

IJEBD

International Journal of Entrepreneurship
and Business Development

Vol 7 No 4 (July 2023)

ISSN 2017
2597-4785
2597-4750

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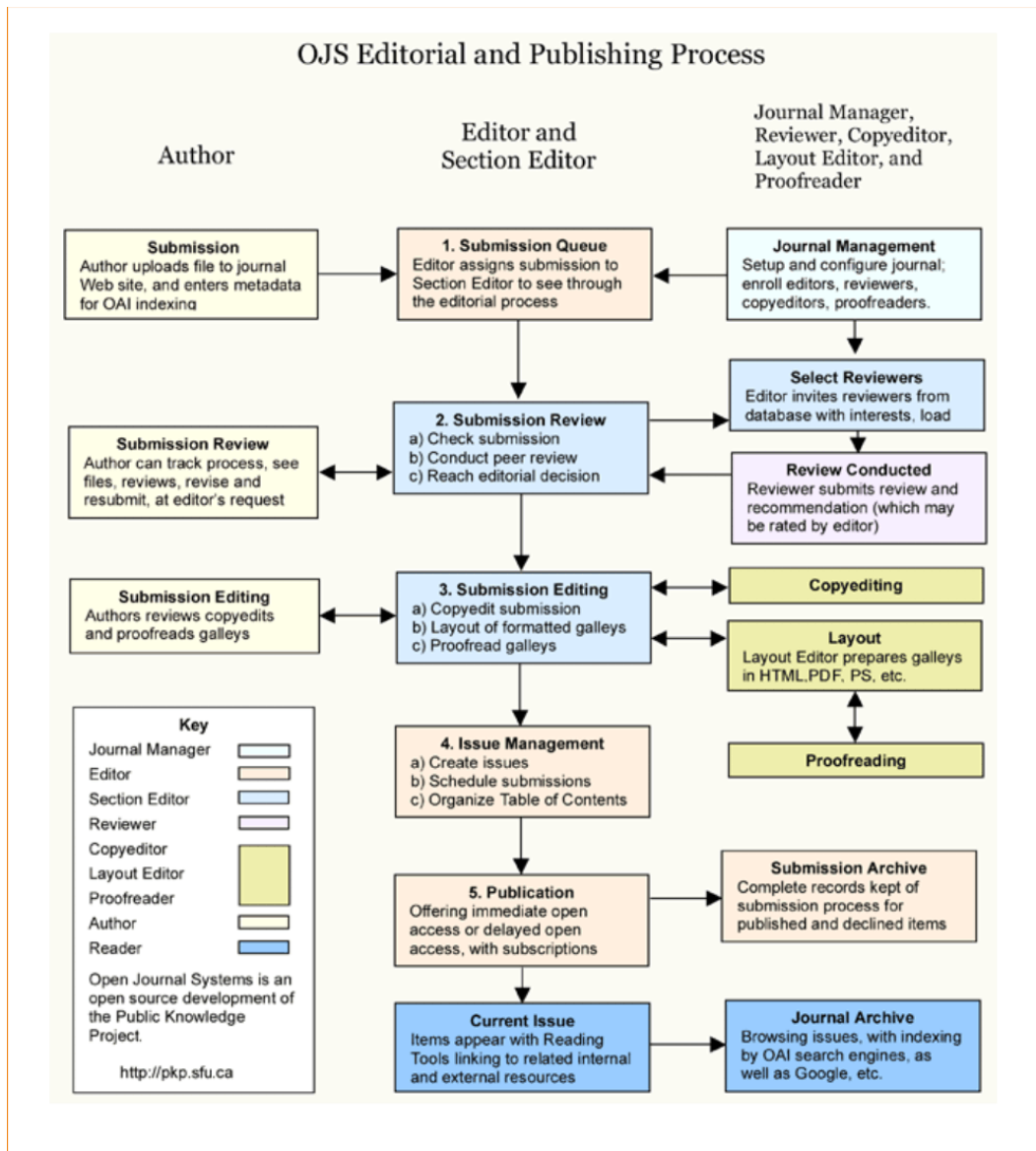
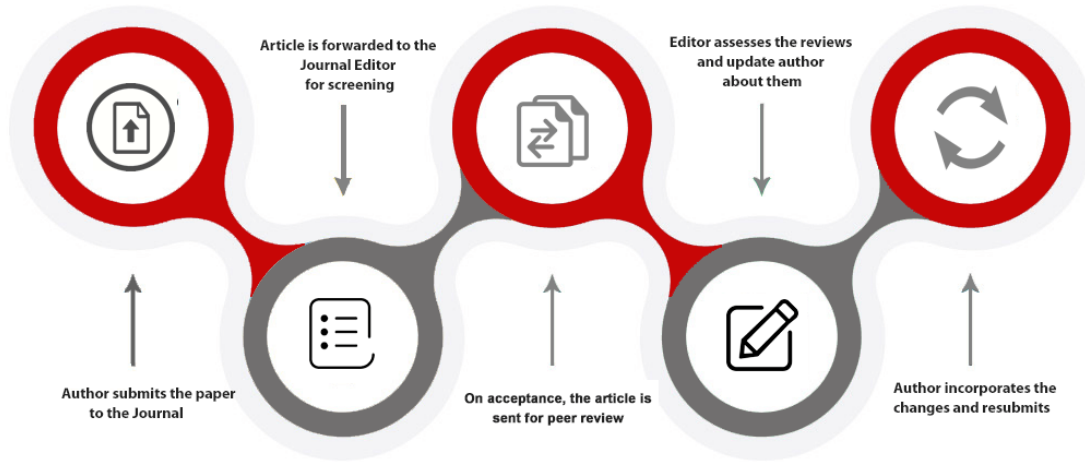
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A Leapfrog to Financial Inclusion: The Role of Mobile Money and Digital Financial Services on Financial Inclusion in Botswana and Its Implications for Other Developing Economies

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ABSTRACT

Purpose: This study offers a thorough empirical analysis of Botswana's current financial inclusion situation, aiming to measure and evaluate the direct impact of mobile money and digital financial services offered by mobile network operators (MNOs) and commercial banks on the financial behaviour, access to financial services, and overall financial inclusion status of the unbanked population in Botswana. These study objectives are expected to have possible implications for other developing nations or economies.

Design/methodology/approach: The study adopted a pragmatic philosophy, combining positivist (qualitative) and interpretivist (qualitative) philosophies, and a mixed-methods approach to explore the experiences of the unbanked population in Gaborone, Botswana.

Findings: Mobile money and digital financial services have significantly impacted the financial behaviour of the unbanked population in Botswana, providing an accessible and affordable financial platform. Additionally, there are still areas that require further research and intervention to ensure that these gains are sustainable and inclusive. This study contributes to academic knowledge in business studies and financial technologies, providing practical guidance to MNOs, regulators, banks, and policymakers, and offering marketing insights.

Paper type: Research paper

Keyword: Adoption, Digital Financial Services, Financial Inclusion, Mobile Money, Mobile Network Operators.

Received : March 8th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

This study aims to determine if Botswana's unbanked population is financially included using mobile money, digital payments, and digital money, considering their unique financial behaviours and challenges. Financial inclusion initiatives worldwide prioritise this population segment, as traditional banking institutions frequently underserve them. Digital financial services, provided by Mobile Network Operators (MNOs) and commercial banks, have emerged as a viable solution to address this gap, offering a range of financial services from basic money transfers to more complex financial products such as savings, loans, and insurance (Sharma & Rani, 2019).

This study investigates the impact of digital financial innovations on the unbanked population of Botswana, examining whether these innovations promote financial inclusion. Additionally, concentrating on this specific group of people provides an opportunity to examine the particular difficulties and obstacles they encounter when utilizing and gaining access to these services, offering insights that may help future financial products and services to be more inclusive and successful (Mooney & Garber, 2019).

A. Study objectives

1. Evaluate Impact on Financial Inclusion

Measure and evaluate the direct impact of mobile money and digital financial services offered by MNOs and commercial banks on the financial behaviour, access to financial services, and overall financial inclusion status of the unbanked population in Botswana.

2. Research Question

What is the measurable impact of mobile money and digital financial services, provided by MNOs and commercial banks, on the financial behaviour, access to financial services, and overall financial inclusion status of the unbanked population in Botswana?

B. Hypotheses of the study

Hypothesis 1 (H1): The utilisation of mobile money and digital financial services offered by MNOs and commercial banks has a positive and statistically significant impact on the financial behaviour, access to financial services, and overall financial inclusion status of the unbanked population in Botswana.

Null Hypothesis 1 (H0): The utilisation of mobile money and digital financial services offered by MNOs and commercial banks does not have a positive and statistically significant impact on the financial behaviour, access to financial services, and overall financial inclusion status of the unbanked population in Botswana. The study's direction involves defining the theoretical framework, reviewing literature to identify research gaps, defining methodology, analysing data, presenting results and findings, and concluding.

C. Theoretical Framework

The theoretical framework is crucial for a research study's integrity and coherence, as it sets the foundation for research queries, hypotheses, and methodology. Stahl (2002) defines a theoretical framework as a comprehensive set of interconnected concepts, definitions, and assertions used to define and predict specific phenomena.

1. Theory and the Process of Developing Theories in Research

A theory is a structured set of interconnected concepts used in academic research to explain or predict specific events or behaviours by deciphering the intricacies of various variables. Weible (2023) suggests theories are developed through a cyclic process of inductive and deductive analysis, hypothesis validation, and empirical observations.

2. Theories Advanced to Justify the Relationship between Mobile Money or Digital Money and the Unbanked Population

The Financial Inclusion Framework, Technological Adoption Model, Innovation Diffusion Paradigm, and Societal Transaction Theory are key theoretical frameworks examining the relationship between digital financial solutions and the unbanked demographic.

3. Benefits of Mobile Money or Digital Money to the Unbanked Population of Botswana and Other Various Parties in the Economy

Various theoretical frameworks have been presented to delineate the advantages of digital financial tools for Botswana's unbanked individuals and other economic stakeholders (Chitimira & Warikandwa, 2023; Mashamba & Gani, 2023).

4. Financial Inclusion Framework

This posits that digital financial mediums can bolster financial inclusivity by extending financial service accessibility to the unbanked (Demirguc-Kunt et al., 2018).

5. Theoretical Models

This study uses four theoretical models: Financial Inclusion Theory, Technology Acceptance Model (TAM), Diffusion of Innovation Theory, and Social Exchange Theory to explore the role of mobile money services in promoting financial inclusion in unbanked populations.

a. The Financial Inclusion Theory: This theory posits that financial inclusion is key to achieving inclusive development (Demirguc-Kunt et al., 2018). In this study, mobile money or digital money services provided by MNOs and commercial banks are posited as mechanisms promoting financial inclusion by making financial services accessible to the unbanked population.

b. The Technology Acceptance Model (TAM): According to Davis (1989), two critical elements that affect users' acceptance of technology are its perceived usefulness and its perceived ease of use. According to the study's hypothesis, the unbanked population will be more likely to adopt mobile money or digital money if they perceive it to be convenient and advantageous.

c. The Diffusion of Innovation Theory: Rogers (2003) theory explains the spread of new ideas and technology, focusing on the adoption of mobile money in Botswana, influenced by innovation characteristics, communication channels, and social systems.

d. The Social Exchange Theory: This theory postulates that social behavior is the result of an exchange process, with individuals weighing the potential benefits and costs of social interactions (Blau, 1964; Kiburu, Njiraini, & Boso, 2023). The theory suggests that the unbanked population will adopt mobile money or digital money technologies if they believe the benefits outweigh the costs.

This research explores the influence of mobile money adoption, financial inclusion, literacy, perceived usefulness, ease of use, benefits, and costs on financial inclusion in Botswana.

6. The conceptual framework for this study can be visualized as follows:

The study suggests that digital financial services from MNOs and commercial banks can enhance financial inclusion and access for the unbanked population in Botswana, despite challenges like regulatory support. It also helps to identify the key variables to be measured and the relationships to be explored, providing a roadmap for the research project (Pramani & Iyer, 2023).

The Social Exchange Theory is utilized in research on Botswana's unbanked communities, guiding inquiries into digital finance adoption and identifying strategies to increase its prevalence among MNOs and banks.

D. Research Gap

The literature offers valuable insights into the impact of mobile money and digital financial services on financial behavior, access, and overall financial inclusion in Botswana.

Long-term Impact: While numerous studies have examined the immediate effects of mobile money and digital financial services on financial inclusion, there is a lack of research on their long-term impact on the financial behaviour of the unbanked population (Bongomin et al., 2023; Skogqvist, 2019). Future research should focus on understanding the sustainability of these impacts over time. **Role of Regulation and Security:** Further research is needed to understand how regulatory frameworks and security measures can support the safe and effective use of mobile money and digital financial services (Mishchenko et al., 2022; Mogaji & Nguyen, 2022; Shaikh et al., 2023).

Financial Literacy: Research on strategies to improve financial literacy among unbanked Botswana's population is limited, highlighting the need for further investigation to ensure the effective use of financial services (Ansari et al., 2022; Khan et al., 2022; Lo Prete, 2022).

Comparative Studies: Research on mobile money and digital financial services is limited to individual countries, necessitating comparative studies to understand their effectiveness in promoting financial inclusion (Chang et al., 2023; Ediagbonya & Tioluwani, 2023; Mpofu, 2022; Ozili et al., 2023).

Role of Commercial Banks and MNOs: Research is needed on collaborating between mobile network operators and commercial banks to maximise the impact of mobile money and digital financial services (Agyemang et al., 2024; Khan et al., 2022; Perlman, 2022; Senyo et al., 2023; Sivotwa et al., 2023).

Research gaps in Botswana's unbanked population will be addressed to understand the impact of mobile money and digital financial services and develop effective strategies for financial inclusion.

II. METHODS

This study uses a mixed-methods approach, incorporating positivist and interpretivist perspectives, to understand the impact of mobile and digital financial services on the unbanked population in Botswana. Creswell & Creswell (2018); Morgan (2014) support mixed-methods approaches, arguing that combining quantitative and qualitative methods provides a comprehensive understanding of research problems.

The study utilized a convergent parallel design, combining quantitative and qualitative data collection and analysis simultaneously, enabling a more comprehensive interpretation and triangulation of findings. The use of surveys and interviews allows for a comprehensive examination of the study issue. Fetters et al. (2013), who contend that the convergent parallel design can produce deeper insights by merging quantitative and qualitative data, support the selection of this design. The research utilized stratified random sampling for quantitative data representation, ensuring diverse demographic categories, and purposeful sampling for qualitative data, enhancing generalizability and subgroup analysis.

The study chose a structured questionnaire for quantitative data and semi-structured interview guides for qualitative data, for the purpose of providing an in-depth examination of unique experiences and viewpoints for statistical evaluation. The selection of these data gathering instruments is consistent with the goals and inquiries of the research, and it has been endorsed by academics like (Creswell & Creswell, 2018). Quantitative data analysis examines correlations and tests research hypotheses through descriptive and inferential statistics, while qualitative data analysis codes and categorises data to identify patterns and themes.

The study's validity, reliability, and trustworthiness are ensured through rigorous statistical analysis, rigorous survey instrument design, and rigorous piloting, while the qualitative element's trustworthiness is enhanced through established methods, member verification, and thorough descriptions. The study prioritises ethical issues, adhering to guidelines, ensuring participant freedom, informed consent, and confidentiality, and obtaining ethical approval from a university review board before data collection.

III. RESULTS AND DISCUSSION

A. Presentation of Quantitative Results

To ensure the validity and reliability of the study, it was crucial to achieve a high response rate from the sampled population. The response rate indicates the proportion of respondents who completed the survey out of the total number of individuals approached.

Table 1. Response Rate

| <i>Total Sample Size</i> | <i>Number of Responses</i> | <i>Response Rate (%)</i> |
|--------------------------|----------------------------|--------------------------|
| 385 | 385 | 100% |

The study achieved a 100% response rate, which is exceptional. This indicates that every individual from the sampled population participated and provided their responses, ensuring a comprehensive representation of the unbanked population's perspectives in Botswana.

B. Impact of Financial Inclusion

This section examines the impact of mobile Money and Digital Financial services on the unbanked population in Botswana, focusing on their transformation in financial behaviour, access to services, and overall financial inclusion status, examining various aspects like transaction ease and trust.

Mobile Money Services Have Made It Easier for Me to Send and Receive Money. To gauge the impact of mobile money services on the ease of transactions, Table 2, presented below, captures the distribution of responses concerning this statement.

Table 2. Ease of Transactions with Mobile Money Services

| | <i>Frequency</i> | <i>Percent</i> |
|--------------|------------------|----------------|
| <i>True</i> | 365 | 94.8 |
| <i>False</i> | 20 | 5.2 |
| <i>Total</i> | 385 | 100.0 |

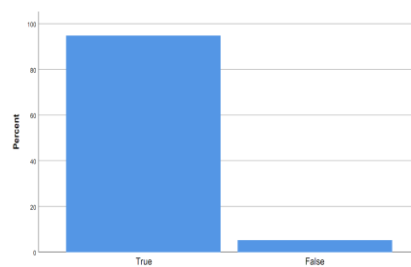


Figure 1. Distributions of Responses on Ease of Transactions with Mobile Money Services

From the data presented in Table 2, a vast majority, 94.8% (365 respondents), affirm that mobile money services have made it easier for them to send and receive money. A small fraction, 5.2% (20 respondents), disagree with this statement.

The data suggests an overwhelmingly positive impact of mobile money services on the ease of transactions among respondents. With 94.8% affirming the statement, it is evident that mobile money services have revolutionised the way transactions are conducted, offering unparalleled convenience and accessibility.

The study supports the literature on the transformative role of mobile money in enhancing financial inclusion, highlighting its well-documented potential in improving financial transactions. In many developing

countries, including Botswana, mobile money has emerged as a pivotal tool in promoting financial inclusion, especially among the unbanked population (Global Findex Database, 2021; Anakpo, Xhate, & Mishi, 2023). The convenience and accessibility offered by mobile money services have been instrumental in bridging the financial divide, enabling individuals to conduct transactions seamlessly.

Furthermore, the integration of mobile money services with traditional banking systems has been a cornerstone in the evolution of digital financial services. The study by Tobbin & Kuwornu (2011) found that mobile money transfer acceptance is influenced by users' perceptions of ease of use, usefulness, trust, and risk. The study in Botswana demonstrates that mobile money services effectively tackle financial inclusion barriers, improving accessibility and convenience for the unbanked population.

Now Save More Money Due to the Convenience of Digital Financial Services (SMM). To understand the impact of digital financial services on savings behaviour, Table 3, presented below, captures the distribution of responses concerning this statement.

Table 3. Savings Due to the Convenience of Digital Financial Services

| <i>SMM</i> | <i>Frequency</i> | <i>Percent</i> |
|--------------|------------------|----------------|
| <i>True</i> | 370 | 96.1 |
| <i>False</i> | 15 | 3.9 |
| <i>Total</i> | 385 | 100.0 |

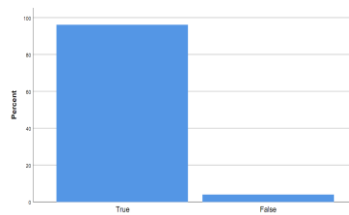


Figure 2. Distributions of Responses on Savings Due to the Convenience of Digital Financial Services

From the data presented in Table 3, an overwhelming majority, 96.1% (370 respondents), affirm that the convenience of digital financial services has enabled them to save more money. A small fraction, 3.9% (15 respondents), disagree with this statement. The data suggests a significant positive impact of digital financial services on the savings behaviour of respondents. With 96.1% affirming the statement, it is evident that the convenience offered by digital financial platforms has not only facilitated transactions but also promoted a culture of savings among users.

Digital financial services in Botswana have significantly boosted savings behavior, promoting a savings culture that is crucial for individual financial security and economic growth, with a high affirmation rate. Digital financial services, particularly mobile money and digital platforms, have the potential to significantly enhance savings behavior among the financially excluded, as highlighted by Mwendu et al. (2019), particularly in Botswana, due to their convenience and ease of use.

Mobile Money has increased my access to financial services such as loans or insurance (MMI). To delve deeper into the impact of mobile money on broadening access to diverse financial services, Table 4., presented below, captures the distribution of responses concerning this aspect.

Table 4. Access to Financial Services through Mobile Money

| <i>MMI</i> | <i>Frequency</i> | <i>Percent</i> |
|-------------|------------------|----------------|
| <i>True</i> | 365 | 94.8 |

| | | |
|--------------|------------|--------------|
| <i>False</i> | <i>20</i> | <i>5.2</i> |
| <i>Total</i> | <i>385</i> | <i>100.0</i> |

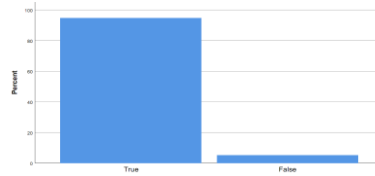


Figure 3. Distributions of Responses on Access to Financial Services through Mobile Money

From the data presented in Table 4, a dominant majority, 94.8% (365 respondents), confirm that mobile money has enhanced their access to financial services, including loans and insurance. Conversely, a minority, 5.2% (20 respondents), do not believe that mobile money has increased their access to these financial services.

Mobile money has significantly democratized access to financial services, with 94.8% of respondents recognizing its positive impact, particularly in loans and insurance. Mobile money platforms in Botswana have significantly expanded the financial services horizon for users, offering microloans and insurance products, and facilitating transactions. Their high affirmation rate indicates their role as a game-changer in providing previously out-of-reach financial services. The overwhelming affirmation by respondents in this study, with 94.8% acknowledging the positive impact of mobile money on their access to financial services, is consistent with findings from Anakpo, Xhate, & Mishi (2023). They highlighted the role of mobile money and digital financial services as significant contributors to financial inclusion, especially in sub-Saharan Africa. This study confirms the transformative potential of mobile money platforms in enhancing financial inclusion, aligning with Mpfu's, (2022) conclusion that MNOs and commercial banks play a crucial role.

Trust Mobile Money Services as Much as Traditional Banking (TMM). This section explores the trust factor in mobile money services compared to traditional banking methods, emphasising the importance of understanding users' trust levels in digital financial platforms.

Table 5. Trust in Mobile Money Services vs. Traditional Banking

| <i>TMM</i> | <i>Frequency</i> | <i>Percent</i> |
|-------------|------------------|----------------|
| <i>True</i> | <i>385</i> | <i>100.0</i> |

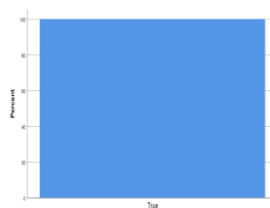


Figure 4. Distribution of Trust in Mobile Money Services vs. Traditional Banking

From the data presented in Table 5, every respondent, accounting for 100% (385 respondents), expressed trust in mobile money services at par with traditional banking. Respondents trust mobile money services as trustworthy as traditional banking due to robust security measures, user-friendly interfaces, efficient grievance redressal mechanisms, and consistent service delivery, aligning with broader literature.

The study by Tobbin & Kuwornu (2011) in Ghana found that mobile money acceptance is influenced by user perceptions of its ease of use, usefulness, and trustworthiness. This trend is observed in various developing countries, highlighting the transformative role of mobile money services in financial inclusion.

Digital financial services have improved my overall financial management skills (DFS). To understand the impact of digital financial services on the financial management skills of respondents, Table 6, presented below, captures the distribution of responses concerning this statement.

Table 6. Improvement in Financial Management Skills Due to Digital Financial Services

| | <i>Frequency</i> | <i>Percent</i> |
|-------------|------------------|----------------|
| <i>True</i> | 385 | 100.0 |



Figure 5. Distributions of Responses on Improvement in Financial Management Skills Due to Digital Financial Services

From the data presented in Table 6, every respondent, accounting for 100% (385 respondents), believes that digital financial services have improved their overall financial management skills. The data reveals that digital financial services significantly improve financial management skills among respondents in Botswana, with 100% recognizing the improvement in their financial literacy.

Digital financial services, with their user-friendly interfaces, educational resources, and real-time feedback, empower users to manage their finances effectively. These transformative potential fosters financial literacy, essential for individual well-being and economic prosperity. Botswana has seen significant improvements in financial management skills. The unanimous belief among respondents that digital financial services have bolstered their financial management skills, as presented in Table 4, finds resonance in the broader academic discourse. The literature underscores the transformative potential of digital financial tools, especially in regions grappling with financial inclusion challenges. Johan et al. (2019) and Yeyouomo et al. (2023) delineate the developmental stages of digital financial services, emphasising their role in overcoming barriers like costs, geographical challenges, and information asymmetry. Furthermore, Khera et al. (2022) highlight how advancements in fintech, including Digital Financial Services (DFSs), are pivotal in expanding financial access.

The literature also emphasises the importance of a robust retail payment system for meaningful traction of these digital services, integrating the financially underserved into the formal financial milieu (Johan et al., 2019; Yeyouomo et al., 2023). This study highlights the significant role of mobile devices in transforming financial management skills, emphasising the positive impact of digital financial services on financial literacy.

C. Statistical Analysis

This section details analytical techniques for data analysis, focusing on research objectives, mobile money, and the impact of digital financial service impact on the unbanked population of Botswana. .

Analysis of Descriptive Statistics for Impact on Financial Inclusion Variables

Table 7. Descriptive Statistics: Impact on Financial Inclusion

| <i>Statement</i> | <i>Mean</i> | <i>Std. Deviation</i> | <i>N</i> |
|---|-------------|-----------------------|----------|
| <i>Mobile money services have made it easier for me to send and receive money.</i> | 1.05 | 0.222 | 385 |
| <i>I now save more money due to the convenience of digital financial services.</i> | 1.04 | 0.194 | 385 |
| <i>Mobile money has increased my access to financial services such as loans or insurance.</i> | 1.05 | 0.222 | 385 |

| | | | |
|---|------|-------|-----|
| <i>I trust mobile money services as much as traditional banking.</i> | 1.00 | 0.000 | 385 |
| <i>Digital financial services have improved my overall financial management skills.</i> | 1.00 | 0.000 | 385 |

The data set in Table 7 provides insights into the perceptions of 385 respondents regarding mobile money and digital financial services. Each statement is associated with a mean value and a standard deviation, reflecting the central tendency and dispersion of responses, respectively. For the statement, "Mobile money services have made it easier for participants to send and receive money," a mean of 1.05 and a standard deviation of 0.222 are observed. The majority of respondents find mobile money services to be helpful in their transactions, with a low standard deviation indicating high consistency in this positive sentiment.

Regarding the convenience of digital financial services leading to more savings, the data shows a mean of 1.04 and a standard deviation of 0.194. This implies that the participants predominantly agree that digital financial services have enhanced their ability to save money. The relatively low standard deviation reinforces that this view is commonly held among the respondents.

The statement, "Mobile money has increased my access to financial services such as loans or insurance," yields a mean of 1.05 with a standard deviation of 0.222. This demonstrates that respondents overwhelmingly believe that mobile money has expanded their accessibility to various financial services. The consistency in this sentiment is again indicated by the low standard deviation.

In terms of trust, the statement, "I trust mobile money services as much as traditional banking," has a mean of 1.00 and a notably low standard deviation of 0.000. This denotes a unanimous agreement among all respondents, suggesting that they place equal trust in mobile money services as they do in traditional banking methods.

Lastly, when assessing the impact on financial management skills, the statement, "Digital financial services have improved my overall financial management skills," reveals a mean of 1.00 and a standard deviation of 0.000. This indicates that every respondent believes that digital financial services have positively influenced their financial management capabilities.

The data in Table 7 underscores the positive reception and trustworthiness of mobile and digital financial services among the respondents. Mobile money services offer convenience, enhance savings, expand access to services, and improve financial management skills, with widespread trust in their transformative impact compared to traditional banking.

1. Correlations among Perceptions of Mobile Money and Digital Financial Services.

The analysis examines the correlation between different perceptions of mobile money and digital financial services.

Correlation Analysis among Mobile Money Services and Their Impacts

Table 8, relationship analytical insights

| <i>Statements/Services</i> | <i>Mobile Money Services for Sending and Receiving Money</i> | <i>I Now Save More Due to Digital Services</i> | <i>Mobile Money has Increased My Access to Financial Services</i> | <i>Trust in Mobile Money vs. Traditional Banking</i> | <i>Digital Financial Services Improved My Financial Management Skills</i> |
|--|--|--|---|--|---|
| <i>Mobile Money Services for Sending and Receiving Money</i> | <i>1 (p=.000)</i> | <i>0.860** (p=.000)</i> | <i>1.000** (p=.000)</i> | <i>Cannot be computed</i> | <i>Cannot be computed</i> |
| <i>I Now Save More Due to Digital Services</i> | <i>0.860** (p=.000)</i> | <i>1 (p=.000)</i> | <i>0.860** (p=.000)</i> | <i>Cannot be computed</i> | <i>Cannot be computed</i> |
| <i>Mobile Money has Increased My Access</i> | <i>1.000** (p=.000)</i> | <i>0.860** (p=.000)</i> | <i>1 (p=.000)</i> | <i>Cannot be computed</i> | <i>Cannot be computed</i> |

| | | | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|----------|
| <i>to Financial Services</i> | | | | | |
| <i>Trust in Mobile Money vs. Traditional Banking</i> | <i>Cannot be computed</i> | <i>Cannot be computed</i> | <i>Cannot be computed</i> | <i>1</i> | <i>1</i> |
| <i>Digital Financial Services Improved My Financial Management Skills</i> | <i>Cannot be computed</i> | <i>Cannot be computed</i> | <i>Cannot be computed</i> | <i>Cannot be computed</i> | <i>1</i> |

Note: The correlation is significant at the 0.01 level (2-tailed) while the "Cannot be computed" statement indicates variables with unanimous responses and constant values.

