differentiator between competing products.

For a company, it is imperative to have an identity that can distinguish it from other companies and has its own uniqueness compared to other retail companies, which is called a brand, while a consumer's perception of a brand is a brand image. So that in the era of very tight competition between the retail world today, a successful company brand is a company that is able to create its own positive impression for consumers. It can also be an added value for a company. With the existence of a brand or product identity to be sold, it will certainly be easier for consumers to remember when purchasing the product.

In a company, price is also the most important thing. Because the price is a value of the product being sold. In addition, price is also a determinant of success in selling a product because it is judged by how much the company can generate profits in selling the product.

Service in retail companies is also the key to success because service will have an impact on customer loyalty. Basically the service is an intermediary in the process of sales activities, so in general the service also has a positive influence and provides convenience for customers. Quality of service must also be owned by every company. Therefore, the community also demands that the company always provide quality services. Service quality is also an important factor to increase competitiveness among other retail companies. This also affects the buying and selling transactions. Then the company must also pay attention to the importance of the influence of service to customers. This influence also has an impact on product purchases so that consumers buy more goods than they want. Sales discounts are also the key to customer loyalty. This will be the power of customer loyalty. This will be an attraction for consumers. In addition, one way to increase competitiveness is by lowering prices, which are commonly referred to as sales discounts.

Based on the above phenomenon, the researchers are interested in researching Analysis of the Influence of Brand, Service, Image, Sales Promotion Staff, and Sales Discounts on Home Living Product Purchase Decisions at USUPSO Galaxy Mall Surabaya.

A. Formulation of the Problem

1. Does the quality of the brand, service, image, Sales Promotion Staff and sales discounts have a significant partial effect on purchasing decisions for Home Living products at USUPSO Galaxy Mall Surabaya.
2. Does the quality of the brand, service, image, Sales Promotion Staff and sales discount have a significant simultaneous effect on purchasing decisions for Home Living products at USUPSO Galaxy Mall Surabaya.

B. Purpose

1. To test or analyze the influence of the Brand on the Purchase Decision of Home Living products at USUPSO Galaxy Mall Surabaya.
2. To test or analyze the influence of Services on the Purchase Decision of Home Living products at USUPSO Galaxy Mall Surabaya.
3. To test or analyze the influence of Image on the Purchase Decision of Home Living products at USUPSO Galaxy Mall Surabaya.
4. To test or analyze the influence of Sales Promotion Staff on the Purchase Decision of Home Living products at USUPSO Galaxy Mall Surabaya.
5. To test or analyze the influence of Discount on the Purchase Decision of Home Living products at USUPSO Galaxy Mall Surabaya.

C. Literature Review

1. Brand

Definition of brand according to Kotler (2009) Brand is the most important thing in a product. The existence of a brand on a product to be sold then it is also a separate selling power, therefore, the brand is not only the name of a product but also as an identity so that it is easily recognized by consumers. Basically a brand is in the form of images, words, letters, kinds of colours or certain symbols. Creates a name, sign, term, symbol, combination or design made by a seller to identify or differentiate goods or services from competitors, it is called a brand. (P. Kotler & Keller, 2016).

According to Amilia, S. (2017) There are 3 indicators in the brand that can be used as a reference in this study, namely:

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1. Product Attribute
2. Consumer Benefits
3. Brand Personality

2. Service

To meet customer desires, service quality focuses on meeting customer needs and requirements as well as all types that are carried out or provided to customers, this can be called service quality (Arianto, 2018).

According to Arianto (2018) There are 5 indicators in service that can be used as a reference in this study, namely:

1. Tangible
2. Reliability
3. Responsiveness
4. Assurance
5. Empathy

3. Image

Image is the consumer's perception of the brand that is formed from information and consumer experience of the brand. Image is also related to consumer attitudes in the form of beliefs about the brand. Consumers who have a positive image of the brand are more likely to make repeat purchases According to Setiadi in Utomo (2017).

According to Indratama and Artanti (2014) image can be seen through several indicators or aspects, namely as :

1. Strength
2. Uniqueness
3. Favourable

4. Sales Promotion Staff

Definition of Sales Promotion Staff in terms of several aspects and the use of language, according to Raharti (2001) Sales Promotion Staff is a job or profession that works in marketing or promoting a product. In this work or profession, women who have attractive physical characteristics are usually used as an effort to attract the attention of consumers.

According to Agow (2017) There are 5 indicators in Sales Promotion Staff that can be used as a reference in this study, namely:

1. Physical Appearance
2. Sales Promotion
3. Buying Interest

5. Discount

Definition of Discount by Zebua (2018) "Price discount is a reduction from the actual price and is realized in cash or in the form of giving goods" Definition of Discount by Wahyu (2019) “Rebates are also known as discounts. Rebates are discounted prices given to sellers to buyers which are usually given in the form of a percent.

According to Sutisna (2002), discount is a reduction in the price of a product from the normal price of the product within a certain period of time. Indicators related to discounts or rebates are:

1. The price given The amount of the discount. The size of the discount when the product is discounted.
2. Discount period. The time period given at the time of the discount.
3. The type of product that gets a discount. Diversity of choice on discounted products.

6. Buying Decision

According to Kotler (2011), An action taken by consumers to buy or not to a product is called a purchase decision. Several factors influence consumers in making transactions to purchase a service or product, consumers usually always consider price, quality and products or others that are already known by the surrounding community.

According to Senggetang, Mandey and Moniharapon (2019) There are four indicators of purchasing decisions, namely:

1. Trust in a product
2. Habits in buying products.
3. Provide recommendations to others.
4. Make a repeat purchase.

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II. METHODS

In this study using a quantitative approach method. The sample population in this study were visitors and consumers who had made transactions or visited USUPSO Galaxy Mall Surabaya as many as 100 people. This study uses Non Probability Sampling with Accidental Sampling technique, which is a sampling technique based on chance, mean anyone who happens to be met can be used as a sample, if the person who happens to be met is suitable as a data source. The research concept framework is as :

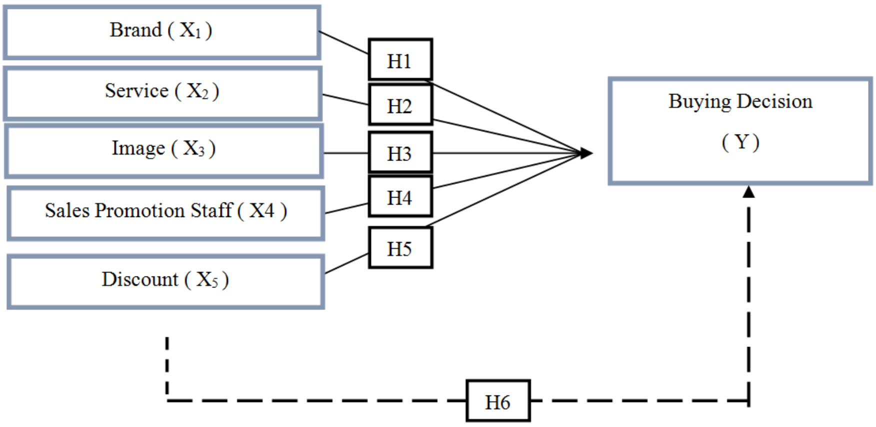

Figure 1. Concept Framework

A. Hypothesis :

H1 : Brand partially significant effect on Purchase Decision
H2 : Service partially significant effect on Purchase Decision
H3 : Image partially significant effect on Purchase Decision
H4 : Sales Promotion Staff partially significant effect on Purchase Decision
H5 : Discount partially significant effect on Purchase Decision
H6 : Brand, Service, Image, Sales Promotion Staff and Discount has a significant effect simultaneously on Purchase Decisions.

B. Data collection

The type of data used in this study is quantitative data, using questionnaires and distributed to visitors and consumers who have made transactions or visited USUPSO Galaxy Mall Surabaya.

C. Data Analysis Technique

1. Validity and Reliability Test

Validity is used to measure whether or not the questionnaire is valid and then tested by using the validity test. The questionnaire is said to be valid if the statement on the questionnaire is able to explain something that is measured by the questionnaire. To find out the truth between the actual data and the data researcher, this is the purpose of the validity test (Sugiyono, 2019).

1. Questionnaire data is said to be valid and can be investigated further if r_{hitung} is positive and $r_{hitung} > r_{tabel}$.
2. Questionnaire data is said to be invalid if r_{hitung} is negative and $r_{hitung} < r_{tabel}$.
3. The minimum accepted value for r_{tabel} is found to be r = 0.1966.

According to Ghozali (2016) Reliability is a tool to measure the questionnaire which is an indicator of a variable or a construct. A questionnaire can be said to be reliable if someone's statement is constant or stable. To test it, the researcher uses the Alpha Cronbach technique, so that the variable will be declared reliable if the Cronbach value is > 0.70 and it is said to be unreliable if Cronbach < 0.70.

2. Classic Assumption Test

Classical Assumption Test is an analysis conducted to determine whether the Ordinary Least Square linear regression model has a classical assumption problem. There are four types of classical assumption tests that must be carried out in testing the data in this study, including: normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

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3. Multiple Linear Regression Analysis

The analytical method used in this research is multiple linear regression model. This method is used to obtain an equation that shows how much influence the independent variable has on the dependent variable, here is the equation formula:

$$\boxed{Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e}$$

Description :
Y = Buying Decision
a = Constant
β_1 = Brand Regression Coefficient
β_2 = Service Regression Coefficient
β_3 = Image Regression Coefficient
β_4 = Sales Promotion Staff Regression Coefficient
β_5 = Discount Regression Coefficient
X_1 = Brand
X_2 = Service
X_3 = Image
X_4 = Sales Promotion Staff
X_5 = Discount
e = Error

D. Hypothesis Test

Hypothesis testing is a test of questions using statistical methods so that the results of the test can be declared statistically significant and there are two types of hypothesis testing, namely partial test (T) and simultaneous test (F).

III. RESULTS AND DISCUSSION

A. Validity Test

Table 1. Results Validity Test

Variable	*Indicator*	*Pearson Correlation*	*r Tabel*	*Description*
	X1.1	*0,873*	*0,1966*	*Valid*
Brand (X1)	*X1.2*	*0,827*	*0,1966*	*Valid*
	X1.3	*0,882*	*0,1966*	*Valid*
	X2.1	*0,634*	*0,1966*	*Valid*
	X2.2	*0,841*	*0,1966*	*Valid*
Service (X2)	*X2.3*	*0,839*	*0,1966*	*Valid*
	X2.4	*0,83*	*0,1966*	*Valid*
	X2.5	*0,815*	*0,1966*	*Valid*
Image (X3)	*X3.1*	*0,911*	*0,1966*	*Valid*

	X3.2	*0,900*	*0,1966*	*Valid*
	X3.3	*0,848*	*0,1966*	*Valid*
	X4.1	*0,803*	*0,1966*	*Valid*
Sales Promotion Staff (X4)	*X4.2*	*0,886*	*0,1966*	*Valid*
	X4.3	*0,866*	*0,1966*	*Valid*
	X5.1	*0,828*	*0,1966*	*Valid*
Dicount (X5)	*X5.2*	*0,846*	*0,1966*	*Valid*
	X5.3	*0,804*	*0,1966*	*Valid*
	Y.1	*0,845*	*0,1966*	*Valid*
Buying Decision (Y)	*Y.2*	*0,853*	*0,1966*	*Valid*
	Y.3	*0,845*	*0,1966*	*Valid*

Source: SPSS 25 Analysis Results

Based on the data in table 1 shows that all indicators on the variables Brand (X1), Service (X2), Image (X3), Sales Promotion Staff (X4), Sales Discounts (X5), and Purchase Decisions (Y) used in this study can declared valid and can be proven by r_{hitung} bigger than r_{tabel}. With value r_{tabel} = 0.1966 (n = 100).

B. Reliability Test

Table 2. Results Reliability Test

Variable	*Result* ***a*** *Cronbach*	*Minimum a Cronbach*	*Description*
Brand (X1)	*0,822*	*0,70*	*Reliable*
Service (X2)	*0,849*	*0,70*	*Reliable*
Image (X3)	*0,863*	*0,70*	*Reliable*
Sales Promotion Staff (X4)	*0,811*	*0,70*	*Reliable*
Discuont (X5)	*0,768*	*0,70*	*Reliable*
Buying Decision (Y)	*0,802*	*0,70*	*Reliable*

Source: SPSS 25 Analysis Results

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Based on table 2, the brand variables (X1), service (X2), Image (X3), Sales Promotion Staff (X4), sales discounts (X5), and purchasing decisions (Y) can be declared reliable and proven by the results of Cronbach's a value > 0.70.

C. Normality Test

According to (Ghozali, 2018) the Normality Test is carried out to find out whether in the regression model, the independent variables and certain variables are normally distributed or not. In the normality test, the data can use the One Sample Kolmogorov Smirnov test with a significance value of

1. above 0.05 or 5% then the data is normally distributed,
2. below 0.05 or 5% the data does not have a normal distribution

Table 3. Results Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	*Standardized Residual*
N		*100*	*100*
Normal Parameters[a,b]	*Mean*	*0E-7*	*0E-7*
	Std. Deviation	*,39014463*	*,97442031*
Most Extreme Differences	*Absolute*	*,085*	*,085*
	Positive	*,085*	*,085*
	Negative	*-,073*	*-,073*
Kolmogorov-Smirnov Z		*,852*	*,852*
Asymp. Sig. (2-tailed)		*,463*	*,463*

Source: SPSS 25 Analysis Results
a. Calculated from data.

Based on the table above, using the One Sample Kolmogorov Smirnov test, the Kolmogorov Smirnov Z value is 0.852 and Asymp. Sig (2-tailed) is 0.463 which is greater than 0.05 and it can be interpreted that all data variables can be said to be normally distributed.

D. Multicollinearity Test

According to (Ghozali, 2018) said the multicollinearity test to test if the regression model found a correlation between the independent variables. To find the presence or absence of multicollinearity in the regression model, it can be seen from the tolerance value and the VIF value. The cut off value used to indicate that there is a multicollinearity problem is the tolerance value < 0.1 or equal to the VIF value > 10.

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Table 4. Results Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Brand	,403	2,483
	Service	,589	1,698
	Image	,365	2,742
	Sales Promotion Staff	,621	1,610
	Discount	,649	1,540

Source: SPSS 25 Analysis Results

In the table above, it can be seen that the Tolerance value and the VIF value through the Collinearity Statistics test can be opened as follows:

1. The value of Tolerance and Variant Inflation Factor (VIF) on the Brand variable (X1) is 0.403 > 0.1 and 2.483 > 10. The conclusion of the Brand variable (X1) is free from the classical assumption of multicollinearity.
2. The value of Tolerance and Variant Inflation Factor (VIF) on the Service variable (X2) is 0.589 > 0.1 and 1.698 > 10. The conclusion of the Service variable (X2) is free from the classical assumption of multicollinearity.
3. The value of Tolerance and Variant Inflation Factor (VIF) on the Image variable (X3) is 0.365 > 0.1 and 2.742 > 10. The conclusion of the Image variable (X3) is free from the classical assumption of multicollinearity.
4. The value of Tolerance and Variant Inflation Factor (VIF) on the Sales Promotion Staff (X4) variable is 0.621 > 0.1 and 1.610 > 10. The conclusion of the Sales Promotion Staff (X4) variable is free from the classical assumption of multicollinearity.
5. The Tolerance and Variant Inflation Factor (VIF) values on the Sales Discount variable (X5) are 0.649 > 0.1 and 1.540 > 10. The conclusion of the Sales Discount variable (X5) is free from the classical assumption of multicollinearity.

E. Heteroscedasticity Test

To determine the presence or absence of heteroscedasticity, it can be seen through the Scatterplot Model image with the following characteristics:

1. The point spread on the Scatterplot Model image is not patterned.
2. Data points that are spread above and below the value 0, or are around the value 0.

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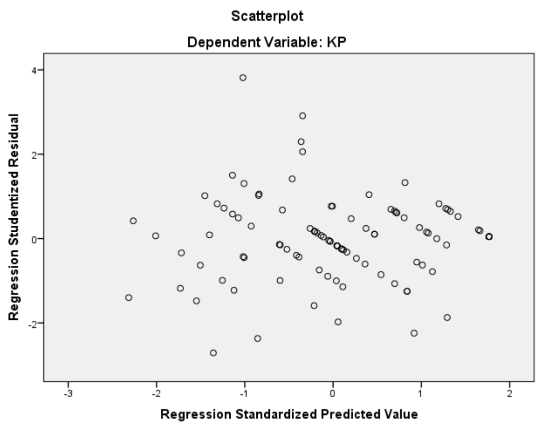

Source: SPSS 25 Analysis Results

Based on the picture above which shows that the points are irregular and spread above and below the 0 axis. So it can be said that there is no heteroscedasticity in this regression model.

F. Autocorrelation Test

Table 5. Results Autocorrelation Test

Model Summary[b]

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*	*Durbin-Watson*
1	*,806a*	*,650*	*,631*	*,40039*	*1,363*

Source: SPSS 25 Analysis Results
a. Predictors: (Constant), DP, MR, SPG, PL, IM
b. Dependent Variable: KP

Based on the table above, Durbin Watson's value is 1.363, which means the value is between (-2) and (+2), so it can be said that the data does not have autocorrelation.

G. Partial Test

The T test or partial regression coefficient test is a test used to determine the regression model equation that occurs partially between the independent variables, namely Brand (X1), Service (X2), Image (X3), SPG (X4), Sales Discount (X5) which significantly influence the dependent variable, namely the Purchase Decision (Y) (Yuliara, 2016)

1. Each independent variable partially shows the significance of the variable if the level of significance <0.05
2. Each independent variable partially has no significant effect on the variable if the significance level is > 0.05

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Tabel 6. Results Partial Test

Model		Standardized Coefficients	t	Sig.
		Beta		
1	(Constant)		-,720	,473
	Brand	,215	2,240	,027
	Service	,173	2,179	,032
	Image	,265	2,620	,010
	Sales Promotion Staff	,158	2,034	,045
	Discount	,248	3,273	,001

Source: SPSS 25 Analysis Results

Based on the test results in the table above, it can be seen that the effect of the independent variable on the dependent variable is partial. Here are the results obtained after doing the test:

1. The results of the calculation using the t test, the sig value on the Brand variable (X1) is 0.027 <0.05, so from these results it can be said that the Brand variable has a partial effect.
2. The results of the calculations using the t-test variable, the value of sig on the Service (X2) is 0.032 <0.05, so from these results it can be said that the service has a partial effect.
3. The results of the calculations using the t test, the sig value on the Image variable (X3) is 0.010 <0.05, so from these results it can be said that the image has a partial effect.
4. The results of the calculations using the t test, the sig value on the Sales Promotion Staff (X4) is 0.045 <0.05, so from these results it can be said that the Sales Promotion Staff variable has a partial effect.
5. The results of the calculations using the t test, the value of sig on the Sales Discount variable (X5) is 0.01 <0.05, so from these results it can be said that the Sales Discount variable is partially.

H. Simultaneous Test

The F test is used to find out all the independent variables (X1-X5) can have a significant effect together on the purchasing decision variable (Y)) (Yuliara, 2016). Provisions in the F test:

1. All independent variables simultaneously show significance to the specified variable if the significance level is < 0.05 • All independent variables simultaneously show significance to the specified variable if the significance level is < 0.05
2. All independent variables simultaneously have no significant effect on the variables if the level of significance > 0.05

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Table 7. Results Simultaneous Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27,965	5	5,593	34,889	,000[b]
	Residual	15,069	94	,160		
	Total	43,034	99			

a. Dependent Variable: KP
b. Predictors: (Constant), DP, MR, SPG, PL, IM

Based on the test results in the table above, it is known that the significance result is 0.000, which means it is smaller than 0.05. So based on this it can be said that the variables Brand (X1), Service (X2), Image (X3), Sales Promotion Staff (X4), and Sales Discounts (X5) simultaneously affect the Purchase Decision variable (Y).

I. Multiple Linear Regression Analysis

Tabel 8. Results Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Uji Signiffikansi	
		B	Std. Error	t	Sig.
1	(Constant)	-,720	,473	-,271	,376
	Brand	2,240	,027	,192	,086
	Service	2,179	,032	,205	,094
	Image	2,620	,010	,207	,079
	Sales Promotion Staff	2,034	,045	,164	,081
	Buying Decision	3,273	,001	,282	,086

Based on the table above, the regression equation is obtained as follows:
$Y = (- 0,271) + 0,192 (X1) + 0,205 (X2) + 0,207 (X3) + 0,164 (X4) + 0,282 (X5) + e$

J. Coefficient of Determination

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Tabel 9. Results Coefficient of Determination

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	*,806[a]*	*,650*	*,631*	*,40039*

1. Adjusted R Square of 0.631. So it can be said that the variables Brand (X1), Service (X2), Image (X3), Sales Promotion Staff (X4), and Sales Discounts (X5) have an effect of 63.1% on the Purchase Decision variable (Y) then the remaining 36, 9% is influenced by variables outside the variables of this study.
2. The coefficient value of R > 0.5 is 0.806. So it can be said that the variables Brand (X1), Service (X2), Image (X3), Sales Promotion Staff (X4), and Sales Discounts (X5) have a significant effect on the Purchase Decision variable (Y).

IV. CONCLUSION

Based on research on "Analysis of Effects, Services, Images, Sales Promotion Staff, and Sales Discounts on Purchase Decisions for Home Living Products at USUPSO Galaxy Mall Surabaya" the following words:

1. Results Based on Test It is known that Brand, Service, Image, Sales Promotion Staff, and Sales Discounts have a significant partial effect on purchasing decisions at USUPSO Galaxy Mall Surabaya. This is evidenced by the results of the Brand having a sig value. T is 0.027 < 0.05. The service has a sig.T value of 0.032 <0.05. The image has a sig value. T is 0.010 < 0.05. Sales Promotion Staff has a sig. T is 0.045 < 0.05. And Discount has sig value. T of 0.001
2. Brand, Service, Image Sales Promotion Staff, and Sales Discounts simultaneously have a significant effect on the Purchase Decision of Home Living Products at USUPSO Galaxy Mall Surabaya. This is evidenced by the value of sig. F 0.000 < 0.05.

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Market Penetration Strategy through Social Media Marketing to Create Consumer Loyalty (Case Study at Rustic Market Cafe Surabaya)

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ABSTRACT

Purpose: To analyze how much influence price, sales discount and brand awareness have on consumer loyalty at Rustic Market Café Surabaya, either partially or simultaneously.

Design/methodology/approach: In this study using a quantitative research approach. The sample used in this study were 100 respondents who had visited the Rustic Market Café Surabaya. The sampling technique used is non-probability sampling (purposive sampling). The data collection tool uses a questionnaire. Analysis of the data used is Multiple Linear Regression Test and Hypothesis Testing using SPSS 18.

Findings: The results of the partial study, the data showed that there was a partially insignificant effect between the price variable (X1) on Consumer Loyalty (Y) with a significance value of 0.068. The Sales Discount Variable (X2) on Consumer Loyalty (Y) shows a partially significant effect with a significance value of 0.003. The Brand Awareness (X3) variable on Consumer Loyalty (Y) shows a partially significant effect with a significance value of 0.000. Simultaneous research results, the data shows a significant effect simultaneously with a significance value of 0.000. Thus it can be concluded that the variables consisting of Price (X1), Sales Discounts (X2), and Brand Awareness (X3) have a significant simultaneous effect on the Consumer Loyalty variable (Y).

Paper type: Research paper

Keyword: *Brand Awareness,Consumer Loyalty, Price, Sale Discount*

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I. INTRODUCTION

The development of the business world today is increasingly complex. This can be seen from the current conditions which are marked by very tight competition and increasingly dynamic and competitive market conditions. This condition causes consumers to become smarter. Consumers also have access to multiple channels and options for the products they want and need. Buyers are effectively switching to competitors who are very promising, for example a much better price at a lower cost (Merdiani, 2021). Conditions like this cause companies to be more precise in determining a very successful and productive business system in the face of ongoing competition. Companies can also carry out systems such as market penetration, product development, market enhancement to be emphasized in developing business (Pramestika & Lukito, 2020). According to Yuliana (2020) revealed that towards the end of 2019, the whole world was shaken by the spread of another virus that originated in China. The city of Wuhan, namely corona virus, is another type of corona virus (SARS-CoV-2) whose disease can be called Corona Virus Disease 2019 or can be abbreviated as COVID-19. However, as time goes by, living hand in hand with COVID-19 to date can be said to have changed everything in individual lives, given the slump in the nation's economy, especially in Indonesia. Sundari (2019) also revealed

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that when viewed in the current era of the industrial revolution 4.0, the development of the trade sector and MSMEs can be said to be growing very rapidly.

Various culinary places that offer extraordinary ideas have sprung up in Surabaya, both in places and dishes served. One of them is Rustic Market Cafe Surabaya, which carries the European Rustic idea. Located on Jalan Golf, Rustic Market Cafe Surabaya has a European Rustic-style building plan with a natural feel. The structure of the building, the interior, and its decoration are wooden nuances, so that it gives a characteristic and does not damage the impression of the ecosystem. The land which has an area of 6,200 square meters is divided into two special spots, namely indoor and outdoor. For indoor spaces, there are various types of wooden ornaments and they seem very unique which are arranged in such a way, so that they look comfortable to look at. While in the outdoor section, apart from having several tables and seats that can accommodate guests, there is also a very wide grass field and is often used as a spot for guests to take pictures. All sides of this spot look instagramable. It's not just the layout of the structure that takes on a European touch, it's the cuisine menu as well. Some of the menus that can be ordered include Chicken Steak, Pasta, Spaghetti, and Chicken Pramigana. While the drink menu is Americano, Double Espresso, Latte, Matcha, Tea and various other choices. The food and beverage menu here is also very diverse, starting from Rp. 15,000 up to Rp. 50,000.

Consumers as one of the stakeholders also have an important role for the continuity of a company. In an environment that continues to grow and can change rapidly, companies have the key to success in order to survive by maintaining long-term relationships with stakeholders (Sridadi, 2013). The challenge currently facing all marketers is increasing/creating customer loyalty. Transforming previously indifferent customers into loyal customers and building long-term relationships is critical to a company's success (Kaur & Bhardwaj, 2021).

On 2020, active users on social media in Indonesia can reach 160 million users or 62% of the total population. The social media that are very often used by the public are Instagram by 50.7%, Facebook by 17.8%, Twitter by 16.4%, and Youtube by 15.1% (Kemp, 2020). Internet user penetration and social media marketing. In its application, the benefits of social media are not only as a means of communication and entertainment, but also have an important position in the business world as a means of supporting marketing communications (Rugova & Prenaj, 2016). The sustainable use of social media can be used as a business support tool as a marketing strategy through online to promote goods and work with buyers to achieve business goals. Social media marketing is also a tool for selling goods, but it can also build relationships between companies and customers, even between buyers (Zahay, 2015). Social media marketing can also increase the effectiveness of marketing activities with a very wide reach and can build long-term relationships with consumers (Poturak & Softić, 2019).

A. Research purposes

Based on the problems that arise above, the objectives to be achieved in this research are:

1. To analyze whether there is a partially significant effect on the variables of Price, Discount and Brand Awareness through social media on consumer loyalty.
2. Is there a simultaneous significant effect on the variables of Price, Discount and Brand Awareness through social media on consumer loyalty.

B. Literature Review

1. Price (X1)

Price is the amount of value exchanged by consumers for a product or service that has a fixed value, which has been determined by buyers and sellers on the basis of bargaining, or a value that has been determined with certainty for all buyers (Umar, 2010).

According to Kotler, Philip. & Armstrong (2008) there are 4 indicators that can break the price, namely:

1. Price affordability
   Very affordable prices are what consumers dream of before they make a purchase. Consumers will also search for and choose products whose prices they can afford.
2. Price match with product quality
   For certain goods, customers generally do not care if they need to buy and pay a considerable fee as long as the nature of the goods is good. After all, most buyers will want items at a lower or reasonable cost with good quality.
3. Price competitiveness
   The company has set a selling price for a product that has been considered with the selling price of its competitors' products so that their products can also compete in the market.
4. Price match with benefits
   Some consumers often ignore the price on a product but are more concerned with whether the product is useful.

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2. Sale Discount (X2)

According to Kotler, Philip. & Armstrong (2008) discount is a reduction in the price of a purchase within a certain period of time, where the provision of discounts to consumers aims to appreciate the buyer's response.

According to Sutisna (2003), Discount is a reduction in the price of each product from the normal price within a certain period of time. There are several indicators that can be associated with discounts, namely:

1. The amount of the discount
   How much discount will be given to the product that will be discounted at the time of sale.
2. Discount period
   The length of time period that will be given at the time of implementation of the discount.
3. Types of products that get a discount
   Various choices on a product that will be given a discount.

3. Brand Awareness (X3)

Brand awareness is the individual ability to understand and remember the brand from a certain product level, and is an important aspect in the value of a brand (Juliana & Sihombing, 2019).

There are several indicators of brand awareness according to Kotler, Philip (2012) :

1. Recall
   How far/deep consumers can remember the brand and what they understand from some of the products in the market.
2. Recognition
   How much consumers can recognize brands and categories in each existing brand.
3. Purchase
   Application in consumers can mention and enter a brand when they are faced with several choices when they want to buy products or services in each of the existing services.
4. Consumption
   How far consumers can remember a particular brand when using a product or service on a competitor's service.

4. Consumer Loyalty (Y)

Consumer loyalty can be said to play an important role in a company, retaining customers is very valuable to increase financial limits and can also increase the viability of a company following the reasonableness of the organization, this condition can be one of the main reasons behind a company to attract and retain consumers. Efforts to get loyal customers cannot be done all at once, but in several phases, starting from finding the expected customers to getting partners (Shaputri & Abdurrahman, 2019).

According to Kotler & Keller (2006) There are several indicators to measure customer loyalty:

1. Repeat Purchase
2. Retention
3. Referral

II. METHODS

In this study, the author uses multiple linear regression method with a quantitative research approach. According to Sugiyono (2015) quantitative research methods are methods based on the philosophy of positivism, which are used to examine certain populations and samples, data collection techniques using research instruments, quantitative data analysis with the aim of testing predetermined hypotheses.

According to Sugiyono (2013) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics which have been determined by the author to be studied and then conclusions can be drawn. The population in this study are all consumers of Rustic Market Cafe Surabaya. So, the sample in this study amounted to 100 respondents who were visitors to Rustic Market Café Surabaya. The research concept framework is as follows:

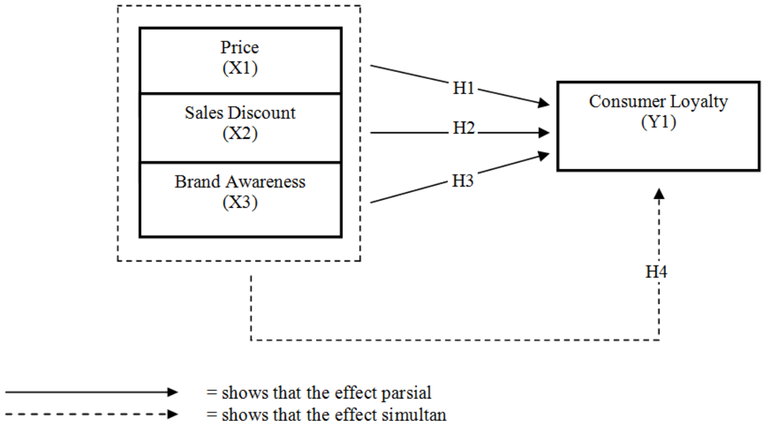

Figure 1. Frame of Mind

A. Hypothesis:

H1: Price has a partial effect on consumer loyalty.
H2: Sales discount has partial effect on consumer loyalty.
H3: Brand awareness has partial effect on consumer loyalty.
H4: Price, sales discount, brand awareness have a simultaneous effect on consumer loyalty.

B. Aggregation Data

In this study, the authors use primary data because in collecting information using a questionnaire as a research instrument. In strengthening the foundation, this study uses several tests, namely, validity & reliability test, multiple linear regression test, coefficient of determination test and hypothesis testing. Based on the validity test on each indicator, which amounted to 14 items, it was declared valid because the value of R count > R table with a minimum limit of R table 0.1966. The Cronbach Alpha test showed that all variables in this study were declared reliable because the value of Cronbach's > 0.6. It can be concluded that all questionnaire items in this study were declared valid and worthy to be used as research instruments.

III. RESULTS AND DISCUSSION

A. Multiple Linear Regression Analysis

The analytical method that will be used in this research is multiple linear regression analysis method. This multiple linear regression analysis method has the aim of knowing the extent of the influence of the independent variable (X) on the dependent variable (Y). for statistical calculations carried out in analyzing multiple linear regression in this study using the SPSS for Windows version 18.0 program. By inputting the data obtained from the results of the questionnaire that has been filled in by the respondent. The following are the results of data processing from multiple linear regression analysis using the SPSS 18.0 program. :

Tabel 1. Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	.794	1.342	
	X1	.124	.067	.138
	X2	.320	.106	.295
	X3	.318	.073	.427

a. Dependent Variable: Consumer Loyalty (Y)
Source: Primary data, processed by the author. 2022

Description:
X1 = Price
X2 = Sales Discount
X3 = Brand Awareness

Based on the results of the analysis calculations in the table above, the form of the multiple linear regression equation can be written as follows:

$$Y = a + \beta 1X1 + \beta 2X2 + \beta 3X3 + e$$
$$Y = 0.794 + 0.124\ X1 + 0.320\ X2 + 0.318\ X3 + e$$

The interpretation of the regression model equation above can be explained as follows:

1. The constant number (a) = 0.794 shows the magnitude of the consumer loyalty variable which is not influenced by the price variable (X1), sales discount (X2), brand awareness (X3) or independent variable = 0, then the value of consumer loyalty is 0.794.
2. The value of the regression coefficient on the price variable which shows that every change in the unit price of one unit will increase customer loyalty is 0.124.
3. The value of the regression coefficient on the sales discount variable which shows that every change or increase in the sales discount unit by one unit will increase consumer loyalty is 0.320.
4. The value of the regression coefficient on the brand awareness variable which shows that every change or increase in product units by one unit will increase consumer loyalty is 0.318.