Table 8 offers an analytical insight into the relationships between different mobile money services and their perceived impacts on users. The Pearson correlation value of 0.860 shows a significant positive relationship between mobile money services and increased savings due to digital services, suggesting that convenience in using these services enhances financial management. With a correlation of 0.01 level, the study found a statistically significant link between the convenience of using mobile services and improved savings abilities among individuals.

Furthermore, "Mobile Money Services for Sending and Receiving Money" and "Mobile Money has Increased My Access to Financial Services" have a perfect 1.000 positive correlation. This indicates that there was a direct rise in the accessibility of other financial services, such loans or insurance, for each person who found it simpler to transact using mobile services. Interestingly, The relationship between digital services and increased access to financial services is evident, with a value of 0.860 indicating a strong connection.

However, the correlations with other factors were not estimated for the variables "Digital Financial Services Improved My Financial Management Skills" and "Trust in Mobile Money vs. Traditional Banking." This could indicate that participants' answers were all in agreement, pointing to the possibility that respondents' opinions about these factors were generally held.

In conclusion, the data highlights the interconnected benefits of mobile money services, including increased savings and access to financial services. However, the consensus on trust in mobile money and its impact on financial management skills warrants further exploration.

Mobile money services significantly impact individuals' saving habits, due easier access to financial services like loans and insurance. The convenience of these services directly impacts individuals' saving habits, highlighting their pivotal role in financial inclusion.

The study suggests that respondents' confidence in mobile money and enhanced financial management abilities may be influenced by digital financial services, but the exact form of this belief is difficult to determine. The interdependence of these services and mobile money underscores their impact on financial practices and availability.

D. Hypotheses

1. Hypothesis 1 (H1)

The utilisation of mobile money and digital financial services offered by MNOs and commercial banks has a positive and statistically significant impact on the financial behaviour, access to financial services, and overall financial inclusion status of the unbanked population in Botswana.

Evidence from Data. For the dependent variable "Concerns about the security of transactions deter me from using digital financial services", the F-statistic is 4.498 with a significance level of 0.012.

Finding. The evidence supports H1. The utilisation of mobile money and digital financial services does have a significant impact on financial behaviour and access to financial services.

2. Null Hypothesis

Based on the findings from the research hypotheses: Null Hypothesis 1 (H0): Rejected in favour of H1.

In conclusion, The regression statistics support the research hypotheses, indicating that digital financial services offered by MNOs and Commercial Banks significantly enhance financial inclusion.

Table 9. Summary of the Hypotheses and the Relevant Statistics:

| <i>Hypothesis Number</i> | <i>Hypothesis Description</i> | <i>Relevant Dependent Variable</i> | <i>F-Statistic</i> | <i>Significance Level</i> | <i>Supported/N of Supported</i> |
|--------------------------|--|--|--------------------|---------------------------|---------------------------------|
| H1 | Utilisation of mobile money and digital financial services offered by MNOs and banks impacts the financial behaviour, access to financial services, and overall financial inclusion status of the unbanked population in Botswana. | Concerns about the security of transactions deter me from using digital financial services | 4.498 | 0.012 | Supported |

IV. CONCLUSION

Findings: Mobile money and digital financial services have significantly impacted the financial behaviour of the unbanked population in Botswana, providing an accessible and affordable financial platform.

Literature Alignment: The positive impact observed aligns with the findings of various authors such as Anakpo, Xhate, & Mishi (2023), Mpofu (2022), and Mishra & Bvuma (2022), who have all emphasised the transformative role of digital financial services in promoting financial inclusion. However, a surprising discovery from our research is the long-term sustainability of these impacts, an area that Mwende et al. (2019) and others have noted is under-researched.

Objective and Research Question Addressed: This research aims to understand the objective, impact of Mobile Money and digital financial services on the financial behaviour, access to financial services, and overall financial inclusion status of the unbanked population in Botswana. The research has shown that while the immediate effects of mobile money and digital services are evident, there is a need for more in-depth studies on their long-term impact. Additionally, while the role of regulation and security in promoting financial inclusion is frequently discussed in the literature, more granular research is required to understand how these frameworks can be optimised for the safe and effective use of these services. The importance of financial literacy is acknowledged, but effective strategies to enhance it among the unbanked remain a gap in the literature.

In conclusion, while mobile money and digital financial services have made significant strides in promoting financial inclusion among the unbanked in Botswana, there are still areas that require further research and intervention to ensure that these gains are sustainable and inclusive.

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Effect of Strategic Leadership on Competitive Advantage of Animal Feeds Manufacturing Firms in Upper Eastern and Central Kenya

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ABSTRACT

Purpose: Over time, enhancing a company's performance had mainly involved securing a competitive position compared to industry peers. A competitive advantage results in improved performance by cultivating greater customer loyalty, heightened satisfaction, improved financial outcomes, and a larger market share. As a result, organizations were increasingly working to strategically position themselves within their industries to surpass competitors. Despite implementing various strategic changes to maintain a competitive edge, companies in the animal feed manufacturing sector, including those in the central and upper east regions of Kenya, confront intense competition from both established and new players. This study aimed to evaluate the impact of strategic leadership on the competitive advantage of animal feed manufacturing firms in Upper Eastern and Central Kenya.

Design/methodology/approach: The competitive advantage theory will provide insights into the research. Employing an explanatory research design, the study focused on 96 animal feed manufacturing firms in Central and Upper Eastern Kenya. The research adhered to ethical standards and principles, presenting the findings through charts and tables. Charts and tables were utilized to present the findings of the study.

Findings: The conclusions drawn from the results suggest that the adoption of strategic leadership exhibits a constructive and considerable influence on competitive advantage within Animal feeds manufacturing firms in Central and Upper Eastern Kenya. The study advises animal feeds manufacturing firms to prioritize bolstering strategic leadership across managerial echelons, from mid-level managers to top executives, to ensure they grasp their responsibilities in fostering and preserving competitive advantage over the long haul.

Paper type: Research paper

Keyword: Strategic Leadership, Competitive Advantage, Performance.

Received : March 8th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

In the contemporary business landscape of the 21st century, companies encounter the difficulty of navigating a multifaceted and ever-evolving environment. This dynamic context was shaped by various influences, including globalization, frequent and unpredictable changes, and the increasing reliance on information technologies (Petricevic & Teece, 2019). Numerous enterprises diligently pursue optimal tactics to bolster their market standing. Securing and upholding a competitive advantage, coupled with strategic implementation, frequently ensures a company's longevity in the market and favorable financial results (Amesho et al., 2022). The evaluation of firm performance entails examining the effectiveness with which a company utilizes its fundamental resources to yield revenue (Taouab & Issor, 2019). This evaluation acts as a broad measure of a firm's financial health over a certain period and enables benchmarking against peers within the same sector or across various sectors. Financial performance can be measured using several indicators, including operational revenue, operating profit, operational cash flow, and total sales volume. Additionally, a thorough examination of financial statements may reveal

insights such as margin growth rates and changes in debt levels, providing a more nuanced understanding for analysts and investors (Taouab & Issor, 2019).

In the contemporary global landscape, businesses operate within highly competitive environments, necessitating the adoption of strategies aimed at enhancing their competitiveness (Kahiga, 2017). A company's competitive advantage refers to its capacity to secure a stronger foothold within an industry and surpass rivals in achieving the primary objective of profitability (Muthoni Ndei & Mutuku, 2021). This advantageous market position empowers the company to attain performance levels that exceed the industry average. As competition intensifies, there's an increasing emphasis on retaining this competitive edge.

A competitive advantage is identified in a company when its profit margins and profit growth outpace those of its rivals who are vying for the same customer base. The sustainability of this advantage was determined by the behaviors and strategic elements that foster a lasting preference among a significant number of customers for the products or services of a business over those offered by competitors (Tan et al., 2022). As Eklof and colleagues (2020) highlight, the benefits of a competitive advantage are evident in diverse performance metrics, such as customer loyalty, enhanced customer satisfaction, better financial results, and expanded market presence. Consequently, the main goal of a competitive strategy was to surpass the performance of competitors. The three widely acknowledged methods for establishing a competitive advantage were through differentiation, cost efficiency, and focus (Abdella et al., 2021).

Companies often strategize their positioning by leveraging their strengths or advantages over competitors. The notion of Sustainable Competitive Advantage holds significant importance in determining an organization's strategic leadership in comparison to its rivals. Competitive advantage refers to the long-term advantage a company gains by implementing a unique value-creating strategy that competitors were not using at the moment and cannot easily replicate. This advantage empowers companies to uphold exceptional performance and retain a prominent market position by consistently adjusting and innovating their strategies to outpace competitors. It underscores the importance of developing and nurturing unique capabilities, resources, or approaches that provide a firm with a distinctive edge in the marketplace.

Australian companies were increasingly focusing on strategic positioning within their respective industries to gain a competitive edge. In the competitive landscape, organizations adopt various leadership strategies, such as surpassing competitors' barriers, successful competition through preemptive actions, remaining unpredictable, misleading competitors, or overcoming rivals' market-based maneuvers (Muro, 2020). Arsawan et al. (2022) endorse the idea of organizations assessing their competitive advantage in comparison to market counterparts and implementing leadership strategies to enhance their standing if found lacking. Consequently, companies define their strategic orientation by pinpointing the most effective defensive measures against competitive forces, recalibrating the dynamics to strengthen their market position, and proactively choosing a competitive approach ahead of their rivals' actions. This process involves a thorough analysis of the competitive landscape, enabling businesses to make informed decisions that capitalize on their unique strengths and mitigate potential vulnerabilities. By doing so, they can not only defend their current market share but also identify opportunities for growth and expansion, ensuring long-term success and sustainability in an ever-evolving marketplace.

Paker (2021) delved into the leadership approaches of internationally and culturally diverse service brands, analyzing how brands such as Visa, MasterCard, Amex, and Diners Club establish their leadership positions in the market. The study revealed that while there isn't a universally preferred leadership strategy among these four brands, Visa, MasterCard, and Amex primarily focus on building their leadership through brand name recognition. However, Diners Club's leadership strategy in this aspect remains less defined.

In a separate investigation, Grant (2021) explored strategic leadership within Denmark's food industry, concentrating on how companies attain and sustain a long-term competitive advantage. This research emphasizes the diverse leadership tactics employed across various markets and industries, underscoring the importance of tailored leadership strategies to secure a sustainable competitive edge. Paker's study (2021) scrutinized the leadership strategies of global and multicultural service brands, specifically examining Visa, MasterCard, Amex, and Diners Club. The research unveiled a propensity towards brand name leadership among Visa, MasterCard, and Amex, with Diners Club displaying less clarity in its approach. Grant (2021) investigated the Danish food industry to comprehend how strategic leadership contributes to maintaining a competitive advantage. The study identified key factors such as product innovation, high-quality offerings, efficient resource utilization, market responsiveness, differentiation strategies, cost effectiveness, and pricing tactics as drivers of competitive leadership. Miao et al. (2023) scrutinized the banking industry in Turkey, focusing on how strategic leadership and considerations of quality influence the competitive landscape. Their findings underscored that banks establish their leadership positions through pricing strategies, targeting specific market segments, adopting technological innovations, providing superior product services, catering to the needs of SMEs and mortgage banking, ensuring credit accessibility, enhancing delivery mechanisms, promotional endeavors, building a strong reputation, and pursuing differentiation strategies.

Furthermore, Chung & Song (2021) conducted research on how strategic leadership influences the performance of the airline sector in Korea. They noted that enhancements in performance were associated with aspects like competitive pricing and efficiencies in production and service costs, operational cost efficiencies, unique products and services, distinctive business processes, and innovative technologies employed by airlines. In Malaysia, the prosperity of cooperative organizations hinges significantly on their capacity to maintain a competitive edge and realize enhanced organizational performance. Othman et al. (2018) had highlighted that the utilization of resources to deliver value to customers was instrumental in fostering a sustainable competitive advantage, which, in turn, catalyzes superior performance. For cooperatives to stay ahead in the competition, it was imperative for them to continue offering innovative and dynamic services while employing strategies that leverage their competitive advantages, alongside being attuned to environmental considerations. Achieving standout performance was possible through the execution of effective strategies, which were borne out of a deep understanding and recognition of the organization's primary competitive advantages (Othman et al., 2018).

To strengthen their competitive edge, the bulk of SMEs in Nigeria's manufacturing sector had embraced strategic orientation (I.A. et al., 2019). The Nima (2022) study, which examined how strategic leadership helps Safaricom Limited achieve a durable competitive advantage, was one of the strategic positioning studies carried out in Kenya. According to the report, Safaricom had a significant competitive advantage thanks to its use of cutting-edge technology. The company's capacity to sustain its competitive advantage was further aided by the broad adoption of its Mpesa service. Furthermore, Nzioka & Kariuki (2021) looked into the connection between Kenyan commercial banks' performance and their strategic leadership. According to the results, strategic leadership significantly and favorably affects organizational performance, especially when it comes to performance evaluation. Riaz et al. (2023) investigated the factors influencing the banking industry's implementation of strategic leadership in mobile banking. Their findings indicated that some banks had moderately embraced mobile banking, focusing on leveraging it as a strategic tool to enhance customer satisfaction, drive revenue growth, and enhance their standing in the market. In addition, a study on strategic leadership as the cornerstone of creating a long-lasting competitive advantage in Kenyan supermarkets was carried out by Musyoka (2023). The study's findings emphasized a number of supermarket competitive advantage tactics, such as cost-maximization, recapitalization, rebranding, and enhanced customer service.

In 2016, the Association of Kenya Feed Manufacturers (AKEFEMA) released a study stating that the 23 accredited feed manufacturers in Kenya provide around 60% of the country's animal feed needs, with unregistered feed manufacturers providing the other 40%. Nairobi and the central region of Kenya had a considerable concentration of animal feed makers, mostly because of the area's high concentration of commercial poultry and dairy farms. The International Feed Industry Federation (IFIF) said in 2020 that the combined percentage of poultry and dairy feeds produced in Kenya was 41% and 39%, respectively, of all animal feeds produced in the country. Small-scale businesses make up 90% of the animal feed sector. These were followed by medium-sized businesses, which produce 1,000–5,000 tons monthly, and large-scale businesses, which produce more than 5,000 tons monthly. Maize and wheat were the main cereal grains and their derivatives used in the manufacture of animal feed. In Kenya's cutthroat manufacturing sector, positioning in the majority of businesses represents how customers see an organization's or product's performance on certain criteria in comparison to that of its rivals. Manufacturers of animal feed must thus either improve or maintain their consumers' perceptions of them. In light of this, the research looks at how strategic positioning affects a firm's success.

In recent years, there has been a significant increase in the number of companies producing animal feeds. Consequently, intense competition has emerged, putting established companies under pressure to maintain their market share or risk losing it to new entrants (Achieng, 2016). The majority of animal feed production businesses were centered in Kenya's major cities. Business activity was being hindered by the growing price of wheat on the international market as well as a scarcity of raw materials (Varpio et al., 2020). When combined, these factors create a hostile environment for businesses, which means that in order for them to grow and maintain their present market positions, they must make the best strategic decisions. This may also make it easier for businesses to grow into other cities since there may be less competition in the market. The industry was characterized by intense competition. Companies in the industry had been driven to improve their production capacities and tighten their control over expenditures by competition for market share. The company's strategic choices assist it to compete effectively, maintain its relevance, and maintain its client base by overcoming market forces. As a result, the business performs better and beats its competitors (Kowo et al., 2018). This had forced industry participants to embrace new management techniques. Plans for a company's expansion should consider its internal resources, competitive environment, and business agility.

The link between corporate efficiency and expansion goals had been the subject of several studies. For example, King'ori (2018) examined how different pricing strategies affected the prosperity of agrochemical companies in Nairobi County's Industrial Area. The study demonstrated how the companies distinguished themselves via innovation and high-quality products. The present research will examine how animal feed manufacturing companies in Kenya's Central and Upper Eastern regions were affected by strategic leadership

factor. Research by Farhiya (2015) on strategic leadership as a source of long-term competitive advantage indicates that the leadership strategies adopted by a company lay the groundwork for developing and organizing the fulfillment of the business's mission. According to the report, in order for an organization to succeed in strategic leadership, it must improve its capacity to mobilize the resources needed to support its plans and introduce new goods and services that would provide value and improve performance. While the present research will incorporate several strategic leadership techniques and analyze their effect on competitive advantage, the previous study mostly focused on product and service differentiation.

Kang et al. (2021) research examined the impact of strategic leadership on the performance of the Korean airline sector. The study found that competitive advantage was derived from operating cost advantages, pricing competitiveness, and production and service cost advantages. Additionally, airlines' results were enhanced by the employment of unique technology, distinctive goods and services, and unique business procedures. The industrial sector was isolated since the aforementioned research primarily examines the aviation business. The conceptual and contextual gaps identified in the reviewed studies will form the basis for the researcher's investigation into the impact of strategic leadership on the competitive advantage of animal feed manufacturing companies in Kenya's Upper Eastern and Central regions.

A. Literature Review

1. Theoretical Literature

According to Porter (1985), the Competitive Advantage Theory emphasizes the importance of companies implementing strategies that focus on delivering top-notch products and commanding higher prices in the market. Porter highlights the crucial role of enhancing productivity growth in national strategies. Within this context, the term "competitive advantage" denotes a company's capacity to outperform others in the same market or sector, accomplished through a multitude of factors and resources. Given the demanding nature of the current market, there has been a surge in research interest surrounding the attainment of superior performance and competitive advantage. According to Macharia and Titimba (2018), a firm gains a competitive edge by implementing a strategy that generates value and is challenging for competitors, both present and future, to imitate.

A number of researchers, including Omalaja and Eruola (2011), had provided critiques of Competitive Advantage Theory. These critiques raise concerns that were thought-provoking and inquire about the validity of the theory as a scientific notion. According to the findings of their research, having a competitive edge was not necessarily a necessary and sufficient prerequisite for experiencing greater returns. Some people believe that there was no theory of competitive advantage that can be disproved without resorting to ideology. This leads them to suggest that competitive advantage is, at most, a metaphor useful to those in strategic management. Despite this, Liu and Wilson (2013) utilize competitive theory to enhance the ability to sustain a competitive advantage in challenging business environments. The Competitive Advantage Theory, relevant to this investigation, posits that a company's unique characteristics give it an edge over competitors, leading to higher performance. According to Josiah (2013), a company that had a competitive advantage may effectively execute strategies that allow it to outperform both existing rivals and future competitors. According to Powell (2001), the theory proposes that a business strategy can impact various resources directly under someone's control, and these resources can provide a competitive advantage. Competitive edge can be gained through improved performance and a dominant position in production resources. The theory suggests that a firm can maintain a competitive advantage by continually enhancing the quality of its products and services. Therefore, continuous improvement is considered a vital component of competitive advantage. This theory was used to explore how businesses can achieve and sustain a competitive edge.

2. Strategic Leadership and Competitive Advantage

Strategic leadership was a type of leadership that places an emphasis on the capacity to form and influence the overall direction, strategy, and vision of an organization rather than just directing it. It entails steering the company toward its long-term objectives and adapting to an environment that was always changing, which goes beyond the day-to-day management duties that were typically performed. Strategic leaders were responsible for making crucial decisions that aligned with the organization's mission and contributed to its success.

In the context of private universities in Iraq, Al-Mahdi (2021) conducted a study to investigate the influence of strategic leadership on achieving a competitive advantage. The research aimed to determine how strategic leadership skills contribute to establishing a sustainable competitive advantage across all private colleges in Iraq. Data was collected through a "self-administered questionnaire." The results showed a significant positive association between strategic leadership capabilities and the ability to maintain a competitive edge over time. Additionally, the study emphasized that human and social capital are essential sources of sustained competitive advantage, requiring constant nurturing and growth. The importance of strategic leadership competencies for organizational success was highlighted, focusing on cultivating and protecting the mix of organizational resources, capabilities, and knowledge to build a sustainable competitive advantage.

In contrast to the current research, which will focus on animal feed manufacturing companies in Kenya, Omar's study focused on private institutions in Iraq. In a recent study, Geke (2021) explored the relationship between strategic leadership and sustainable competitive advantage within the context of Kenyan commercial banks. The study sought to explore how strategic leadership techniques impact long-term advantages of financial institutions in Kenya. Using a descriptive research approach, the study focused on 43 commercial banks, collecting data through questionnaires and analyzing it using descriptive statistics. The findings revealed that strategic leadership is crucial for maintaining a competitive benefit for moneymaking banks in Kenya over time. Strategic leaders were identified as essential individuals capable of anticipating opportunities and challenges. While the previous study focused on the financial sector, particularly commercial banks, the current research will concentrate on the manufacturing sector.

In a study conducted by Kahiga (2017), the focus was on examining how strategic leadership practices can influence the competitive position of the National Bank of Kenya. Our main focus was on investigating the ways in which strategic leadership practices enhance the competitiveness of the National Bank of Kenya. Through conducting interviews, data was collected using an actual study methodology. The findings indicated that the National Bank of Kenya primarily utilized strategic leadership practices, including establishing strategic direction, maintaining core skills, and providing frequent training and development opportunities. These practices were found to strengthen staff unity while working towards shared objectives. Similar to the study by Geke (2021), Kahiga's research was conducted within the banking sector. However, the present study will focus on animal feed manufacturing companies.

II. METHODS

A. The Materials

This research employed an explanatory research design, a method outlined by Haydam and Steenkamp (2020) that focused on uncovering information about who, what, where, when, and how much. The choice of the design was informed by the primary objective of establishing a meaningful relationship and elucidating how various factors supported the subjects under investigation. This approach was deemed appropriate for exploring the influence of strategic locating on the competitive benefit of animal feed manufacturing organizations in Upper Eastern and Central Kenya. Employing this design enabled the researcher to acquire in-depth knowledge about how strategic positioning affects the performance of these firms. It provided a thorough comprehension of the variables central to the research problem, facilitating a nuanced analysis of the strategic maneuvers that contribute to a firm's competitive edge in the marketplace.

The target audience for the research consisted of the businesses from which data was collected (Rahi, 2017). The specific group under investigation encompassed animal feed manufacturing firms located in Central Kenya (Kiambu, Murang'a, Kirinyaga, and Nyeri) and Upper Eastern Kenya (Embu, Tharaka Nithi, and Meru), according to the AKEFEMA., these regions collectively housed a total of 96 animal feed manufacturing firms. This research was centered on these 96 firms, detailed in Table 1, focusing on two key individuals from each firm: the branch managers and the operations manager or their equivalents.

Table 1: Animal Feed Manufacturing Firms per County

| <i>Animal Feed Manufacturing Firms per County</i> | | | |
|---|------------------------|------------------------------|----------------------------|
| <i>Targeted Counties</i> | <i>Number of firms</i> | <i>Number of Respondents</i> | <i>Targeted population</i> |
| | | <i>Per Firm (2)</i> | |
| <i>Kiambu County</i> | 26 | <i>26 * 2 (respondents)</i> | 52 |
| <i>Murang'a County</i> | 19 | <i>19* 2 (respondents)</i> | 38 |
| <i>Nyeri County</i> | 16 | <i>16 * 2 (respondents)</i> | 32 |
| <i>Kirinyaga County</i> | 15 | <i>15 * 2 (respondents)</i> | 30 |

| | | | |
|-----------------------------|----|---------------------|-----|
| <i>Meru County</i> | 9 | 9 * 2 (respondents) | 18 |
| <i>Embu County</i> | 7 | 7 * 2 (respondents) | 14 |
| <i>Tharaka Nithi county</i> | 4 | 4 * 2 (respondents) | 8 |
| <i>Total</i> | 96 | | 192 |

Source: Association of Kenya Feed Manufacturers (AKEFEMA, 2022)

B. Methods

The researcher utilized both descriptive and inferential statistical methods to analyze the data that was collected. After the data was collected, a thorough review of the questionnaires was conducted to guarantee their accuracy, consistency, and completeness. Before the final analysis, a thorough cleaning process was conducted to eliminate any discrepancies. Subsequently, the data was categorized based on similarities and then tabulated. To facilitate statistical analysis, the responses were coded into numerical form.

The study employed a range of presentation formats, including tables, pie charts, and percentages, to effectively condense and convey the participants' responses. The impact of independent variables on the dependent variable was determined using multiple regression analysis in the context of inferential statistics. This analytical technique evaluated the relative influence of each independent variable by examining its covariance with the dependent variable, which proved useful for predictive purposes. Although traditionally applied to interval variables, regression analysis was also used by some social scientists with ordinal data. It's important to note that, like correlation, regression analysis assumes a linear relationship between variables.

III. RESULTS AND DISCUSSION

A. Response Rate

The research aimed to gather responses from 192 participants through distributed questionnaires. Ultimately, the researcher successfully collected 153 completed inquiry form. A good response rate of 79.7% was achieved, therefore implying that 20.3% of the intended sample did not participate. Mugenda and Mugenda (2009). They opine that a response rate of 50% is good for analysis, 60% is good, whereas anything above 70 percent great. The response rate was achieved and is good for conclusions and representative of the population. The probable reason a high response rate was achieved is that the researcher administered the questionnaires personally and so anytime some areas were unclear to the participants, they were clarified to ensure cooperation.

B. Strategic Leadership and Competitive Advantage.

In doing this stage of the research, the respondents were to indicate their agreement from the extent the strategic leadership within their organization describes the true scenario. The answers were used to establish the means and the standard deviations for the respective statements, having their respective answers. The findings are displayed in the Table 2.

Table 2: Strategic Leadership and Competitive Advantage

| <i>Statement</i> | <i>N</i> | <i>Min</i> | <i>Max</i> | <i>Mean</i> | <i>Std. Deviation</i> |
|---|----------|------------|------------|-------------|-----------------------|
| <i>The company has leader-member exchange.</i> | 153 | 1 | 5 | 3.90 | 0.961 |
| <i>Employee motivation increases the company's competitive edge</i> | 153 | 1 | 5 | 3.59 | 1.001 |
| <i>The company has a positive culture of followership</i> | 153 | 1 | 5 | 3.81 | 0.912 |

| | | | | | |
|--|-----|---|---|------|-------|
| <i>Strategic leadership enhances the competitive advantage of the firm</i> | 153 | 1 | 5 | 3.87 | 1.004 |
| <i>Valid N (listwise)</i> | 153 | | | | |
| <i>Overall Statistic</i> | | | | 3.79 | 0.970 |

Source: Researcher (2024)

The participants indicated that leader-member exchange is present within the organization, with a mean score of 3.90 and a standard deviation of 0.961. Additionally, they agreed that enhancing worker motivation contributes to the firm's competitive advantage, reflected in a mean score of 3.59 and a standard deviation of 1.001. The mean score for followership was 3.81, with a standard deviation of 0.912. Participants also believed that strategic leadership enhances firm competitive advantage, as indicated by an average score of 3.87 and a standard deviation of 1.004. The mean score for the impact of strategic leadership on competitive advantage was 3.79, with a standard deviation of 0.970, demonstrating a significant influence.

These findings are consistent with previous research by Omar (2014), which found a strong positive correlation between strategic leadership capabilities and sustainable competitive advantage. Similarly, Nyawira (2015) confirmed the essential role of strategic leadership in sustaining competitive advantage for commercial banks in Kenya over time.

C. Correlation Results of Study Variables

The Pearson correlation method was used to calculate coefficients that assess the strength and direction of relationships between the variables. On a scale of +1 to -1, a coefficient of zero indicates that there is no correlation between the variables. A Pearson coefficient greater than 0.5 is generally considered to be strong. The correlation findings can be found in Table 3.

Table 3: Correlation matrix

| | | <i>Strategic leadership</i> | <i>Competitive advantage</i> |
|------------------------------|----------------------------|-----------------------------|------------------------------|
| <i>Strategic leadership</i> | <i>Pearson Correlation</i> | 1 | |
| | <i>Sig. (2-tailed)</i> | | |
| | <i>N</i> | 153 | |
| <i>Competitive advantage</i> | <i>Pearson Correlation</i> | 0.736* | 1 |
| | <i>Sig. (2-tailed)</i> | 0.002 | |
| | <i>N</i> | 153 | 153 |

Source: Researcher (2024)

The study examined how strategic leadership impact the competitiveness of animal feed manufacturing companies in Upper Eastern and Central Kenya. We conducted Pearson correlation analyses to investigate the connections between these variables. The findings, as shown in Table 11, uncovered noteworthy positive connections between strategic leadership and competitive advantage. This finding was supported by a coefficient of $(r(153) = 0.736; p < 0.05)$. This finding aligns with Omar's (2014) research, which highlighted the importance of strategic management in bolstering long-term competitive advantage.

D. Regression Analysis

A thorough examination was carried out to establish a mathematical relationship between strategic leadership and gaining a competitive edge. These are the conclusions that have been given. The summary results offer a brief summary of the regression findings, as displayed in the model. The results can be found in Table 12.