B. Hypothesis test (partial test/T)

The following are the results of testing the effect of the independent variable on the dependent variable partially by using the T test :

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Tabel 2. Partial Test Analysis Results (T)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.794	1.342		.592	.555
	Total_X1	.124	.067	.138	1.844	.068
	Total_X2	.320	.106	.295	3.025	.003
	Total_X3	.318	.073	.427	4.364	.000

a. Dependent Variable: Consumer Loyalty (Y)
Source: Primary data, processed by the author. 2022

It is known that the probability level = 0.
From these calculations, it is known that the result of T table is 1,984
Based on the results of the calculation of the partial test (T) obtained the following results:

1. The price variable (X1) has a T count = 1.844 < T table = 1.984 with a significance probability level of 0.068 > 0.05. This means that Ha is rejected and Ho is accepted, that partially the price variable (X1) has no significant effect on consumer loyalty (Y).
2. The sales discount variable (X2) has a value of T count = 3.025 > T table = 1.984 with a significance probability level of 0.003 < 0.05. This means that Ha is accepted and Ho is rejected, that partially the sales discount variable (X2) has a significant effect on consumer loyalty (Y).
3. The brand awareness variable (X3) obtained a T count = 4.364 > T table = 1.984 with a significance probability level of 0.000 < 0.05. This means that Ha is accepted and Ho is rejected, that partially brand awareness variable (X3) has a significant effect on consumer loyalty (Y).

Based on the explanation above, it can be concluded that the hypothesis of the price variable (X1) has no significant effect on consumer loyalty, while the sales discount variable (X2) and brand awareness (X3) have a significant effect on consumer loyalty.

C. Hypothesis test (Simultaneous Test /F)

The following are the results of testing the influence of independent variables on the dependent variable simultaneously using the F test :

Tabel 3. Simultaneous Test Analysis Results (F)

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	183.269	3	61.090	31.809	.000a
	Residual	184.371	96	1.921		
	Total	367.640	99			

a. Predictors: (Constant), X3, X1, X2
b. Dependent Variable: Consumer Loyalty (Y)
Source: Primary data, processed by the author. 2022

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It is known that the probability level = 0.05

Based on the results of the simultaneous test in table above, it is obtained that the calculated F> from the F table is 31.809> 2.70 and the significance level is <0.05, which is 0.000. then Ho is rejected and Ha is accepted. Thus, it is concluded that the variables consisting of price (X1), sales discount (X2), and brand awareness (X3) have a significant simultaneous effect on the variable of consumer loyalty (Y). Thus, the hypothesis which states that the price variable (X1), sales discount (X2), and brand awareness (X3) simultaneously affects the dependent variable, namely consumer loyalty (Y) at Rustic Market café Surabaya, which is empirically proven.

D. Coefficient of Determination Analysis (R^2)

The results of the analysis of the coefficient of determination in this study can be seen in the following table :

Tabel 4. Coefficient of Determination Test Results

Model Summary[c,d]

Model		R	R Squareb	Adjusted R Square	Std. Error of the Estimate
dimension 0	1	.993a	.985	.985	.45928

a. Predictors: X3, X2, X1
Source: Primary data, processed by the author. 2022

The coefficient of determination (R^2) is a method that is applied to measure how far the model's ability to explain the dependent variable is on the consumer loyalty variable (Y). In the SPSS calculation results as shown in the table, the coefficient of determination (R^2) is 0.985. This means that 98.5% of consumer loyalty variables (Y) are influenced by price variables (X1), sales discounts (X2), and brand awareness (X3) so 1.5% is influenced by variables outside this research model.

E. Discussion

1. From the results of multiple linear regression analysis obtained the form of the regression equation as follows:

$$Y = 0.794 + 0.124\, X1 + 0.320\, X2 + 0.318\, X3 + e$$

   1) Based on the results of the regression equation model, it can be seen that the value of the regression coefficient on the variable Price = 0.124, indicating that each change or increase in price of one unit will increase customer loyalty by 0.124.
   2) While the value of the regression coefficient on the Sales Discount variable = 0.320, indicating that every change or increase in Sales Discount of one unit will increase consumer loyalty by 0.320.
   3) And the value of the regression coefficient on the Brand Awareness variable = 0.318, indicating that every change or increase in Brand Awareness of one unit will increase consumer loyalty by 0.318.

   Thus, the regression coefficient value of the variables Price (X1), Sales Discount (X2) and Brand Awareness (X3) both have a positive influence on loyalty to the Rustic Market Café in Surabaya.
2. From the results of the coefficient of determination (R^2) obtained a value of 0.985 which means that 98.5% of consumer loyalty variables are influenced by price variables (X1), sales discounts (X2) and brand awareness (X3) so 1.5% is influenced by other variables outside this research model.
3. The results of the simultaneous test (F) show that simultaneously or simultaneously the price, sales discount and brand awareness variables have a significant effect on the consumer loyalty variable. This is indicated by the calculated F value 31.809 > F table 2.70 with a significance probability level of 0.000 < 0.05. Thus the hypothesis which states that the price variable (X1), sales discount (X2), and brand awareness (X3) simultaneously has an effect on the dependent variable, namely consumer loyalty (Y) at Rustic Market café Surabaya, which is empirically proven.
4. From the results of the partial test (T) as a whole it is known that:

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1) Price variable (X1) has no significant effect partially or individually on the consumer loyalty variable (Y). This can be proven by the value of T count = 3.025 > T table = 1.984 with a significance probability level of 0.068 <0.05. Based on this, Rustic Market Café must continue to pay attention and adjust the price to be set, because consumers will consider the price of the product with the benefits and quality received, if consumers feel the benefits and quality received from Rustic Market are unsatisfactory and feel a loss for the costs that have been incurred, then consumers no longer visit the Rustic Market Surabaya cafe and will move to other competing stores. On the other hand, if the prices at the Rustic Market cafe have been carefully considered, consumers will also feel comfortable and satisfied. Therefore, price also plays an important role for Rustic Market cafes to get loyal customers.
2) Sales discount variable (X2) has a significant partial or individual effect on the consumer loyalty variable (Y). This can be proven by T count = 4.364 > T table = 1.984 with a significance probability level of 0.000 < 0.05. Based on this, the Rustic Market café must continue to pay attention and maintain as well as possible the sales discounts that have been implemented properly. If the Rustic Market café is able to maintain and pay attention to sales discounts properly, it will be very easy to get loyal customers, but on the other hand if Rustic Market is not able to process and pay attention to discounts as well as possible, it can be difficult to get loyal customers. Because basically sales discounts also have an important role in a business.
3) Brand awareness variable (X3) has a significant partial or individual effect on consumer loyalty variable (Y). This can be proven by T count = 4.364 > T table = 1.984 with a significance probability level of 0.000 < 0.05. Based on this, Rustic Market Café must maintain and pay attention to how to introduce its products through social media marketing so that it can be widely reached by potential consumers, introducing a product through social media marketing is one of the options for how a company introduces its products to all potential consumers. Therefore, brand awareness also has an important role to get loyal consumers.

IV. CONCLUSION

Based on the problems that have been formulated, the results of the analysis and hypothesis testing that have been carried out in the previous chapter, from the research conducted, the following conclusions can be drawn:

1. The results of data processing show that there is a partially insignificant effect between the Price variable on Consumer Loyalty with a significance value of 0.068. Based on the results of data processing, this shows that the price does not guarantee to make Rustic Market Café consumers make return visits.
2. The results of data processing show that there is a partially significant effect between the Sales Discount variable on Consumer Loyalty with a significance value of 0.003. Based on the results of data processing, this shows that Sales Discounts can increase visitors to Rustic Market Café.
3. The results of data processing show that there is a partially significant influence between the Brand Awareness variables on Consumer Loyalty with a significance value of 0.000. Based on the results of data processing, this shows that Brand Awareness is able to increase Rustic Market Cafe visitors through social media marketing.
4. The results of data processing show a significant effect simultaneously with a significance value of 0.000. Thus, it can be concluded that the variables consisting of price (X1), sales discount (X2), and brand awareness (X3) have a significant simultaneous effect on the consumer loyalty variable (Y). Thus the hypothesis which states that the price variable (X1), sales discount (X2), and brand awareness (X3) simultaneously has an effect on the dependent variable, namely consumer loyalty (Y) at Rustic Market café Surabaya, which is empirically proven.

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Improving the Community's Economy Influenced by Green Marketing through Post-Pandemic Travel Decisions

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ABSTRACT

Purpose: This study aims to examine how green marketing influences travel decisions, how green marketing influences the improvement of the community's economy, how the impact of the decision to travel on the progress of the community's economy, and how the effect of green marketing on the improvement of the community's economy through the decision To Travel in Malang Raya.

Design/methodology/approach: The approach in this research is quantitative by using the SmartPLS analysis tool. Respondents are tourists who have visited tourist areas, as many as 175 respondents.

Findings: The results of this study show that all independent variables have a positive and significant impact on dependent variables, and travel decision variables are proven to mediate the relationship between green marketing and improving the community's economy.

Research limitations/implications: Because it is carried out through the google form the results obtained are not optimal. For further research, it is hoped that it will be more specific in explaining the variables of green marketing and can also add other variables that have become a phenomenon in the economic revival of the community in tourist areas after the covid-19 pandemic.

Practical implications: Intensify efforts in the field of environmentally friendly tourism for economic improvement.

Originality/value: This Paper is Original.

Paper type: Research Paper

Keywords: *Community Economy Improvement, Green Marketing, Travel Decisions.*

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I. INTRODUCTION

Indonesia has natural potential, and social diversity can be used as a tourist destination (Sendari, 2019). Indonesia's travel industry is growing and is the second largest foreign trade engine after oil and gas. The travel industry is one of the main drivers of economic expansion and has a significant impact on the support of the Indonesian government (Ananda, 2021). However, the travel industry space has generally declined since the corona virus pandemic. Many airlines have laid off staff, abandoned facilities, and closed vacation spots. The travel industry has drastically reduced its payments to states. In addition, stay-at-home guidelines have added uncertainty to the travel industry (Mustika, 2020). The travel industry is one of the hardest-hit sectors of the economy from the COVID-19 pandemic. The travel industry has now returned to normal with the opening of several tourist attractions followed by a new special health conference. When this pandemic is over, those who are tired and want to stay home and travel will throw off track. They hope to recover from exhaustion at home fully.

Malang is one of the metropolises in East Java Province, with the most natural event in farming, culinary, and holidaymaker permanent magnet. Developing the rural (culinary) process sector and the service industriousness is the leading sector in boosting the frugalness in Malang. The expansion of Malang town's tiny and Medium Enterprises (MSMEs) sector shows rapid-fire development. Grounded on knowledge from the

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Cooperatives, Small and Medium Enterprises workplace, the story reached 5.61 percent or higher than the expected profitable growth of East Java, which was 5.5 percent. In addition, Malang is an area that has many tourist attractions and amazing natural scenery, plus much more hidden, which makes the beauty and coolness of the city of Malang still inconspicuous. Malang has many excellent tourist attractions, such as social gatherings, authentic destinations, contemporary photo spots, waterfalls that spoil the eyes, and many more that are interesting to explore immediately. Three areas of Malang, namely Malang Regency, Malang City, and Batu City, offer potential opportunities for business development in the travel industry. Malang's travel industry is preparing for various classic and new tours after three months of silence due to the corona virus pandemic. Secretary of the Ministry of Tourism and Culture, Dr Made Arya Wedhantara said his party will today hold a meeting with stakeholders in the travel industry to discuss a new era of self-progress after the mass socialization of Restrictions Ends on May 30, 2020 (Margianto, 2020).

Many entrepreneurs have not done a good promotion due to lack of good experience in marketing, concern for the environment and social responsibility, competition among entrepreneurs, government regulations, and declining prices. These entrepreneurs to achieve competitive advantage by using a simple way of promotion by understanding the relationship between investors and stakeholders, social values, environmental values, branding and visionary business. (Ferenc et al., 2017). The emergence of an awareness of environmental problems in society today triggers the industrial world to present a marketing concept that prioritizes ecological issues, better known as green marketing (Panungkelan et al., 2018).

A. Study Theories

Empirical studies in this study include:

1. Widiarsa declared that inexperienced selling could be a issue that influences buying choices in his article, "The Role of Competitive Advantage Mediates the Influence of inexperienced selling on buying Decisions" (Widiarsa & Sulistyowati, 2018), which is supported by research conducted by Mahmoud (2018); Panungkelan et al. (2018); Primandaru (2021).
2. In line with Widiarsa, Parlan's research entitled "The Effect of Green Marketing Mix on Purchase Decision and Customer Satisfaction" stated that green marketing significantly affects purchasing decisions. (Parlan et al., 2016), similar to the results of research from Kartawinat (2020); Kaur et al. (2022); Ramli et al. (2020).
3. Meanwhile, Manongko expressed that inexperienced promoting doesn't directly associate degree effect on buying decisions; this is often expressed in his analysis entitled, "The Influence of inexperienced promoting on call buying Organic product with Interests of shopping for as an Intervening Variable at Manado town, Indonesia" ich is supported by analysis conducted by Manongko (2018) this is supported by research by Hossain & Khan (2018).
4. Prihandono stated that green promotion is a significant determinant of purchasing decisions for a product. This enlightens the industrial sector to meet the wishes of its consumers (Prihandono et al., 2020).
5. Green Marketing is a tool to protect the environment and is a form of concern for future generations. Consumers like corporations that care regarding the surroundings, which supplies rise to inexperienced promoting, associated even customers are willing to pay a high worth so that inexperienced promoting isn't solely an environmental protection tool but additionally a promoting strategy (Yazdanifard & Mercy, 2011) in line with the results of the research from Syaekhoni (Kimani, 2015; Roy, 2013; Sharma, 2018; Syaekhoni et al., 2017)
6. Setiaji, in his research entitled "The Effect of Green Marketing on Environmental Sustainability, Company Profitability, and Local Community Economy," stated that green marketing significantly affects local communities' economic growth. (Iweama, 2014; Setiaji, 2014) this is in line with what Hinelo did in the thematic actual work lecture service program with the title "Green Marketing SMEs in Supporting the Community Economy of Bongo Village and Doulan Village, Bokat District, Buol Regency- Central Sulawesi" which was carried out because of the awareness of the green marketing phenomenon. It is hoped that after training on MSMEs, there will be an improvement in the economy of the people of the area (Hinelo & Niode, 2022).
7. Wuri stated that the level of tourist visits in tourist areas improves the welfare of the local community (Wuri et al., 2015). This is in line with the results of Aneldus' analysis entitled "The Influence of the business enterprise Sector on Regional Native financial gain and therefore the economic process Rate of Manggarai Regency" (Aneldus & Dewi, 2018), which is supported by analysis from Rusydi that states that the extent of visits incorporates a vital result on people's financial gain in traveller areas (Rusydi & Bahri, 2016).
8. Sarsito stated that tourist visits have a positive but not significant effect on improving the economy around the attraction (Sarsito et al., 2020), supported by research results from (Rulloh, 2017).
9. Unlike the case with the results of Purwanti's research, which states that tourist visits do not affect the original regional income because the number of tourist visits when conducting research is the lowest number of tourist visits, so it does not affect the increase in regional original income which of course does

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not also affect the economic improvement of the community around the tourist area (Adinugroho, 2017; Purwanti & Dewi, 2014; Tobing, 2021; Windayani & Budhi, 2016).

10. Suastika stated that the number of sightseer visits, the length of stay of excursionists, and the position of hostel residency have a positive and significant effect on the community's weal. At the same time, the original indigenous income doesn't affect the weal of the people in the regencies metropolises in Bali Province. Original income as an interceding variable in the relationship between the number of sightseer visits, the length of stay of excursionists, and the residency rate of hospices affects the weal of the community (Suastika & Yasa, 2017; I. B. A. B. Wijaya & Sudiana, 2016).
11. Tolinggi stated that tourist visits to the community's welfare have a positive relationship but do not have a significant nature. The results of the analysis show that the variables of promotion of tourist attractions and tourist visits together (simultaneously) have a positive relationship but do not have a significant nature. This is evidenced by the increase in indicators of the promotion of tourist attractions. Increased tourist visits to Batu beach attractions and crocodiles will positively impact society's welfare (Tolinggi et al., 2021).
12. Putri, in her article entitled "The Impact of the Covid-19 Pandemic on the Socio-Economic Activities of the People of the Songgoriti Tourism Area,". He said that the pandemic caused a low level of tourist visits due to social restriction policies, so people's income decreased (Putri et al., 2021; B. K. Wijaya & Mariani, 2021).

B. Green Marketing

Green marketing is selling that uses environmental issues as the base for strategy in selling a product. Palwa is explicit that the dimension of inexperienced selling, and integration of the parcel of land into all aspects of promoting, is the development of recent products (green products) and communication (green communication) (Palwa, 2014). Green marketing aims to ameliorate the relationship between assiduity and the terrain, cover the impact of frugality, and respond to government regulations on the landscape.

Concern for the terrain is integrated into the association's strategies, programs, and processes. That leads to the influence of marketing conditioning on the natural landscape and encourages practices that exclude and minimize adverse goods. The gospel of sustainable development provides a fresh motivation for green marketing by emphasizing that environmental protection does not mean barring profitable well-being but rather encourages redefining how marketing relates to environmental protection.

The green tourism marketing model oriented towards economic, social, and environmental aspects must be integrated to meet all stakeholders' interests. Therefore a business should be meted out in 2 ways: initially, the event and management of selling activities should begin from the political can of the govt. Because the authority for the occurrence of inexperienced business enterprises is supported by community participation in gap businesses associated with business enterprises like hotels, diversion venues, souvenir and food outlets, restaurants and alternative services. The government has managerial and promotional authority, and the community supports it. Secondly, the combination of the framework for empowering all potential tourist destinations is knowledge-based to improve common welfare - commonwealth through (1) revitalization and conservation of the environment - resource base, (2) revitalization and conservation of history and culture - culture-based, and (3) community empowerment - social based (Hasan, 2014).

C. Travel Decisions

According to Kotler, the acquisition call is that the consumer's action obtain to shop for} or to not buy the merchandise. Of the colourful factors impacting shoppers in copping a product or service, shoppers usually think about the standard, price, and merchandise erstwhile renowned the general public. Before shoppers plan to get, shoppers generally bear many stages 1st, videlicet,1) downside recognition, (2) info hunt, (3) analysis of alternative,(4) shopping for call or not,(5) post-purchase (Kotler, 2002)

According to Dharmmesta and Handoko, it is argued that there are five places of individualities in a buying decision, videlicet. a. Initiative-taking (generator) individualities who have the action to buy certain goods or have requirements and solicitations but do not have the authority to do their own. b. Influencers' individualities impact the decision to buy either designedly or unintentionally. c. The existent who decides whether to buy or not, what to buy, how to buy it, and when and where to buy it.d. Buyer is the existent who made the accurate purchase. e. stoner, an existent who enjoys or uses a bought product or service (Dharmmesta & Handoko, 2012).

D. Community Economic Improvement

A sightseer magnet exists in a particular area and is attractive so that people want to visit the place. A sightseer magnet is a place or natural state with sightseer coffers erected and developed to have an attraction for excursionists to visit. Tourist lodestones can be natural or structures similar to mountains, gutters, swell,

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galleries, literal heritage spots, citadels, etc. Tourist lodestones are an essential factor in adding to the income of a country and region with the provision of services and development in the sightseer area.

The Positive Impact of touristy on prudence is:

1. The touristy sector causes the first community's prudence to extend drastically. the looks of excursionists to a destination conjointly causes the emergence of foreign business folks or encourages somebody to be tone-utilized in furnishing services and conveniences for excursionists throughout their trip.
2. Making jobs for the girding residents, riveting essential labor within the touristy field, for illustration obtaining a guide and being a driver to require or dock the space travelled by excursionists to the meant stint.
3. The development of higher installations and structures for the convenience and safety of excursionists laterally conjointly carries out indifferent development within the megacity, as jam-pawncked because it is, the brisk development within the region.
4. The development of higher installations and structures for the convenience and safety of excursionists laterally conjointly carries out indifferent development within the megacity, as jam-pawncked because it is, the brisk development within the region.
5. Introducing autochthonic Indonesian culture to the globe, well the intention of introducing autochthonic Indonesian culture like once visiting the grave advanced of King Mataram Kotagede in Jogja, excursionists square measure required to wear jarik for men and kebaya for girls. it's meant to acknowledge the ancestors of our former ancestors and introduce the autochthonic culture of Jogja to excursionists United Nations agency come back.

In addition to the positive impact of tourism, it turns out that tourism also has a negative effect. They are the negative impacts of tourism:

1. The large number of tourists visiting also increases the possibility of destruction or damage, and the main problem comes from trash. This is caused by the unavailability of many trash cans, the lack of attention from tourists regarding cleanliness and poor waste management from managers and officers at the tourist attractions themselves. This uncontrolled increase in the amount of waste causes tourist areas to become damaged and not as beautiful as before. It is a shame that the natural beauty of our nature has to be disturbed because tourist areas are filled with garbage. So, from now on, let's take care of natural wealth from now on and start from each other personally.
2. Openings for culprits to commit crimes against foreign and domestic excursionists reduces excursionists' interest in sightseer destinations. Exemplifications are thieveries of auberges where excursionists stay, pick pocketing, and other crimes. We should be more watchful about this and increase its safety so that excursionists feel safe when travelling.
3. There is a stigma in society that judges that everything that smells foreign is good, this is especially for tools related to modern technology. This is very unfavourable for domestic products which makes it difficult to develop, this is because domestic products are considered unable to compete with products originating from abroad. It is fitting that leaders or entrepreneurs, especially those engaged in the tourism sector, should be able to promote natural tourist destinations in Indonesia that are no less attractive than those abroad.

Based on the background and review literature that has been explained in the description above, the purpose of this study is

1. to analyze how green marketing affects post-pandemic travel decisions,
2. to analyze how green marketing affects people's economic improvement,
3. to analyze how travel decisions affect people's economic improvement
4. to find out whether travel decisions become intervening variables in the influence of green marketing on improving the community's economy.

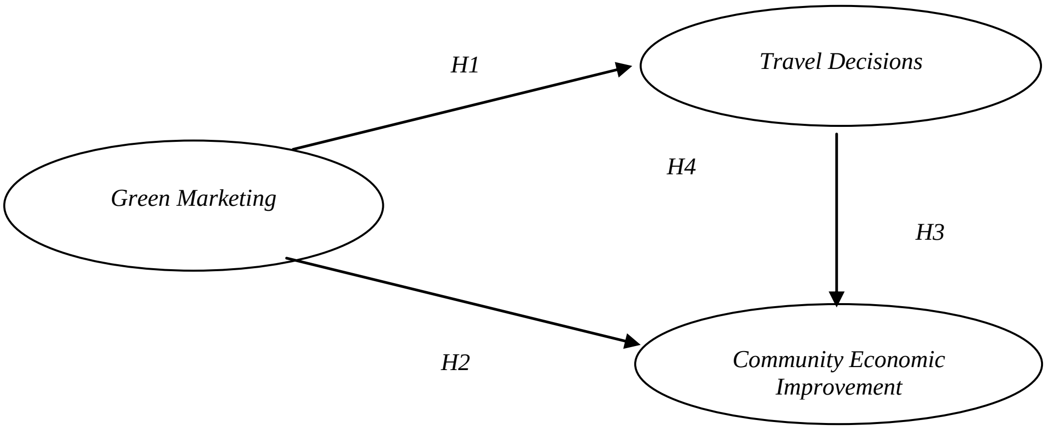

Figure 1. Conceptual Framework

E. Research Hypothesis

Based on the framework above, the hypothesis in this study is:

H1: Green marketing influences travel decisions

H2: Green marketing affects the improvement of the community's economy

H3: Decisions affect improving the community's economy

H4: Green marketing affects the improvement of the community's economy, with travel decisions as an intervening variable.

II. METHODS

A. Method of Collecting Data

This type of hypotheses research and research are designed as surveys. These studies display causal relationships that can be used to predict and even control human behavior and natural symptoms. This research is a descriptive quantitative study. This process helps describe research results using descriptive statistical analysis, namely by analyzing and describing existing data by explaining the effects of available research (Sugiyono, 2018). In addition to obtaining data, researchers used preliminary observation techniques to determine how much tourists responded to the questionnaires distributed.

Then for the data collection techniques, researchers use questionnaires with Liker scale measurements on each item of the statement instrument (Sugiyono, 2017)Data collection media uses Google Forms as the data collection medium.

B. Analysis Description

The data analysis uses the SEM (Structural Equation Modelling) analysis technique with the Smart PLS (Partial Least Square) program, which provides a clear picture of the relationship between research constructions (Ghozali & Latan, 2015). The population and research sample were tourists who had visited tourist destinations in Malang city and collected 175 people. To obtain sampling, researchers used a simple random sampling technique.

III. RESULTS AND DISCUSSION

A. Result

1. Validity and Reliability Test

Table 1. Convergent Validity Test results show:

Green Marketing		*Travel Decisions*		*Community's Economic Improvement*	
X1.1	*0.740*	*M1.1*	*0.787*	*Y1.1*	*0.752*
X1.2	*0.793*	*M1.2*	*0.790*	*Y1.2*	*0.821*
X1.3	*0.832*	*M1.3*	*0.830*	*Y1.3*	*0.827*
X1.4	*0.848*	*M1.4*	*0.849*	*Y1.4*	*0.777*
X1.5	*0.829*	*M1.5*	*0.837*	*Y1.5*	*0.777*
X1.6	*0.827*	*M1.6*	*0.824*	*Y1.6*	*0.789*
X1.7	*0.811*				

Source: Data Processed 2022

From the table above, it can be concluded that the model has an excellent convergent validity because it has a > value of 0.7, and the higher the loading factor value on each construct, indicating if the higher the contribution of the indicator to the construct.

After conducting a validity test, a reliability test will be carried out. The results of the reliability test are in the following table:

Table 2. Reliability Test Results

	Composite Reliability	*Cronbach's Alpha*	*Average Variance Extracted (AVE)*
Green Marketing	*0.931*	*0.914*	*0.659*
Travel Decisions	*0.925*	*0.902*	*0.672*
Community Economic Improvement	*0.909*	*0.880*	*0.626*

Source: Data Diolah 2022

A research model can be reliable if the composite reliability value is above 0.7. Table 2 shows that green marketing, travel decisions, and community economic improvement variables are 0.931, 0.925, and 0.909. The three variables have a composite reliability above 0.7. As the value of Cronbach's alpha is more than 0.6, it can be concluded that the model has good reliability.

Based on data from table 2 above shows that the average variance extracted (AVE) of each variable has a construct of > 0.5 which means that all constructs are reliable. Thus it can be stated if each variable has high discriminant validity.

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Table 3. Model Fit

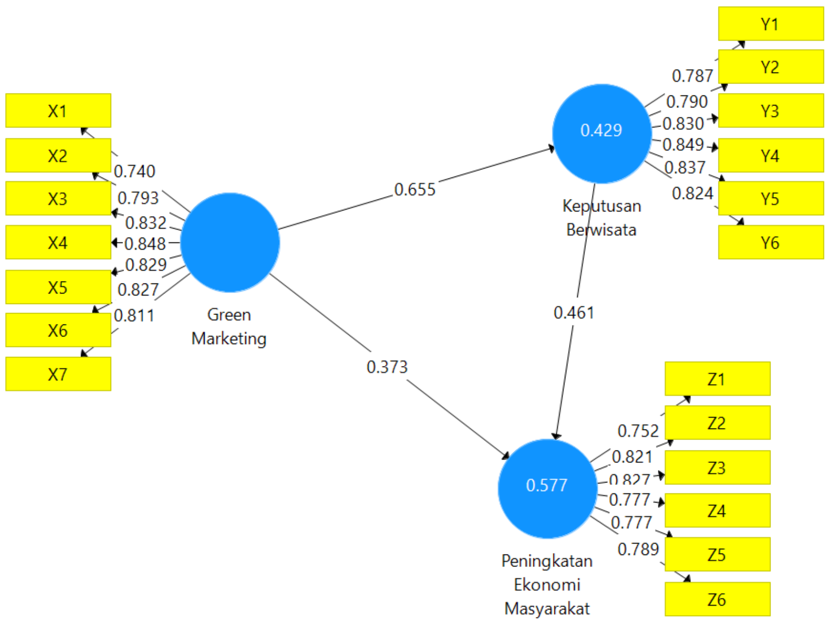
	Saturated Model	*Estimated Model*	*Model*
SRMR	*0.062*	*0.062*	*Fit*
d_ULS	*0.740*	*0.740*	*Fit*
d_G	*0.410*	*0.410*	*Fit*
Chi-Square	*399.349*	*399.349*	*Fit*
NFI	*0.830*	*0.830*	*Fit*

Source: Data processed 2022

The goodness of fit test of the model can be seen from the NFI value ≥0.662 declared fit. From Table 3, the NFI value of 0.830 indicates a suitable model. Therefore, from these results, it can be concluded that the model in this study has a relatively high degree of agreement, and it is good to use it to test exploratory hypotheses.

2. Hypothesis Test

To conduct hypothesis tests, I used SmartPLS software. The tests evaluate the inner model and a t-test to answer the four predetermined hypotheses. Here are the results of the hypothesis test through the evaluation of the inner model:



Source: SmartPLS Program Output Results 2022

Figure 2. Inner Model

From the results of the evaluation of the inner model, the R square value was obtained as follows:

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Table 4. Coefficient of Determination(R^2)

	R Square
Travel Decisions	*0.429*
Community Economic Improvement	*0.577*

Source: Data Processed 2022

Table 4 shows that the R Square value for the travel decision variable is 0.429. The statement explains that the percentage of travel decisions is 42.9%, which means that the green marketing variable influences travel decisions by 42.9%, while the other variables influence 57.1%. For the community economic development variable, the R-squared value is 0.577. The claim explains that the percentage of the size of the economy increase in the community is 57.7%. This means that the green marketing and travel decision variable affects the economic growth of the community by 57.7% and other variables affect the remaining 42.3%.

Table 5. Path Coefficients

	Original Sample (O)	*T Statistics (|O/STDEV|)*	*P Values*
	Direct Influence		
Green Marketing -> Travel Decisions	*0,655*	*12,146*	*0,000*
Green Marketing -> Improving the Economy of Society	*0,373*	*3,904*	*0,000*
Travel Decisions -> Improving the Economy of Society	*0,461*	*4,759*	*0,000*
	Indirect Influence		
Green Marketing -> Travel Decisions -> Improving the Community Economy	*0,302*	*4,356*	*0,000*
	Total Influence		
Green Marketing -> Travel Decisions	*0,655*	*12,146*	*0,000*
Green Marketing -> Improving the Economy of Society	*0,675*	*12,787*	*0,000*
Travel Decisions -> Improving the Community's Economy	*0,461*	*4,759*	*0,000*

Source: Data Processed 2022

Read from the results of the analysis in table 5, it shows that the parameter coefficient value is 0.665, the t-count value is 12.146 greater than the t-table 1.96 with a p-value of 0.000 which is less than 0.05. These results can be read if the decision to travel is directly influenced by green marketing with a positive and significant

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level of influence. The relationship between green marketing and improving the community's economy shows the result that the parameter coefficient value is 0.373, the t-count value is 3.904 greater than the t-table 1.96 with a p-value of 0.000 less than 0.05. These results state that the variable of increasing the economy of the tourism area community is directly influenced by the green marketing variable with a significant and positive level of influence. Next is the efficiency value of the travel decision parameter for increasing the community's economy of 0.461, the t-count value of 4.759 is greater than the t-table value of 1.96 and the p-value of 0.000 is less than 0.05. These figures state that the community's economic improvement variable is also directly influenced by the travel decision variable in a positive and significant way.

As for the indirect effect of green marketing on improving the community's economy through travel decisions, it can be seen from the column that the indirect effect shows that the parameter coefficient value is 0.302, the t-count value is 4.357 greater than 1.96 and the p-value is 0.000 less than 0.05. From these results it can be explained that the increase in the economy of the community in tourist areas is influenced by green marketing variables through significant travel decisions. Then the total effect shows the results of the parameter coefficient value of 0.675 with a t count of 12.787 and a p-value of 0.000. This shows that the variable of increasing the community's economy is influenced by green marketing and this influence increases after going through the travel decision variable as an intervening variable.

B. Discussion

The influence of green marketing on travel decisions has a parameter coefficient of 0.665 which means that green marketing positively influences travel decisions. The t-count value is 12.146, and the significance is 5% (t-table significance 5% =1.96) because the t-count value of 12.146 is greater (>) than the t-table of 1.96 and the p-value of 0.000 < 0.05, green marketing has a significant effect on travel decisions. The effect of green marketing on improving the community's economy direct has a parameter coefficient of 0.373 which means that green marketing positively influences travel decisions. The t-count value is 3.904, and the significance is 5% (t-table significance 5% = 1.96) because the t-count value of 3.904 is greater (>) than the t-table 1.96 and the p-value of 0.000 < 0.05. Green marketing significantly improves the community's economy, supporting previous research (Mahmoud, 2018; Panungkelan et al., 2018; Parlan et al., 2016; Primandaru, 2021; Widiarsa & Sulistyowati, 2018). What states that Green Marketing has a significant effect on the purchase decisions made by consumers, in this case, is the travel decisions of tourists.

The effect of travel decisions on improving the community's economy has a parameter coefficient of 0.461 which means that there is a positive influence of travel decisions on improving the community's economy. The t-count value of 4,759 is greater (>) than the t-table of 1.96 and the p-value of 0.000 < 0.05, so the decision to travel significantly improves the community's economy. That supports previous research conducted by Wuri, which stated that the increasing level of tourist visits in a tourist area also increases the welfare of the local community. (Wuri et al., 2015) supported by other researchers Aneldus & Dewi (2018); Rusydi & Bahri (2016).

Based on the results of the analysis of the influence of green marketing on improving the community's economy, it has a parameter coefficient of 0.373 which means that green marketing has a positive influence on travel decisions. The t-calculated value of 3.904 is more excellent (>) than the t-table of 1.96 and the p-value of 0.000 < 0.05. The indirect influence of green marketing on improving the community's economy through travel decisions has a parameter coefficient of 0.302 greater (>) than the t-table of 1.96 and p-value of 0.000 < 0.05. From the total influence analysis results, green marketing influences improving the community's economy through travel decisions. Can be seen from the magnitude of the parameter coefficient value of 0.675, which means that there is a positive influence. The t-count value is 12.787 5% significance (t-table significance 5% =1.96) because the t-count value is 12.787 greater (>) than the t-table 1.96 and p value 0.000 < 0.05, green marketing has a significant effect on improving the community's economy through travel decisions. The influence of green marketing on improving the community's economy through decisions as an intervening variable shows if the decision to travel adds to the increase in the community in tourist areas due to higher tourist visits. The community's economic activity will show an increase marked by the opening of several suggestions supporting tourism, including increased occupancy rates in lodging, culinary facilities, and souvenirs that have already started operating.