Table 4: Model Summary

| <i>Model</i> | <i>R</i> | <i>R Square</i> | <i>Adjusted R Square</i> | <i>Std. Error of the Estimate</i> |
|--------------|--------------|-----------------|--------------------------|-----------------------------------|
| <i>1</i> | <i>.826a</i> | <i>0.683</i> | <i>0.675</i> | <i>0.357</i> |

In order to evaluate the effectiveness of the strategic leadership variables in predicting competitive advantage, the study employed the coefficient of determination. Based on the analysis, it was found that strategic leadership played a significant role in determining competitive advantage. The adjusted R² value of 0.675 further supports this finding. This indicates that the model functions as a reliable predictor.

In addition, a statistical analysis known as ANOVA was performed to investigate the influence of the independent variables on the dependent variable.

Table 5: ANOVA

| <i>Model</i> | <i>Sum of Squares</i> | <i>df</i> | <i>Mean Square</i> | <i>F</i> | <i>Sig.</i> |
|---------------------|-----------------------|------------|--------------------|---------------|--------------|
| <i>1 Regression</i> | <i>4.099</i> | <i>4</i> | <i>1.025</i> | <i>24.556</i> | <i>.000b</i> |
| <i>Residual</i> | <i>272.620</i> | <i>149</i> | <i>1.842</i> | | |
| <i>Total</i> | <i>276.719</i> | <i>153</i> | | | |

e. Dependent Variable: competitive advantage

f. The table above displays a significance level of .000, indicating that the model effectively predicts the connection between strategic leadership and competitive advantage.

The findings of the multiple regression study, as presented in Table 14, illustrate clear connections within strategic positioning variables and gaining a competitive edge. The research question was interpreted using the regression coefficients.

Table 6: Regression analysis results

| <i>Model</i> | <i>Unstandardized Coefficients</i> | | <i>Standardized Coefficients</i> | <i>t</i> | <i>Sig.</i> |
|-----------------------------|------------------------------------|-------------------|----------------------------------|--------------|--------------|
| | <i>B</i> | <i>Std. Error</i> | <i>Beta</i> | | |
| <i>1 (Constant)</i> | <i>3.276</i> | <i>0.562</i> | | <i>5.869</i> | <i>0.000</i> |
| <i>Strategic Leadership</i> | <i>0.601</i> | <i>0.086</i> | <i>0.015</i> | <i>0.177</i> | <i>0.012</i> |

a. Dependent Variable: competitive advantage

Source: Researcher (20240)

Enhancing your competitive advantage involves a combination of factors. These include continuous improvement, strategic leadership, strategic assets, and product differentiation. By focusing on these elements, you can elevate your position in the market and stand out from the competition.

According to the results in Table 14, when all other factors are kept at zero, the competitive advantage is found to be 3.276. The beta coefficient for strategic leadership is 0.601, which demonstrates an important and favorable effect on competitive advantage with a significance level of $p < 0.05$. Therefore, a small rise in strategic leadership can result in a significant boost of 60.1% in competitive advantage for animal feed manufacturing companies in Upper Eastern and Central Kenya.

The research conducted by Nyawira (2015) provides support for the correlation between strategic leadership and sustainable competitive advantage in commercial banks in Kenya. It has been observed that strategic leadership plays a crucial role in maintaining a competitive edge for commercial financial institutions in Kenya, as Nyawira has concluded. On the other hand, a study conducted by Kahiga (2017) yielded different findings, indicating that the widely used strategic leadership practices had little impact on the competitive advantage of the National Bank of Kenya.

IV. CONCLUSION

This study concludes, based on the results, about the effect of some strategies on competitive advantage. The study infers that the implementation of strategic leadership positively and significantly influences competitive advantage. The study infers that if there be strong motivation and a high spirit of followership be engendered within the firm, then strategic leadership will be enhanced and competitive advantage within the firm improved.

A. Recommendations

The management hierarchy for such animal feed manufacturing companies should therefore be enhanced with good care from strategic leadership at middle levels to the topmost levels of management. This will also help ensure that there is good alignment of people at all relevant levels, keeping in mind the roles they play in ensuring the organization protects and enhances the competitive advantage for the long run.

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Challenges of Government Funding Model on Public Universities: A Case of Botswana

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ABSTRACT

Purpose: The purpose of this study was to examine the challenges posed by the funding model on the transformation of public universities into entrepreneurial universities in Botswana to determine how the model affects or influence the adoption of an entrepreneurship model in public universities.

Design/methodology/approach: A qualitative study with 30 participants from four (4) public universities was conducted with the use of a semi structured interview. The sample was drawn from top management in each of the universities. Data was transcribed, coded and grouped into themes with the use of Atlas ti software version 22.

Findings: Government funding model hinders the transition of public universities into entrepreneurial universities. Firstly, the funding model is bureaucratic in nature. Secondly, the model forces public universities to operate from a zero budget. Thirdly, the model encourages irresponsible spending. The less funds a university utilizes the higher the cut in funding in the next budget allocation cycle. Fourthly, the funding model has a short budget cycle which hinder public universities to conduct long term projects which brings more financial returns compared to short term projects. Lastly, while research is seen as a key driver to aid the transformation, the model does not cater for a research and transformation budget.

Research limitations/Implications: The study was limited to the enquiry of the challenges of the government funding model on the transition of Botswana public universities into entrepreneurial universities. The study focused on insights from senior management of public universities. While this formed a good basis for this exploratory study, future studies may consider a quantitative study with other key players to validate these findings. Further research is therefore recommended amongst middle management and university students in public universities.

Practical Implications: This research improves knowledge in the systematic executions for developing strategies that are likely to influence and support the entrepreneurship model in Botswana's public universities.

Originality/Value: This research was the first attempt to examine the challenges posed by the funding model on the transition of public universities into entrepreneurial universities in Botswana. Recommendations were made for government policy makers to review the current funding model with the view to develop a new model to support an entrepreneurship model in public universities.

Paper type: Research Paper

Keyword: Government Funding Model, Challenges, Public Universities, Transformation, University Entrepreneurship.

Received : March 8th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

To operate a university is a capital-intensive exercise and for any university to achieve its strategic goals relies on the availability of funds (Ogunode & Ohiosumua, 2022:92). Globally, one of the major challenges faced by public universities is insufficient funding which tend to cripple university operations (Ahmad, Farley & Naidoo 2012; Ogunode & Ohiosumua, 2022; Newfield, 2018; Wachira, 2018; Zusman, 2005; Cross, 2020). Still on a

global landscape public universities drive their budget through their parent ministry of education which approves the budget and release the funding. Owing to the recent global economic downturn due to Covid 19 crisis and increased social demands for other services, the educational budget for most countries has declined (Omona, 2012:14; Mohamedbhai, 2011:3; Cardoso, 2020:3&4; Grove 2020; National Academic Press, 2012:9; World Bank Group, 2020:5) and Botswana is no exception. Even though this is the case, public universities still depend on the shrinking ministerial budget for their funding. According to the World Bank data, education accounts for only 13% of government expenditure worldwide (Chernova, Akhobadze, Malova & Saltan, 2017:37).

Much literature has been written on the diverse types of government funding models for public universities (Layzell, 2007; Chernova *et al*, 2017:42; Mokaya, Mabeya & Ochieng, 2020), nevertheless, how this funding models influence the transition of public universities into entrepreneurial universities is still ambiguous and outstanding. Further scholarly research is required in this area especially in developing countries. Therefore, this study sought to investigate how the funding model negatively impact the transformation of public universities into entrepreneurial universities in Botswana. The study contributes to the knowledge gap on challenges posed by funding model on the transition of public universities into entrepreneurial universities.

A. Research Purposes

The purpose of this research was to examine challenges of the government funding model on the transition of public universities into entrepreneurial universities in Botswana, to determine how the model affects or influence the adoption of an entrepreneurship model in public universities.

II. METHODS

A. Material And Method

A qualitative research method was utilised to examine the challenges posed by the current funding model on the transition of public universities into entrepreneurial universities in Botswana. An exploratory case study design was preferred because it is cross-sectional in nature and enabled the researcher to show the intricacy in the existence of relationships, patterns and links (Saunders, Lewis & Thornhill, 2016:163; Kumar, 2019:195; Babbie, 2020:88). Primary data was collected with the use of an online semi structured interview and to answer the research questions of the study, an interview guide was designed. The interview guide was developed based on the following references: Burykhina, 2008; Dinh, 2020; Fernández-nogueira, Arruti, Markuerkiaga & Saenz, 2018; Guerrero, Urbano, Fayolle, Klofsten & Mian, 2016; Sultan, 2017. Atlas ti software version 22 was used to transcribe, code and grouped data into themes. The study used Atlas ti software to do all the six steps of thematic analysis (Braun & Clarke, 2006; Braun & Clarke, 2021) because it was found efficient for analysing bulky qualitative data (Miller, 2000:98).

The total research population for this study was N=3311 which comprised the total number of staff and council members from the four public universities in Botswana (Mauco, 2021; Boima, 2021; Mubu, 2021; Sebanda, 2021). A sample size of forty (40) participants was identified for the study but only thirty (30) participants managed to attend the interview. Since 30 out of 40 participants took part in the interview that made a response rate of 75%. This response rate was regarded as satisfactory in accordance with (Funkhouser *et al*, 2017:333 and Nulty, 2008:303) who claims that a response rate of more than 70% is excellent as it offers reasonable precision and a lower margin of error. Participants who formed the sample included Vice-Chancellors, Deputy Vice-Chancellors, Ministry of Education and Skills Development representative to the University Council, Faculty Deans, directors and coordinators of business centres within the universities. The sample was drawn from top management of the universities through purposive and snowballing non-probability sampling techniques. The two sampling techniques were selected as they allow the researcher to specifically identify a sample that fits the characteristics of the broad population (Bryman, 2012:188). The rationale for selecting this sample was because they form the strategic leadership of universities who make decision and drive the implementation of the strategic plan of the universities.

B. Literature Review

1. Defining Funding models

“Funding models are modern instruments of financial management in tertiary education institutions. They are transparent to the user and the public, objective in that they do not entertain unjustified flexibility, and with advanced information technologies, are easy to implement” (Government of Botswana, 2009:3). They are a set of tools used to allocate funds to public universities. These tools denote a set of plans to achieve objectives and maximize outcomes with the prevailing resource limitations (Chernove, Akhobadze, Malova & Saltan, 2017:40).

2. Types of funding models

The body of knowledge reveal that in general there are three main types of public funding models for public universities. These includes formula-based funding, outcome-based funding, and negotiated funding (Chernove et al, 2017:37). Formula based funding involves the use of an algorithm to calculate the size of university funding using a mathematical formula. Certain variables are considered in the formula, and these include student population, publication performance, and other indicators. Basically, this type of funding model fixes the size of funding with measurable indicators (Kováts-Németh, 2014). Outcome based funding often referred to as Performance based funding is a funding model that involves the signing of performance contracts between a university and government. (Teferra, 2013; Wachira, 2018; Simelane, 2007). The Performance contract clearly stipulate target performance indicators that the university accepts to achieve by getting the required amount of funding. This funding mechanism requires that the university achieves goals that are aligned or informed by its strategic plan and or national high education goals (Spooner, 2019). The university must fulfil its performance goals and reach targets in the performance contract within the agreed period to receive the agreed funds (Claeys-Kulik, 2015). Indicators commonly used to measure performance include retention rate, completion metrics, faculty productivity, external research funding and transfers. The model can include premiums for certain preferred study areas and for academically underprepared students (Gandara & Rutherford, 2018). On the other hand, negotiated funding as the name suggest involves informal negotiations between government and public university to acquire funding. Certain characteristics come to play such as the university reputation, rankings and its core mandate (Chernove et al, 2017). All these funding models comprise Teaching Fund (recurrent budget), Research Fund and Capital Fund (physical infrastructure development budget) (Teferra, 2013).

In the case of Botswana, none of these three major types of funding models is being utilised. The funding model used is based on a recurrent budget. Every government budget cycle, all public universities are requested to submit to the Ministry of Education and Skills Development their budget for the year. Basically, there are two sources of government funding being conventional and alternative. The former includes subvention fund and grants while the latter includes tuition fees, government education tax fund donations and endowment funds (Okani, Ogunode & Ajape, 2021; GS, Ogunode & Ohiosumua, 2022:193). The subvention funds allocated to public universities in Botswana are dependent on what the country can afford. In most cases the requested budget is usually cut due to insufficient funds since government revenue has been declining over the years (Selatlwa, 2016:1). Since 2021, institutional budgetary allocations have been cut by 5% yearly as government invested in other priorities such as vaccines, equipment and amenities for Covid 19 (Republic of Botswana, 2020a:28).

Following a benchmarking exercise in 2009, the Tertiary Education Council (TEC) reviewed the current funding model and proposed the use of a formulaic input model. The model was found most appropriate to Botswana due to scarce resources and cost-inefficiency in the system which is also in transformation (Republic of Botswana, 2019). This funding model allocates funds based on input factors such as student enrolment, programme cost and fixed expenditure. In some developing countries they use formulaic output model which unlike the formulaic input model, allocates funds based on the quality and quantity of graduates (Republic of Botswana, 2019). Even though TEC made a recommendation to approve the formulaic input model in 2009, the model is still a draft and await government approval. Chernove et al (2017:40) argues that the type of funding model to choose is not an issue, the key issue is that if government does not grant public universities autonomy, they will continue to struggle to be financially independent. Once granted autonomy, public universities can diversify their funding base and attract external funds from business communities in financial markets, non-government organisations and research centres.

Besides these major types of funding models, most governments unlike Botswana provide their public universities with research funding. For any university to conduct outstanding scientific research, funding is essential (Howard & Laird, 2013). It enables principal investigators to set up their research activities through the hiring of young, talented researchers, access to current research infrastructure, databases, and libraries, and acquisition of the necessary consumables to conduct experiments and other types of research activities correctly (Van Dalen et al, 2014:76). Even though Botswana has no research fund yet, a special interuniversity allocation key has been planned to determine the yearly share of financial resources from the Industrial Research Fund for each university in Botswana (Mogomotsi, Mogomotsi, & Norris, 2020:283). However, the planning has been going on for years while the research fund is long overdue.

3. Challenges of Government Funding Models

While some scholars are of the view that different funding models have diverging impacts (Gándara & Rutherford, 2018) others argue that there are no clear-cut differences in the impacts of the main types of funding systems (Frolich, Schmidt & Rosa 2010:7). Different funding models show various strengths and weaknesses, yet their impacts converge. Even though government funding models provide budget security and enable long-term planning, they also tend to force public universities to narrow their mission (Bell, 2005; Frolich & Klitkou, 2006).

With regards to the performance funding model, one of the challenges found is that universities tend to produce more short-term certificates than long term certificates to be able to fulfil the performance goals in the performance contract (Hillman, Tandberg & Gross, 2014). Students tend to pursue courses that are easy to achieve even though these have less value in the labour market in comparison to long term certificates (Liu, Belfield & Trimble, 2015; Gándara & Rutherford, 2018; Tandberg, Hillman & Barakat, 2014). Because of this model, universities become more selective by enrolling students with high scores or reducing their admission rates (Barnetson & Cutright, 2003:279; Taylor & Taylor, 2003: 73). Universities focus their efforts on excelling students and admit very few minority students thus limiting access to higher education for minority groups (GS, Ogunade & Ohiosumua 2022:193). The model has premiums for preferred programmes and academically under prepared students (Gandara, 2016). Subject to this model, universities focus on raising credit production and can lower the level of points for education programmes which in turn affect quality. In principle, the model makes universities to reduce their quality control requirements to be able to obtain a large share of the funds (Salmi & Hauptman, 2006; Frolich et al, 2010).

Unlike the performance-based model, formula-based funding model is usually used in a highly centralised system where government decides even the number of students per programme (Frolich et al, 2010). Government has complete authority on the allocation of funds and universities are given only a small portion of funds which they can use freely while a substantial portion is directed towards co-financing of external projects. (Liefner, 2003; Frolich et al, 2010). Formula based funding offer universities inadequate research funds hence discourage innovation and limits the universities' aptitude for long term strategic planning (Altbach, 2001; OECD-IMHE, 2007; Tochkov, Nenovsky & Tochkov, 2012). The model is also criticised for too much control of universities and it is anticipated that in the long run the strategic management of universities might be transferred from university top management to funding agencies (Jongbloed & Vossensteyn, 2001; Jongbloed, 2004). This has been identified as one of the major weaknesses of the model as it has no implementation of autonomy law to give universities autonomy so that they are not too dependent on government for resources (Wangenge-Ouma & Cloete, 2008; Ouma, 2007; Ivanova, Kuznetsova & Khoma, 2019). Furthermore, the model poses a challenge in that it does not consider quality and efficiency parameters. Funds are allocated based on variables such as enrolment figures, number of research recruitments and ability of public university to attract external funding (Hasbrouck, 1997). Consequently, universities focus on maximising the enrolment and recruitment numbers at the expense of quality. In addition, the model is critiqued for not rewarding good management practices in universities (Morgan, 2006; Lingo, Kelchen, Baker, Rosinger, Ortagus & Wu, 2021).

This is also evident in a performance-based model, since the model links funding to indicators such as the number of students passing exams, credits and research publications, public universities resort to heightening the pass rate and research output while compromising the quality of the exams and the research. "... increase in the number of publications does not necessarily imply an improvement in academic quality" (Frolich et al, 2010; Morley, 2003). In fact, all these funding models allocate funds on a competitive basis which tends to compromise quality. Negotiation funding model has been condemned for lack of balance and clear logic in the allocation of resources among the universities. Scholars argue that its consequences are like those of the formula-based model (Frolich et al, 2010). Ideally, most universities view an ideal funding model as that which cover all expenses including maintenance, operational and staff salaries (Frolich & Klitkou 2016).

III. RESULTS AND DISCUSSION

A. Results

The study highlighted five main challenges posed by the current funding model on the transformation of public universities into entrepreneurial universities in Botswana. As illustrated in figure 1 below these includes: bureaucratic nature, zero budget approach, short term budget cycle, negligent spending and zero research and transformation budget

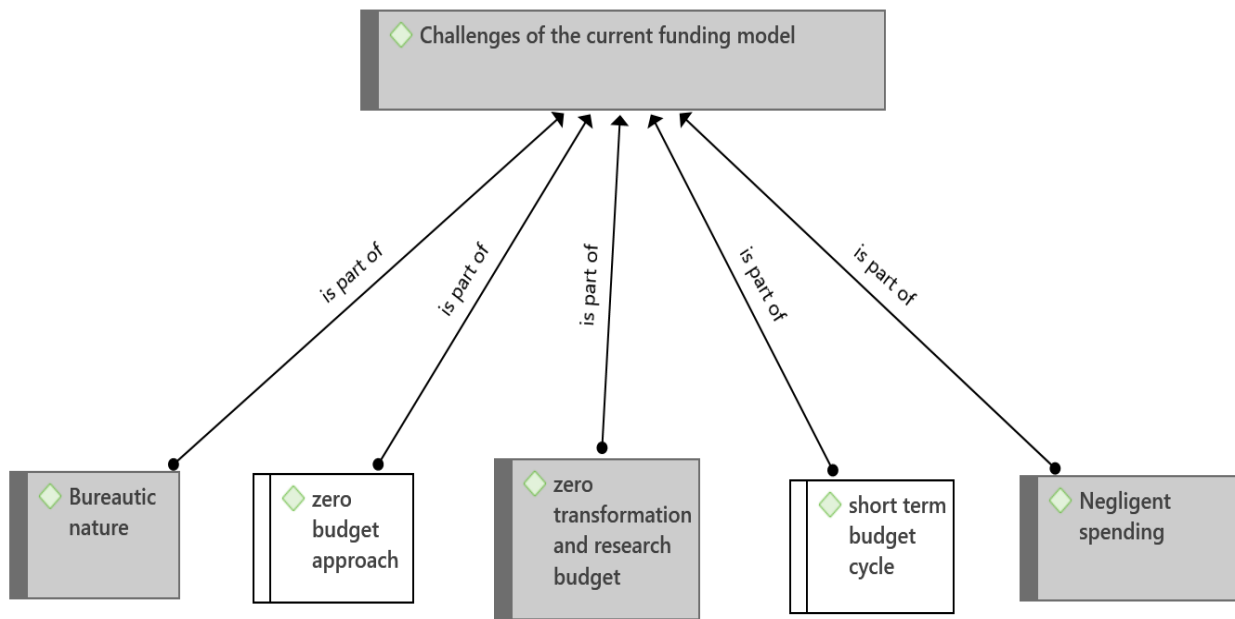


Figure 1. Challenges of funding model

Source: Compiled by Authors using ATLAS.ti v22, 2023

1. Bureaucratic Approach

The study established that the funding model for public universities in Botswana is bureaucratic in nature. On yearly basis public universities are requested to submit their budgets but government disregard their projections and dictates what percentage to give, what to cut from the budget and which activities to fund within the budget. Government decides how much funding to allocate and which activities the funds can be used for. Government also dictates which university programmes receive funding based on what they view as priority areas in the job market as advised by the Human Resource Development Council (HRDC). Participants further revealed that, in their efforts to generate income, public universities are not allowed to increase their tuition fees to market price. Government forbids this and force them to stick to the old tuition fees. This is mainly because majority of students in public universities are government sponsored therefore government does not want to incur the cost. Participants had this to say:

Participant 06 argues that government is too rigid and over controlling universities:

“I think government tends to run the university more than it should and this is because of the funding that we get from government....”

Participant 26 indicated that:

“In terms of the funding model, to be honest I am not quite sure how it works, but what used to happen was that you are going to be asked to provide your budget but then really you are not going to be given what you need.”

Participant 09 opined that:

“I am not even sure the government really has an explicit funding model that has addressed this, all they are doing is a knee jerk reaction, and they are forcing us to be entrepreneurial by default. Now our subvention has been cut by 28 percent over the past three years, government has now committed to cut it by a further five percent annually for the next few years. So, government is implicitly forcing us to be entrepreneurial without spelling out what the key enablers are on its side for us to become entrepreneurial.”

Participant 15 reasoned that:

“Now, if the university say that we start off by trying to match our tuition fee that we charge to the students at market price and then government says, no, you cannot do that, that means that government is not supporting. For me, this is where I am coming from, and you must understand that our statute and our other policies and the political landscape is hindering the university to move at the pace that it wants to for it to commercialise.”

Participant 11 opined that:

“The funding model is the same thing. When you look at it, I do not think we have a clear funding model because on one point you will be informed that you only get funding to promote programmes which the government

through HRDC identified and I do not know who else believe what is required in the market at the moment. Remember, a university can create a demand for a particular skill as opposed to university following what the market demands....as we try to be innovative and become entrepreneurial by doing those, you cannot get funded for those programmes because that is not what the government's funding model supports. So, for me, again, we lose it there."

Participant 12 observed that:

"I think maybe the funding model probably is not positively contributing to an entrepreneurship but the fact that the budget gets cut every year, that is probably making people think outside the box to say, no, for us to survive you will have to look for other ways of bringing funds otherwise we are going to sink with the successive cuts in the budget on an annual basis. So, the funding model I do not think is intentional in creating an entrepreneurial spirit, I think the fact that the subvention is going down every year, its making people think either we sink, or we learn how to swim."

Participant 17 argued that:

"Government policies dictate the budget lines and demand annual auditing to promote accountability of the money it gives universities, although this ensures accountability, but it does not give autonomy to utilize the funds the way the university see fits. Government dictates what the money should be used for."

2. Zero budget approach (Restrict revenue saving)

The findings highlighted the fact that the funding model prohibit revenue saving. Public universities do not have financial freedom and are not allowed to invest any of the profit they make yearly, instead they must hand the money back to government. This means that every 12 months public universities must start from a zero budget. This is supported by the following excerpts.

Participant 4 pronounced that:

"We could say that government funding model hinders entrepreneurship by public universities. This is how it operates. If you use University of Botswana as an example, we are in the budget year 2022/3, we just came out of 2021/22, so the zero-budget approach by government means that at the end of the budget year you will surrender the surplus or money that has not been used to government. What institution does that?"

Participant 8 argued that:

"The funding model is a big no, the funding model is not in support of an entrepreneurial agenda. For as long as you augment my capacity to make more, then I am not motivated to make more, but now that we are taking the direction to say we are going to reduce subvention, you are now removing that lifeline that has hindered you of some sort from being entrepreneurial. Now I have no choice but to survive, so I am now forced into going into survival mode"

Participant 5 stated that:

"..... There is truly little to say about the current government funding model, it is a challenge for the transformation if not the major hindrance because it restricts saving of accumulated funds and long-term investments in entrepreneurial activities."

Participant 15 observed that:

".... government funding model promotes zero budgeting and this kind of budgeting affect the university's effort to be entrepreneurial."

Participant 3 argued that:

"I think unless things have changed recently, but I doubt they have, no, I know that we as a university, for example, are not allowed to keep any money, whatever money we had, had to be returned at the end of the budget year to the Ministry. So that acted for an exceptionally long time as a disincentive for raising funds. What was the point of raising money which would then be surrendered if it were not used to government? So, we are not allowed to keep it. In fact, as you would be aware, we are not even allowed to save."

3. Short Term Budget Cycle

The study demonstrated that the budget cycle for public universities lasts for only 12 months and as such it limits the universities to partake in long term projects that can generate more funding. Due to its short duration, the funding model confines public universities to short term plans which provide pocket-sized financial returns as opposed to long term projects. The short-term budget cycle proved to be a hindrance to the transition process.

Participant 4 argued that:

"...that kind of policy also limits vision, you cannot have a vision that is 12 months oriented. No, you cannot."

Similarly Participant 17 detailed that:

".... It does not allow long term projects that can generate huge income, so universities are forced to indulge in short term projects most of which do not bear much fruit in comparison to those for long term..."

Participant 20 reasoned that:

“Number one, I have said the funding model does not support, because if you look at how institutions are funded, they are funded through what we call a recurrent system. The recurrent system means money is available for one financial year, it does not roll forward to the next financial year, and therefore you can generate a lot of money in this year if that money goes into the recurrent consolidated fund, that money will disappear at the end of the year and next year you are going to start from ground zero..... to say the least the model is really discouraging”

4. Promotes Negligent Spending

Evidence from the interviewed participants established that the funding model promotes negligent spending. To avoid retiring all the generated funds at the end of the budget cycle, public universities conduct and rash and reckless to deplete all the funds. Moreover, this action is also triggered by the fact that the funding model has a condition that the less funds you spend the more budget cuts in the next funds allocation cycle. These terms and conditions of the funding model hinder the transformation of public universities into entrepreneurial universities. Participants had the following arguments:

Participant 3 opined that:

“If we could save then we would have saved a lot of money as an institution, but we were told that we are not supposed to save, we had to use all those reserves, deplete them, and so I think a lot needs to be changed in terms of the law, the policies, to allow university to be clearly entrepreneurial, raise money and keep that money. Now as far as I am aware, we are still bound by those very restrictive accounting policies, where the money must be returned”.

Participant 15 argued that:

“You cannot expect us to transform when you as government force us to engage in irresponsible spending out of fear of our budget experiencing further cuts. This is defeating if we aspire to be an entrepreneurial university”.

Participant 27 claimed that:

“Overspending is the order of every budget cycle because we do not want to retire the funds the university generated back to government. If government could revise this condition and allow us to keep our profits, then we could use the funds optimally and invest in projects that will provide third stream income.....”

Participant 1 indicated that:

“The only way through which government funding policy work against the development of an entrepreneurial university is Government takes control as of the extra money generated and government cuts spending because a university has generated enough funds but utilised less”.

5. Zero Transformation and Research Budget

The findings also revealed that within the funds allocated to public universities, government has no budget line for the transformation process. Public universities are put under pressure to transition into entrepreneurial universities, yet government is not giving out any funds to facilitate and support the transformation phase. The funding model does not have a budget line for research however it is mainly through commercialisation of research that public universities can transform into entrepreneurial universities.

Participant 06 argued that the transformation requires public universities to be research intensive yet there are still no resources for the transformation:

“For the university to be commercialised, then you need to give them the platform to design the path on how they want to achieve it, because if we are to move from where we are to a certain point without government funding then where do we start?”

Participant 19 contended that:

“That model, we have not really done well as a country because right now we do not have what we call a research fund. I have a lot of young postgraduate students that are here in BUIST, there are many, aspiring to study, to do all kinds of things, but support is just not there. We are struggling as a university to support them from the revenue we get from government. In a normal system, there would have been something like a research fund where the professors can apply for competitive grants, when they get the grants, they can now engage the postgraduate students”.

Participant 13 argued that:

“.... in government circles, almost every ministry has a research unit, and they have a research budget line item, but they have no capacity to do research, they cannot do research because it is not their vocation, they are not trained to do that.... so that money should be channeled appropriately to institutions that can do research.

In view of all these challenges posed by the current funding model, the study highlighted the need for government to review the model with an understanding of developing a new model which will enable the transformation of public universities into entrepreneurial universities to become a reality. Participants had this to say:

Participant 22 reasoned that:

“..... reward people that save and generate money and therefore move away from this recurrent funding model and go to a negotiation-based funding model. Government needs to give the university the autonomy to run its operations efficiently and utilize its resources efficiently to generate funds and keep the funds. Otherwise, we can forget about being an entrepreneurial university since even if we could generate funds, we are not allowed to save it”.