IV. CONCLUSION

Based on the results of the research that has been carried out, conclusions can be drawn: (1) There is a positive and significant influence of green marketing on travel decisions;(2) There is a positive and significant influence of green marketing on improving the community's economy; (3) There is a positive and significant

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influence of travel decisions on improving the community's economy; (4) There is a positive influence of green marketing on improving the economy of the community in tourist areas through travel decisions.

Around the community around the attraction, it is recommended to be more open and able to adapt to the outside world. When relations with outside communities are established, it'll open up community innovation to undertake to measure a much better life by increasing financial gain, therefore the want for consumption will increase. People must be competent to exist and re-explore opportunities so that it will impact increasing income. In other words, as people's income increases, the community's economy will also improve.

This research has been tried and carried out following scientific procedures, but there are still limitations because it is carried out through the google form the results obtained are not optimal. For further research, it is hoped that it will be more specific in explaining the variables of green marketing and can also add other variables that have become a phenomenon in the economic revival of the community in tourist areas after the covid-19 pandemic.

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The Impact of Work Motivation and Employee Development on Surabaya City's Fire Fighting and Rescue Department Employee Performance

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ABSTRACT

Purpose: The City of Surabaya's rescue and fire departments plays a crucial role in government administration in the areas of community protection for firefighters and public peace and order. The goal of this study was to evaluate how employee development and job motivation impacted the performance of firefighters and rescue workers in Surabaya.

Design/methodology/approach: Descriptive quantitative and case study methodologies are the research methodology applied. Techniques for collecting data are questionnaire. Multiple linear regression analysis is used in the analysis, and SPSS 26 is used to process the data.

Findings: According to the study's findings, the variable Work Motivation (X2) is 4.079 > t table value of 1.684, while the variable Employee Development (X1) is partially positive and significant at 5.746 > t table value of 1.684. The concurrently determined F value of 103.004 > F table of 2.32 is positively and significantly impacted by the employee development factors (X1) and work motivation (X2), respectively.

Practical Implication: The government will use the practical implications as a starting point for evaluating the Fire and Rescue Service employee's performance policies. Theoretical implications can be used as a guide for future studies on employee performance in the field of theory.

Paper type: Research paper

Keyword: *Employee Development, Performance, Workplace Motivation*

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I. INTRODUCTION

The Surabaya's Fire and Rescue Department plays a crucial role in governmental affairs in the area of public peace and order, community protection in the field of fire, which is the subject of the City's jurisdiction, and assistance tasks assigned by the Mayor. The functions of the Fire and Rescue Department in Surabaya include implementing the creation of local safety and order policies and Community Protection, sub-Fire; establishing policies in place in the area of Social Security and Order as well as Community Protection sub-Fire; implementation of evaluation and reporting in the field of Peace and Public Order as well as Community Protection sub-Fire (Princess, 2021).

Lack of employee development can be triggered due to a lack of attention from the governance. The lack of employee development can hinder the achievement of the organizational goals of the Fire and Rescue Department in Surabaya due to the lack of improving the quality of employees and good cooperation between employees. For this reason, it is necessary to strive for employee development to be refined, not ignored, because Indonesia is a large country and it is impossible to ignore it in developing human resource capabilities. The only course of action is to raise the standard of human capital, for example through the development of Human Capitals, so that workers can cooperate effectively, can carry out mandates, and have heavy responsibilities without the potential for unhealthy competition and disunity (Yuliana, 2019).

Furthermore, the lack of strong work motivation makes it difficult to achieve the goals and functions of the Fire and Rescue Department in Surabaya properly, lack of enthusiasm results in reduced employee performance. For this reason, it is essential to raise the level of job motivation among all Fire and Emergency Services Service personnel in Surabaya

Human capital is considered to be a key factor in a company's success and plays a significant role in this. It is important to increase employee motivation in order to promote proper performance (Utomo et al., 2018). Giving employees a reason (or incentive) to work is a way to encourage them to contribute to the successful and efficient realization of organizational goals. Giving this job purpose is part of Maslow's theory of the hierarchy of human needs, which also encompasses physiological, security, interpersonal, prestige, and personality requirements (Hasibuan, 2016). Employees experience happiness when their hopes and expectations are met, and those who take pride in their work will automatically perform better. There are several factors that link job performance with job satisfaction, notably compensation (Ekhsan, 2019). In this case, if workers receive the incentives they believe they are due and are content, they will perform better overall. Providing for their needs and wants can motivate employees in a business. However, it can be challenging to present motivation for paintings because what is important to one person cannot be important to another. Agency-based motivational factors, notably internal and external aspects, are categorized (Mangkunegara, 2016). Wishes, aspirations, and intentions held inside the personality are examples of inward aspects (private qualities) in inspiration. The workplace conditions, profitability, operating conditions, company policies, and relatives and friends' honors, advancements, and duties are examples of external elements (commercial enterprise qualities).

This study investigates how employee empowerment and growth affect staff performance in Surabaya's fire and rescue department.

A. Research purposes

This study set out to ascertain the component and concurrent impacts of job motivation and workplace subjected to change on staff performance in the Surabaya fire and rescue department.

B. Theoretical Review

1. Employee Development

The readiness of individuals or staff to take on more duties within an organisation or institutions, according to Nawawi (2016), is referred to as human capital development. The development is the process of enhancing a person's technical, theoretical, conceptual, and moral talents in accordance with the requirements of their position or work through education and training. Training attempts to advance the technical capabilities needed to carry out workers' task, whereas educating enhances the intellectual, cognitive, and social skills of workers (Muqaddis, 2020). Human resource development is the basis for someone to occupy a higher position in an organization (promotion) or be transferred to another job (mutation). Therefore, development is a necessity and even something that is expected by everyone in the organization (Wilson, 2017).

Bariqi (2018) asserts that if people can perform their jobs effectively, institutional or institutional objectives would be successfully attained. Furthermore, the firm needs to focus on staff development in order to increase the workability of its workforce. Thus, the goal of career progression is to raise job performance in order to accomplish set work goals. The company, the workers, and the customers or members of the general public who rely on the products or services generated by the company are all aimed towards and gain from workers development.

2. Work Motivation

A representative of a company must be motivated in order to be flexible and prepared to organize their abilities, in the form of expertise or skills, effort, and moment to implement various tasks for which they are accountable and meet their demands, in order to achieve predefined goals of the organisation. Nevertheless, a number of factors significantly affect worker motivation.

In accordance with Siagian (2019), what constitutes motivation, Psychologically speaking, motivation is a really essential process. Motivation is a psychological condition and psychological mental disposition that generates energy, promotes actions or motions, and leads or directs activity towards reaching motivation that offers pleasure or minimizes tensions (Citraningtyas, 2019). According to Maslow (2010) theory, there are five categories of personal motivations that are grouped in a sequence, beginning with the most fundamental. According to Maslow, there are five categories of requirements: a) Physiological and safety needs, including food, livelihood, and apparel; b) Security requirements, including emotional, psychological, and intelligent safety; c) Social desire; d) Luxurious needs, which are typically represented in different symbols of status; and e) Personality, which refers to the accessibility of possibilities for an individual to achieve the possibilities he or she already possesses and transform it into a natural skill.

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3. Employee Performance

Performance of employees, in Sinambela (2012) definition, is the capacity of an individual to complete a particular task with skill. Worker performance is extremely important since it will show how well the worker can handle the responsibilities that have been given to him. Determining precise and quantifiable standards and setting them as a shared standard are important as a result. Worker performance, according to Simamora (2004), is the degree to what workers meet the expectations of their jobs.

Afandi (2018) asserts that performance is a measure of work that could be completed by an individuals or groups working for companies while abiding by their obligations and exercising their legal rights in order to attain organizational objectives in a way that is morally and ethically correct. Performance, according to Riniwati (2011), is the degree to which the individual has contributed to establishing operational strategy, both in attaining defined objectives related to individual jobs or by exhibiting competencies that are proclaimed relevant to the organization. Attitudes, aptitude, and accomplishment are the three dimensions that make up the multifaceted concept of performance. Considering some of these definitions, it can be said that in this text, "worker performance" refers to the work that an employee completes within a specific timeframe in accordance with set job requirements.

Robbins & Judge (2015) explained that there are several ways to measure performance in general, namely: quantity of work, quality of work, knowledge of work, opinions or statements conveyed, decisions taken, work planning, and work organization area.

II. METHODS

A quantitative method of descriptive study is used in this study. In terms of the research population, the 400 workers that will make up the Surabaya city's rescue and fire fighting department in 2022 make up the complete research topic. This study used the method of sampling to collect samples using a straightforward random sample approach, the probabilistic sampling methodology. Sugiyono (2017) defined simple random sampling as the choice of sample participants from a community at randomness without taking into account the strata that already are present in the population. 40 or more employees are needed to reach the 10% sample size. Questionnaire-based data collection methods. Using multiple linear regression analysis and SPSS 26 to handle the data, there are data analysis methodologies.

III. RESULTS AND DISCUSSION

A. Research result

The following table bellow shows how the staff of the Fire and Rescue Department in Surabaya responded to the Worker Development (X1) program offered by the Fire and Rescue Department

Table 1 Response of Fire and Rescue Service employees in the City of Surabaya to Employee Development (X1)

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
x1.1	40	3.00	5.00	3,8000	,72324
x1.2	40	2.00	5.00	3,8000	,91147
x1.3	40	2.00	5.00	3.8750	,79057
x1.4	40	2.00	5.00	3.6750	,88831
x1.5	40	1.00	5.00	3.8500	,92126
x1	40	2.40	4.80	3,8000	,65320
Valid N (listwise)	40				

Source: SPSS output processed by researchers (2022)

The table above displays an overall average of 3.8000 for the workers of the Fire and Rescue department in Surabaya in reply to Worker Development (X1) in the Department of Fire and Rescue in Surabaya. This demonstrates how well-rounded the Worker Development (X1) program is at the Fire and Rescue Service in the City of Surabaya.

The following table shows how staff members of the Fire and Rescue Service in the City of Surabaya responded to the Job Motivation (X2) survey that was accessible at the Service of Fire and Rescue in Surabaya.

Table 2. Responses of Fire and Rescue Department workers in the City of Surabaya to Work Motivation (X2)

Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
x2.1	40	2.00	5.00	3.8250	,93060
x2.2	40	2.00	5.00	3.8750	,88252
x2.3	40	2.00	5.00	3.8750	,91111
x2.4	40	2.00	5.00	3,8000	1.04268
x2.5	40	2.00	5.00	3.7250	1.03744
x2	40	2.40	5.00	3.8200	,75759
Valid N	40				

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(listwise)

Source: SPSS output processed by researchers (2022)

According to the table above, the overall response of the staff of the Fire and Rescue Department in Surabaya to Job Motivation (X2) in the Service of Fire and Rescue in the City of Surabaya is 3.8200. This demonstrates that Job Motivation (X2) is relatively high in Surabaya's Fire & Rescue Team.

The table illustrates the establishment's reaction to how the Fire and Rescue Department workers performed in Surabaya (Y).

Table 3. Leaders' Responses to Employee Performance at the Fire and Rescue Department in Surabaya (Y)

Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
y. 1	40	2.00	5.00	3,8000	,85335
y.2	40	2.00	5.00	3.9750	,83166
y. 3	40	2.00	5.00	3.8250	,95776
y. 4	40	2.00	5.00	3.9250	,91672
y. 5	40	2.00	5.00	3.9750	,76753
y	40	2.40	4.80	3,9000	,68836
Valid N (listwise)	40				

Source: SPSS output processed by researchers (2022)

Based on the table above, the management gave the Fire and Rescue Department workers in Surabaya an overall average of 3.9000 for their performance. This demonstrates that Surabaya's Fire and Rescue Department members consistently deliver quality service.

The degree of freedom (df) in this analysis can be computed as 40-2-1 = 37 with an alpha of 0.05 to get the total moment r table of 0.316. The table below shows that an element or issue is considered acceptable if the r count (for which each item's value is shown in the Corrected Item - Total Correlation column) exceeds the r table and the r value is good. In this case, H0 is ignored and HA is acceptable.

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Table 4. Validity Test Results

No	Variable	Corrected Items - Total Correlation	R table	validity
1	Employee Development (X1)	0.923	0.316	Valid
2	Work Motivation (X2)	0.921	0.316	Valid
3	Fire and Rescue Service employee performance in Surabaya City (Y)	0.959	0.316	Valid

Source: SPSS Outputs processed by researchers (2022)

The output above shows the analysis's findings, which are represented by the estimated r values for each issue as an observed variable in the Corrected Item - Total Correlation column of the Component Total Statistics part of the output. It was determined that all the test items were genuine because the r value for each question was good and higher than the number in the product moment r table of 0.316.

The results of the instrument reliability test used in this study can be seen in the table below.

Table 5. Reliability Test Results

No	Variable	Cronbach's Alpha	r table	Reliability
1	Employee Development (X1)	0.953	0.316	Reliable
2	Work Motivation (X2)	0.952	0.316	Reliable
3	Performance of Fire and Rescue Service employees in the City of Surabaya (Y)	0.952	0.316	Reliable

Source: SPSS output processed by researchers (2022)

The findings of this study suggest that the conceptualization or investigation variable is credible because the Cronbach alpha value in the table above is greater than the r value of 0.316.

The outcomes of the F test in this study may be seen from the analysis performed with the aid of the computer application SPSS for Windows version 21.0. The subsequent ANOVA table displays the outcomes of the concurrent F-test analysis:

Table 6. ANOVA table

ANOVA

Model		Sum of Squares	df	MeanSquare	F	Sig.
	Regression	15,666	2	7,833	103,004	,000b
1	residual	2,814	37	.076		

Total	*18,480*	*39*	

a. Dependent Variables: y
b. Predictors: (Constant), x2, x1
Source: SPSS output processed by researchers (2022)

The F test findings show that the Fount value is 103.000. While this is going on, the value of the F table with the degree of freedom = n - k - 1 = 40-2-1 = 37 is 2.32. Ha is thus approved whereas H0 is disapproved. As a result, the regression analysis effectively explains both the overall fluctuation of the independent variables and the degree to which they influence the dependent variables.

The correlation table shown in the SPSS output below shows the partial t-test results:

Table 7. Regression Coefficient

Coefficients

Model		*Unstandardized Coefficients*		*standardized Coefficients*	*t*	*Sig.*	*Collinearity Statistics*	
		B	*std. Error*	*Betas*			*tolerance*	*VIF*
(Constant)		*,199*	*,264*		*,755*	*,455*		
1	*x1*	*,603*	*,105*	*,572*	*5,746*	*,000*	*,415*	*2,409*
	x2	*,369*	*,090*	*,406*	*4,079*	*,000*	*,415*	*2,409*

a. Dependent Variables: y
Source: SPSS output processed by researchers (2022)

The value of t for the Employee Development variable (X1) is 5.746, and for the Job Motivation variable (X2) is 4.079, according to the t-test results. While the value of the t table with a degree of freedom of 40-2-1 = 37 and a significance threshold of 5% is 1.684. The Staff Development Variable (X1computed)'s t value is 5.746, which is greater than the t table value of 1.684. As a result, Ha is approved and H0 is denied. This indicates that the performance of Fire and Rescue Department workers in Surabaya, the dependent variable, can be explained by the independent variable Employee Development (X1) (Y). When the t value for work motivation (X2) is determined to be 4.079 and the t table value to be 1.684, Ha is acceptable and H0 is refused.

B. Discussion

The Fire and Rescue Department in Surabaya has a very noble role in saving people and development assets from the threat of fire. Now the task of the Fire and Rescue Department in Surabaya is even tougher and also even nobler because it is added to the rescue task in an emergency.

The addition of new tasks for employees at the Fire and Rescue Department in Surabaya following a new name plus rescue means that it is necessary to increase the ability of employees through employee development through several methods both domestic and foreign training, as well as increasing work experience and rescue tactical training. This especially needs to be emphasized in terms of the speed of response to threatening hazards that arise suddenly both in city fire rescue and in saving humans, animals, and other assets.

In this analysis, we sought to determine how worker growth and job motivation impacted the productivity of Surabaya's Fire and Rescue Department members. Following the conclusion of the study processes, it is evident that Worker Development and Job Motivation have a significant impact on the Performance of Fire and Rescue Department Workers in Surabaya (Y).

The findings of this research show worker development has a favourable and considerable impact on performance, according to Sitanggang (2021). Performance is positively and significantly impacted by job

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motivation. Performance is positively and significantly impacted by employee development and workplace motivation.

Findings from Arin et al. (2022) the factors of intrinsic motivation and career growth have a substantial impact on employees' performance.

study finding According to Widianti et al. (2022), the Surakarta Fire Department office's personnel performance is strongly impacted by motivating factors.

Worker Development and Job Motivation must be continually improved in order to enhance the performance of the Fire and Rescue Department staff in Surabaya (Y) and to further increase management's role, particularly human resource management, in managing the Fire and Rescue Department in a greater and more professional way. Boost.

Job Motivation needs to be given top importance by the management and the government if they want to enhance the performance of the Fire and Rescue Department workers in Surabaya (Y) by making the activities that have already been, are being, and will be put into place more successful. To fulfil the organizational goals of the Fire and Rescue Service in the City of Surabaya and to progress the establishment of a safety and modern city, the government would provide encouragement through management and an increase in staff morale.

Given that Surabaya serves as the primary engine of growth and the foundation for the growth of other areas of East Java as well as other eastern Indonesia in particular, it is necessary further to promote urban development. Due to the risk of fire and other devastation, urban development may be slowed down. If this happens, other areas' development would also slow down, which will prevent the regional development goal from being met. In order to protect the City of Surabaya from fire and security hazards and ensure the security and efficient functioning of community and regional growth, the Fire and Rescue Service in the City of Surabaya needs to boost staff performance.