Participant 20 stressed that:

“Let us move away from this recurrent funding model and realize now that in entrepreneurial times you must reward somebody who makes money, do not punish them, recurrent model is such that when you make money you are punished”.

Participant 19 underscored that:

“With regards to government, I said before there is need for policy review on a number of policies such as the tertiary education policy and the funding model and others.”

Participant 08 emphasized that:

“...we need to look at government recurrent funding model it needs review. Right now, it has changed, and it has actually thrown us into confusion because we do not know how many further budget cuts to expect. The model is not enabling for the university because we have processes and projects in place that need funds, we do not even know what we are supposed to use these small funds for. So, this is one thing that I would say that maybe the model needs to change for us to be able to transform. “

B. Discussion

The study established that government funding model has a negative impact on the transformation of public universities into entrepreneurial universities. The findings showed that the model is bureaucratic in nature consequently government dictates the amount of funding allocated and its purpose (Tang, 2022; Liefner, 2003; Frolich *et al*, 2010; Hillman & Corral, 2017; Hölttä, 1998). Despite submitting their budgets, public universities are not allocated the funds they require. Instead, their budgets are continuously cut yearly (Zusman, 2005:116; Botlhale, 2015:649; Republic of Botswana, 2020a:28). Public universities receive only a small percentage of their operating budget from the state and are victims to the politics behind government budgets (Grove, 2020; Newfield, 2018). Shrinking state budget allocations (Republic of Botswana. 2021a; Barnová, Krásna & Gabrhelová, 2021) force public universities to grow its revenue base and re-organize costs (Business, 2020:5), however government disallow increase in university tuition fees (Botlhale, 2015: 670; Newfield, 2018).

Moreover, the findings revealed that the funding model has no budget line for research and the transformation process. Transformation is a very expensive exercise and to be entrepreneurial need start-up funding from government so that universities can invest in entrepreneurial activities which will diversify their funding base (Clark 2004; Etkowitz, Dzisah, Albats, Cai & Outamha, 2023; Etkowitz, Dzisah & Clouser, 2022). Funding is necessary to carry out excellent scientific research and for public universities to turn into research intensive universities (Simelane, 2007) In spite of this fact government of Botswana offers no research fund (Republic of Botswana. 2021b, Tabulawa & Youngman, 2017). Evidence collected from participants also indicated that the funding model promotes negligence spending because it prohibits saving of generated funds. This restriction to save funds acts as a demotivation for public universities to generate profits. At the end of the financial year, public universities are mandated to return all the remaining funds to government and to avoid this, they utilise the funds any how to deplete them. Technically, every financial year public universities start from a zero budget (Republic of Botswana. 2021a; Ahmad, Farley & Naidoo, 2012). The last challenge the study established was that the funding model has a short budget cycle (12 months) and this makes it difficult for public universities to engage in long-term projects and it narrows their mission (Bell, 2005; Frølich & Klitkou, 2006; Hillman & Corral, 2017).

IV. CONCLUSION

The study addresses the gap in the body of literature on the challenges posed by the funding model on the transition of public universities into entrepreneurial universities in Botswana. Due to its bureaucratic nature the model hinders entrepreneurship in public universities because government dictates the amount of funds allocated and the activities it can be for. Evidence from participants also revealed that the model has a zero-budget cycle in that public universities are not allowed to save any of the funds they generate. At the end of the budget cycle, they are expected to return all those funds to government. In response to these terms of the funding model, public universities engage in negligence spending to utilise all the funds before financial year end. Public universities are unable to engage in long term projects to maximise profit as the funding model has a very short budget cycle

of 12 months. Although intensive research is critical for the transformation of public universities into entrepreneurial universities, the study established that the funding model does not cater for research fund as well as the transformation budget. The study advised policy makers in government to have a research fund for public universities. The study further recommended that government should include a transformation budget in the funds allocated to public universities to aid the transition process. One recommendation that stood out was for government to review the current funding model with the view to develop a new funding model which will give public universities the autonomy to run their own operations to diversify their funding base. The study will contribute to the review of the current model and guide the development of new ones by informing government policy makers of the impacts of the existing model.

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A Critical Analysis of the Relationship Between Visioning and Digital Transformation in the Insurance Industry: A Review of Chiguvi et al.'s Study

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ABSTRACT

Purpose: This critique assesses "The Effect of Visioning on Digital Transformation in the Insurance Industry" by Chiguvi, Zaranyika, Marozwa, and Dube (2023), focusing on its objectives, methodology, findings, and conclusions. It highlights the importance of visioning in digital transformation within the insurance sector and evaluates the study's research framing, literature review, methodology, findings, and discussions.

Design/methodology/approach: The study employs a positivist research philosophy and a quantitative approach, utilizing quota sampling to gather data from employees and senior management in the Zimbabwean insurance industry.

Findings: The findings indicate a significant positive relationship between visioning and digital transformation, consistent with previous research.

Research limitations/implications: The study's limitations include the absence of explicitly stated research questions, identified gaps, and detailed sampling procedures, which may impact transparency and framing.

Practical implications: The study underscores the importance of visioning in digital transformation, providing valuable insights for managerial practices in the insurance industry.

Originality/value: The critique emphasizes the study's contribution to understanding the role of visioning in facilitating digital transformation in the insurance sector, suggesting that further elaboration with practical examples and future research directions could enhance its academic and practical impact.

Paper type: Literature review

Keywords: Digital Transformation, Insurance, Insurance Companies, Technological Change, Visioning

Received : March 8th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

In their comprehensive investigation titled "The Effect of Visioning on Digital Transformation in the Insurance Industry," Chiguvi et al. (2023) meticulously explore the intricate nexus between visioning and digital transformation within the insurance sector. The authors analyze the contextual landscape of their research, emphasizing the paramount significance of this study. The objective is to determine how visioning, defined as the process of formulating a clear, strategic future-oriented plan, impacts the adoption and implementation of digital transformation strategies in insurance companies. This topic is particularly relevant in an era where technological advancements are rapidly reshaping industries worldwide. However, the study is hindered by the lack of explicitly stated research questions and identified gaps, which constrains the initial framing and focus of the research (Chand, 2023). Without clearly defined questions, the study risks lacking direction and specificity, potentially leading to ambiguities in interpreting the results. Identifying research gaps is crucial as it highlights the study's contribution to the existing body of knowledge and delineates its unique focus. This omission could have been addressed by explicitly outlining the research questions and gaps, thereby strengthening the study's foundation and enhancing its overall coherence.

The literature review conducted by Chiguvi et al. (2023) presents a comprehensive synthesis of existing research on digital transformation and visioning within the insurance industry. The authors draw upon a diverse range of scholarly works to substantiate their arguments and theoretical framework. They discuss the concept of digital transformation, which involves integrating digital technologies into all areas of business operations, fundamentally changing how companies operate and deliver value to customers. Visioning is positioned as a critical component in this process, as it provides a strategic direction and aligns organizational goals with technological initiatives. However, to further enrich the depth of the review, a more critical analysis of the strengths and weaknesses of prior studies could be beneficial. For instance, Alshammari (2023) underscored the necessity for organizations to develop a nuanced understanding of digital transformation, emphasizing its multifaceted nature and implications. Alshammari argues that digital transformation is not merely about technology adoption but involves cultural change, process re-engineering, and strategic realignment. By incorporating a critical analysis of such perspectives, Chiguvi et al. could provide a more balanced view, acknowledging the complexities and challenges associated with digital transformation.

Additionally, Niu et al. (2022) highlighted the pivotal role of visioning in aligning organizational goals with digital initiatives, suggesting that a clear and shared vision is essential for successful digital transformation endeavors. Niu et al. emphasize that visioning helps organizations navigate the uncertainties of digital transformation by providing a coherent strategy that guides decision-making and resource allocation. This perspective is crucial as it underscores the strategic importance of visioning in facilitating successful digital transformation. By integrating a critical evaluation of Niu et al.'s work, Chiguvi et al. could strengthen their argument and provide deeper insights into the role of visioning.

By critically evaluating the contributions and limitations of these seminal works, the literature review could offer a more nuanced perspective on the research landscape and provide valuable insights for future studies (Fan et al., 2022). For example, Fan et al. (2022) discuss the role of leadership in digital transformation, highlighting that effective visioning requires strong leadership commitment. This insight is relevant to Chiguvi et al.'s study as it links visioning with leadership, suggesting that successful digital transformation is contingent upon visionary leadership. By incorporating such critical evaluations, the literature review could present a more comprehensive and multidimensional understanding of the research topic.

In summary, Chiguvi et al.'s study offers valuable insights into the role of visioning in digital transformation within the insurance industry. By addressing the identified limitations and incorporating critical evaluations of prior research, the study could provide a more comprehensive and nuanced understanding of this complex and multifaceted topic. Future research could build on these findings by exploring the specific mechanisms through which visioning influences digital transformation and examining the role of leadership in this process. This would not only advance theoretical understanding but also provide practical guidance for organizations navigating the challenges of digital transformation in an increasingly digital world.

II. METHODS

Chiguvi et al. (2023) adopt a positivist research philosophy and a quantitative approach, employing quota sampling to collect data from employees and senior management in the Zimbabwean insurance industry. While the methodology is adequately explained, additional details on sampling procedures and potential biases would bolster transparency. For instance, providing insights into how participants were selected within each quota and acknowledging any inherent limitations or biases in this approach could enhance the rigor of the study (Peffer et al., 2007). Furthermore, the study's reliance on self-reported data through questionnaires may introduce response biases and social desirability effects (Saunders et al., 2009), warranting caution in interpreting the findings. Including measures to mitigate these biases, such as ensuring anonymity and emphasizing the importance of honest responses, could strengthen the validity of the results. Additionally, employing complementary data collection methods, such as interviews or observational techniques, could offer richer insights into participants' perceptions and behaviors, enhancing the overall robustness of the study's findings (Creswell and Creswell, 2018).

III. RESULTS AND DISCUSSION

The study's findings reveal a significant positive relationship between visioning and digital transformation, aligning with previous research findings (Fossey et al., 2002). However, the discussion section would benefit from a more nuanced exploration of the underlying mechanisms driving this relationship and its implications for theory and practice. By integrating theoretical insights from organizational behavior and change management literature, the authors could enrich the discussion and offer actionable recommendations for practitioners. For instance,

drawing on theories of organizational change, such as Lewin's Change Management Model (Hussain et al., 2018), could help elucidate the processes through which visioning facilitates digital transformation efforts. Additionally, incorporating concepts from strategic management, such as resource-based view (Dagnino, 2012), could shed light on how organizations can leverage their internal capabilities and external resources to enact visionary strategies for digital transformation. Moreover, considering the role of leadership in articulating and championing a compelling vision for change (Elsan Mansaray, 2019) could provide valuable insights into the practical implications of the study's findings. By synthesizing these theoretical perspectives, the authors can offer a more holistic understanding of the interplay between visioning and digital transformation, thereby enriching both scholarly discourse and managerial practices in the insurance industry.

IV. CONCLUSION

In conclusion, Chiguvi et al. (2023) summarize the key findings of their study and underscore the importance of visioning in facilitating digital transformation within the insurance sector. While the recommendations for insurance companies to develop digital transformation strategies are relevant, further elaboration with practical examples could enhance their utility. For instance, providing case studies of insurance firms that have successfully implemented visionary strategies for digital transformation could offer concrete insights for industry practitioners. Additionally, suggestions for future research directions would enrich the study's contribution to the academic literature. By identifying avenues for exploring the moderating or mediating factors that influence the relationship between visioning and digital transformation, researchers could deepen our understanding of this phenomenon and its implications for organizational change. Moreover, exploring cross-sectoral comparisons or longitudinal studies could provide valuable insights into the evolving nature of digital transformation strategies over time (Creswell and Creswell, 2018). By offering these suggestions (Andrew Moodley, 2019) not only highlight the significance of their findings but also pave the way for further advancements in research on digital transformation in the insurance industry and beyond.

ACKNOWLEDGMENTS

I am very grateful to my colleagues for their valuable input and I confirm that no external funding was received for this paper.

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Analysis of Cattle Food Pollard Cap Angsa Marketing Strategies on Sales to Distributors in the East Java Region

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ABSTRACT

Purpose: The sales data for Pollard Cattle Feed cap angsa shows that turnover from 2020 to 2021 has decreased by IDR. 119.251.222. This shows that there are problems at the level of consumer purchasing decisions which result in a decrease in consumer interest in shopping, resulting in a decrease in turnover. By looking at the economic conditions and the business world during the current Covid-19 pandemic, Pollard Cattle Feed cap angsa after the Covid 19 Pandemic. The aim of this research is to find out the marketing strategies carried out after Covid 19 to increase sales of Pollard Cattle Feed cap Angsa.

Design/methodology/approach: The type of research used in this research is a qualitative descriptive research method. Researchers collected primary data directly through observation and interviews with the owner of the research location, that is Polard Cattle Feed, sales officers for Polard Cattle Feed, and 3 consumers of Polard Cattle Feed. The data analysis method used in this research is SWOT analysis.

Findings: Based on the results of the SWOT analysis, it shows that the marketing strategy used by Polar Cap Goose Cattle Feed for sales to distributors in the East Java region is:

Product strategy based on SWOT Analysis and SWOT Matrix, especially in the market in the East Java region where products are in great demand with a score of 0.573 which makes it easier for the company to develop its product strategy by maintaining the quality of its products. Polar stamp distributor price strategy for increasing sales is based on maintaining higher prices. from competitors with a score of 0.309 due to the existence of a product that is highly sought after by consumers with a score of 0.573 then improving good cooperative relations with sub distributors and agents by providing feed prices in accordance with market prices. The promotion strategy is that the population of cattle and pigs is increasing as shown by the highest weight score is 0.576. However, the main threat faced by the company is the large amount of competition with a score of 0.476, and demand from foreign industry with a score of 0.650, the difficulty of keeping up with market prices with a score of 0.415. Based on the SWOT matrix, the WO strategy is used by increasing promotions to agents close to breeders. The distribution strategy of the research results shows that external factors, that is opportunities that can be achieved by companies where the number of competitors from similar companies is getting higher with a score of 0.476 and the weakness of higher prices with competitors with a score of 0.309 needs to be minimized by utilizing the strength of distributor locations close to consumers with a score 0.672 so that the strategy that can be carried out is to collaborate with sub distributors and agents in distributing factory DO to distributors closest to consumers

Research limitations/implications: This research is limited to distributors who sell polar goose stamp cattle feed in the East Java region.

Practical implications: That can increase sales of polar cattle feed cap angsa with building good relationships with customers,

Originality/value: The findings from this research are new discoveries in marketing strategies the agents who are close to the breeder community through regular visits, and providing competitive prices that can be accepted by customers.

Paper type: Research paper

Keyword: Marketing Strategies, Cattle Feed, Distributors, SWOT.

Received : March 10th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

The sales data for Pollard Cattle Feed cap angsa shows that turnover from 2020 to 2021 has decreased by IDR. 119.251.222 (databoks 2020). The population of female dairy cows on December 31, 2022 was 28,553 heads (BPS, 2022). According to the productivity group, 41.05 percent of the female dairy cow population is not yet producing; 47.14 percent or 13460 heads are in production/lactation; 11.70 percent is in dry condition and 0.11 percent is no longer producing (databoks 2020). Marketing strategy is an important factor in optimizing the efficiency of sales of polar cattle feed cap angsa. However, distributors experienced a dramatic decline in demand during the Covid-19 pandemic. One of the factors that has experienced a decline is high product prices, insufficient promotional costs, product scarcity due to decreasing demand for flour which makes polar raw materials increasingly declining. In an effort to expand the market and increase sales, Polar Cap plans to conduct an analysis of the marketing strategy of Goose Stick in distributor in the East Java region. The East Java region was chosen because it has large market potential for the livestock industry and is the center of agricultural activities in Indonesia (BPS, 2022)..

In the livestock industry, cattle feed is an important factor in the growth and health of livestock. Choosing the right feed can have a significant impact on productivity and profits for farmers. One brand of cattle feed that is well known in the market is Polar Cap Angsa. Polar Cap Angsa is a superior product from a distribution company based in East Java and Bali.

This product has its own characteristics and is claimed to contain high nutrients to support optimal growth of livestock, especially geese. However, even though Polar Cap Angsa has great potential as a cattle feed product, further marketing strategy analysis still needs to be carried out to ensure its effective distribution in the world. East Java region. Of course, the above phenomenon needs serious attention to find a solution to the problem. Based on the context of the problem above, the main area of this research is marketing strategy. that is related to marketing strategy in terms of product, price, distribution and promotion. formulation of the problem that needs to be answered in the marketing strategy analysis of Angsa in the East Java region:

7. What is the product strategy of the Polar Cap Swan distributor to increase sales based on SWOT Analysis and SWOT Matrix, especially in the market in the East Java region?
8. What is the pricing strategy for the Polar Cap Swan distributor to increase sales based on SWOT Analysis and SWOT Matrix, especially in the market in the East Java region?
9. What is the promotional strategy for Polar Cap Swan distributors to increase sales based on SWOT Analysis and SWOT Matrix, especially in the market in the East Java region?
10. What is the distribution strategy for the Polar Cap Swan distributor to increase sales based on the SWOT Analysis and SWOT Matrix, especially in the market in the East Java region?

The aim of this research is to find out the marketing strategies carried out after Covid 19 to increase sales of Pollard Cattle Feed cap Angsa.

Some of the research results that are used as references in this research are: The research results show that simultaneously product development, product quality, marketing strategy have a positive and significant effect on sales (Saribu, H. D. T., & Maranatha, E. G, 2020). Likewise, other research shows that marketing strategies have an effect on increasing sales at Bany Shop MSMEs. The research results show that strategic management includes segmentation, targeting, positioning, marketing mix (Sope, A. S., 2023). Other research also shows the results that sales promotions have a significant effect on customer satisfaction, product diversification is proven to have a significant effect on customer satisfaction, and customer satisfaction is significantly influenced by price (Sutrisno, R. I., & Darmawan, D., 2022). (Setyawati & Achsa, 2021) in a journal entitled "Strategy for Increasing Sales Turnover of Clothing Traders through Marketing Mix. Study at Muntilan Market, Magelang Regency," resulted in findings that traders at Muntilan Market implemented a Marketing Mix strategy by providing various product options, determining profits. low to maintain affordable prices, provide maximum service, as well as maintain neat arrangement of goods and carry out verbal promotions. From internal and external analysis, clothing traders in Muntilan show that a relevant growth strategy is to maximize internal strengths and take advantage of existing opportunities. (Lutfita & Dwiridotjahjono, 2021) in a journal entitled "Analysis of Marketing Mix Strategy in Increasing Sales at Hanacaraka Coffee Sidoarjo During the Covid-19 Pandemic," obtained research results with an IFAS score showing a strength score of 2.68 and a weakness of 0.81. The EFAS results show an opportunity score of 2.29 and a threat score of 0.99. Based on the SWOT analysis, Hanacaraka Cafe applies the SO strategy, showing that the company has internal opportunities and strengths that enable it to take advantage of opportunities, especially in supporting aggressive growth policies, especially during the Covid-19 pandemic to increase sales levels. (Bunyamin, 2021) in the journal "The Analysis Of Marketing Mix Strategy Of Wood Processing In Increasing The Salling Margin" revealed that the implementation of SWOT analysis appears in the company's strategy to increase sales of processed wood.

II. METHODS

The type of research used in this research is a qualitative descriptive research method. Researchers collected primary data directly through observation and interviews with Informants are people who provide information during research. The informants in this research were distributors located in Surabaya, Blitar, Situbondo, Malang, Pasuruan, Tulungagung. There were 4 informants who were used as source figures, including one Head of Distributor, one Head of Marketing, one Agent and one breeder. The data analysis technique used is SWOT Analysis, also often called Internal-External Analysis and the SWOT Matrix, also known as the IE Matrix.

III. RESULTS AND DISCUSSION

The results of the internal environment analysis total score for strength factors is 2.221, while the total score for weakness factors is 0.836. This means that the strengths of Polard Cattle Feed stamp Angsa are greater than its weaknesses. The strengths of Polard Cattle Feed stamp Angsa include:

- 1) Marketing staff are kind and friendly to customers so that customers feel satisfied with the shop's services.
- 2) The distributor's location is close to the buyer to reduce transportation costs.
- 3) There is a sales system with competitive prices.
- 4) Delivery of products to customers on time. Delivery of products with free shipping is very beneficial for buyers. Buyers simply order the goods they want, then the goods will be sent by the shop so that buyers don't have to bother coming to the shop and bringing their purchases.

Meanwhile, the weaknesses of Polard stamp Goose Cattle Feed include:

- 1) Unstable Availability of Goods.
- 2) The product price is more expensive than competitors
- 3) Lack of promotion to retail.

Table 3 Internal Factor Analysis

| <i>No.</i> | <i>Kekuatan</i> | <i>bobot (%)</i> | <i>rating</i> | <i>Skor</i> |
|-----------------------|---|------------------|---------------|--------------|
| 1 | <i>Pemasar cukup baik dan ramah kepada pelanggan</i> | 0.160 | 3 | 0.481 |
| 2 | <i>Lokasi distributor dekat dengan konsumen</i> | 0.168 | 4 | 0.672 |
| 3 | <i>Adanya sistem penjualan dengan layanan yang kompetitif</i> | 0.153 | 4 | 0.611 |
| 4 | <i>Pengiriman produk ke pelanggan cepat</i> | 0.153 | 3 | 0.458 |
| <i>Total Kekuatan</i> | | <i>0.634</i> | | <i>2.221</i> |
| <i>No.</i> | <i>Kelemahan</i> | <i>bobot (%)</i> | <i>rating</i> | <i>Skor</i> |
| 1 | <i>Ketersediaan barang yang tidak stabil</i> | 0.137 | 2 | 0.275 |
| 2 | <i>Harga produk lebih mahal dari pesaing</i> | 0.103 | 3 | 0.309 |
| 3 | <i>Kurangnya promosi ke bagian retail</i> | 0.126 | 2 | 0.252 |

| | | |
|--|-------|-------|
| <i>Total Kelemahan</i> | 0.366 | 0.836 |
| <i>Total Faktor Internal</i> | 1.000 | 1.385 |
| <i>Total Skor Keseluruhan (Total kekuatan + Kelemahan)</i> | | 3.046 |

In the table 4 the total score for opportunity factors is 1,793, while the total score for threat factors is 1,541. This means that the opportunities that Polard Cap Goose Cattle Feed has are greater than the threats.

The following opportunities for Polard stamp Goose Cattle Feed include:

- 4) The product is in great demand because it includes cage needs that must be met.
- 5) Product sales have good prospects in the future because they are used for daily activities.
- 6) Government policies regarding livestock make it easier for distributors to market their products.

Meanwhile, the threats posed by Polard stamp Goose Cattle Feed include:

- 7) Lots of competition
- 8) There is demand from foreign industry.
- 9) Difficulty following market prices

Table 4 External Factor Analysis

| <i>No.</i> | <i>Peluang</i> | <i>Bobot (%)</i> | <i>Rating</i> | <i>skor</i> |
|------------|--|------------------|---------------|-------------|
| 1 | <i>Produk banyak diminati</i> | 0.191 | 3 | 0.573 |
| 2 | <i>Penjualan produk memiliki prospek yang baik kedepannya</i> | 0.171 | 4 | 0.683 |
| 3 | <i>Populasi ternak sapi, babi, dan kambing semakin meningkat</i> | 0.179 | 4 | 0.716 |
| | <i>Total Peluang</i> | 0.541 | | 1.793 |

| <i>No.</i> | <i>Ancaman</i> | <i>Bobot (%)</i> | <i>Rating</i> | <i>Skor</i> |
|------------|--|------------------|---------------|-------------|
| 1 | <i>Banyaknya persaingan</i> | 0.159 | 3 | 0.476 |
| 2 | <i>Adanya permintaan dari industry asing</i> | 0.163 | 4 | 0.650 |
| 3 | <i>Sulitnya mengikuti harga pasar</i> | 0.138 | 3 | 0.415 |
| | <i>Total Ancaman</i> | 0.459 | | 1.541 |
| | <i>Total Faktor Eksternal</i> | 1.000 | | 0.252 |
| | <i>Total Keseluruhan (Total peluang + Ancaman)</i> | | | 2.045 |

Based on the results of the internal factor analysis (IFE) matrix, a total score of 3,046 was obtained. Meanwhile, the total score from the external factor analysis matrix (EFE) was 2,045. From these two total scores,

it can be seen that the position of the Polard Cap Goose Cattle Feed strategy is in cells I and IV which are called the growth and development strategy.

| | | | |
|--------------------------|--|--|--|
| | <i>Strong</i> 3-4 | <i>Mean</i> 2-2.99 | <i>Low</i> 1-1.99 |
| <i>High</i> 3-4 | <i>I</i> <i>Grow and develop</i> | <i>II</i> <i>Grow and develop</i> | <i>III</i> <i>Take care and defend it</i> |
| <i>Moderat</i> 2-2.99 | <i>IV</i> <i>Grow and develop</i> | <i>V</i> <i>Take care and defend it</i> | <i>VI</i> <i>Harvest or divest</i> |
| <i>Low</i> 1-1.99 | <i>VII</i> <i>Take care and defend it</i> | <i>VIII</i> <i>Harvest or divest</i> | <i>IX</i> <i>Harvest or divest</i> |

Gambar Matriks IE Polar Pakan Ternak Cap Angsa

By obtaining the results of the IFA and EFA tables, it was found that the IFA coordinate point of the score difference between the Strengths and Weaknesses factors was 1.385, while the EFA coordinate point of the score difference between the Opportunity and Threat factors was 0.252.

The next step is to determine the choice of Polar stamp Angsa Cattle Feed strategy by entering the total value of the difference between the Opportunity-Threat factors (0.252) and Strengths-Weaknesses (1.385) of the Polar stamp Angsa Cattle Feed product, in the SWOT analysis matrix quadrant.

Based on the results of the marketing strategy analysis that has been carried out using SWOT analysis, the position of developing the marketing strategy for Polar Cap Panggang Goose animal feed towards sales to distributors in the East Java region is that it has greater strengths and opportunities compared to its weaknesses and threats, as well as the feed marketing strategy. Polar Cap Goose livestock for sales to distributors in the East Java region is still relevant to current environmental changes. The strategy implemented in the future is an intensive strategy or aggressive growth (Growth Oriented Strategy) by using strengths to take advantage of opportunities, through maintaining product quality, increasing production capabilities, developing business scale, increasing the availability of raw materials.

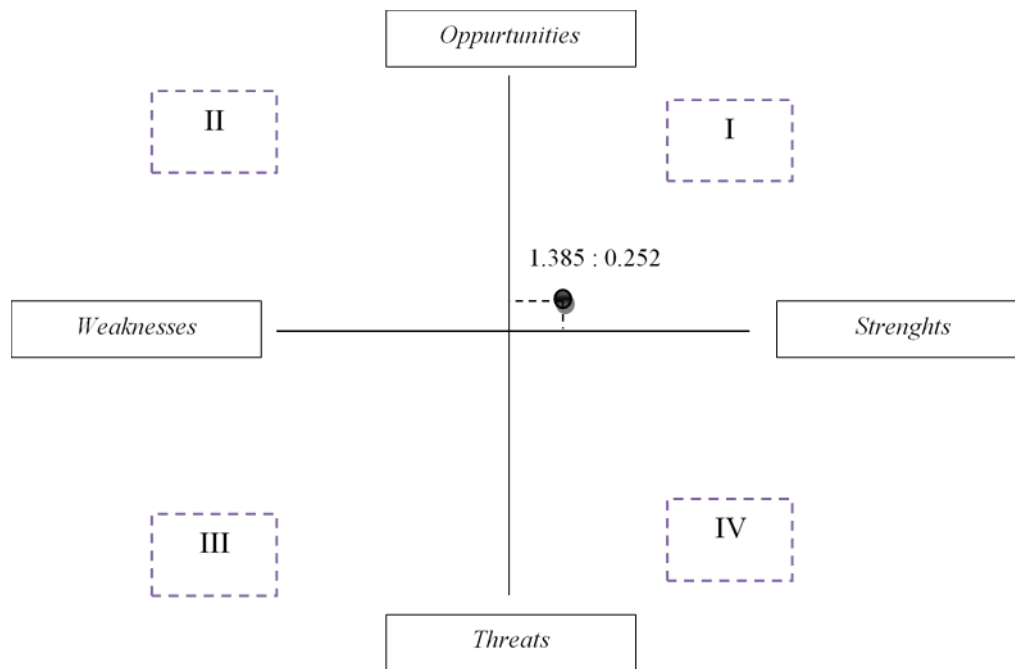


Figure 6 Quadrant Matrix SWOT Analysis of Polard Cap Goose Cattle Feed

Source: Processed data (2024)

IV. CONCLUSION

Based on the results of the SWOT analysis, it shows that the marketing strategy used by Polar Cap Goose Cattle Feed for sales to distributors in the East Java region is:

Product strategy based on SWOT Analysis and SWOT Matrix, especially in the market in the East Java region where products are in great demand with a score of 0.573 which makes it easier for the company to develop its product strategy by maintaining the quality of its products. Polar stamp distributor price strategy for increasing sales is based on maintaining higher prices. from competitors with a score of 0.309 due to the existence of products that are highly sought after by consumers with a score of 0.573 then improving good cooperative relationships with sub distributors and agents by providing feed prices in accordance with market prices. Promotional strategies based on SWOT Analysis and SWOT Matrix, especially in markets in the region East Java, the population of cattle and pigs is increasing as indicated by the highest weight score of 0.576. This factor is very important because it concerns a large market or consumer which can increase demand and income. This large population is supported by a healthy investment climate and the marketing potential for cattle and pigs is still wide open. On the other hand, the main threats faced by the company are the lack of competition with a score of 0.476, the presence of demand from foreign industry with a score of 0.650, the difficulty of following market prices with a score of 0.415. Based on the SWOT matrix, the WO strategy is used by increasing promotions to agents close to breeders. The distribution strategy of the Polar Cap Swan distributor to increase sales based on SWOT Analysis and SWOT Matrix, especially in the market in the East Java region, the results of the research show that external factors are opportunities that can be achieved by the company where the number of competition from similar companies is getting higher with a score of 0.476 and price weaknesses are increasing. It is more expensive than competitors with a score of 0.309 which needs to be minimized by utilizing the strength of distributor locations close to consumers with a score of 0.672 so that the strategy that can be carried out is to work together with sub-distributors and agents in distributing factory DO to distributors closest to consumers. Based on the SWOT Matrix, the WO strategy used is to increase good cooperative relationships with sub-distributors and agents by providing feed prices in accordance with market prices.

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Competitiveness and Performance Reconstruction of MSMEs in Religious Tourism Region in East Java

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ABSTRACT

Purpose: This study examined the effect of local wisdom value and management orientation on competitiveness and performance of MSMEs and the effect of competitiveness on MSMEs' performance.

Design/methodology/approach: Path analysis was employed to analysis data. The population criteria of this research were active MSME actors in December 2017, who actively engaged in the business for 15 years. There were 63 business actors as the sample of this study. The path analysis showed that both local wisdom and management orientation variables had a direct, positive and significant influence on the level of competitiveness and performance of the MSMEs. The competitiveness level had a direct and significant influence on the performance level of MSMEs.

Findings: The research found that (1) the better the local wisdom value was carried out on a structured and periodic basis for MSME business actors, the stronger the level of competitiveness and performance of the MSMEs, and (2) the better the management orientation level, the better the competitiveness and performance level of the MSMEs. Further the competitiveness level was considered as a fundamental key-issue. This study suggests that local wisdoms value shall be considered to enhance the performance for MSMEs business in tourism of East Java.

Paper type: Research paper

Keyword: Local-Wisdom, Value, Performance, Msmes, Tourism.

Received : March 10th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

Religious tourism region is one type of tourism region in East Java which has been visited by around 6,998,558 year the potential development of religious tourism should be prospective however the reality story a remedied sluggish (East Java Culture and Tourism Office, 2016). This tourism potential has encouraged the growth and development of micro, small and medium enterprise (MSME) centers, but this condition has not been followed by optimum MSME competitiveness and performance level. Human resources, financing, management, information and business partnership are aspects that become weak points for the management of these MSMEs. In this case, management knowledge is suggested to play an important role in attempt to build a competitive advantage and improve organizational performance (Krishnan & Scullion, 2017). Therefore, management knowledge is needed by the MSME actors to produce competent human resources that are pivotal in building competitive advantage, which results in an optimum level of performance.

Policies which are oriented towards a learning process of an organization may improve the competencies of human resources for MSME actors (Mulolli, Islami, & Skenderi, 2017), while company characteristics also take part in determining the conditions of the workforce and improve human resources in MSME sector (Krishnan & Scullion, 2017). This shows the need for a process to produce competencies in human resources as a source of competitive advantage for MSMEs in order to produce optimum performance level despite being in the midst of global competition which keeps growing overtime. Support for R&D, product design, and capital investment altogether contribute to innovation behavior in improving skills and renewing MSME capabilities (Xiang, Chen,

Tripe, & Zhang, 2019). Meanwhile, the decision to innovate by R&D through the use of information and communication technology (ICT) remains necessary to ensure best service and customer satisfaction (Choi, Thangamani, & Kissock, 2019). Innovation is a strategic step to build competitive advantage, so MSME actors must utilize the availability of advances in ICT to support their business performance. Again, this can be achieved through the use of ICT, R&D and service improvements for customer satisfaction. This effort is certainly able to respond to changes in consumer tastes, anticipate global businesses, and lead to export-oriented businesses so as to increase the business capacity in achieving better performance.

Local wisdom value is potential community resource to encourage the competitiveness level of MSMEs (Cantonnet, Aldasoro, & Iradi, 2019), so there is a need to explore the value of local wisdom that is rooted from local culture ((Felício et al., 2019) that grows and lives in the society. Local wisdom value must be utilized to increase the added economic value of community resources to be better and provide any added value in every business activity of the community, especially in relation to MSME businesses (Trianni, Cagno, Neri, & Howard, 2019). Management orientation is needed to accelerate the transformation process of knowledge ((Choi et al., 2019), but the training program cannot stand alone because it has been proved ineffective in creating an adequate MSME management center model. This can be seen from the managerial role that is still low in the MSME business management.

A management orientation, which leads to the process of acceleration of applicable management implementation, and the optimization of local wisdom value, which leads to the formation of uniqueness points in the MSME sector, can certainly be tools to improve the level of business competitiveness and effective and efficient management of MSMEs. However, the current conditions have not yet reflected any strong and independent level of MSMEs or provided any real contributions to the creation of economic value for the MSME businesses. Therefore, the competitiveness and performance of MSMEs have not yet achieved any optimal results. The design of an integrated and sustainable management training program is suggested to be able to encourage the development of effective MSME governance, so that it is ready to face competition from the ASEAN Economic Community. An attempt of reconstructing is an effort to build and identify the relationship of relevant variables in improving the competitiveness and performance level of MSMEs. Meanwhile, both management orientation and local wisdom value are factors which are expected to be able to reconstruct the competitiveness and performance level of MSMEs to be better and provide sustainable profit.

1. Local wisdom value

Lokal wisdom is a resource that is available in the community and environment where this value is always maintained and provides a unique color in the practice of organizational management or business activities of the community. In essence, management is the process of transforming vision into productive activities that are of real value (Foghani, Mahadi, & Omar, 2017). To achieve the best results, there is a need of MSME actors being knowledgeable about effective and efficient management. MSME actors also need a concept of effective management that is in accordance with their characteristics, but many MSME management teams have not yet optimized the local wisdom value as an added value to their services or products which later influences the performance level to be not optimal.

Developing wisdom values into management aspects is a strategic effort to increase the economic value of community resources into better selling value of products or services than those of the competitors who do not do so. Local wisdom value contains moral and cultural values (Choi, Thangamani, & Kissock, 2019), and if this is able to be packaged into an economic value, it will definitely strengthen the unique competitiveness and function as a differentiating value with other parties. Therefore, local wisdom value that has a dynamic nature must be explored and innovated to be able to provide a differentiating value and unique power for the consumers. Management knowledge has an important meaning to develop any local wisdom value that has the potential to support competitiveness and improve organizational performance (Krishnan & Scullion, 2017), also policies which are oriented towards organizational learning can improve human resource competencies of the MSME actors (Mulolli, Islami, & Skenderi, 2017). Meanwhile, the company characteristics also take part in determining the workforce conditions and improving human resources especially in the MSME sector (Sanchez Badini, Hajjar, & Kozak, 2018).

Human resources as an important pillar in management must be able to implement various policies and strategies in their business as making improvements to the facilities of MSMEs may also result in the improvement of performance achievement (Ndiaye, Abdul Razak, Nagayev, & Ng, 2018). In addition, the success of competitor companies turns out to encourage MSME actors to explore and develop cultural values that grow in the community as a motivational tool to achieve success through a unique niche market (Trianni, Cagno, Neri, & Howard, 2019). Improving the quality of human resources means optimizing management functions for the better (Sanchez Badini, Hajjar, & Kozak, 2018), so that the benefits are reflected on the achievement of good performance, for that reason various strategic steps must be carried out through training, mentoring, motivation, and facility

improvements. This will lead to an increased level of competence so as to encourage optimal performance level of the MSMEs.

2. Management Orientation

Management orientation is the sensitivity level of managers in responding to changes that can affect the use of management tools implemented in the management of their business. Management is a tool to develop the art of managing business to be better prepared to deal with any possible changes (Chang & Cheng, 2019), either due to internal or external factors. The utilization of the management model is no longer negotiable but must have become a necessity as a tool for managing its business activities. A right management orientation will provide a strategic impact for MSME actors; this is precisely the problem for MSMEs (Verdolini, Bak, Ruet, & Venkatachalam, 2018; (Mohamad Radzi et al., 2017). Next, stakeholders who have responsibility for the future sustainability of their business must plan a development strategy that is integrated to the management aspect (Yoshino & Taghizadeh-Hesary, 2019) both in its implementation and other related to management training programs such that the stages of implementing the management model must be integrated in accordance with the objectives planned. This is as an effort to cater customer needs by providing the best value. Innovation and creativity must be continuously carried out in accordance with the management's needs to produce high quality products that meet the consumers' desires that are constantly changing (Mulolli, Islami, & Skenderi, 2017; Lin & Ho, 2019).

Orientation is not the goal but it deals with how to provide management tools (Janasová, Bobáňová, & Strelcová, 2017), so that all business activities that cover all various business functions can be managed in an effective and efficient way (Henriques & Catarino, 2016). Consequently, the management orientation must be in line with the selection of the desired target market so that it can deliver product quality services through presenting the best value and something new for the consumers in an effective and efficient way (Choi, Thangamani, & Kissock, 2019). The quality of a product is the result of an integrated implementation of various strategies, namely the production process, the selection of technology and the use of quality human resources as well. Mohamad Radzi, Mohd Nor, & Mohezar Ali, (2017) develop a measure of product performance into seven criteria that can be used as a basis for strategic planning for manufacturing companies which consist of: performance, features, reliability, durability, conformance, aesthetics and perceived quality, so as to better improve competitiveness and product performance.

3. Competitiveness

Competitiveness is a community and economic resource that can create differentiating values for the organization (Chang & Cheng, 2019). The management is then strongly suggested to explore existing potential sources or create such differentiating values in a sustainable manner so that the competitive advantage can be used to improve the organizational performance (Xiang, Chen, Tripe, & Zhang, 2019). Also, policies which are oriented towards organizational learning can improve the competency of human resources for MSME actors so as to contribute to the development of the competitiveness level (Xiang, Chen, Tripe, & Zhang, 2019). Meanwhile, the company characteristics also determine the workforce conditions (North and Varvakis, 2016) and improve the human resources in the MSME sector (Chang & Cheng, 2019).

Management knowledge can be an inspiration to encourage the availability of competent human resources in constructing competitiveness advantages (North and Varvakis, 2016), so as to leverage the achievement of optimal organizational performance even in the midst of global competition and continue to grow over time. Support for R&D, framework design, and capital investment will encourage innovation behavior in improving skills and renewing MSME competencies (Xiang, Chen, Tripe, & Zhang, 2019). Meanwhile, the decision to innovate R&D through the use of ICT is needed to provide services to customer satisfaction (Foghani, Mahadi, & Omar, 2017; Cantonnet, Aldasoro, & Iradi, 2019). Innovation is a strategic step to create a competitive advantage (Klimczak, Machowiak, Staniec, & Shachmurove, 2017; Felício, Caldeirinha, & Dutra, 2019), thus MSME organizations must take advantage of the advances in ICT to support their performance achievements, through the implementation of ICT, R&D and service improvements for customer satisfaction. Efforts are needed to respond to changes in consumer tastes and preferences, anticipate global business, even to lead to export-oriented businesses so as to increase business capacity in achieving improved performance.

A business that is well managed always regulates its management rhythm by solving the isolation of one management aspect with the others and encourages a strong spirit of independence to stand still in the midst of dynamic business competition. Commitment to management requires the owners' concern to prepare adequate and harmonized resources in an effort to adopt the management functions in attempt to produce quality products that are in compliance with the expectations of the customers. The higher the commitment to the implementation of management functions, the greater the opportunities for innovation and business creativity while, in the same time, supporting the manufacture of quality products. Referring to the opinion stated in Chang & Cheng, 2019; Xiang, Chen, Tripe, & Zhang, 2019; Cantonnet, Aldasoro, & Iradi, 2019; Felício, Caldeirinha, & Dutra, 2019;

Klimczak, Machowiak, Staniec, & Shachmurove, 2017; it can be explained that commitment in adopting a management model requires support of large resources, but is still able to provide strong support for innovation and business creativity, so that it can produce quality products and services in accordance with the ever changing tastes and preferences of the consumers.

4. Performance of MSMEs

Performance of MSMEs is the end result of the management process, is reflected in the various functions of activities that exist within the organization (Ndiaye, Abdul Razak, Nagayev, & Ng, 2018). Performance is not a single result of a process, but an integrated result of all functions within the organization (Trianni, Cagno, Neri, & Howard, 2019). In relation to that, synchronizing functions and building synergies between functions is a wise step to build a superior performance in the organization (Olejnik, 2014). Competitiveness, local wisdom value, and implementation of various management tools are potential sources to make the performance of an organization to be superior, therefore the management must develop and maintain the value of these resources as a lever of the added value on the products or services as well as innovate to maintain the sustainability of various organizational values provide superior value that exceeds what the competitors offer (Lin & Ho, 2019).

Building the performance of MSMEs is not just to achieve high sales results. It is more than just achieving sales targets, namely by continuing to build and maintain the trust value of its customers (Trianni, Cagno, Neri, & Howard, 2019). Building a creative culture within an organization is a big investment, especially in providing conceptual resources that can later be used to manage other physical resources. Creative culture is a source of innovation for organizations hence innovation (Sanchez Badini, Hajjar, & Kozak, 2018) should not stop at one point of success, but to be continued on an ongoing basis. This is because innovation is the key answer to changes in consumer tastes (Xiang, Chen, Tripe, & Zhang, 2019), so that the performance of MSMEs can be maintained and even improved. Nevertheless, this is a big task in developing MSME management in East Java. Therefore, the competitiveness and performance reconstruction of MSMEs must be completed through a strategy to optimize various local wisdom value and a response to management orientation, namely the utilization of changes in management models for dynamic and innovative business management.

Referring to the theoretical and empirical studies above, the following hypotheses are formulated:

- H1: Local wisdom value has a direct and significant effect on the competitiveness of MSMEs
- H2: Local wisdom value has a direct and significant effect on the performance of MSMEs
- H3: Management orientation has a direct and significant effect on the competitiveness of MSMEs
- H4: Management orientation has a direct and significant effect on the performance of MSMEs
- H5: Competitiveness has a direct and significant effect on the performance of MSMEs

II. METHODS

The population of the study included all MSME actors who joined in the business community of MSME center in religious tourism regions in East Java, and had been recorded to be active at least 15 consecutive years until April 2017, and whose businesses were managed with a simple management pattern. The population in this study was finite, because the number of members who met the criteria of the population was relatively small (63 MSMEs). Consequently, this study included all the members of the population as the research sample; therefore this study used the census (complete enumeration).

A. Model of Analysis

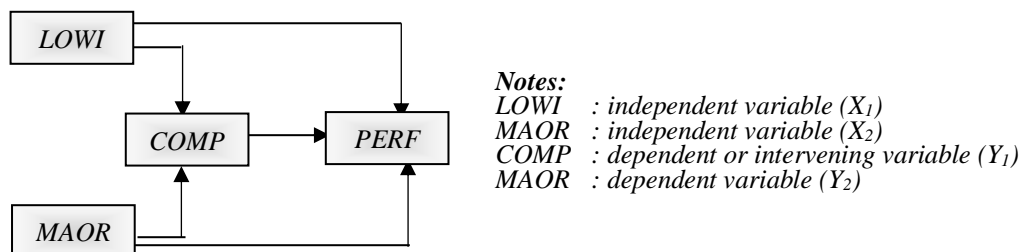


Figure 1: Model Analysis

B. The Operasional Variables

Table 1. The Operasional Variables

| <i>No</i> | <i>Variable</i> | <i>Definition</i> | <i>Indicators</i> |
|-----------|--|--|--|
| 1 | <i>Local wisdom values</i> <i>(LOWI)</i> | <i>ethical norms and values derived from culture, habits, and behaviors in society</i> | <i>religious values</i> <i>cultural values</i> <i>behavioral values</i> <i>natural and social values</i> |
| 2 | <i>Management orientation</i> <i>(MAOR)</i> | <i>the readiness level of MSME actors in the implementation process of management aspects to manage their business activities</i> | <i>commitment to change</i> <i>swiftness in acquiring management aspects</i> <i>swiftness in implementing management aspects</i> <i>readiness to accept mentoring programs</i> <i>ability to develop management models</i> |
| 3 | <i>Competitiveness</i> <i>(COMP)</i> | <i>represents the community and economic resources that are able to provide added economic value to the community in producing optimal products or services to the buyers and become differentiating values compared to others</i> | <i>differentiating value</i> <i>scarcity</i> <i>difficulty to imitate</i> <i>sustainability.</i> |
| 4 | <i>MSMEs performance</i> <i>(PERF)</i> | <i>the level of development of MSME business activities in a certain period of time</i> | <i>sales growth</i> <i>sales growth compared to the previous period</i> <i>sales growth compared to other business actors</i> <i>sales growth trend within the last three years</i> <i>profit growth within the last three years</i> |

The four variables were measured according to the concept developed by Choi, Thangamani, & Kissock, 2019; Xiang, Chen, Tripe, & Zhang, 2019; Sanchez Badini, Hajar, & Kozak, 2018; Trianni, Cagno, Neri, & Howard, 2019; Ndiaye, Abdul Razak, Nagayev, & Ng, 2018; Chang & Cheng, 2019; Cantonnet, Aldasoro, & Iradi, 2019; Felício, Caldeirinha, & Dutra, 2019; Lin & Ho, 2019.

Providing values on each of the variables is completed using Likert scale measurement in determining the score; regarding this, the measurement results are then in the form of interval scale. The size of all these variables is based on the respondents' responses to a series of items that use a five-point scale.

C. Research Instrumen

The main research instrument used in this study was a questionnaire sent to the MSME actors in different MSME centers across various religious tourism areas in East Java. The questionnaire was first tested to ensure the validity and reliability level, because the questionnaire was developed from a theoretical concept called a variable. The validity test used in this study was the Pearson Product-Moment correlation coefficient with the correlated item value was greater than 0,3, while the reliability test used was Cronbach's Alpha with value was greater than 0,60.

III. RESULTS AND DISCUSSION

A. Results

1. Validity and Reliability

Table 2: Validity and Reliability Test Results of the Research Instruments

| <i>Variable</i> | <i>Coorelation Coefficien</i> | <i>Cronbach,s Alpha</i> | <i>Description</i> |
|-------------------------------|-------------------------------|-------------------------|-----------------------------|
| <i>Management orientation</i> | <i>0.4632 - 0.7843</i> | <i>0.8156</i> | <i>valid & reliable</i> |
| <i>Competitiveness</i> | <i>0.4214 - 0.6642</i> | <i>0.8336</i> | <i>valid & reliable</i> |
| <i>MSMEs performance</i> | <i>0.4724 – 08174</i> | <i>0.8383</i> | <i>valid & reliable</i> |

As can be seen in Table 1, it is shown that the correlation coefficient for all the variables has a r-count value between 0.3723 and 0.8174, where all the four variables have positive r-count values greater than 0.30. The table above also shows that the value of Cronbach's Alpha for the four variables has a value greater than 0.60. Thus, the results of the correlation coefficient and Cronbach's Alpha show that the research instruments used for collecting the research data were valid and reliable.

2. Path Analysis

The test results of linearity assumptions refer to the parsimony concept, that is, if all the models used as the basis of testing are proved to be significant or non-significant, the model is said to be linear or the linear function is said to be significant. The main analysis of this study is show in the following tables.

Table 3: Test of Linearity Assumptions

| <i>Independent variable</i> | <i>Dependent variabel</i> | <i>Test result (α = 0.05)</i> |
|-------------------------------|---------------------------|---|
| <i>Local wisdom values</i> | <i>Competitiveness</i> | <i>the model was significantly linier</i> |
| <i>Management orientation</i> | <i>Competitiveness</i> | <i>the model was significantly linier</i> |
| <i>Local wisdom value</i> | <i>MSMEs performance</i> | <i>the model was significantly linier</i> |
| <i>Management orientation</i> | <i>MSMEs performance</i> | <i>the model was significantly linier</i> |
| <i>Competitiveness</i> | <i>MSMEs performance</i> | <i>the model was significantly linier</i> |

From Table 3, it is shown that all of the influence relationships between each of the variables in the structural model are linear. Thus, the assumption of linearity in the path analysis is said to be fulfilled and, therefore the model can be continued in order to explain a relationship between the variables built into the model.

3. Structural Model

The path analysis was completed using a standardized model. The results of the direct path coefficient testing results are presented in Table 4.

Table 4: The Summary Of Regression

| <i>Independent variable</i> | <i>Dependent variabel</i> | <i>Standardized coefficient</i> | <i>Sig. (0.05)</i> |
|-------------------------------|---------------------------|---------------------------------|--------------------|
| <i>Local wisdom values</i> | <i>Competitiveness</i> | <i>0.415</i> | <i>0.021</i> |
| <i>Management orientation</i> | <i>Competitiveness</i> | <i>0.273</i> | <i>0.043</i> |
| <i>Local wisdom value</i> | <i>MSMEs performance</i> | <i>0.383</i> | <i>0.026</i> |
| <i>Management orientation</i> | <i>MSMEs performance</i> | <i>0.376</i> | <i>0.033</i> |
| <i>Competitiveness</i> | <i>MSMEs performance</i> | <i>0.386</i> | <i>0.045</i> |

Table 5: Indirect Effect Path Coefficient

| <i>Independent variable</i> | <i>Intervening variable</i> | <i>Dependent variabel</i> | <i>Standardized coefficient</i> |
|-------------------------------|-----------------------------|---------------------------|--|
| <i>Local wisdom values</i> | <i>Competitiveness</i> | <i>MSMEs performance</i> | <i>0.160 (sig. $\alpha = 0.05$)</i> |
| <i>Management orientation</i> | <i>Competitiveness</i> | <i>MSMEs performance</i> | <i>0,105 (sig. $\alpha = 0.05$)</i> |

B. Discussion

1. Influence of Local Wisdom Values on Competitiveness

The results show that the local wisdom value has not been properly implemented by the MSME actors to manage their business activities. This is due to the low level of management commitment, so that the management model selected by the MSME actors still does not have any standard pattern, even the management pattern tends to be unclear. So far, the administration of various trainings has not been able to attract the interest of the MSME actors to consider the aspect of management in managing their business activities. Ideally, this should have received serious attention from all the stakeholders through integrated preparation and applicable programs which are in compliance with the characteristics of their MSME businesses. Management orientation is a manifestation of interest from MSME actors to be actively committed to adopt management patterns and implement them to manage their business. Therefore, the future trainings addressing this issue must be able to encourage the management orientation of the MSME actors to be better, with the kind of training models that are in line with their needs.

This study finds that (1) there is a direct, positive and significant influence of local wisdom value on MSME competitiveness; (2) there is an indirect, positive and significant influence of local wisdom value on the performance of MSMEs through competitiveness.

2. Influence of Wisdom Values on MSME Performance

The results of the study show that local wisdom value for the MSME actors to achieve a better level of livelihood is a motivation to achieve the best business results. This can affect the MSME actors to manage their businesses more effectively and efficiently by using available managerial models. A stronger impetus certainly

affects the management orientation to be implemented in managing the business, because there is a linear relationship between strong entrepreneurial spirit and management orientation desired by the MSME actors. Thus far, the high level of entrepreneurial value of the MSME actors has indeed arisen. This is because some of the actors' enthusiasm to continue to exist in maintaining their family life after experiencing layoffs during the economic crisis in 1998 and this continues until now. Entrepreneurship is prerequisite to be a successful business person, but relying solely on business instincts also carries big risks. This refers to the phenomenon that business is always in an ever-changing environment and only those who are ready to face changes that will persist. Therefore, a better and more directed management orientation of MSME actors will guide them to identify good solutions in the face of any changes that occur.

This study finds that: (1) there is a direct and significant influence of local wisdom value on the performance of MSMEs; (2) there is an indirect, positive and significant effect of local wisdom value on the performance of MSMEs through competitiveness.

3. Influence of Management Orientation on Competitiveness

The results of the study indicate that management orientation implemented in all aspects of management has not been used to manage its business activities in a comprehensive and consistent manner, but the results of the training have had a positive impact on the growth of MSME business. The business growth that occurs is inseparable from the natural capabilities possessed by the MSME actors. Therefore, it is necessary to develop a type of management that meets each of the MSME actors' needs. The implementation of the training results in all aspects of management greatly helps all the MSME actors to manage their business activities for the better because all of the business activities can run effectively and efficiently. Training will be effective if the management aspect training is followed up with a two-year mentoring program; this includes mentoring for the implementation of the training materials, mentoring in training monitoring and mentoring on the training results. The results of training on management aspects that have a positive impact on the business performance of MSMEs must be followed up with management development programs, so that the MSME actors are able to adapt to a single development that occurs in the future and provide the best management solutions.

This study finds that: (1) there is a direct, positive and significant influence of management orientation on competitiveness; and (2) there is an indirect, positive and significant influence of management orientation on the performance of MSMEs through competitiveness.

4. Influence of Management Orientation on MSME Performance

The results of this study indicate that strong management orientation will have an impact on better business growth. This is influenced by the independent spirit of MSME actors to be able to identify their own identity as reliable business actors who are ready to face all kinds of risks that might occur. Therefore, the desire to grow to achieve success in business is able to deliver the MSME actors to be more enthusiastic in realizing their dreams. The business growth currently achieved has not shown optimal results, because what is currently achieved has not yet implemented any management aspects in a proper and right way. There are still opportunities to achieve better growth in the future when this strong entrepreneurial spirit is supported by an effective use of management for their business. Entrepreneurship is able to encourage MSME players to improve their management orientation by adopting a management model and trying to implement it in all management aspects in managing their business. Later, this gives a positive value to a better business performance and will encourage business growth to be even greater.

This study finds that: (1) there is a direct, positive and significant influence of management orientation on the performance of MSMEs; (2) there is an indirect, positive and significant influence of management orientation on the performance of MSMEs through competitiveness.

5. The Effect of Competitiveness on the Performance of MSMEs

The results showed that true competitiveness can guide the MSME actors to manage their business well. This represents an idea that management orientation will direct MSME actors to have a professional attitude in choosing their business strategies, because the phenomenon of change that can be present at any time which will certainly threaten business sustainability. Commitment to change shows that MSME actors are ready to anticipate it by developing an effective management model for their business activities. Change is something certain, but MSME actors must have prepared a strategy to deal with any changes that can affect their business activities. The selection of a management model will determine how to do business for these MSME actors and will definitely also affect the results achieved. Therefore, management orientation is a factor that greatly determines the future of the MSME actors themselves. An important thing in the management model is how MSME actors are able to innovate and create ideas in mastering the training material that will be implemented in managing their business. This deals with various aspects related to their activities. A mentoring program is an important element in management orientation. In its efforts, the training results are expected to provide optimal value. Then, all the

training materials obtained must be developed according to the business characteristics and actually implemented to manage the business. Therefore, the mentoring program will provide benefits during the development process of training materials. Then, good corporate governance will be created and will have an impact on the business performance and will further affect business growth better. The competitiveness and the performance MSMEs of this study is show in the following figure.

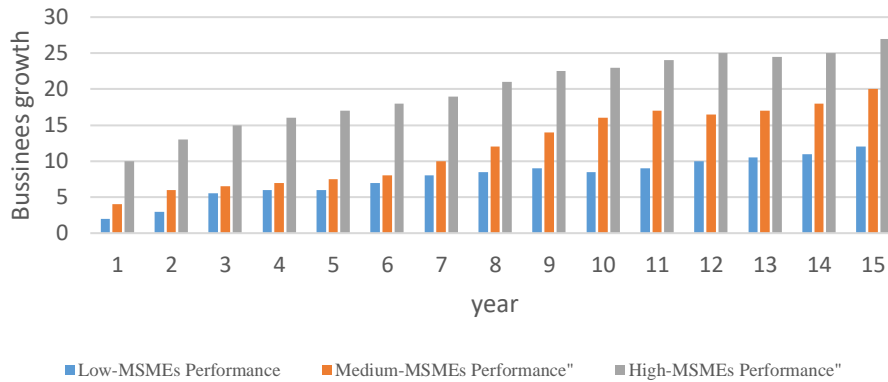


Figure 3: The Performance MSME.s

IV. CONCLUSION

Local wisdom value has a direct, positive and significant influence on the competitiveness of MSMEs. Hypothesis 1 which states that local wisdom value has a significant effect on competitiveness is then accepted. Therefore, the better the business adopts local wisdom value is considered by MSME actors, the more effective the competitiveness level.

Local wisdom value has a direct, positive and significant influence on the performance of MSMEs. Hypothesis 2 which states that local wisdom value has a significant effect on the performance of MSMEs is then accepted. Therefore, the better the business adopts local wisdom value is considered by MSME actors, the higher the MSMEs' performance.