IV. CONCLUSION

It is possible to draw the following conclusion from the analysis of the research and discussion that has been made.

1. Since the calculated t value for the worker development variable (X1) is 5.746 and the corresponding t table value is 1.684, Ha is approved and H0 is refused. In other words, the performance of Fire and Rescue Department workers in Surabaya is the dependent variable, and the independent variable Worker Development (X1) can explain it (Y).
2. When the t value for Work Motivation (X2) is determined to be 4.079 and the t table value to be 1.684, Ha is approved and H0 is refused. Therefore, the effectiveness of Surabaya's Fire and Rescue Department workers is the dependent variable, and the independent variable Work Motivation (X2) can account for it (Y).
3. The F score number is 103.004 according to the findings of the F test. The value of the F table with degrees of freedom = n - k - 1 = 40-2-1 = 37 is 2.32 in the meantime. In light of the fact that the computed F value is 103.004 > Ft is 2.32, Ha is approved and H0 is denied. Job performance is positively and significantly impacted by both job motivation and worker development variables at the same time.

A. Research Implications

1. Theory Implications

Theoretical implications, as a reference for further researchers' theoretical studies regarding employee performance, especially in employee development variables and work motivation variables.

2. Practical Implications

Practical implications, as input to the government for evaluation of employee performance policies within the Fire and Rescue Department in the City of Surabaya and in other offices related to improving employee performance.

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Venture Capital Financing as A Driver for Entrepreneurship Development in Africa.
A Literature Review and Future Research Agenda

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ABSTRACT

Purpose: Several academics and practitioners have observed entrepreneurship development as a critical pillar for the prosperity of high-growth entrepreneurial ventures, new job opportunities, promotion of exports, and improvement of tax revenue across all countries. However, little is known about the role of VC in stimulating entrepreneurship development in Southern and East African regions.

Design/methodology/approach: Therefore, we reviewed 121 articles in international accredited journals from 2001 to 2022 to provide insights into this field of study.

Findings: Our results show that 90% of the reviewed articles were empirical, and 10% were theoretical. Furthermore, only 7% of the articles support the role of VC investment in entrepreneurship development. Colossal studies present beneficial results on this topic, but they are mainly from developed economies in Latin America and Europe, thus widening the literature gaps in Africa.

Research limitations/implications: Whereas the VC industry has received growing attention from emerging economies lately, it is still divided and restricted to technology entrepreneurship sector.

Practical implications: To the best of our understanding, this is the first multidisciplinary and integrative analysis that delivers a current thematic overview and insights into the explicit fields to create instincts for further empirical studies on the role of VC investment in entrepreneurship development in developing countries. Second, our literature analysis discloses significant literature gaps. Lastly, the authors improve the current literature by suggesting future research directions centered on an integration of exceeding Venture capital investors' technological skills to foster entrepreneurship development.

Paper type: Research paper

Keyword: *Economic Development, Entrepreneurship and SME Performance, Entrepreneurship Development, Future Research Agenda, Southern & East Africa, Venture Capital.*

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I. INTRODUCTION

The role of the entrepreneurship development in promoting economic growth, innovation and employment creation has been extensively debated over a long period, in both advanced and emerging economies (Abubakar, 2015; Ahlstrom & Garry, 2006; Gaspar, 2009; Finkle, 2012; Si et al., 2020; Santos et al., 2021). Considering the growing interest of researchers in high-growth entrepreneurship as a pillar for economic growth for emerging economies, new study areas have emerged to adequately address these research gaps. Previous studies document that to sustain entrepreneurship development, Africa demands a broad spectrum of sustainable funding models and state effective involvement that can inspire foreign investors. In the context of feasible equity financing sources, many scholarly articles support VC investment for the continued contribution to the emergence of

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global famous entrepreneurship model centres, for instance, the United States (US) model of Small Business Investment Companies (SBIC) and Yozma fund in Israel (Virtanen, 2001; Gaspar, 2009; Lerner, 2010; Gu et al., 2018; Iriyama et al., 2010; Dai et al., 2022). Albeit, the abundant empirical data presented on the VC's role is largely from US and European countries, as this is where utmost consistent data is available (Tykvova, 2018; Gompers et al., 2020). In such study settings, it is probable that additional research to enhance the position of academic understanding in the integration of entrepreneurship and venture capital investment research area is inevitable.

This article contributes to this debate by discussing the theoretical underpinnings of the role of VC on entrepreneurship development. Particularly, we synthesize findings in key topical areas, where there are conflicts or inconsistent conclusions in the extant literature, how the literature on VC activity in Africa differs from the literature in developed country contexts in terms of the issues & questions & quality of the research, the rigor of the methods in the published work on Africa, and a richer prioritization of unanswered questions. For that reason, we review the academic literature from 2001 to 2022, which complements the previous work of (Alemany, 2006; Kobeissi & Wang, 2009; Lerner, 2010; Sipola, 2022)and to deliver desires for future research. We attempt to search for relevant empirical literature and theoretical constructs with an intention to highlight the literature gaps in the previous studies and offer a future research agenda.

Prior studies of (Bruton et al., 2008; Fernhaber & McDougall-Covin, 2009; Deloitte & NVCA, 2012; Lerner, 2010; Gompers et al., 2020) expose that the global game changer companies like Microsoft, YouTube, Facebook and Apple, their success was attributed to VC financing at their early stage. While previous scholarships present appealing results, little is known about the role VC can play to stimulate entrepreneurship development in the Southern and East Africa regions. In the first place, there are a handful of VC firms in these regions, and even then, these private venture capital firms do not have the capacity to bridge the equity gap, posing a huge threat to entrepreneurship development in emerging economies. Often, the tools of how VC investment can assist to transform the entrepreneurship sector are essentially overlooked. Conceivably as a result, the framework is hardly deliberated when studying its social-economic benefit to start-ups which poses a challenge in synthesising its findings. On this backdrop, scholars, policymakers and multinational agencies have reacted to this tendency with increasing academic insight, diagnosing the role VC can play in fostering entrepreneurship development (Alemany, 2006; Kobeissi & Wang, 2009; Lerner, 2010; Finkle, 2012; Rossi et al., (2020)

Our systematic literature is drawn from Scopus and google databases where we used key works for instance VC and entrepreneurship development, entrepreneurship & SME development, VC & economic development to search for relevant literature from these databases. We further narrowed down our literature search to online open access peer reviewed journals. The analysis underscores the growing importance of shaping the entrepreneurship sector through VC investment particularly in the Southern and East Africa regions. By means of Scopus and google databases, we find 121 articles published in entrepreneurship, business management finance and economics journals and we classify them into research areas, geographical location, no of articles published per year. We examine prior literature in these four research areas, emphasising the research gaps, as well as the key challenges, and drawing insights that can help to advance VC and entrepreneurship research. By doing so, we discover that most of the empirical studies are based on small and unique samples, frequently too idiosyncratic to yield generalised findings (Tykvova, 2017; Ali, 2021).

Our study makes three major contributions to advancing the debate about the role VC investment can play to nurture the entrepreneurship sector in emerging economies. First, we deliver a contemporary thematic overview and insights into the explicit fields that require additional research direction. These results are presented for future research, designed at creating instincts for further empirical studies that add to a more combined research agenda on the role of VC investment, especially in the developing countries. Second, our literature analysis discloses significant literature gaps in emerging economies. We find that from 121 articles reviewed, only 5% relate to VC and economic development, moreover all the identified articles focused on advanced economies, thus widening the literature gaps in Africa continent. Finally, our article directs to important policy implications for practitioners and policymakers. We propose that increasing VC supply to innovative firms with growth potential would essential to adjust these exposed gaps. As such, scholars should try to accept and appreciate the impact of VC on entrepreneurship development, and finally make efforts to expand data methods and research design that can adapt VC into the entrepreneurship ecosystem.

The remainder of the paper is organised as follows: In section 2, we deliver a background of entrepreneurship development in a global perspective and later narrow it down to Africa continent. Section 3, we describe empirical and theoretical gaps in the current literature, section 4, we explain the research methodology applied for collecting 121 relevant articles for this monograph to drive our literature search. In section 5, we conduct a literature analysis, and later identify findings and implications. Finally, in section 6 we convey concluding remarks and future research agenda. We argue that the current theoretical frame exploring entrepreneurship development through VC investment is ready to be improved with novel study findings.

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A. Theoretical perspective and empirical gaps

1. Empirical literature gaps.

The information utilized in this article delivers a unique opportunity to extend our knowledge about the role of vc in fostering entrepreneurship development in emerging economies. Earlier study of manev & manolova, (2010) surveyed 129 academic journal articles published between 1990 and 2009 relating to entrepreneurship success. Studies such as croce et al., (2013) observed the influence of vc on the productivity growth of european entrepreneurial firms. Consistent with the above arguments, (alemany, 2006; salehizadeh, 2005; he, 200); osano & koine, 2016) expose the positive role of vc on economic development in emerging economies. All these studies principally suggest a demand for rigorous and replicable large-scale empirical research due to the paucity of study results of vc in developing countries. Similarly, lerner, (2010) surveys the future of public efforts to boost entrepreneurship and venture capital. The study disclosed need for favourable government policies which can profoundly influence such opportunities, and lerner notes that many public initiatives are misguided. Notwithstanding the widespread importance of vc, our stock take of academic literature exposes knowledge deficit of this new financing technology in the developing countries (rossi et al., 2015; hain & jurowetzki, 2018; shojaei et al., 2018; liang, liu & yin, 2019; kato & tsoka, 2020;)

While firm level studies find that vc-funded firms contribute to increasing employment and sales growth rates than the average start up (hopp, 2007; schenkel et al., 2012; festel et al., 2015; khan et al., 2019grilli et al., 2019;kim & lee, 2022), one cannot certainly construe from these firm level results the implications of vc on entrepreneurship growth in africa. Montchaud, (2014)examines how vc financing supports entrepreneurship growth in emerging economies, particularly in morocco and south africa. The results suggest that pe and vc development trajectory, positively impacts in both quantitative and qualitative standings, on new venture creation, transformation, and growing effect on smes' expansion. Similar results were presented by the study of young, 2016). He postulates role of government investment in vc expansion and entrepreneurial activities applying data from 1992 to 2012 in china. The study reveals a substantial transformation on the entrepreneurial finance for local start-ups. Brattström & wennberg, (2022) study revealed a substantial implicit assumptions and methodological biases in mainstream research. They suggest a more empirically grounded research agenda that continues the development of entrepreneurship research into a rich and diverse field.

Samila & Sorenson, (2011) use a panel of US metropolitan data to review VC, Entrepreneurship, and Economic Growth. The outcomes confirmed that increasing VC supplies, positively impacts on start-ups, job creation and GDP per capita income. Second, funded companies may transfer soft skills to their personnel, thereby empowering spin-offs, and may inspire others to become entrepreneurs through demo effects. Bottazzi et al. (2012) convey nascent results that VC attracts superior returns on the R&D investment of the enterprises it supports, which will encourage investment enterprises to invest more in R&D and innovation. Similarly, Tan et al. (2013) in the study correlation between venture capital and technological innovation of enterprises, they exposed that for SMEs in China, VC firms did demonstrate any value-added to the investee companies during the IPO process nor innovation improvement. Previous scholarships do not extensively measure the benefits associated with promoting entrepreneurship growth through increasing VC supply to the early stage firms.

Interestingly, the growing assumption that the involvement of the venture capitalists (VCs) in the entrepreneurial ventures they finance certainly contribute to value-added than they would have in other firms, is another philosophy to be investigated. Particularly, the empirical and theoretical conclusions presented by earlier scholars present a cosmetic perspective of the connection among VC, entrepreneurship, and economic growth. Hitherto these inferences potentially base on inappropriate theories that VC-financed enterprises cannot be successful in the absence of VC, and the trust that the VC-funded firms generate substantially more value-addition than their counterparts the non-VC-financed firms. To reaffirm this argument, Tykvova, (2017) surveys 314 articles from 2011 focusing on the growing body of recent literature on VC and private equity to articulate an agenda for future research. The study conveyed that 81.2% of most scholarly literature was empirical, and 52% of the empirical articles used US data. In our view, there is barely diminutive empirical studies in Africa about this subject. Owing to the paucity of empirical evidence, it is necessary to conduct novel research to enhance our knowledge on VC experience.

2. Geographical location and technology sector disparities about Venture capital Venture investment

Synthesizing the previous literature, authors from developed countries largely explore VC investment in technology entrepreneurship. Even though the global VC funding almost doubled to $643 billion in 2021 from $335 billion in 2020, a large percentage of investments was allocated to technology growth, which claimed more than 50% ($300 billion) of global VC investments (Pitchbook and NVCA, 2021). To demonstrate the geographical location and technology sector disparities, three states of California, New York, and Massachusetts accounted for most of all VC resources. Nearly 60% of the VC pool in 2021 was presented from US portfolio companies (Pitchbook and NVCA, 2021; Crunchbase, 2021). This has been a trend from long time ago; the

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disparity is instead growing bigger every other year. Venture capital is tightly clustered in a few distinct pockets across the US. Surprisingly, little research has been conducted on how venture capital evolves or why the technology sector has remained the most preferred VC investors.

Martin et al., (2005) exposed equity gaps in their study in United Kingdom and in Germany about enterprise formation and development. They argued that the equity gaps have a regional dimension; in the sense that some regions and industries are more privileged than others, regardless of significant nation-wide differences. VC firms tend to be focussed in distinguishable technology companies and unreasonably dormant countries with major VC investors, for instance, Europe and Latin America appear to be doing well than Africa because they do have many VC active firms. Although VCs deny the fact that they do not promote the global funding gaps per se. In addition, there is overwhelming evidence supporting VC investment variances, ranging from the funding stages, preferred industries, and geographical focus. Precisely, Germany has well developed banking system, Israel takes leads in the insurance companies while United Kingdom is a leader in pension funds hence VC investment. Due to these differences, it is reported that the banks and pension funds target later stage financing thus widening the funding gap for early stage firms.

VC is a competitive financing model manifested with huge selection effects, implying that actually a few firms get funded. Recent studies disclose that VCs choose high growth firms depending on how their risk is related to technology, regional financial markets and to the entrepreneurs. Prior authors uncover that even the US Silicon Valley, a global VC model that contributed to the surge of VC financing in different countries worldwide, significant sectoral financing imbalances are evident. To emphasize this argument, 85% of VC investment in New York State was invested in information technology in the year 2012 Grilli et al., (2019) observe that in spite a strong footprint of VC investment in the US, most of the funds are prevalently localised in New York, California and Massachusetts and technological focus remains the preferred target, involving companies such as IT and biotech (PitchBook & NVCA, 2018). Although many attempts to replicate and export this model of financing technology have been observed, the US at present account for 54% of the worldwide VC investment activity (NVCA, 2017). Comparative figures reveal that observing the VC industry in Europe, it is less than one-fourth equated to the US (Florida and King, 2016). Similar results were disclosed by Mason and Harrison, (2002) in their study in the 1990s, a period of immense growth in VC investment activity in the UK. They argue that VC supply was only concentrated in a few areas, for instance, in London underpinning the current trends geographical location bias of VC investment activity. Although the study observed a declining trend in the geographical disparity, literature works points to investments in large-scale IPOs and corporate restructuring through ownership change, which remains highly concentrated in London and Scotland.

We noticed that the Africa continent has also exclusively adopted the similar VC myopia, the technology sector is more preferred as compared to health services, education, agriculture, and transport sectors. According to AVCA, (2021), fintech industries claimed 90% of the gross VC capital investment in Africa. Our results confirm that significant biased investment in the different countries is squarely replicated from the US VC myopia. In Africa, although prior studies indicate skyrocket growth in the VC industry, the total VC investment in their entire continent is by far below those of UK and Germany. It necessarily follows that diminutive VC allocation goes to the entrepreneurship sector, yet it is a backbone for economic development of emerging economies. We propose a future research to investigate why technology sectors continue to attract a large VC budget in Africa. Drawing on these review results, we discuss and build various future potential research directions. We have confidence that our attempts can motivate emerging scholars, multinational agencies, and universities to promote a positive opportunity of entrepreneurship research.

The mixed conclusions and growing research interest in this subject, have provoked a mounting quantity of studies on how VC investment can fuel entrepreneurship development. Scholars have attempted to examine this topic from various grounds: entrepreneurship culture, entrepreneurship and economic development, entrepreneurship, and firm level performance, although the results delivered have remained questionable. We learn that country investment bias can be elucidated by high investment risks, such as regulatory ambiguity and frail government authority on a country level, and operational obstacles, such as flawed data and other market adversities, which make it unlikely that VC firms will invest adequately in entrepreneurship development.