Management orientation has a direct, positive and significant effect on the competitiveness level of MSMEs. Hypothesis 3 which states that management orientation has a significant effect on competitiveness is then accepted. Therefore, the more management orientation responses are followed by the MSME actors, the more effective competitiveness will be.

Management orientation has a direct, positive and significant influence on the performance of MSMEs. Hypothesis 4 which states that management orientation has a significant effect on the performance of MSMEs is then accepted. Therefore, the more management orientation responses are followed by the MSME actors, the better the performance of the MSMEs.

Competitiveness has a direct, positive and significant effect on the performance of MSMEs. Hypothesis 5 which states that competitiveness has a significant effect on the performance of MSMEs is then accepted. The stronger the competitiveness levels of the MSME actors, the better the performance of the MSMEs

A. Implications

Based on the above conclusions of the research results, the implications can be stated as follows: Equipping local wisdom value to MSME business is an effort to develop the identity of MSMEs. MSME actors must carefully select any local wisdom value that is in line with the needs of management aspects, so that competitiveness management becomes better and business performance develops greater.

Management orientation is the behavior of MSME actors related to their responsiveness towards anticipating changes in the business environment. The changes include those in the management model that will be used to manage their business and face dynamic business competitions.

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The Impact of Influencers Advertising, Brand Awareness, and Brand Image on the Purchase Intention of Youtube Viewers

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ABSTRACT

Purpose: Technology constantly evolves, improving communication and entertainment access. YouTube is a popular platform for businesses to engage with customers. This study aims to investigate the relationship between Influencer's advertising, brand awareness, and brand image on customer purchase intention.

Design/ methodology/ approach: This study used a quantitative approach with SPSS analysis and focused on Marketing Management students of Airlangga University in the semester of the academic year 2022/2023 who have watched YouTube within the past 6 months and have given their consent and willingness to participate in the research. The sample size of 72 students was determined using Slovin's formula with a 10% margin of error. Questionnaires were distributed via Google Forms, translated into Indonesian for clarity, and used a 5-point scale to collect responses.

Findings: The study found that collectively, influencer advertising (X1), brand awareness (X2), and brand image (X3) significantly impact customer purchase intention (Y). Individually, influencer advertising (X1), brand awareness (X2), and brand image (X3) also have significant effects on Customer Word of Mouth (Y).

Paper type: Research paper

Keyword: *Influencer Advertising, Brand Awareness, Brand Image, Purchase Intention, Youtube*

Received : March 10th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

Technology is in a constant state of evolution. Initially, its role was limited to assisting individuals with their daily tasks. Today, technology is deeply intertwined with our everyday lives, enhancing our ability to communicate, seek information, and access entertainment. Communication technology has effectively bridged geographical distances, connecting people worldwide. Consequently, technological advancements have reshaped human behavior, impacting how we communicate, make purchases, and enjoy entertainment. Globally, internet usage has surged by 33% in recent years, showcasing its potential as a medium for information retrieval and facilitating product and service purchases (Gerrikagoitia et al., 2015). Digital marketing agencies are recognizing the need to adapt by incorporating more image and video-based content into their strategies. With the skyrocketing popularity of platforms like YouTube, marketers are seizing the opportunity to leverage video content. Traditional marketing methods have lost their effectiveness, prompting businesses to shift their focus. Notably, 62% of businesses utilize YouTube as a platform for sharing video content, making it the second most preferred channel after Facebook (Buffer, 2019).

YouTube has not only emerged as a leading platform for personal video consumption but also a valuable tool for businesses. Increasingly, businesses are utilizing YouTube to engage with existing customers and reach out to potential ones, given its vast reach. In recent years, the impact of advertising through influencers, brand awareness, and brand image on the purchase intent of YouTube viewers has garnered substantial attention. Influencer marketing has become a prominent strategy for brands, capitalizing on the influence and reach of popular content creators (Bannister & Todorovic, 2020). Brand awareness, a cornerstone of marketing, significantly shapes consumer behavior and purchase decisions (Keller, 2019). Furthermore, brand image,

encompassing factors like reputation, personality, and values, plays a pivotal role (Keller, 2019). Research shows that a positive brand image substantially influences consumers' purchase intentions (Huang & Sarigöllü, 2014). Understanding the interplay among influencer advertising, brand awareness, brand image, and purchase intent is crucial for marketers in the digital landscape (Mudambi & Schuff, 2018).

Video is a remarkably potent marketing tool. An impressive 90% of people report discovering new brands or products on YouTube (Thinkwithgoogle, 2019). While it may not directly lead to purchases, it effectively conveys messages. Consumers rely on video content throughout their buying journeys, making this information invaluable for marketers. Consequently, this research will be conducted in Surabaya, specifically for Airlangga University students. It will delve into the connections between video advertising, YouTube influencers, brand awareness, and customer purchase intentions. The aim of this research is to determine the impact of influencer advertising, brand awareness, and brand image on the purchase intention of youtube viewers within the Airlangga University system.

A. Literature Review

1. Influencer's Advertising

Marketing has undergone significant transformations over time. In the past and even today, consumers are bombarded with advertisements vying for their attention, but the effectiveness of these ads has dwindled as people have grown less responsive, often perceiving them as mere background noise. Studies, such as one conducted by Infolinks in 2012, have highlighted the issue of "Banner Blindness," with 14 percent of respondents unable to recall the last display ad they saw and the product it promoted (Infolinks, 2013). The use of ad blockers is on the rise, with 20 percent of internet users between the ages of 16 and 34 employing them to avoid these advertisements (Statista, 2016). In the realm of traditional marketing, the focus was on purchasing leads and potential customers, but the digital age demands a shift toward building and maintaining relationships founded on trust and mutual respect.

Influence in marketing goes beyond mere social media popularity. Influencers are individuals who, due to their knowledge, skills, and character, possess the ability to impact the opinions and decisions of their peers, both at their level and within the organization (Farmer, 2017). Influencer marketing involves identifying key decision-makers in a target audience and encouraging them to utilize their influence to spread word-of-mouth recommendations (Thorne, 2008). This approach has evolved to encompass individuals who create content to promote products or services, effectively reaching and engaging consumers (Williamson, 2016). Instead of directly marketing to consumers, companies collaborate with influencers who, as third parties, significantly shape the opinions and purchasing choices of others (Brown and Hayes, 2008). In the past, social media platforms were primarily used by brands and marketing managers to disseminate information about products. However, with the evolution of influencer marketing, these platforms have become communication tools for gathering consumer opinions on product and service experiences, attitudes, and past purchase encounters (Mangold and Faulds, 2009).

As the consumption of content spreads across various screens, smartphones are assuming a more prominent role in the viewing experience. This mobility trend has led to the emergence of "TV anywhere," reshaping the broadcast industry (Streaming Video Alliance, 2016). While smartphones are not replacing larger screens entirely, they are influencing how people consume video content. In Sri Lanka, the fixed-line market is gradually declining, with mobile usage dominating and predicted to continue to do so due to robust local competition and market saturation (Reportlinker, 2017).). Indicator of influencer's advertising According to (Farmer,2017)

1. More frequent announcements result in increased attention to the influencer

The frequency of announcements of influencers impacts positively consumers' attention, although the consumer does not think that the influencer impacts on his purchasing behaviour. However, users periodically buy products recommended by the influencer, search them actively and what is very important from the marketing point of view, they comment and recommend them to their loved ones. Therefore, it can be concluded that the message sent by influencers does not only cover the group of followers, but it is being widen on much larger, interested group by the strategy mouth to mouth.

2. Search for products used and recommended by influencers

People trust them and the costs are relatively low comparing to different ways of promotion. " Consumers perceive advertised messages of influencers as more reliable and more convincing, especially ones made by strong influencers (Influencers are stronger if they have bigger number of followers on social networks).

2. Brand Awareness

Brand awareness, as defined by Kotler and Keller (2016), refers to a consumer's ability to recognize or recall a brand in enough detail to make a purchase decision. It is intricately tied to the strength of the brand's presence in a consumer's memory, measured by their ability to identify the brand under various circumstances. Building brand awareness serves to increase the likelihood of the brand being considered within the set of options a consumer evaluates for purchase. It also plays a significant role in shaping the associations that constitute the

brand image, encompassing both brand recognition and brand recall performance. Establishing brand awareness involves enhancing brand familiarity through repeated exposure (for brand recognition) and forging strong associations with the relevant product category or other pertinent cues related to purchase or consumption (for brand recall). This initial step is pivotal in the journey to build brand equity, as brand awareness can profoundly influence perceptions, preferences, and consumer behavior (Aaker, 2014).

Brand awareness stands as a pivotal factor in determining a brand's strength and, consequently, its competitive advantage, as asserted by Urbanek (2002). Consequently, measuring brand awareness has gained increasing importance in the practices of modern businesses. Such measurement is facilitated through survey studies that assess the relationship between a given brand and its image in the eyes of customers. This data is highly reliable and serves the primary purpose of gauging the effectiveness of brand awareness initiatives. It seeks to answer questions regarding the extent of brand recognition and recall among consumers, as well as the associations they make with the brand. Three types of brand awareness measurements are identified: spontaneous awareness, which reflects the percentage of customers who can name a brand without prompting; top-of-mind awareness, indicating the brand that comes first to respondents' minds; and supported awareness, revealing the percentage of respondents who acknowledge a brand after it is mentioned by the interviewer. Brand awareness essentially acts as a barometer of a company's marketing effectiveness, guiding decisions related to product development, specific activities, and cost analysis within marketing efforts. For logistics service providers (LSPs), brand awareness is particularly crucial, as studies show that customers are unlikely to engage with providers unknown in the logistics service market. In essence, LSPs must find effective ways to be recognized for their service offerings (Davis et al., 2008). According to Ladha (2007), there are two key brand awareness indicators:

1. **Familiarity:** This indicator measures whether the brand of a product is known by the public. It can be a result of the brand's long-standing presence in the community or its unique appeal that attracts attention, even for relatively new brands.
2. **Recognition:** Consumers can recognize the brand from physical attributes or elements associated with the product. When presented with these attributes, consumers can identify the brand they are associated with, showcasing their awareness of the product's brand identity.

3. Brand Image

Brand image encompasses the emotional facets that define a company's brand or its products and wields a profound influence on consumer purchasing behavior (Arora & Stoner, 2009). When consumers choose a product, they consider not only its utility but also the image associated with it and the brand's identification with other users. For instance, the Nike brand image became closely tied to the renowned basketball player Michael Jordan. The definition of brand image isn't static and varies among authors. The American Marketing Association (AMA) characterizes a brand as a "name, term, design, symbol, or any other feature that distinguishes one seller's goods or services from those of others." In contrast, brand image is portrayed as the "perception of a brand in the minds of individuals... it's what people believe about a brand – their thoughts, emotions, expectations" (AMA). Aaker and Keller offer their respective interpretations of brand image as a "set of associations, typically organized in a meaningful way" (Aaker, 1992) and "perceptions about a brand as reflected by the brand associations retained in consumer memory" (Keller, 1993).

According to Anwar, Gulzar, Sohail, and Akram (2011), the brand effect denotes a brand's ability to elicit a highly positive emotional response after its usage (Chaudhri; Holbrook (2001)), while brand trust represents a consumer's willingness to rely on the brand's promise to perform a specific task (Moorman, Zaltman & Deshpande (1992)). Karadeniz (2010) contends that a brand reflects the quality of a firm's products rather than just the firm's name, logo, or color scheme. In essence, a brand is the perception that consumers hold regarding a firm. Consequently, companies are striving to establish robust brands to gain a competitive edge in a fiercely competitive market. The most exceptional brands stand for something. Symbols serve as the swiftest means of communication from a brand to the consumer. They gain potency through frequent use and serve as the most visible reminders of a brand's essence. A brand's identity must effectively convey the organization's distinctive mission, history, culture, values, and personality. Nike's logo, crafted in 1971 and resembling a wing in tribute to the Greek goddess of victory, Nike, imparts a profound message to a company that specializes in running shoes and inspires consumers with the slogan, "Just do it." Indicators of Brand image according to: (Kotler and Keller in Risda, 2014)

1. **Functional,** is the benefits that seeks to provide a solution for consumption issues or potential problems that might be experienced by consumers, by assuming that a brand has a specific benefit that can solve the problem.
2. **Symbolic,** which is directed to the consumers wants in an effort to improve themselves, appreciated as a member of a group, affiliates, and a sense of belonging.
3. **The experience,** in which the consumer is a representation of their desire for a product that can give a sense of fun, diversity, and cognitive stimulation.

4. Customer Purchase Intention

Purchase intention is the preference of consumer to buy the product or service. In another words, purchase intention has another aspect that the consumer will purchase a product after evaluation. Many factors affect the consumer's intention while selecting the product and the ultimate decision depends on consumers' intention with large external factors (Keller, 2001). Decision making about purchase is affected by the group in selection procedure of a brand for known products. The selection of a brand based on group cohesiveness of the brand (Witt & Bruce, 1972). Social networking sites have attracted an increasing amount of attention from advertisers in recent years. who are looking to capitalize on opportunities to influence consumer purchasing intentions (Weismueller et al., 2020)? Purchase Intention is a cognitive behavior that refers to the desire to purchase a specific brand (Carr, 2018). Furthermore, the term "purchase.

Intention "refers to a person's deliberate intention to purchase a specific brand of product. The procedure for Consumer purchasing decisions are dynamic, and purchase motivations are an important component of this process (Mainolfi). Vergura et al., 2021). The term "purchase intention" refers to a customer's state of mind in which they intend to buy something. According to (Kotler & Armstrong, 2016) the main factors that affect a person's interest in repurchasing, namely as following:

1. Cultural Factor

A person's culture and social class can affect a person's interest in make a purchase. Consumers have perceptions, desires and behavior that learned from a young age, so that in the end it will form different perceptions for each consumer. Factors of nationality, religion, racial group and Geographical area also affects each individual.

2. Psychological Factors

Includes individual shopping experiences about past events, as well as influence of individual attitudes and beliefs. Learning experience can be defined as a change in the behavior of previous experiences. The emergence of consumer interest for repurchase is strongly influenced by individual learning experiences and consumer learning experiences that will determine actions and decisions buying decision.

3. Personal Factor Personality, age, occupation, economic situation and also the lifestyle of the consumer itself will affect perceptions and decision making in buying. Therefore, the role of the restaurant is important in providing good service to consumers. This personal factor includes self-concept. Self-concept can be defined as the way we see ourselves and at any given time.

4. Social Factor Includes a small reference group factor. Model group defined as a group that influences attitudes, income, norms and consumer behavior.

B. Theoretical Framework

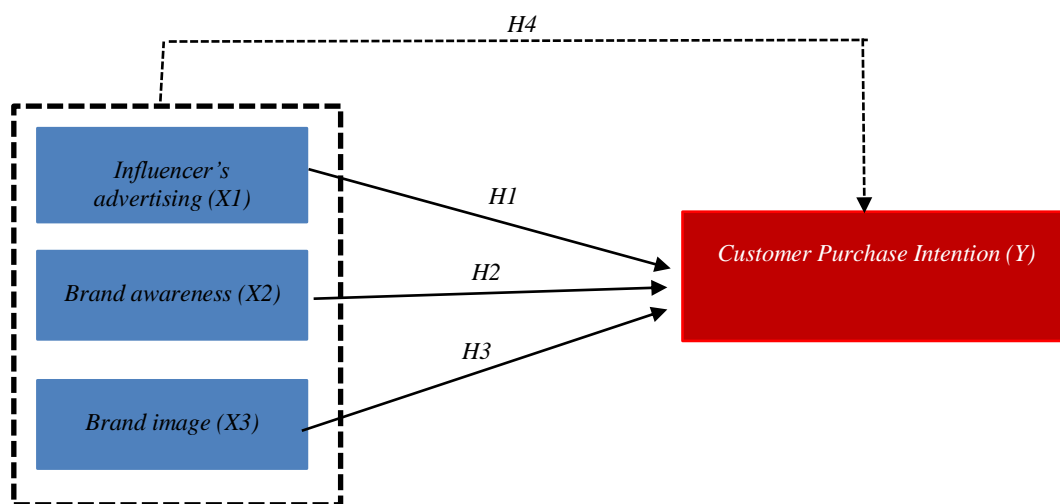


Figure 2. 1 Research Concept Framework

Information:
-----> : Simultaneous Relationship
————> : Partial Relationship

C. Hypothesis

The hypothesis in this study is as follows:

1. H1: Influencer's advertising has a partially significant positive effect on customers purchase intention.
2. H2: Brand awareness has a partially significant positive effect on customers purchase intention
3. H3: Brand image has a partially significant positive effect Customers Purchase intention.
4. H4: Influencer's advertising, brand awareness and brand image simultaneously have a significant positive effect on customers purchase intention.

II. METHODS**A. Research Approach**

This study employs a quantitative approach, with SPSS as the analysis method. This study's population consisted of active Marketing Management of Airlangga University students in the semester of the academic year 2022/2023. To determine the following research sampling, researchers used purposive sampling technique. The criteria for subjects in this study are Marketing Management students of Airlangga University in the semester of the academic year 2022/2023 who have watched YouTube within the past 6 months and have given their consent and willingness to participate in the research. In measuring the number of sample in this study, the researcher used Slovin's formula with standard error 10% or 0.1. Based on that calculation it concluded that the total sample of this research was 72 respondents of active Marketing Management of Airlangga University students. In collecting the data, the researcher distributed questionnaires by using Google form to 72 students. Then asked them to fill out the questionnaire and give a checklist for each statement in the questionnaire by using google form. For easier understanding by the respondent, the researcher makes efforts to translate it into Indonesian language. The responses were given on a 5-point Likert scale, where 1 indicated strong disagreement and 5 indicated strong agreement with a statement: 1= Strongly disagree, 2= Disagree, 3= Quite Agree, 4= Agree, and 5= Strongly Agree which indicated the degree frequency of respondents. After the respondents finished answering the questionnaires, the questionnaire was checked to see whether all items were completely answered. All gathered data to evaluate and analyse for the purpose of the research.

III. RESULTS AND DISCUSSION**A. Results****1. Characteristic of Respondent**

The characteristics of the respondents were identified based on age. The following presents the research findings on the identification of respondents' characteristics. Here is the age and gender distribution of the 72 respondents studied.

Table 1. Characteristics of Respondents Grouped by Age

| <i>No.</i> | <i>Age</i> | <i>Frequency</i> | <i>Percent (%)</i> |
|------------|--------------|------------------|--------------------|
| 1 | 18 | 1 | 1.3 |
| 2 | 19 | 9 | 12.0 |
| 3 | 20 | 40 | 53.3 |
| 4 | 21 | 21 | 28.0 |
| 5 | 22 | 4 | 5.3 |
| | <i>Total</i> | 75 | 100,0 |

Source: Processed data

From the table above, we know that age 18 years of 1.3%, 19 years of 12%, 20 years of 53.3%, 21 years of 28.0%, 22 years of 5.3%.

Description of Respondents' Answers

In this study, the variables used include influencer’s advertising (X1), brand awareness (X2), brand image (X3) and customer’s purchase intention (Y). The descriptions of respondents' answers to each variable will be explained in the tables below:

a. Respondents' Answers on Influencer’s advertising Variables(X1)

The influencer’s advertising variable consists of 2 indicators, namely frequent announcements result in increased attention to influencers (X1.1), and search for products used and recommended by influencers (X1.2). The following are the results of respondents' answers to each of these indicators:

Table 2. Respondents' answers on Influencer’s advertising (X1)

| Question | Score | | | | | Average Question Items | SD |
|----------|-------|-----|------|------|------|------------------------|------|
| | SD | D | QA | A | SA | | |
| | (1) | (2) | (3) | (4) | (5) | | |
| 1 | 1 | 5 | 18 | 34 | 17 | 3.81 | 0.91 |
| 2 | 2 | 6 | 14 | 32 | 21 | 3.85 | 1.01 |
| Total | 3 | 11 | 32 | 66 | 38 | 3.83 | 0.96 |
| % | 2.0 | 7,3 | 21,3 | 44.0 | 25,3 | | |

Source: Processed data

b. Respondents' Answers on Brand Awareness Variables (X2)

Brand Awareness variable consists of 2 indicators, namely familiarity (X2.1) and recognition (X2.2). The following are the results of respondents' answers to each of these indicators:

Table 3. Respondents' Answers on Brand Awareness (X3)

| Question | Score | | | | | Average Question Items | SD |
|----------|-------|-----|------|------|------|------------------------|------|
| | SD | D | QA | A | SA | | |
| | (1) | (2) | (3) | (4) | (5) | | |
| 1 | 2 | 4 | 16 | 34 | 19 | 3.85 | 0.95 |
| 2 | 1 | 2 | 5 | 20 | 47 | 4.47 | 0.84 |
| Total | 3 | 6 | 21 | 54 | 66 | 4,16 | 0.90 |
| % | 2.0 | 4.0 | 14.0 | 36.0 | 44.0 | | |

Source: Processed data

c. Respondents' Answers on Brand Image (X3)

Brand image variable consists of 3 indicators, namely functional benefits (X3.1), symbolic benefits (X3.2), and perceived experience (X3.3). The following are the results of respondents' answers to each of these indicators:

Table 4. Respondents' Answers on Brand Image Variables (X3)

| <i>Question</i> | <i>Score</i> | | | | | <i>Average Question Items</i> | <i>SD</i> |
|-----------------|--------------|------------|------------|------------|------------|-----------------------------------|-----------|
| | <i>SD</i> | <i>D</i> | <i>QA</i> | <i>A</i> | <i>SA</i> | | |
| | <i>(1)</i> | <i>(2)</i> | <i>(3)</i> | <i>(4)</i> | <i>(5)</i> | | |
| <i>1</i> | 2 | 3 | 12 | 33 | 25 | 4.01 | 0.95 |
| <i>2</i> | 2 | 5 | 18 | 31 | 19 | 3.80 | 0.99 |
| <i>3</i> | 1 | 4 | 5 | 29 | 36 | 4,27 | 0.91 |
| <i>Total</i> | 5 | 12 | 35 | 93 | 80 | 4.03 | 0.95 |
| <i>%</i> | 2,2 | 5,3 | 15,6 | 41,3 | 35,6 | | |

Source: Processed data

d. Respondents' Answers on Customer Purchase Intention (Y)

Customer word of mouth variable consists of 4 indicators, namely cultural factors (Y1.1), psychological factors (Y1.2), personal factors (Y1.3), and social factors (Y1.4). The following are the results of respondents' answers to each of these indicators:

Table 5. Respondents' Answers on Customer Purchase Intention (Y)

| <i>Question</i> | <i>Score</i> | | | | | <i>Average Question Items</i> | <i>SD</i> |
|-----------------|--------------|------------|------------|------------|------------|-----------------------------------|-----------|
| | <i>SD</i> | <i>D</i> | <i>QA</i> | <i>A</i> | <i>SA</i> | | |
| | <i>(1)</i> | <i>(2)</i> | <i>(3)</i> | <i>(4)</i> | <i>(5)</i> | | |
| <i>1</i> | 6 | 7 | 20 | 21 | 21 | 3.59 | 1.22 |
| <i>2</i> | 0 | 4 | 10 | 25 | 36 | 4,24 | 0.88 |
| <i>3</i> | 1 | 6 | 5 | 30 | 33 | 4,17 | 0.96 |
| <i>4</i> | 2 | 3 | 9 | 33 | 28 | 4.09 | 0.95 |
| <i>Total</i> | 9 | 20 | 44 | 109 | 118 | 4.02 | 1.00 |
| <i>%</i> | 3.0 | 6,7 | 14,7 | 36,3 | 39,3 | | |

Source: Processed data

2. Simultaneous Test (F-Test)

In this study, hypothesis testing (F-test) is used to determine whether the independent variables Influencer’s advertising (X1), Brand Awareness (X2), Brand Image (X3) have a significant simultaneous effect on the dependent variable Customer Purchase Intention (Y). Therefore, in this study, the F-test is presented as shown in the following table.

Table 6. Anova

ANOVA ^a

| <i>Model</i> | <i>Sum of Squares</i> | <i>df</i> | <i>MeanSquare</i> | <i>F</i> | <i>Sig.</i> |
|-------------------|-----------------------|-----------|-------------------|---------------|-------------------------|
| <i>Regression</i> | <i>553,701</i> | <i>3</i> | <i>184,567</i> | <i>98,791</i> | <i>,000^b</i> |
| <i>1 residual</i> | <i>132,646</i> | <i>71</i> | <i>1,868</i> | | |
| <i>Total</i> | <i>686,347</i> | <i>74</i> | | | |

a, Dependent Variable: Customer's Purchase Intention

b, Predictors: (Constant), Brand Image, Influencer's Advertising, Brand Awareness

Source: Processed data

Because the F-count is greater than the F-table value, $98.791 > 2.734$, and the significance value of $0.000 < 0.05$, H0 is rejected and Ha is accepted. This indicates that Influencer’s Advertising (X1), Brand Awareness (X2) and Brand Image (X3) simultaneously or collectively have an effect on Customer’s Purchase Intention (Y).

3. Partial Test (t-Test)

In this study, hypothesis testing (t-test) is used to determine whether the independent variables Influencer’s advertising (X1), Brand Awareness (X2), and Brand Image (X3) have a significant individual effect on the dependent variable Customer Purchase Intention (Y). Therefore, in this study, the t-test is presented as shown in the following table.

Table 7. t-Test Calculation

Coefficients ^a

| <i>Model</i> | <i>Unstandardized Coefficients</i> | | <i>Standardized Coefficients</i> | <i>t</i> | <i>Sig.</i> | <i>Collinearity Statistics</i> | |
|-----------------------------------|------------------------------------|-------------------|----------------------------------|--------------|-------------|--------------------------------|--------------|
| | <i>B</i> | <i>Std. Error</i> | <i>Betas</i> | | | <i>tolerance</i> | <i>VIF</i> |
| <i>(Constant)</i> | <i>1.134</i> | <i>,926</i> | | <i>1.225</i> | <i>,225</i> | | |
| <i>1 Influencer's Advertising</i> | <i>,941</i> | <i>,125</i> | <i>,524</i> | <i>7,531</i> | <i>,000</i> | <i>,563</i> | <i>1,778</i> |
| <i>Brand Awareness</i> | <i>,282</i> | <i>,131</i> | <i>,151</i> | <i>2,150</i> | <i>.035</i> | <i>,555</i> | <i>1,802</i> |
| <i>Brand Image</i> | <i>,447</i> | <i>,103</i> | <i>,349</i> | <i>4,359</i> | <i>,000</i> | <i>,425</i> | <i>2,351</i> |

a, Dependent Variable: Customer's Purchase Intention

Source: Processed data

From the table above, we can conclude that:

1. Because the t count $>$ t table is $7.531 > 1.667$ and the significance value is $0.000 < 0.05$ then H_0 is rejected and H_a is accepted. This shows that partially the Influencer's Advertising variable (X1) has a significant effect on Customer's Purchase Intention (Y).
2. Because the t count $>$ t table is $2.150 > 1.667$ and the significance value is $0.035 < 0.05$ then H_0 is rejected and H_a is accepted. This shows that partially Brand Awareness (X2) has a significant effect on Customer's Purchase Intention (Y).
3. Because the t count $>$ t table is $4.359 > 1.667$ and the significance value is $0.000 < 0.05$ then H_0 is rejected and H_a is accepted. This shows that partially the Brand Image variable (X3) has a significant effect on Customer's Purchase Intention (Y).

B. Discussion

This study has uncovered significant insights into the relationship between key variables. Firstly, when collectively examining Influencer's Advertising (X1), Brand Awareness (X2), and Brand Image (X3), our statistical analysis reveals a substantial impact on Customer's Purchase Intention (Y). This conclusion is supported by the F-count exceeding the critical F-table value and a significance value below the widely accepted threshold of 0.05. The analysis indicates that Influencer's Advertising (X1) wields a significant influence on Customer's Purchase Intention (Y). The evidence lies in the high t count compared to the critical t -table value and a remarkably low significance value, both of which lead us to confidently reject the null hypothesis. Examining Brand Awareness (X2), we find that it also plays a substantial role in influencing Customer's Purchase Intention (Y). The t count is higher than the critical t -table value, and the significance value, although slightly above 0.05, provides robust grounds to reject the null hypothesis.

Lastly, our analysis of Brand Image (X3) reveals a significant impact on Customer's Purchase Intention (Y). The t count is substantially greater than the critical t -table value, and the significance value is impressively low. As a result, we confidently reject the null hypothesis, highlighting the importance of Brand Image (X3). In summary, our comprehensive analysis not only rejects the null hypothesis concerning the combined influence of these variables but also provides compelling evidence of their individual contributions to Customer's Purchase Intention (Y). This information is of practical importance for marketers and businesses, offering guidance on how to strategically employ Influencer's Advertising, Brand Awareness, and Brand Image to enhance customer purchasing decisions.

IV. CONCLUSION

1. There is a significant partial effect of Influencer's Advertising on Customer's Purchase Intention
2. There is a significant partial effect of Brand Awareness on Customer's Purchase Intention
3. There is a significant partial effect of Brand Image on Customer's Purchase Intention
4. There is a significant simultaneous effect of Influencer's Advertising, Brand Awareness, and Brand Image on Customer's Purchase Intention

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Analysis of the Influence of Product Quality and Distribution Strategy on Sales at PT Temprina Media Grafika Bekasi

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ABSTRACT

Purpose: This study aims to analyze the Effect of Product Quality (X1), Distribution (X2) of Sales Volume (Y) Study on PT Temprina Media Grafika Bekasi

Design/methodology/approach: The data used in this study are primary data. In this study, the sampling method using the Non Probability Sample method is Purposive Sampling.

Findings: The results of this study indicate that Product Quality (X1), Distribution (X2) simultaneously have a positive significant effect on Sales Volume (Y) on PT Temprina Media Grafika Bekasi.

Paper type: Research Paper

Keyword: *Product Quality, Distribution, Sales Volume.*

Received: March 8th

Revised: June 18th

Published: July 31th

I. INTRODUCTION

A. Background of the Problem

Understanding consumer behavior is not easy, because consumer behavior is very complex, so many variables that influence each other and mutually interact with each other. As a company that understands consumers who want to be one step ahead of competitors, the company will optimally acquire and retain customers. An understanding of consumer behavior can be used as a basis in creating a marketing strategy because it is able to take advantage of existing opportunities to outperform competitors. And further consequences will be able to increase the company's profits because it can provide much better satisfaction to consumers.

Consumers who buy products must feel satisfied with the goods or services they buy. Companies that want to succeed well must strive to have an advantage in a certain field so as not to lose in competition with products provided by other companies, in this case it can be in the form of excellence in product quality with the hope that consumers will feel satisfied with the products they buy. Knowledge of consumer perceptions and attitudes towards the products sold by the company will result in better opportunities for the company in the future because consumers are satisfied. Consumer satisfaction will be related to the quality of the products sold by the company. The importance of quality can be explained from two angles, namely from the perspective of operational management and marketing management. From the perspective of operational management, product quality is one of the important policies in increasing product competitiveness that must provide satisfaction to consumers exceeding or at least equal to the quality of competitors' products.

From the perspective of marketing management, product quality is one of the main elements in the marketing mix, namely products, prices, promotions, distribution channels that can increase sales volume and expand the company's market share. According to Fandy Tjiptono (2000: 51) quality in general can be detailed, for example the aspects that are used as the basis for determining the quality of books are Price, Language that is easy to understand. There are many and few pictures in the book in question, Author's name, Publisher, Type of paper used, Type of story, and Cover.

In a company, distribution activities are very important because first, distribution maintains aspects of marketing transactions such as purchase and sales, second, distribution performs the logistics function of moving goods from the point of production to the point of purchase or consumption, third, distribution helps producers in

promoting goods and services, thus the company must spend a considerable amount of money for the sake of its effectiveness and efficiency distribution activities. In facing the problem of determining the right distribution policy, good distribution management is also needed. Many companies are unable to achieve sales targets simply because of the inaccuracy of the distribution used. In the selection of distribution is one of the most important things that must be determined by management because it is critical and requires high precision and precision, with the selection of the right and effective distribution channel (strategy), the company's goals will be achieved sales according to the company's wishes, because mistakes in choosing distribution channels (strategies) will interfere with the process of distributing goods to consumers and indirectly this will affect against the company's desired sales target. Large distribution costs are not a measure of achieving the company's desired marketing goals. Likewise, the small distribution cost cannot necessarily identify that a company is effective in succeeding its sales. In order for companies to smoothly distribute their products to the market or to consumers precisely and quickly, it is necessary to have distributors who help transfer the product from the producer to the consumer, which is referred to by the existence of a distribution channel (strategy). The discussion of marketing is inseparable from the issue of distribution, because distribution channels are related to how to move goods from producers to consumers. Almost all companies face problems with distribution channels, in this case it concerns how the company establishes the right distribution channel policy so that the product is needed, the distribution channel (strategy) is also a way to satisfy consumers.

In addition to the distribution channel (strategy), of course, there are distribution costs, we know that the costs charged by the company will affect the cost of goods sold, including distribution costs, low distribution costs will result in a reduction in the cost of goods sold that can be determined, therefore there needs to be a real effort to be able to find and implement effective and efficient distribution patterns, So that the company's production can reach consumers, so that it can increase sales volume.

Sales is an integrated activity to develop strategic plans directed to the satisfaction of buyers/consumers' needs and desires, in order to get sales that generate profits or profits. The definition of sales is a transaction activity carried out by 2 (two) parties/more parties using legal means of payment. Sales are also one of the sources of income for a person or a company that conducts sales & purchase transactions, in a company if the bigger the sale, the greater the income obtained by the person or company. The purpose of sales is to bring profits or profits from products or services produced by the producer with good management and also expect the greatest profit. However, this needs to improve the performance of the distributor in ensuring the quality and quality of the goods or services to be sold. As an effort to overcome the existing competition, companies need to consider the use of various factors that direct the products marketed to be oriented to suit customer needs and create satisfaction for customers to anticipate existing competition. The company's management wants to create a different atmosphere from other companies that are its competitors, therefore the company also wants to create an adequate strategy to market its prints well to its consumers. Service and communication with consumers are quite considered by the management of this company. All of these things show that this company wants to create satisfaction for its customers.

Based on the description above, the author is interested in further studying the distribution strategy of product completeness, that affects sales, so the author conducted a research with the title: "Analysis of the Influence of Product Quality and Distribution Strategy on Sales at PT Temprina Media Grafika Bekasi"

B. Research Objectives

The objectives of this research are:

- a. Analyze and find out whether Product Quality affects Sales at PT. Temprina Media Grafika Bekasi.
- b. Analyze and find out whether the Distribution Strategy has an effect on Sales at PT. Temprina Media Grafika Bekasi.
- c. Analyze and find out whether Product Quality and Distribution Strategy affect Sales at PT. Temprina Media Grafika Bekasi.

C. Boxing Literature

1. Quality

According to Sugiarto (2003:38) quality is a dynamic condition related to products, services, people, processes, and the environment that meet or exceed expectations. Quality in the service industry is the presentation of a product or service according to the applicable size in the place where the product is held and the delivery is at least the same as what is desired and expected by consumers. Quality is called good if the service provider provides services that are equivalent to those expected by customers. Reliability The reliability of a product that indicates quality is very meaningful for consumers in choosing a product. Conformance The conformance of a product in the service industry is measured by the level of accuracy and completion time including the calculation of errors that occur, delays that cannot be anticipated, and several other errors Durability or durability Technically durability is defined as a number of uses that a person obtains before experiencing a decrease in quality.

Economically, durability is defined as the economic age of a product seen from the number of uses obtained before the damage and the decision to replace the product. Serviceability Service ability can also be referred to as speed, competition, usability, and ease of product to be improved. Aesthetics The aesthetics of a product are seen from how a product sounds to consumers, how a product looks outward, tastes, and smells. Perceived quality Consumers do not always get complete information about product attributes (services). But generally consumers have information about the product indirectly.

2. Product Quality

According to Kotler and Keller (2016:37) that product quality is a product's ability to perform its functions, that ability includes durability, reliability, precision, which is obtained by the product in its entirety. Companies must always improve the quality of their products or services because improving the quality of products can make customers feel satisfied with the products or services provided and will influence customers to buy back the product.

According to Tjiptono (2015:105) that the conventional definition of quality is performance as a direct description of a product, reliability, ease of use, aesthetics and so on. In the sense of strategy, quality is everything that can provide consumer needs according to what consumers want.

According to Arumsari (2012:45) that product quality is a factor contained in an item or result that causes the goods or results to be suitable for the purpose of the goods produced.

According to Ernawati (2019), product quality is an important factor that affects every customer's decision to buy a product. The better the quality of the product, the more interest will increase in consumers who want to buy the product.

According to Lesmana and Ayu (2019), product quality is a dynamic condition related to products, people or labor and the environment to meet every consumer.

According to Windarti and Ibrahim (2017) that product quality is the conformity of the needs and desires of each product into product specifications, product quality is a condition related to products, human services and the environment to meet consumer expectations. In order to achieve the desired product quality, a quality standardization must be required. This aims to keep the products produced meeting the set requirements so that consumers will not lose confidence in the product in question. The customer experience in buying a good or bad product will influence consumers to make a repeat purchase or not.

Therefore, business players must be able to create products that suit the needs and tastes of consumers. needs that cannot meet consumer expectations must be quickly responded to by the company, namely by efforts to develop products in accordance with the expectations of consumers (Assauri, 2012:167).

So it can be concluded that product quality is a product ability that is able to meet every consumer need in accordance with consumer needs and desires.

Product Quality Indicators There are several benchmarks of product quality according to Kotler and Keller (2012:8), consisting of:

1. Shape, i.e., a product can include size, or structure.
2. The feature is to complement the basic functions of the product.
3. Adjustment is to adjust to the wishes of consumers.
4. Quality of work is the most important dimension when a company applies a model and provides high quality.
5. Conformity quality is a product that meets the promised specifications
6. Durability is the size or lifespan of a product under normal or stressful conditions
7. Reliability, which is to enable no product failure
8. Ease of repair is the convenience when the product does not work Style is the appearance and taste of the product
9. Design is influencing the appearance or function of the product based on needs

3. Distribution Strategy

Distribution Strategy According to Edi Winata. S.E., M.M (2017) stated that in a company, distribution channels are very important to be maintained and maintained properly. Because a distribution channel is a series of channels that bring products from producers to consumers, if the distribution channel is not effective and efficient, every product that will reach consumers will experience obstacles that will later harm the producers themselves and consumers, of course. According to Fandy Tjiptono (2015:364) states that distribution strategy is concerned with determining and managing the distribution channels used by producers to market their goods and services, so that products can reach the target consumers in the quantity and type needed, at the time needed, and in the right place.

4. Sales

Definition of Sales According to Mulyadi (2008), sales are activities carried out by sellers in selling goods or services in the hope of making a profit from these transactions and sales can be interpreted as the transfer or transfer of ownership rights to goods or services from the seller to the buyer. Sales are the lifeblood of a company, because from sales profits can be obtained and an effort to attract consumers who are trying to find out the attractiveness of consumers so that they can know the results of the products produced.

According to Kotler and Armstrong (2006), sales is a process in which the needs of buyers and sellers are met, through the exchange of information and interests. So the concept of sales is a way to influence consumers to buy the products offered. In reality, sales are made in cash and sales are made using credit or often called installments.

D. Previous Research

The references used by the author in this study are:

Table 1. Previous research

| <i>It</i> | <i>Researcher name</i> | <i>Researcher title</i> | <i>Independent variables</i> | <i>Variable dependent</i> | <i>Results</i> |
|-----------|---|---|----------------------------------|------------------------------|--|
| 1 | <i>Imron (2019) Bina Sarana Informatics University</i> | <i>Analysis of the Influence of Product Quality on Consumer Satisfaction using the Quantitative Method on CV.Meubele Berkah Tangerang</i> | <i>Product quality</i> | <i>Consumer Satisfaction</i> | <i>Results This shows that that quality products have a significant impact towards Satisfaction consumers on Furniture CV Blessing Tangerang</i> |
| 2 | <i>Abd Rasyid (2018) UIN Sunan Kalijaga Yogyakarta.</i> | <i>Strategy Distribution deep Increase Volume Sales (Survey Study At Merchant</i> | <i>Strategy distribution</i> | <i>Volume Sales</i> | <i>Results This shows that that the strategy distribution Influential Significant towards Volume Sales on</i> |

| | | | | | |
|---|----------------------|----------------------------|--------------|--------------|------------------------|
| | | <i>Batik in the market</i> | | | <i>Batik Merchants</i> |
| | | <i>Traditional</i> | | | <i>in the market</i> |
| | | <i>Beringharjo</i> | | | <i>traditional</i> |
| | | <i>Yogyakarta)</i> | | | <i>Beringharjo</i> |
| | | | | | <i>Yogyakarta</i> |
| 3 | <i>Tembesi Citra</i> | <i>Influence</i> | <i>Price</i> | <i>Sales</i> | <i>Result</i> |
| | <i>Neisia</i> | <i>Price</i> | | | <i>This research</i> |
| | <i>(2018) Sam</i> | <i>Towards</i> | | | <i>Show</i> |
| | <i>Ratulangi</i> | <i>Sales</i> | | | <i>that the price</i> |
| | <i>University</i> | | | | <i>Influential</i> |
| | | <i>Motorcycle Products</i> | | | <i>Significant</i> |
| | | <i>Yamaha Mio</i> | | | <i>towards</i> |
| | | <i>At PT.</i> | | | <i>Sales</i> |
| | | <i>Hasjrat Abadi</i> | | | |
| | | <i>Outlet</i> | | | |
| | | <i>Karombasan</i> | | | |
| | | <i>Manado</i> | | | |

Source: Google Scholar

E. Theoretical Thinking Framework

Based on the description above and the title of the research to be discussed, the author will describe the theoretical framework as follows:

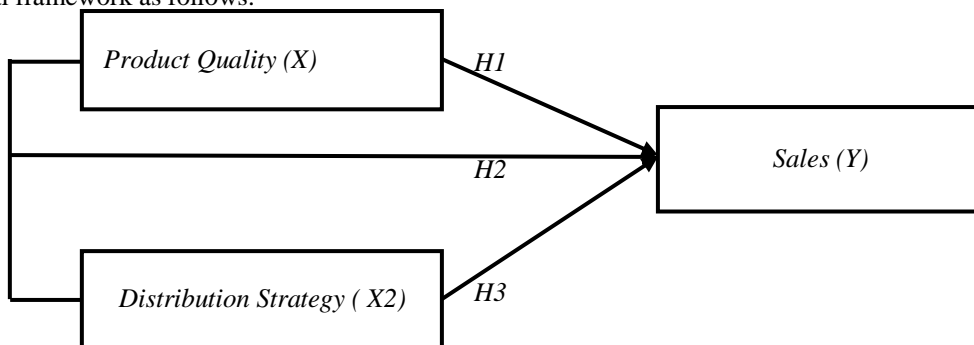


Figure 1. Conceptual framework.

Source: Processed by the Author 2023

Information:

1. Effect of Product Quality (X1) on sales (Y)
2. Effect of Distribution Strategy (X2) on Sales (Y)
3. Influence of Product Quality (X1) and Influence of Product Quality (X1), on Sales (Y)

F. Research Hypothesis

1. It is suspected that Product Quality has a positive and significant effect on Sales
2. It is suspected that the Distribution Strategy has a positive and significant effect on
3. Sales It is alleged that Product Quality and Distribution Strategy together have a positive and significant effect on sales

II. METHODS

A. Research Variables

Research variables are attributes from a certain scientific field or activity. Such as attitude, motivation, leadership, work discipline are the attributes of everyone. What is determined by the researcher to be studied so that information about it is obtained, then the conclusion is drawn (Sugiyono, 2012). The variables used by the author through this study are as follows:

1. Independent Variable (Free)

This variable is often referred to as stimulus, predictor, and antecedent variables. In Indonesian Language, the free variable is often referred to as the variable that affects or is the cause of the change or occurrence of the free variable (X) that will be used, namely: Product Quality (X1) and Distribution Strategy (X2).

(X1): Product quality

Product quality is the physical condition, function and nature of a product, whether goods or services, based on the expected level of quality such as durability, reliability, accuracy, ease of operation, product repair and other product attributes with the aim of meeting and satisfying the needs of consumers or customers

(X2): Distribution strategy

Distribution strategy is a marketing strategy or distribution of goods and services to the end consumer

(Y): Sales

Sales is an activity that aims to find buyers, influence and provide instructions so that buyers can adjust their needs to the production offered and enter into agreements regarding favorable prices for both parties.

2. Dependent Variable (Bound)

It is often referred to as an output variable, criterion, consequence. In Indonesian Language, it is often referred to as a bound variable. Bound variables are variables that are influenced or consequential, because of the existence of independent variables. (Sugiyono, 2016). In this study, the bound variable (Y) to be used is: Sales

B. Population and sample

Population is a generalization area consisting of objects or subjects that have certain quantities and characteristics that are determined by the researcher to be studied and then drawn conclusions (Sugiyono, 2016:126).

The sample is part of the number and characteristics that the population has. If the population is large, and it is impossible for researchers to study everything in the population, then researchers can use samples taken from that population (Sugiyono, 2016).

The sample used in this study is employees at PT Temprina Media Grafika Bekasi, the total sample is 100 people.

C. Data Collection Methods

- 1) The survey is to collect primary data which will later be in the form of direct answers from respondents from the results of the questionnaire.
- 2) Field Research
- 3) This field research is a data collection method to obtain primary data by conducting direct research to the company.
- 4) Observation is a method or method that analyzes and systematically records behavior by seeing or observing individuals or groups directly.
- 5) Literature Research. In this method, the author studies, uses and utilizes reading books, lecture materials to obtain theories that will be used in the research and preparation of this thesis

D. Data Analysis Methods

The data collected in this study will be processed using able ve with Microsoft Excel and SPSS Version 22 software Data analysis using classical assumption tests and multiple linear regression analysis.

III. RESULTS AND DISCUSSION

A. Results

1. Respondent Characteristics by Gender

In this study, the data from all respondents is 89 people consisting of men and women, in order to find out the proportion of men and women, it can be seen in the following table:

Table 2. Number of Respondents by Gender

| No. | Gender | Frequency of Respondents | |
|-----|------------|--------------------------|------|
| | | In Person | % |
| 1 | Woman | 37 | 42% |
| 2 | Men | 52 | 58% |
| | <i>Sum</i> | 89 | 100% |

2. Respondent Characteristics by Age

Table 3. Number of Respondents by Age

| No. | Age | Frequency of Respondents | |
|-----|-------------------|--------------------------|------|
| | | In Person | % |
| 1 | < 20 Years | 47 | 53% |
| 2 | 21 – 30 Years | 30 | 34% |
| 3 | 31 – 35 years old | 8 | 9% |
| 4 | > 36 Years | 4 | 4% |
| | <i>Sum</i> | 89 | 100% |

Source: Primary Data

3. Respondent Characteristics Based on Last Education Level

The last level of education is the level of education owned by the respondent. In this study, educational backgrounds vary starting from the lowest level, namely: high school/vocational school equivalent, diploma, and S1. For more details, the last level of education of the respondents can be seen through the following table:

Table 4. Number of Respondents Based on

| No. | Education | Frequency of Respondents | |
|-----|---|--------------------------|------|
| | | In Person | % |
| 1 | High School/Vocational High School equivalent | 81 | 91% |
| 2 | Diploma | 3 | 3% |
| 3 | SI | 5 | 6% |
| | Sum | 89 | 100% |

Source: Primary Data

4. Descriptive Analysis

Table 5. Number of Respondents.

| No. | Information | Sum |
|-----|------------------------------|-----|
| 1. | Distributed questionnaires | 100 |
| 2. | Accepted questionnaires | 100 |
| 3. | Broken questionnaire | 11 |
| 4. | Processorable questionnaires | 89 |

Source: Primary Data Processed

Table 6. Multiple linear regression.

| Mode | Coefficients ^a | | | | |
|-----------------|-----------------------------|------------|---------------------------|-------|------|
| | Unstandardized Coefficients | | Standardized Coefficients | t | Sig |
| | B | Std. Error | Beta | | |
| (Constant) | 3.459 | 1.759 | | 1.966 | .053 |
| Product Quality | .164 | .071 | .268 | 2.312 | .024 |
| Distribution | .111 | .066 | .194 | 1.673 | .09 |

a. Dependent Variable: Y (Sales Volume)

5. Validity Test

Table 7. Validation Test

| <i>Variable</i> | <i>Grain Instruments</i> | <i>r Calculate</i> | <i>r Table</i> | <i>Decision (Remarks)</i> |
|---------------------|--------------------------|--------------------|----------------|---------------------------|
| <i>Quality</i> | <i>r(X1.1)(Y)</i> | <i>0,437</i> | <i>0,2335</i> | <i>Valid</i> |
| <i>Product</i> | <i>r(X1.2)(Y)</i> | <i>0,276</i> | <i>0,2335</i> | <i>Valid</i> |
| | <i>r(X1.3)(Y)</i> | <i>0,485</i> | <i>0,2335</i> | <i>Valid</i> |
| | <i>r(X1.4)(Y)</i> | <i>0,398</i> | <i>0,2335</i> | <i>Valid</i> |
| | <i>r(X1.5)(Y)</i> | <i>0,506</i> | <i>0,2335</i> | <i>Valid</i> |
| <i>Distribution</i> | <i>r(X2.1)(Y)</i> | <i>0,596</i> | <i>0,2335</i> | <i>Valid</i> |
| | <i>r(X2.2)(Y)</i> | <i>0,547</i> | <i>0,2335</i> | <i>Valid</i> |
| | <i>r(X2.3)(Y)</i> | <i>0,571</i> | <i>0,2335</i> | <i>Valid</i> |
| | <i>r(X2.4)(Y)</i> | <i>0,464</i> | <i>0,2335</i> | <i>Valid</i> |

6. Reliability Test

Table 8. Reliability Test

| <i>Variable</i> | <i>Cronbach's Alpha</i> | <i>Information</i> |
|------------------------|-------------------------|--------------------|
| <i>Product Quality</i> | <i>0,558</i> | <i>Reliable</i> |
| <i>Distribution</i> | <i>0,674</i> | <i>Reliable</i> |
| <i>Sales Volume</i> | <i>0,639</i> | <i>Reliable</i> |

Sources of Research Data processed

7. Normality Test

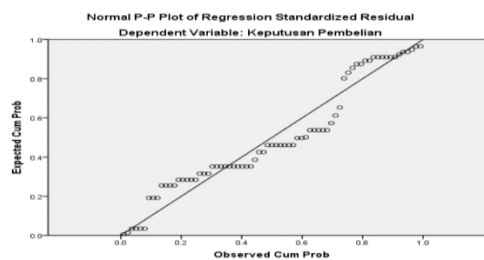


Figure 2. Normality Test

Sources of Research Data processed

8. Heteroscedasticity Test

Table 9. Heteroscedaity Test

| <i>Coefficients^a</i> | | | | | |
|---------------------------------|-----------------------|--------------|---------------------|--------------|-------------|
| <i>Type</i> | <i>Unstandardized</i> | | <i>Standardized</i> | | |
| | <i>Coefficients</i> | | <i>Coefficients</i> | | |
| | <i>Std.</i> | | <i>Beta</i> | <i>t</i> | <i>Sig.</i> |
| <i>B</i> | <i>Error</i> | | | | |
| <i>1 (Constant)</i> | <i>-.561</i> | <i>1.105</i> | | <i>-.508</i> | <i>.613</i> |
| <i>Product Quality (X1)</i> | <i>-.007</i> | <i>.044</i> | <i>-.020</i> | <i>-.167</i> | <i>.868</i> |
| <i>Distribution (x2)</i> | <i>.064</i> | <i>.042</i> | <i>.189</i> | <i>1.544</i> | <i>.127</i> |

a. Dependent Variable: Sales Volume
Sources of Research Data processed

9. Multicollinearity Test

Table 10. Multicollinearity Test

| <i>Coefficients^a</i> | | | | | | |
|---------------------------------|-----------------------|--------------|---------------------|------------------|---------------------|-------------|
| <i>Type</i> | <i>Unstandardized</i> | | <i>Standardized</i> | | <i>Collinearity</i> | |
| | <i>Coefficients</i> | | <i>Coefficients</i> | | <i>T</i> | <i>Sig.</i> |
| | <i>Std.</i> | | <i>Beta</i> | <i>Tolerance</i> | | |
| <i>B</i> | <i>Error</i> | | | | | |
| <i>1 (Constant)</i> | <i>3.459</i> | <i>1.759</i> | | | <i>1.966</i> | <i>.053</i> |
| <i>Product Quality</i> | <i>.164</i> | <i>.071</i> | <i>.268</i> | | <i>2.312</i> | <i>.024</i> |
| <i>Distribution</i> | <i>.111</i> | <i>.066</i> | <i>.194</i> | | <i>1.673</i> | <i>.099</i> |

a. Dependent Variable: Sales Volume
Sources of Research Data processed

10. Autocorrelation Test

Table 11. Autocorrelation Test

Model Summary^b

| <i>Type</i> | <i>R</i> | <i>R Square</i> | <i>Adjusted R Square</i> | <i>Std. Error of the Estimate</i> | <i>Durbin-Watson</i> |
|-------------|--------------|-----------------|--------------------------|-----------------------------------|----------------------|
| <i>1</i> | <i>.365a</i> | <i>.133</i> | <i>.108</i> | <i>.58212</i> | <i>2.140</i> |

a. Predictors: (Constant) Product Quality (X₁), Distribution (X₂)

b. Dependent Variable: Sales Volume

Sources of Research Data processed

11. Partial Test (t)

Table 12. Partial Test t

| <i>Type</i> | <i>Unstandardized Coefficients</i> | | <i>Standardized Coefficients</i> | | <i>t</i> | <i>Sig.</i> |
|------------------------|------------------------------------|-------------------|----------------------------------|--|--------------|-------------|
| | <i>B</i> | <i>Std. Error</i> | <i>Beta</i> | | | |
| <i>1 (Constant)</i> | <i>10.389</i> | <i>2.846</i> | | | <i>3.651</i> | <i>.001</i> |
| <i>Product Quality</i> | <i>.499</i> | <i>.098</i> | <i>.548</i> | | <i>5.115</i> | <i>.000</i> |
| <i>Distribution</i> | <i>.020</i> | <i>.075</i> | <i>.029</i> | | <i>.270</i> | <i>.788</i> |

a. Dependent Variable: Sales Volume

Source: Primary Data Processing Results, 2023

12. Coefficient of Determination (R²)

Table 13. Deterioration Coefficient

Model Summary^b

| <i>Type</i> | <i>R</i> | <i>R Square</i> | <i>Adjusted R Square</i> | <i>Std. Error of the Estimate</i> |
|-------------|--------------|-----------------|--------------------------|-----------------------------------|
| <i>1</i> | <i>.365a</i> | <i>.133</i> | <i>.108</i> | <i>.58212</i> |

a. Predictors: (Constant) Product Quality (X₁), Distribution (X₂)

b. Dependent Variable: Sales Volume

Source of Research Data processed in 2019

13. Simultaneous Test (F)

Table 14. Simultaneous Test F

ANOVA^b

| | | | | <i>Mean</i> | | |
|---|-------------------|-----------------------|-----------|---------------|----------|-------------|
| | <i>Mode</i> | <i>Sum of Squares</i> | <i>Df</i> | <i>Square</i> | <i>F</i> | <i>Sig.</i> |
| 1 | <i>Regression</i> | 143.898 | 2 | 71.949 | 13.198 | .000a |
| | <i>Residual</i> | 332.540 | 61 | 5.451 | | |
| | <i>Total</i> | 476.438 | 63 | | | |

a. Predictors: (Constant), Product Quality, Distribution

b. Dependent Variable: Sales Volume.

Source: Primary Data Processing Results, 2023

IV. CONCLUSION

Based on the results of the above analysis, the researcher can draw the following conclusions:

1. Product Quality (X1) has a significance probability value of 0.024. Since $0.024 < \alpha 0.05$, H1 is accepted, which means that there is a significant influence between Product Quality (X1) and Sales Volume (Y)
2. The distribution (X2) has a significance probability value of 0.099. Since $0.099 < \alpha 0.05$, H2 is accepted, which means that there is a significant influence between Distribution (X2) and Sales Volume (Y)
3. Product Quality (X1) and Distribution (X2) simultaneously have a significant effect on Sales Volume (Y). The result of F is calculated as 5,237 with a significant value of 0.000. Where this significance value is less than the alpha value of 0.05 so that gives a decision that all independent variables (Product Quality and Distribution) together affect the dependent variable (Sales Volume)
4. Product Quality and Distribution have a positive and significant effect together on Sales Volume with a value of 5.237 The results of the multiple linear regression test obtained the result of the regression model equation $Y = 3459 + 0.164 X1 + 0.111 X2 + 1.759$
5. Sales Volume in the research model is influenced by the variables of Product Quality and Distribution by 13%

A. Suggestion

The suggestions that can be given through this research are as follows:

- a. For other researchers, they can develop the results of this study by including other variables besides Product Quality and Distribution. This is based on the acquisition of an R Square value of 13.3% so that the research potential for other variables in the study with the Sales Volume orientation is 86.7%.
- b. This study only uses 2 (two) independent variables to assess factors that can affect Sales Volume. For this reason, future researchers can add new variables and other probability ratios and connect them to find out other factors that can affect Sales Volume and longer research periods.

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Comparison Course Content Citizenship at MKWU and MKWK at PGSD FIP UMJ

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ABSTRACT

Purpose: Study This aim For compare content eye studying Citizenship in the Course Must General (MKWU) and Subjects Must Special (MKWK) in the Study Program School Teacher Education Basic (PGSD) Faculty Knowledge Education (FIP) University Muhammadiyah Jakarta (UMJ). Education Citizenship hold role important in form character And attitude nationality student. By Because that, analysis comparison This done For understand difference And similarity in approach, materials, methods teaching, and objective learning between MKWU and MKWK. Method research used is analysis qualitative with approach studies comparative.

Design/methodology/approach: Data obtained through analysis documentation syllabus, plan semester learning (RPS), and material studying from second eye studying. Besides that, interview And survey done to lecturer And student For get view they about effectiveness And relevance content taught.