3. Data irregularities and methodological gaps

Many scholars have confirmed that the best approach to advancing scholarly literature is to allow access to reliable literature to enable replicating and exploring the limitations of earlier studies. Regrettably, because the empirical studies often rely on proprietary datasets that are not public, such results are usually difficult to replicate or contest (Tykvova, 2018). Authors argue that this questionable or varied conclusion can remain for several years without negation. The discrepancies in the dataset partly arise owing to investors' reluctance to share financial data for deliberate reasons. For instance, they do not want to expose their unsuccessful ventures as it may negatively impact the VC investors concerned. Even a few studies that disclose data about their resolved deal tickets and IPOs to global data providers such as Pitchbook, Crunchbase and Preqin, tend to offer only the amount of funding and not the names of investors Lerner, (2010)

On the other hand, many of these newer databases interest in supporting acade.mic research is still to be fully determined, and nearly some of the data released for public use, is potentially subject to biases. We discover an intrinsic compromise between dealing with more questions in a survey to determine causes with better accuracy or to discover further reasons to enhance survey response rates. First, the data from anyone provider may be incomplete. For instance, several leading venture capital funds have pressured pension funds not to post online or report their performance to data providers such as Preqin. Some have gone as far as to drop institutions that cannot make such commitments as limited partners Lerner, (2010). Similar problems arise when observing collected data that attempts to scrutinize matters such as the influence of VC in the economy, employing various data collection and analysis methods to deal with these problems. These comprise propensity scores, instrumental variables, selection effects, changing regression analysis, normality tests, descriptive statistics, regression break, etc. Noticeably, each of these data analysis methods has its own pros and cons, and differing on the problem under research, certain procedures may be more appropriate than others. Using instrumental variables, the study demands to justify the exclusion limitation. Changing regressions are suitable for selection on unobservable, and propensity scoring does well for coordinating observables but cannot deal with selection on unobservable (Li and Prabhala, 2007); however, this is not our major focus for this survey.

Given the highly skewed nature of the performance in venture capital, even a handful of omissions can have a substantial impact on reported performance figures. Besides, it is possible that there is a backfill bias in that the databases report positive past returns for funds that are newly added to the database. Preqin reports the performance of several funds for which it does not have the gritty cash flow data. In other words, some LPs simply report IRRs and multiples without reporting the cash flows that generated them Harris et al. (2014). Despite several years of academic research, entrepreneurship continues as an obscure concept, challenging to describe and harder to measure. Researchers have therefore had faith in various certainly existing and distinct quantity-based metrics such as the growth of innovative firms, self-employment, and business ownership. We show that this empirical practice can result in ambiguous conclusions not just about the significance of statistical interactions but then about their symptoms.

II. METHODS

We adopted a stepwise systematic literature review approach outlined by Tranfield et al., (2003) and methods presented by current studies in management sciences (Leonidou et al., 2020; Battisti et al., 2021; Mazzocchini & Lucarelli, 2022)to ensure a coherent, replicable, and visible procedures that can boost the reliability of the research results. A systematic review is a detailed approach that pinpoints current research papers, synthesises data and presents the findings in a manner that enables relatively transparent inferences to be made about what is known in the public domain and what compels further research direction Tranfield et al., (2003). We pursue three primary objectives: (i) To structure existing main empirical sources and theoretical forms of evidence available to underpin the role of VC finance inflows in entrepreneurship development. (ii) To comprehensively assess previous literature, identify existing gaps and suggest potential areas for future research agenda. (iii) To abridge and circulate research findings in relation to progress made in stimulating entrepreneurship development through increasing a supply and access to entrepreneurs. This might benefit the policy makers and practitioners to agitate for policy reforms that encourage entrepreneurial activities, for instance, by increasing access to equity financing which is lacking or inadequate in Southern and East Africa regions.

This systematic review approach assisted us to generate a list of peer reviewed journals largely from Scopus using keywords “*venture capital and entrepreneurship development*”. We controlled our focus on the literature created from the from 2001 -2022, aligned with our study attention.

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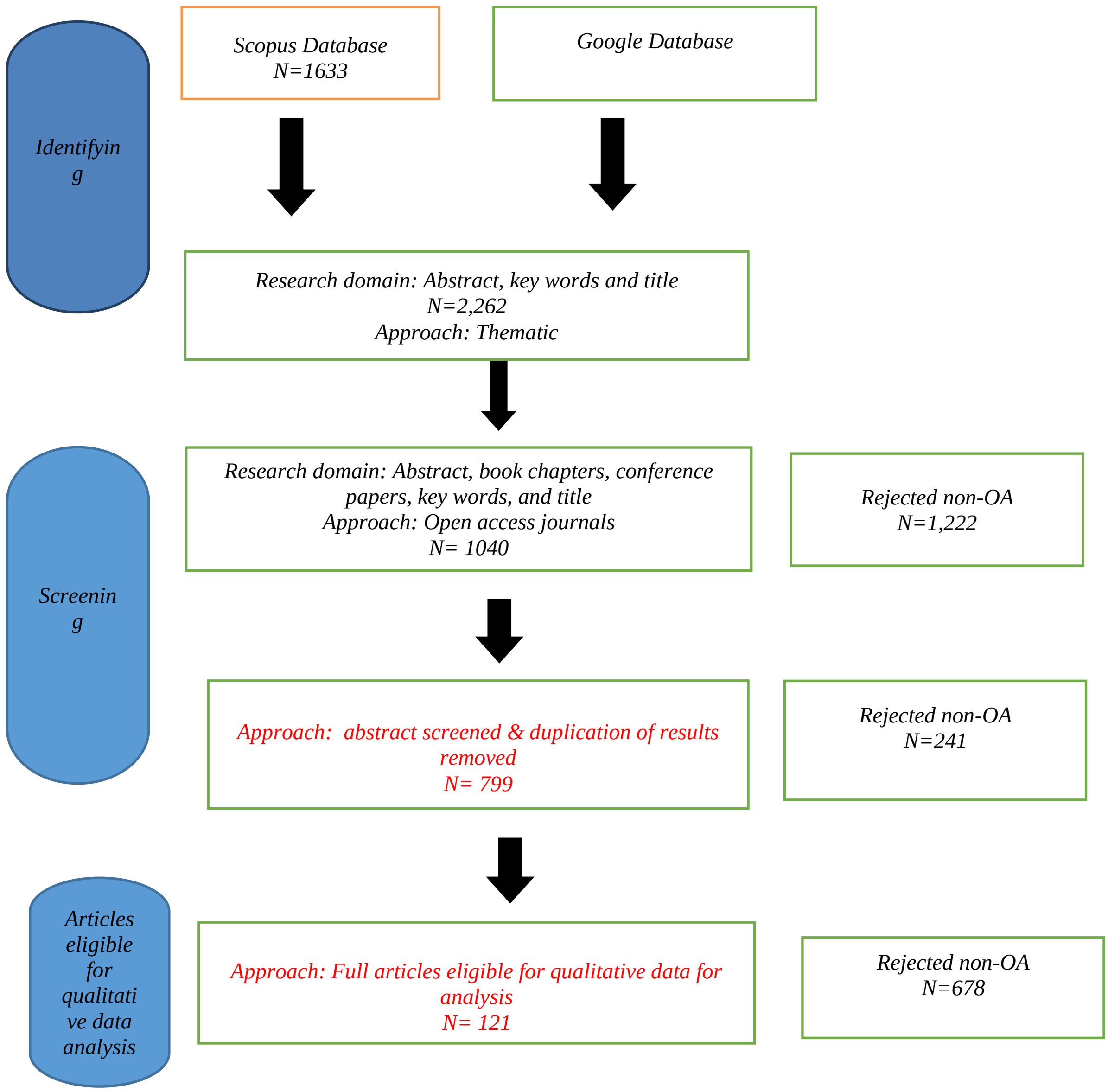

Figure 1. Stepwise Systematic literature review adopted from Transfield et al., 2003)

Source Author's compilation, (2020)

The quest for peer reviewed articles was conducted from September 2021 to March 2022. In a way to gather reliable and dependable data, we followed specific steps in search for literature aligned to this study. The first was to develop research questions to guide a search for required literature for the study. In the Second phase, we aimed at identifying online open access sources data to help offer groundwork for the study. We extensively searched for the literature from one of the largest international bibliographic databases, Scopus, and Google Scholar, using a primary combination of keywords, such as, "*VC and entrepreneurship". *To be more inclusive we also searched for articled using *"entrepreneurship & SME development, entrepreneurial activities, entrepreneurship and economic development and VC and economic development"*

In addition, we selected our articles from the SCOPUS database as a further literature database to maintain a special attention to our argument. Our literature review is based on peer reviewed articles which appeared in accredited international journals. We exclude study material not subject to the traditional academic peer-review process (Ali, 2021)Our choice was based on two aspects: First, journal articles are considered as authentic knowledge and have the ultimate impact on the distinct disciplines of research (Armstrong and Wilkinson, 2007). Second, this review seeks to be coherent with previous seminal review works in the field of VC financing and entrepreneurship development, which implemented comparable methodologies (Tykvova, 2017).

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We searched for the related articles in accredited international journals in the categories of business management, entrepreneurship, economics & management, finance, and accounting journals (Table III). As a result, our literature analysis of the role of VC on entrepreneurship development comprising 37 sets of interdisciplinary leading journals generated 121 open access published articles.

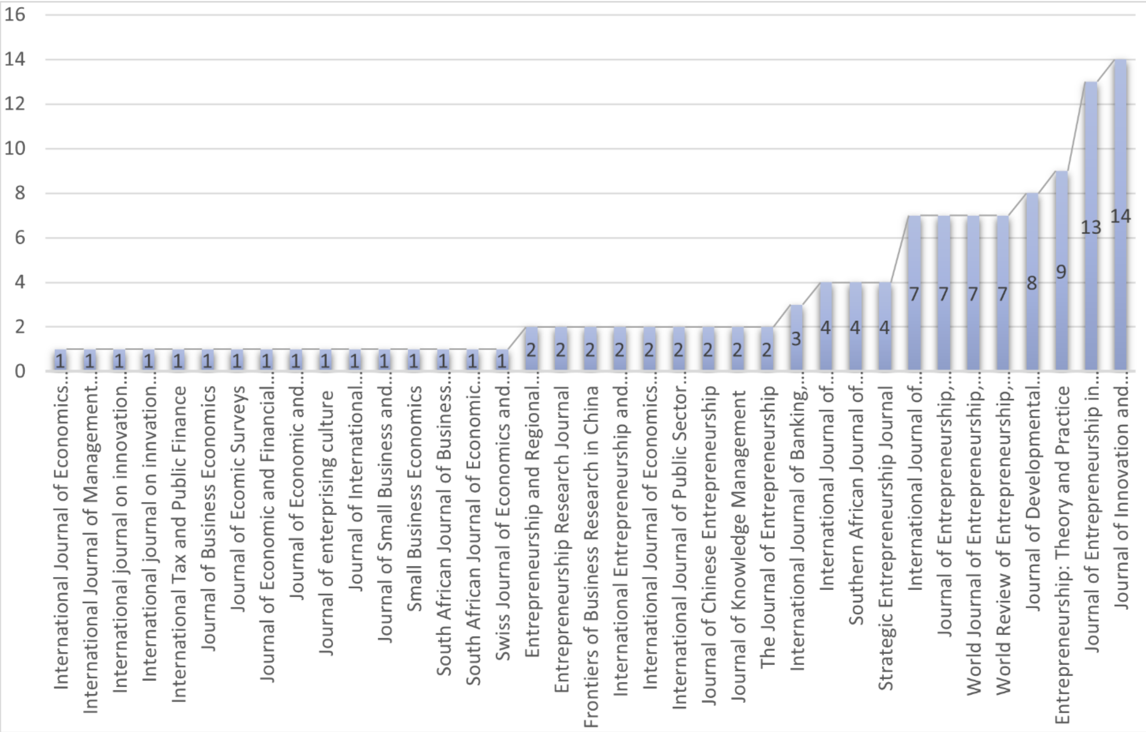

Figure 2. List of reviewed articles by Journals

Source: Author's compilation, (2022).

As it can be seen in table III, our analysis involved 37 selected Journal articles with a solid footprint in entrepreneurship and management, where 121 full articles reading were drawn for deeper analysis, since they were found to align well with the research subject.

III. RESULTS AND DISCUSSION

Many studies explored on entrepreneurship from various standpoints such as entrepreneurship and SME development (Abu Bakar et al., 2017; Kloepfer & Castrogiovanni, 2018; Melese, 2018; Hänle et al., 2022), entrepreneurship activities (Ngoma et al., 2021; Munyuki, T. and Jonah, 2022), venture capital and SME performance (Festel et al., 2015; Shava, 2018; Couto, 2020; (Kato & Germinah, 2022), observing it as a device for employment creation and poverty alleviation in emerging economies. However, studies on how VC investment can stimulate entrepreneurship development remains scarce. Certainly, these studies have left a lot to be desired in the context of VC investment as a fundamental pillar of entrepreneurship development in the Southern and East regions. To identify these literature gaps and structure a future research direction, we performed various literature analyses drawing on 121 reviewed journal articles as earlier alluded to, such as (i) review of different research topics conducted in the continuum entrepreneurship and venture capital, (ii) number of published articles from 2001 to 2021, (iii) number of articles published by the different journals with a footprint in entrepreneurship and venture capital research, (iv) we further analyzed reviewed articles categorized by publishing companies and (v) we scrutinized the reviewed articles by geographical locations. In the next section, we discuss and specify the substantial literature gap associated with geographical data selection problems.

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A. Venture capital and entrepreneurship development empirical gaps

In this section, we review a growing body of literature underpinning how VC investment can promote entrepreneurship development, indicate substantial discrepancies in the current literature and articulate an agenda for future research. Specifically, we review 121 articles published in top leading accredited international journals with a footprint on entrepreneurship and VC funding model from 2001 to 2021, then highlight study areas that compel greater investigation. Our literature analysis of the reviewed articles exposes six top research areas (FIG III.). We discuss and provide insights into these study areas drawing from earlier academic articles. After disentangling a spectrum of extant literature regarding entrepreneurship growth through a VC funding model, we discover that a growing body of evidence offers mixed conclusions (Figure 3).

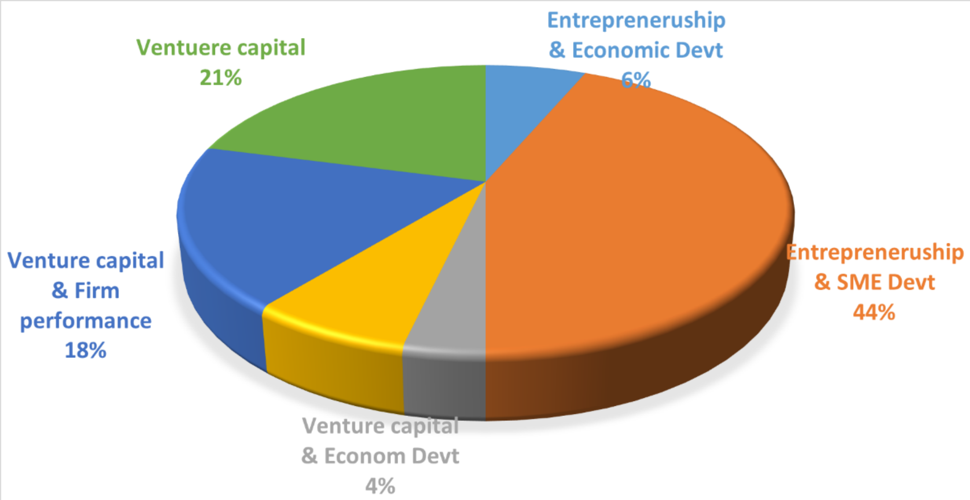

Figure 3. Distribution of the reviewed open access articles by research area

Source: Author's compilation, (2022).

As seen in Figure 3, 44% of the reviewed articles largely focused exclusively on entrepreneurship and SME development (e.g., Abubaker, 2015; Kloepfer & Castrogiovanni, 2018; Möller & McCaffrey, 2021; Cruz Rincon et al., 2022; Endris & Kassegn, 2022) , this was followed by 21% of articles published exclusively about venture capital (e.g., Keuschnigg and Soren, 2004; Messica & Agmon, 2008; Iriyama et al., 2010; Groh & Liechtenstein, 2011; Portmann & Mlambo, 2013) while 18% studied VC and firm-level performance (Ajagbe & Ismail, 2014; Lechner et al., 2016; Kato & Germinah, 2022; Sriyono et al., 2021; Dai et al., 2022; (Kato & Germinah, 2022). Many of these studies are often narrowed to firm-level performance of entrepreneurship efforts, declining to describe the interaction between entrepreneurship and VC investment efforts Bruton et al., (2008). We find that only 4% of the reviewed articles studied VC and economic development, while only 7% of the papers have examined venture capital and entrepreneurship development. Considering the literature analysis (Figure 1), there is overwhelming evidence to conclude that studies exploring the role of VC investment in entrepreneurship development remain scanty in the Southern and East Africa regions. Besides, the literature on VC investment and economic development efforts remain divided. We demonstrate the importance of future studies to investigate the role VC can play in encouraging entrepreneurship development in Africa. Another research area is to examine shaping the economic development of an emerging economy through venture capital investment.

Our results are consistent with Virtanen, (2001), Finkle, (2012), Montchaud, (2014), Gu et al., (2018),Sipola, 2022). Although these results convey that entrepreneurship research is gradually attaining ground in recent times, more than 63% of all empirical studies still trust the United States data. Our paper fills some of the empirical and methodological gaps in the literature about how entrepreneurship development in the Southern and East African regions can be enhanced through VC investment. We also suggest future research exploring study subjects such as entrepreneurship and economic development, venture capital and economic development. Therefore, we principally underscore the prerequisite for demanding and replicable large-scale empirical studies

B. Unequal geographical and technological sector data selection challenges

At the very onset, we debate and scrutinize the literature gaps with a limited focus on Scopus database online open access articles, that appeared from the different geographical locations and their implications on entrepreneurship development. We specifically pay attention on the proficiency of VC investments in fostering

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success of high-potential growth firms, employment creation and economic growth at large. It important to stress that our categorisation of the reviewed articles was based on physical location of the publishers not by the authors' country of residence.

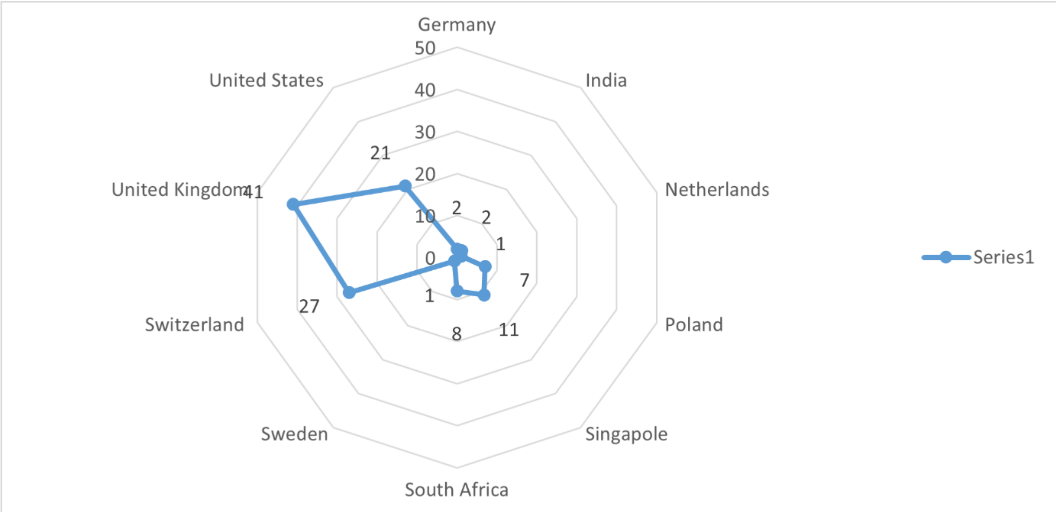

Figure 4. Structure of reviewed articles by geographical location

Source: Author's compilation, (2022).

As can be seen in Fig V, we categorized these articles along country dimensions involving investigated geographic areas such as United Kingdom, United States, Germany, India, Netherlands, Poland Singapore, South Africa, Sweden, and Switzerland. One major key aspect with the selected countries is that they have some of the leading journal publishers in management sciences which is the focus for this study. (Ref Figure 5). Observing the results from Figure IV, most of the reviewed articles were published in the United Kingdom (41%), followed by Switzerland (27%) and the United States (21%). A rapid analysis shows that these three countries published 73.5% (89 of 121) of the reviewed articles. The point to make here is that these figures were high because some of the leading publishers like Emerald Group Publishers, Inderscience and Springer Open, their head offices are situated in Europe. Research shows that VC Venture can play a crucial role in deciding the layout and location of an enterprise. Our results conform to the study Colombo et al., (2019)who posit that VC investments in Europe, is largely concentrated in restricted geographical metropolitan regions, such as, London in United Kingdom and Paris in France. Worst scenario is that even the US global Silicon Valley model, VC investment is largely focused in Boston and New York metropolitan area. Considering VC geographical funding disparities in advanced economies as illustrated (FIGURE 3), it is not surprising that the same trend has been observed in the Africa continent with VC investment noticed in Cape Town in South Africa and other metropolitan areas such as Nairobi in Kenya, Lagos in Nigeria and lately Cairo in Egypt. Southern and East Africa region, we can conclude that the low uptake of the VC industry possibly has been affected with concept of cross boarder challenges and the characteristics of prospective investors.

One major factor that explains why uneven geographical distribution of VC investment has persisted for decades, is that proximity permits for more regular consultations between VC investors and their portfolio companies. We find that effective monitoring and coaching of management staff assists to foster the anticipated investment returns of VC and decreases anticipated agency costs Cumming & Johan, (2017). African continent has encountered several economic trials and humiliations entrepreneurship hurdles not being exceptional. Despite the geographical location barriers of prospective VC investors, potential entrepreneurs attempt to search for VC inflows beyond national borders in a way to compensate for potential constraints in the national VC supply (Schertler and Tykvova, 2012). Because, foreign private VC firms may support entrepreneurial ventures grow their companies in the location of the VC investors Maula & Lukkarinen, (2022), since cross border VC has potential benefits for entrepreneurial ventures over and above those entrepreneurs can obtain from national VC. We may therefore argue that in such circumstances, entrepreneurs might be specifically motivated to search for VC if their entrepreneurial ventures are in proximity to foreign VC hubs with more accessibility of VC.

However, research has shown that cross-country differences in regulations and tax policies stand to explain the rising difficulty to access VC funding and the costs involved in carrying out due diligence on the part of VC investors Cumming & Johan, (2017). Thus, it is not surprising that the VC investment in Southern and East

Africa regions is concentrated in South Africa, Cape Town, and Kenya Nairobi, and these two countries contribute over 60% of the total VC investment in the continent. These results are comparable the findings of (Bygrave and Timmons, 1992) who expose a tight geographical attention of VC investments with the firms based in California, Massachusetts, and New York accounting for over 75% of the high-tech investments. The VC investment fragmentation driven by the uneven geographical distribution is simply because VC investors are profoundly concentrated in VC hubs that are in financial centres and high-tech regions and exhibit a strong tendency to invest nearby.

(Colombo et al., 2019) study a sample of 533 European high-tech entrepreneurial ventures from 1984-2009 to demonstrate how the geography of VC can influence the performance of the entrepreneurial ventures that pursue external equity financing. The results exposed that entrepreneurs would search for VC when it is easily accessible, and afterwards, the demand for external equity quickly diminishes with distance at nearly 250 km, and disappears when countrywide boundaries are crossed, except for countries at close cultural and institutional distance. Considering VC geographical funding disparities in Southern and East Africa region, we can conclude that the low take of the VC industry possibly has been affected with concept of cross boarder challenges and the characteristics of prospective investors.

We find that owing to the comparative rigidity of the VC industry, previous research focused on self-reported surveys with fundamental geographical location selection and reporting biases. Existing empirical evidence is comparatively meagre and underlines various discrepancies about accrued benefits of the VC industry to entrepreneurship development in Africa at large. Our results deliver significant policy implications that countries in the Southern and East Africa regions would apply to nurture the need for VC by high growth entrepreneurial ventures, thereby expanding the performance of the VC market in Africa at large. We trust that government's new regional VC funds through co investment funding into the private VC firms and efforts to attract foreign VC investors in the Southern and East Africa regions, may assist in closing this regional finance disparity.

As earlier discussed in the research methods section, we used keys words to search for relevant articles to form Scopus database to inform our data analysis. Even though our search yielded *1040* results, only *121* articles were selected for greater analysis. The articles used in the survey were extracted from 37 accredited international journals with a footprint in entrepreneurship, and venture capital research. We largely focussed on journals which indicated *entrepreneurship* in their brand or corporate name as illustrated in Figure 3. We further screened articles with key words like venture capital, entrepreneurship, SME development and economic growth from 2001-2021 sustaining venture capital and entrepreneurship development.

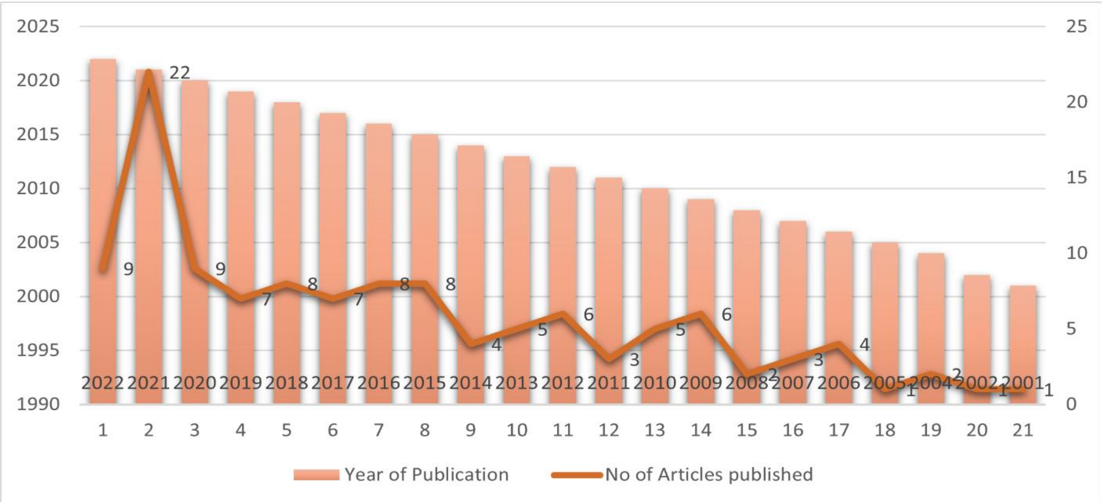

Figure 5. Breakdown of reviewed articles by year of publication

Source: Author's compilation, (2021)

In consideration of the reviewed articles published from 2001- 2021 as illustrated in Figure VI, above, we discover that 18.2% (22 of 121 articles) appeared in the year 2021, (e.g Lee. N & Andres Rodrıguez-Pose, 2021 Hunt, 2021; 'Ning, 2021; Wennberg, 2021; Chalmers et al., 2021; Riar et al., 2022; Davidsson & Gruenhagen, 2021; Randolph et al., 2021; Aljuwaiber, 2021; Rodríguez-Peña, 2021). Our fast assessment shows a growing interest that most of these articles reflect largely on from US and Europe. There are virtually limited scholarly articles which support entrepreneurship development using VC financing model. We also discover that entrepreneurs do not have sufficient knowledge concerning the significance of the VC industry in boosting young innovative firms' growth.

While 8% of the articles in question were published in 2020, e.g. Amorós et al., 2019, Mbedzi & Simatele, 2020; Rossi et al., 2020; Bilau & Couto, 2012; Kato &Tsoka, 2020; Liang, 2020; Javadian et al., 2020) then 8% in 2019 and 6% of articles in 2018. A quick analysis reveals that over 60% of the article were published between 2016-2021. Our survey identifies two fundamental aspects that underwrites to our understanding about this subject: First, we offer a systematic classification of contemporary works on the subject, by analysing the subject through distinct lenses to exhibit how the solutions to these issues can be so diverse. We particularly disclose contemporary issues underpinning the growing interest in this field, thus reducing knowledge deficit in the context of entrepreneurship development. Second, we identify literature gaps in the last two decades (2001-2022) where VC and entrepreneurship development had less attention from the academics, craft a future research direction. While we celebrate these results, most of the articles published present findings from developed countries such as UK, US and Canada, leaving a wider knowledge gap in the Africa continent specifically Southern and East Africa regions where the importance of VC investment in is yet to be known. *This poses a question compelling future research direction; What are some of the causes for a significant gap between VC investment research in advanced economies versus emerging countries?*

We trust that future research may attempt to investigate this huge disparity in the VC market in Africa as compared to Europe and Latin America. Like we mentioned earlier, one portfolio companies in the US raised a deal ticket more than the total VC investment in the continent, thus calling for increased efforts to improve the VC ecosystem. We further conducted a literature review based on the various publishers derived from the 121 reviewed articles. Our analysis does not in away convey that these were the only articles which appeared from 20001 -2022, but rather rely on key words we used to select out open access from Scopus database, and largely those with a conation about VC and entrepreneurship development. It therefore implies that several articles which do not exhibit venture capital and entrepreneurship, in either their abstracts or research titles are beyond the scope of this discourse.

IV.CONCLUSIONS

The major aim of this article was to deliver a thorough systematic review of the current literature underpinning how entrepreneurship development can be nurtured through VC investment. Our review exposes that 90% of the reviewed articles were empirical papers and 10% of the papers involved studies using theoretical approach. Additionally, we discover only 8 out of 121 reviewed articles, describe the role of VC investment on entrepreneurship development for instance (Virtanen, 2001; Gaspar, 2009; Lerner, 2010; Finkle, 2012; Montchaud, 2014; Gu et al., 2018; Sipola, 2022; Santos et al., 2021). To shed a picture about the research efforts on this subject in Africa, only one out of 121 article for Montchuad, 2014 surveys the interest of private equity and VC for the financing of entrepreneurship in emerging markets, a limited focus on employment creation, creation of high-growth firms and economic growth. We demonstrate that here is a significant literature gap about this field in Africa for which we recommend future research studies to attempt to fill the gap. Specifically, we recommend future studies to investigate how VC stimulates entrepreneurship with a focus on quantity of successful VC-financed firms and their contribution to economic development of emerging economies.

In addition, we also find less evidence (5 of 121 reviewed articles) to support the impact of VC investment on economic development of emerging economies. Colossal studies present worthwhile results about this topic, but they are largely from Latin America and Europe, thus widening the literature gaps in Africa. For instance, Kobeissi & Wang, (2009)analyse Venture capital and economic growth in the local markets in US. The study of Osano & Koine, (2016) investigates role of foreign direct investment on technology transfer and economic growth in Kenya, while Alemany, (2006)study Venture capital evolution and economic impact analysis in Spain. Salehizadeh, (2005) using a panel of data from 1990-2003 including 19 emerging economies in Europe disclose increasing number of entrepreneurs and VCs has enhanced the prosperity and improved economic conditions for many industrialized countries. A composition of only 5% of 121 articles reviewed is a clear justification for demand for future research agenda in this filed. We suggest that future research is desirable in emerging economies, especially in some of the countries which have demonstrated a growing interest in the VC industry such as South Africa, Kenya, Nigeria, Egypt, Tunisia, Ghana and Uganda, to contribute to the very reduced interest by earlier literature.

Several topics have emerged from the analysis of previous studies, which demand thorough empirical estimation. We critically synthesize the current literature and point out major methodological and data collection irregularities, and we also suggest mutual attempts to address them. We discovered that many seminal studies examine the causal impact of VC exclusively or by integrating it into other research subjects. A key concern is the discrepancy between selection and treatment effects in all instances. VC contacts include at least two parties so that selection effects may be appropriate to both the VCs and the entrepreneur wings of the market. The popular question is that data is normally only accessible to entrepreneurs who received VC financing, but the counterfactual, those who did not get VC, is often missing. The major reason is that VC companies regularly invest in high-growth firms with growth potential, but again, they must buy shares in the VC-financed enterprises, which cause obvious principal-agent disputes. These disputes arise from considerable information irregularities and developmental ambiguities connected to the interaction with the investment target (Amit, Brander, and Zott, 1998), which structure the thorough contracts applied to regulate the over the life of the investment (Cumming & Johan, 2017).

This article presents major contributions based on a content analysis point of view. First, the paper brings together a large some of literature gaps scattered in the previous empirical studies and formulates substantial future research direction. This research is estimated to add to our understanding about the challenges of the paucity of sufficient evidence concerning VC as a viable source of entrepreneurial finance. The survey additionally agitates for the integration of VC as a key component of entrepreneurship development in Southern and East Africa. This article delivers useful insights for policymakers and VC investors who seek for evidence to appreciate the benefits of increasing VC investments into the entrepreneurship sector, and later engage in thoughtful interventions such as commercial conferences and opportunities designed at escalating knowledge and availability of venture capital to high growth firms. We articulate our argument along the thematic areas and research lines previously identified to enhance our knowledge of impact VC on entrepreneurship development in developing countries. For instance, there are unsatisfactory conceptual papers and not many empirical findings which can generate theoretical contributions. We also discover that existing studies are categorised with small samples and idiosyncratic settings, where applied strategies for fostering entrepreneurship development through VC investment remain unexplored.

To conclude, VC performance and entrepreneurship development is totally diverse in the emerging countries exclusively in Africa. There is substantially a reduced amount of empirical research to underwrite VC investor's role in nurturing entrepreneurship development. Besides, government policies in the developing nations seem not to inspire foreign VC investors to increase capital inflow. On this basis, there is a need to carry out novel empirical research to partially fill these existing gaps in the current literature and provide an agenda for future research. We also trust that government intervention in the VC industry is inevitable to create a conducive climate for VC by cultivating the macroeconomic atmosphere, frustrating transformation approaches about risk and entrepreneurship, and promoting the availability of venture capital funds. With a small percentage of 8% of published articles in about entrepreneurship venture capital, we can conclude that there is a knowledge deficit about this field compared with Europe that accounted for over 62% of the screened articles.

A. Limitations and Implications of the study

Just like any other systematic literature review study, it is important to highlight that our data analysis had limitations too. The study largely involved open access journals drawn from Scopus and Google databases, besides, we chose only articles with a footprint in entrepreneurship, business management and finance. Therefore, publications in databases for instance WES, IBSS, research gates to mention but a few were not considered for this study. Moreover, when selecting articles from Scopus database, our interest was mostly on articles that focus on entrepreneurship, small business management and entrepreneurial finance since this was the attention of study. We believe that future empirical reviews integrating other databases other than Scopus would assist to enrich these results.

Coherent with the previous work of (Tranfield et al., 2003; Kraus et al., 2021; Stiller et al., 2021), we engaged a rigorous systematic approach for review as it generates clear and practical results compared to a narrative literature review. However, it is important to stress that systematic literature reviews are prone to prejudice and miscalculation. We purposely performed a high-quality systematic literature review in a way to minimise potential bias and oversights. Our results can enhance better government formulation of entrepreneurship and VC investment policy framework, increase entrepreneur's familiarity about the rewarding benefits accrued from embracing the VC financing model as well as support academics in synthesising the literature under review.

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