Findings: Results study show that there is difference significant in focus material between MKWU and MKWK. MKWU more emphasize on understanding general about values Pancasila, democracy, and right basic applicable humans in a way wide for all student. Temporary that, MKWK more Specific leads on application values the in context education basic, prepare PGSD students as capable teacher candidates embed values nationality to student they're on level school base. In conclusion, both MKWU and MKWK have role important in education citizenship, however with different approach. Study This recommend exists integration And synergy between MKWU and MKWK content for create more curriculum comprehensive And effective in form character And attitude nationality PGSD FIP UMJ student. Findings This expected can give contribution for development curriculum education more citizenship good in the environment education tall.

Paper type: Research paper

Keyword: Comparison, Content, Courses Citizenship, MKWU and MKWK, Higher Education.

Received: March 10th

Revised: June 18th

Published: July 31th

I. INTRODUCTION

Citizenship education has a very important role in shaping students' national character and attitudes. This course is designed to instill the values of Pancasila, democracy, human rights, as well as the spirit of nationalism and love for the country. MKWU (General Compulsory Courses) are courses that must be taken by all students in higher education, regardless of major (Santoso & Murod, 2021) . These courses usually cover general topics that are considered important for all students, including Citizenship. Meanwhile, MKWK (Compulsory Curriculum Subjects) are courses that are required for students in all study programs. In PGSD (Primary School Teacher Education), MKWK has been specifically designed to support the competencies and knowledge needed by prospective teachers. This Content Comparison is the need to analyze and compare the content of MKWU and MKWK in the field of Citizenship to understand the differences in approaches, materials, teaching methods, and learning objectives. Relevance and Effectiveness: It is important to evaluate whether the content taught in these two courses is relevant and effective in achieving the goals of citizenship education, especially in the context of elementary school teacher education at FIP UMJ.

The aim of the research in the Curriculum development process is that the results of this comparison can be used to develop a better curriculum, which can improve the quality of citizenship education at PGSD FIP UMJ.

Professional Development: Faculty and teaching staff can use the findings from this research to improve their teaching methods, ensuring that students gain the necessary knowledge and skills.

There are limitations in the coverage of material in citizenship education courses which often have to cover many broad topics in limited time (Santoso, et al., 2023). This can cause only a small part of the aspects of nationalism and professionalism to be explained in depth, reducing the effectiveness in building a strong and integrated character (Firdaus et al., 2023). Then Difficulties in Overcoming National Curriculum Policy: The educational curriculum is regulated by national policy which has certain limitations in terms of flexibility and adaptation to local or specific needs of PGSD students at UMJ. This can hamper the ability to optimally adapt the curriculum to suit character building goals. Challenges in implementing effective pedagogical principles, Citizenship Education requires different approaches in teaching, such as active learning, in-depth discussions, and direct experience. The challenge of implementing these pedagogical principles well can influence the effectiveness of knowledge transfer and the development of nationalistic and professional character. Then there are difficulties integrating local and global contexts, it is important to link the concepts of nationalism and professionalism with local and global contexts that are relevant for students. Difficulty in properly integrating these two contexts can limit the in-depth understanding and practical application of the values learned. Then the challenge in encouraging active student participation, the success of forming the character of nationalism and professionalism also really depends on the level of active participation of students in the learning process. These challenges in encouraging participation can affect the depth of understanding and acceptance of the values taught. Then there are difficulties in measuring and assessing character development, evaluation of the character of nationalism and professionalism is often more subjective and difficult to measure directly compared to academic knowledge. This can cause difficulties in objectively assessing the effectiveness of character formation through General Compulsory Courses/MKWU and Curriculum Compulsory Courses/MKWK.

Risks to national identity and teacher professionalism, without the formation of adequate nationalistic character, there is a risk that elementary school teachers will not be able to instill a sense of love for their homeland and national identity in their students (Santoso & Kudori, 2023). If the formation of the character of nationalism and professionalism is not taught through the content of citizenship education courses, various threats or negative consequences could arise, including; Lack of awareness of civic values in PGSD students can result in not having sufficient understanding of civic values such as tolerance, justice, pluralism and human rights (Amelia & Santoso, 2022). This can reduce their ability to be responsible citizens and contribute positively to society. Meanwhile, without the formation of strong professionalism, they are not ready ethically and morally to carry out their duties as educators well. Then there is the potential for the emergence of negative social and professional attitudes, the lack of character formation of nationalism and professionalism can increase the risk of negative social attitudes such as intolerance, corruption, abuse of power, or unethical behavior in the professional environment. This can damage the morality and integrity of elementary school teachers which in turn has a negative impact on the quality of education they provide to future generations. Then, not being ready to face global challenges, citizenship education also plays a role in preparing individuals to face global challenges such as technological change, global migration and climate change. Without an adequate understanding of the values of nationalism and professionalism, PGSD students are not ready to adapt and contribute positively in this increasingly complex global context. Furthermore, there is a lack of support for social and economic development. Strong citizenship supports active participation in the country's social and economic development. Without adequate education in this regard, the potential contribution of PGSD students to the development of society and the country can be limited or even neglected.

The challenge of building the character of nationalism and professionalism through the content of citizenship education courses is how to integrate universal values such as tolerance, pluralism and human rights with unique local values, such as cultural values and local wisdom (Adhika Prawesti et al. al., 2023). Then, due to the lack of knowledge about local history and culture, citizenship education is also important to teach students about their local history and culture, which is an important part of national identity (Santoso, Abdulkarim, et al., 2023). Without this knowledge, students lose their own cultural and historical roots, which can reduce their sense of pride and belonging to their country and culture. Students need to understand these values thoroughly and be able to apply them in their daily context as teachers in elementary schools. Thorough and in-depth teaching: ensuring that the material taught not only covers basic aspects but also deepens students' understanding of citizenship concepts. This challenge includes developing students' analytical and critical skills in understanding the complexity of related social, political and economic issues. Implementing active and collaborative learning requires an active learning approach that encourages students to engage in discussions, simulations, or collaborative projects that deepen their understanding of civic values. The challenge here is how to create a learning environment that supports these activities optimally.

II. METHODS

Study This use approach qualitative with method studies comparative. Approach This chosen For obtain understanding deep about difference And similarity content eye studying Citizenship on MKWU and MKWK. Design Research by design descriptive comparative used For identify And compare aspects content, method teaching, and objective learning from second eye studying. Subject Study Lecturers who have experience teach MKWU and MKWK for at least one semester. Students who have finish eye MKWU lectures and currently or has finish eye MKWK lectures. Technique Research is through analysis Documents: Collect And analyze syllabus, RPS, and material studying from MKWU and MKWK for understand structure And content each eye studying. Interview Deep: Doing interview deep with lecturers who teach MKWU and MKWK for get outlook about goal, method teaching, and experience they in teach second eye studying the. Observation to student For collect data regarding view they about effectiveness And relevance content taught in second eye studying. Data Analysis is Analysis Content: Analyze the data obtained from documents, interviews, and questionnaire use technique analysis content For identify themes main And difference as well as similarity between MKWU and MKWK. Data Triangulation: Using technique triangulation For validate findings study with compare data from various sources (documents, interviews, etc questionnaire). Subject study This is lecturer And student Faculty Knowledge Education Major School Teacher Education Basic (PGSD) University Muhammadiyah Jakarta (UMJ) which is located on Jl. KH Ahmad Dahlan Cirendeu, Ciputat South Tangerang. Technique Data collection uses observation, documentation and interviews.

III. RESULTS AND DISCUSSION

Based on the research results, the inclusion of MKWU Structure and material taught in the Citizenship course (MKWU) at the Faculty of Education, Primary School Teacher Education Department (PGSD) Muhammadiyah University Jakarta (UMJ) in 2023 is generally prepared to develop students' understanding and skills in terms of citizenship. The following are details about the structure and material taught: Course Structure: 1). Introduction and Context; Introduction to Citizenship Education: Introduction to basic concepts of citizenship, history and evolution of the concept of citizenship. Social and Political Context: Understanding the social, cultural and political context in Indonesia. 2). Rights and Obligations of Citizens: Human Rights (HAM): Definition, history and development of human rights, as well as international and national human rights instruments. Citizen's Obligations: The roles and responsibilities of citizens in society and the state. 3). Government System and Democracy: Indonesian Government System: Structure, function and process of government in Indonesia. Principles of Democracy: The concept of democracy, types of democracy, and the application of democracy in Indonesia. 4). Diversity and Tolerance: Cultural and Social Diversity: Appreciation for cultural, ethnic and religious diversity in Indonesia. Tolerance and Social Harmony: Building tolerance and harmony in a diverse society. 5). Citizen Participation and Involvement: Political and Social Participation: Forms of citizen participation in political and social life. Involvement in Community Development: The role of citizens in community development.

Material taught: 1). Introduction to Citizenship Education: Definition and history of citizenship education. Development of the concept of citizenship in the world and Indonesia. 2). Rights and Obligations of Citizens, Human rights: Definition, history and instruments of human rights. Citizen's obligations: Definition, form and application of citizen's obligations in everyday life. 3). Indonesian Government System: Structure and function of government institutions in Indonesia. Legislation and decision-making processes in government. Elections and political participation. 4). Principles of Democracy; Understanding and basic principles of democracy. Implementation of democracy in Indonesia. Challenges and opportunities in implementing democracy in Indonesia. 5). Cultural Diversity and Tolerance; Ethnic, cultural and religious diversity in Indonesia. The principles of tolerance and how to apply them in everyday life. Case study of conflict and conflict resolution based on cultural diversity. 6). Political and Social Participation; Forms of political participation: voting, demonstrations, petitions, etc. Involvement in community organizations and non-governmental organizations. Community development programs and citizen participation. Teaching Methods; 1). Lectures and Seminars: Theoretical explanations by lecturers and interactive discussions. 2). Group Discussion: Students are divided into small groups to discuss certain topics. 3). Case Studies: Analysis of real cases that are relevant to lecture material. 4). Citizenship Project: Students work on projects related to community service or social activities. 5). Presentations and Debates: Students present project results or case studies and participate in debates.

Evaluation: 1). Individual and Group Assignments: Assignments that must be completed by students both individually and in groups. 2). Mid-Term Examination (UTS): An examination carried out in the middle of the semester to measure students' temporary understanding. 3). Final Semester Examination (UAS): Comprehensive examination at the end of the semester. 4). Class Participation: Assessment based on activeness and contribution

in class discussions. 5). Projects and Presentations: Assessment is based on the quality of the student's project and presentation skills. References and Learning Resources: Mandatory Textbook: The main textbook used as the main reference. Additional Books: Other books that support deeper understanding. Scientific Journals and Articles: The latest relevant scientific articles and journals. Official Government Documents: Laws, regulations, and other official documents.

The structure and material taught in the Special Citizenship Education (MKWK) course at the Faculty of Education, Primary School Teacher Education Department (PGSD) Muhammadiyah University of Jakarta (UMJ) in 2023 has a deeper and more specific focus compared to General Citizenship Education (MKWU) (Santoso, 2021). The following is an overview of the structure and material taught in the MKWK course. Course Structure; 1. Introduction to Special Citizenship Education: Introduction to the objectives and scope of MKWK material. The social, cultural and political context in Indonesia that influences citizenship education. Special Rights and Obligations in the Indonesian Context, Special rights of citizens in the Indonesian social and political context. Special obligations as citizens in certain situations. Introduction to Citizenship Education, Definition and scope of Special Citizenship Education, Objectives and importance of special citizenship education in the Indonesian context, Special Rights and Obligations, Special rights in the Indonesian constitution and law, Special obligations of citizens in certain situations, such as natural disasters or circumstances emergency. Government Systems and Policies, Contemporary Issues in Citizenship, Diversity.

The difference is that it is hoped that students who take MKWU will gain a strong basic understanding of citizenship, while those who take MKWK can develop a deeper understanding and sharper analytical skills on complex and specific citizenship issues (Sartika & Santoso, 2023). The difference in content between General Citizenship Education (MKWU) and Special Citizenship Education (MKWK) courses at the Faculty of Education, Primary School Teacher Education Department (PGSD) Muhammadiyah University Jakarta (UMJ) in 2023 can be seen from several aspects such as objectives, material focus, depth discussion, as well as teaching methods. The following is a breakdown of the content differences between the two courses: 1). Course Objectives: MKWU: Aims to provide a basic understanding of the basic concepts of citizenship, the rights and obligations of citizens, as well as the principles of democracy and tolerance. Meanwhile, MKWK: Aims to deepen understanding of more specific and complex citizenship issues, as well as develop students' analytical skills and active involvement in contemporary issues relevant to citizenship. 2). Material Focus; MKWU: Introduction to basic concepts of citizenship. General rights and obligations of citizens. The structure and functions of the Indonesian government. Democratic principles. Sociocultural tolerance and diversity. MKWK: Specific rights and obligations in a particular context. Analysis of public policy and its impact on society. Contemporary issues such as globalization, the environment, and human rights in local contexts. Case studies of government policies. Practice inclusivity and response to specific issues in diverse communities. 3). Depth of Discussion; MKWU: The discussion is more introductory and general in nature, providing a basic foundation of citizenship that is needed by all students. MKWK: More in-depth and specific discussion, including case analysis, discussion of specific policies, as well as complex and contextual issues. 4). Teaching Methods; MKWU: Lectures and seminars for introduction to basic concepts. Group discussions to discuss general topics. A simpler and more general case study. Individual and group assignments to measure basic understanding. Meanwhile, MKWK: More in-depth lectures and seminars. Group discussions with a focus on specific and contemporary issues. Case studies that are complex and relevant to public policy. Civic projects involving field research or specific social activities. Presentations and debates to hone analytical and argumentation skills. 5). Evaluation: MKWU: Evaluation focuses more on basic understanding and ability to explain citizenship concepts. Meanwhile, MKWK: Evaluation focuses more on analytical skills, application of concepts in real contexts, and active involvement in more specific projects or research. 6). References and Learning Resources; MKWU: Uses basic textbooks, articles, and official documents that explain basic citizenship concepts. MKWK: Use more specific references, including scientific journals, recent articles on contemporary issues, and public policy documents.

The relevance and effectiveness of the material taught in General Citizenship Education (MKWU) and Special Citizenship Education (MKWK) courses on the competency of graduates of the Primary School Teacher Education Study Program (PGSD) at Muhammadiyah University Jakarta (UMJ) is very important in forming graduates who have the knowledge, skills, and attitudes that are in accordance with basic educational needs. The following is an analysis of its relevance and effectiveness: Relevance of MKWU Material to the Competencies of PGSD Graduates; 1). Mastery of Basic Citizenship Concepts: Relevance: MKWU material provides a basic understanding of the concept of citizenship, the rights and obligations of citizens, as well as the principles of democracy. It is important for elementary school teachers to instill national values in students from an early age. Effectiveness: By mastering these basic concepts, PGSD graduates can teach Citizenship Education material correctly and effectively, forming students who are aware of their rights and obligations as citizens. 2). Understanding Government Systems and Democracy: Relevance: Material about the structure and function of government and the principles of democracy is very relevant because it provides the knowledge needed to explain the Indonesian political system to elementary school students. Effectiveness: PGSD graduates who understand

government systems and democracy can provide quality education and guide students in understanding their role in a democratic society. 3). Appreciation for Diversity and Tolerance: Relevance: Understanding socio-cultural diversity and the importance of tolerance is very important for PGSD graduates who will work in diverse environments. Effectiveness: This material assists graduates in developing inclusive learning programs and encourages tolerant attitudes among students, which is very important in the context of Indonesia's diverse society.

IV. CONCLUSION

Difference Focus Material where MKWU is more emphasize understanding general about values Pancasila, democracy, and right basic relevant humans for all student. While MKWK is more Specific leads on application values the in context education basic, with objective prepare PGSD students as capable teacher candidates embed values nationality to students at the level school base. Method Teaching and There are different approaches, namely MKWU uses method more teaching general and theoretically, suitable for student from various discipline knowledge. While MKWK uses more approach practical And applicable, appropriate with need prospective teachers in context education base. Relevance And Effectiveness, second eye studying own relevance and high effectiveness in form character and attitude nationality students, however with different way in accordance with objective each eye studying. The postulate is integration Content, through integrating MKWU and MKWK content can be produce more curriculum comprehensive and effective in education citizenship. Application values citizenship must customized with context specific, like need education base in MKWK case. Education citizenship in MKWK it must be Keep going developed for ensure prospective teachers have required competencies for teach values nationality with Good. Novelty (Newness), through Approach Comparative in Education Citizenship, then Research This offer approach in -depth comparison for analyze and understand difference And similarity between MKWU and MKWK, which is not yet Lots done previously in context education high in Indonesia. Then Deliver outlook special about How education citizenship can adapted And applied in a way effective in the PGSD study program, which is important For development professional prospective teacher. With thus, postulation, and novelty in study This expected can give meaningful contribution for development curriculum education citizenship at PGSD FIP UMJ, as well give more insight wide about importance approach contextual in education citizenship.

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Entrepreneurial Intentions of Students Using the Shapero Entrepreneurial Event Model

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ABSTRACT

Objective: This research aims to examine the influence of entrepreneurship education, self-efficacy, and perceived desire on entrepreneurial intentions using the Shapero Entrepreneurial Event Model theoretical approach.

Design/ methodology/ approach: The population in this study was 280 Tarakan City students. The data used in this case. This research is primary data sourced from questionnaires. This research uses a quantitative approach with survey methods. Variable measurement uses a Likert scale and the sampling technique used is non-probability sampling with a purposive sampling method. The analysis technique used is SEM (Structural Equation Modeling) with SPSS and LISREL 8.80 software tools.

Findings: The findings show that entrepreneurship education has a positive and significant effect on self-efficacy, self-efficacy has a positive and significant effect on entrepreneurial intentions, and perceived desire has a positive and significant effect on entrepreneurial intentions.

Paper type: Research paper

Keyword: *Entrepreneurship Education, Self-Efficacy, Perceived Desire, Entrepreneurial Intention*

Received : March 11th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

Indonesia is a country that has abundant natural resources. Apart from that, Indonesia also has quite a lot of human resources. If large human resources are not balanced with quality human resources, this will cause problems. The government realizes that the business world is the backbone of the country's economy and therefore must continue to be improved. The number of entrepreneurs in Indonesia is still relatively low compared to other countries such as Malaysia with entrepreneurship reaching 4.74 percent, Thailand reaching 4.26 percent, and Singapore 8.76 percent, while Indonesia has 3.74 entrepreneurship. percent (Prayoga et al., 2021). This is a challenge for the productive age in Indonesia to catch up with entrepreneurship in Indonesia. To become a developed country, the entrepreneurial indicator is at least 2% of the population (Andika & Madjid, 2012).

Catching up with ASEAN countries It is necessary to instill an entrepreneurial spirit in students to increase the number of jobs and reduce unemployment. An entrepreneurial spirit needs to be developed to overcome the unemployment problem. With the existence of an entrepreneurial spirit, it is hoped that the attitude and desire to be independent will grow to get a better life without having to depend on other people, as stated (Alma, 2013), the more developed the country, the more people are educated and the more unemployment there is.

The more graduates there are, the greater the level of public awareness of the importance of education, but this is less balanced by changes in people's culture who are unwilling to become entrepreneurs, increasing the number of unemployed graduates. The high number of unemployed may occur due to the increase in the workforce which is not accompanied by an increase in new businesses in industry or other businesses. This is one of the factors that most college graduates tend to choose to become job seekers rather than create jobs (Job Creator). (Dikti, 2012).

Entrepreneurship is the most important thing to develop. Finally, many people try to work by creating their own business which is usually called entrepreneurship. Entrepreneurship is an independent business whose resources and activities are carried out by business actors, starting from determining how to make goods, setting

up a business, selling products, and managing the business. Without realizing it, the role of entrepreneurship influences the level of the Indonesian economy, so awareness is needed to increase interest in entrepreneurship. Entrepreneurship is a supporter of determining whether or not the country's economy is progressing because the entrepreneurial sector has the freedom to work and be independent. Apart from that, entrepreneurship can also create jobs and absorb labor (Syahran & Debiyani, 2020).

Making college graduates into entrepreneurs is not easy to realize. Several universities in Tarakan City, such as the University of Borneo Tarakan, STIMIK PPKIA Tarakanita Rahmawati, STIE Bulungan Tarakan, North Kalimantan Business Polytechnic, and North Kalimantan Polytechnic are expected to produce students and educated graduates as reliable and superior entrepreneurs. But the intention to become an entrepreneur must start from the intention that exists within you. Students as an educated component of society are expected to be able to open up employment opportunities by developing the intention to become entrepreneurs so that they can simultaneously answer existing problems.

A. Literature Review

Entrepreneurship is an innovative and creative process that has the potential to add value to products, create jobs, increase productivity, revive and segment markets, improve social welfare, and more broadly improve the country's economy (Guerrero et al., 2008). (Hisrich et al., 2010) suggests that entrepreneurship is defined as a dynamic process in which additional wealth is created by individuals who take significant capital, time, and career risks or provide value for some products and services. Drucker and Zimmerer (dalam Kasmir, 2011) entrepreneurship is the ability to create a business, which requires creativity and innovation to find something different. (Suryana, 2008) states that entrepreneurship is a creative and innovative ability to create new things that are used as a basis, business skills or to improve life.

The entrepreneurial intention model was first developed by Shapero and Sokol in 1982 with the Entrepreneurial Event Theory. The Entrepreneurial Event Model theory put forward by Shapero & Sokol (1982) adapts the Reasoned Action theory (Fishbein & Ajzen, 1975) and applies it specifically to the world of entrepreneurship so that it underlies the Entrepreneurial Event Theory which influences entrepreneurial intentions with three dimensions, namely perceived desirability, perceived feasibility and the tendency to act (propensity to act). Shapero Entrepreneurial Event Model using two main variables, between others are perceived desires and also perceived feasibility. Segal et al. (2005) conceptualize perceived desire as an individual's interest in starting a new business and perceived feasibility as a perceptual measurement of a person's abilities related to the new business being created. These two variables are related to the drive for entrepreneurship. Shapero & Sokol (1993) and Krueger (1993) in (Segel et al., 2005) argue that perceived desirability, perceived feasibility, and propensity to act are related to entrepreneurial motivation which is carried out using push motivation theory and full theory to test factors. -factors that motivate someone to start a new business. Gilad and Levine (1986) were the first figures to study entrepreneurial motivation from the push theory and pull theory.

Shapero & Sokol (1982) stated that perceived desirability is a personal attraction to starting a new business. The perception of desire leads to the entrepreneurial behavior of a person who wants a business or a person's level of evaluating the beneficial and detrimental results of the results of entrepreneurial activities so that the greater the desire and feasibility of a person's intentions in carrying out entrepreneurial activities can increase (Hisrich et al., 2017). Krueger et al., (2000) Determining perceived desires is a person's personal bias that views the creation of a new business as something interesting and desirable. Perceived desire involves a person's view or perception of whether or not it is important to build a business (Giagtzis, 2013).

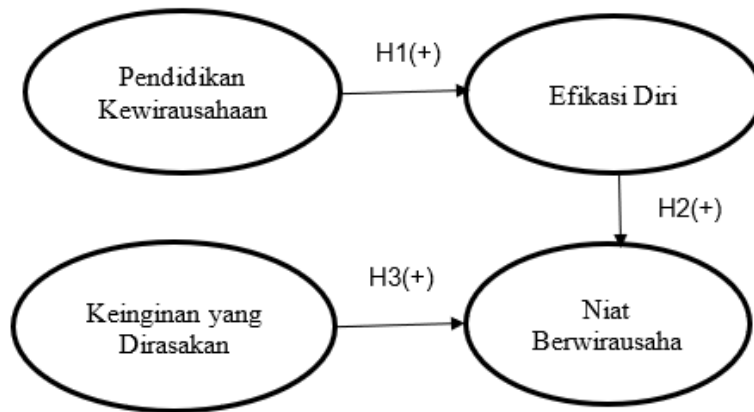
Linan (2018) said that perceived desire leads to the extent to which a person feels attracted to certain behavior, in this case namely becoming an entrepreneur and the activities involved in it. Felt desires include a person's assessment of everything related to entrepreneurial activities and becoming an entrepreneur (Liñán et al., 2011). Hisrich et al., (2012) explain that perceived desire is the extent to which a person can assess something related to the profits obtained in entrepreneurship. (Alfonso & Cuevas, 2012) said that the desire felt is the level of someone's attraction to starting a new business. Meanwhile, according to the TPB, subjective attitudes and norms are assessed as perceived desirability.

Fishbein & Ajzen (2011) expressed his opinion that intention is referred to as intention, namely the component that exists within a person which refers to the desire to carry out certain behavior. Entrepreneurial intention is the process of gathering information to be able to start a new business (Katz, 1998). Entrepreneurial intention is the state of mind of a person who wants to create a new business and drive new value in an existing organization, this is the generating force of entrepreneurial activity (Wu, 2008). Entrepreneurial intentions include attitudes toward the pursuit of entrepreneurship as a career choice and the desire to act (Krueger et al., 2000). Krueger (1993) states that entrepreneurial intention is a form of a person's commitment to starting a new business and is very important for understanding the process of establishing a business. In general, intention can be interpreted as a relatively persistent tendency in a person to feel interested in a particular field and feel happy to join in various activities related to that field.

Entrepreneurship education is the learning of values, skills, and behavior when facing life's many challenges (Alfiyan et al., 2019). The role of the entrepreneurship program is to achieve entrepreneurial intentions, students can increase their entrepreneurial skills. Entrepreneurship education, it is hoped that it will be able to strengthen an individual's intention to start a business and separate the impacts that will be obtained when entrepreneurship (Prodan & Drnovsek, 2010). According to (Fayolle & Gailly, 2008) learning efforts, it will be more meaningful when students are exposed to an environment that opposes but supports students in running new businesses rather than just emphasizing entrepreneurship theory and traditional entrepreneurship teaching methods. However, entrepreneurship education is very important because it can increase entrepreneurial knowledge and skills by providing the internal knowledge and abilities needed for successful entrepreneurship in the future.

Self-efficacy refers to a person's belief in their abilities that they are capable of carrying out a task. Self-efficacy is a person's assessment of their abilities or skills as an effort to do something to achieve a goal (Evaliana, 2015). Andika et al., (2012) said that self-efficacy is a form of a person's belief in their ability to complete a job, in other words, a person's motivational condition is based more on what they believe than what happens objectively. Efficacy is measured using a scale (Moi, 2011) with indicators of personal potential, opportunities, and ability to organize and carry out actions. Mcgee et al., (2009) explain self-assessment of various abilities related to their business, such as finding new ideas, marketing planning, and so on.

B. Framework Conceptual



II. METHODS

This study uses a quantitative approach. The quantitative method used in this research is the survey method, The objects in this research were students in Tarakan City, the research location was carried out in the Tarakan City area and the time of the research was carried out in November 2023. In this research the population used were students at the University of Borneo Tarakan, STIMIK PPKIA Tarakanita Rahmawati, STIE Bulungan Tarakan, Polytechnic North Kalimantan Business and North Kalimantan Polytechnic who have taken entrepreneurship courses. The sampling used was a non-probability sampling technique, namely the purposive sampling method. According to (Irianto, 2019) non-probability sampling is a sampling technique that does not give all elements or members of the population the same opportunity to be selected as samples. According to (Marlinda, 2021) the number of samples as respondents must be adjusted to the number of indicator statements or questions used in the questionnaire or questionnaire with the assumption that the number of indicators is multiplied by 5-10. So the sample size determined is $u \text{ sample size} = \text{Number of indicators} \times 10$, $\text{sample size} = 28 \times 10$, so $\text{sample size} = 280$.

III. RESULTS AND DISCUSSION

Table 1 Validity Test of Entrepreneurship Education

| <i>Variable</i> | <i>Indicator</i> | <i>Rotated Component Matrix</i> | <i>Information</i> |
|-----------------------------------|------------------|---------------------------------|--------------------|
| <i>Entrepreneurship Education</i> | <i>PK1</i> | <i>0.679</i> | <i>Valid</i> |
| | <i>PK2</i> | <i>0.739</i> | |
| | <i>PK3</i> | <i>0.560</i> | |
| | <i>PK4</i> | <i>0.741</i> | |
| | <i>PK5</i> | <i>0.784</i> | |
| | <i>PK6</i> | <i>0.729</i> | |
| | <i>PK7</i> | <i>0.668</i> | |

Source: Researcher data, 2024

Table 2 Validity Tests of Self-Efficacy

| <i>Variable</i> | <i>Indicator</i> | <i>Rotated Components Matrix</i> | <i>Information</i> |
|----------------------|------------------|----------------------------------|--------------------|
| <i>Self-Efficacy</i> | <i>ED1</i> | <i>0.693</i> | <i>Valid</i> |
| | <i>ED2</i> | <i>0.753</i> | |
| | <i>ED3</i> | <i>0.720</i> | |
| | <i>ED4</i> | <i>0.718</i> | |
| | <i>ED5</i> | <i>0.652</i> | |
| | <i>ED6</i> | <i>0.698</i> | |
| | <i>ED7</i> | <i>0.541</i> | |

Source: Researcher data, 2024

Table 3 Tests of the Validity of Felt Desire

| <i>Variable</i> | <i>Indicator</i> | <i>Rotated Component Matrix</i> | <i>Information</i> |
|-----------------|------------------|---------------------------------|--------------------|
| | <i>KD1</i> | <i>0.689</i> | |

| | | | |
|--------------------|------------|--------------|--------------|
| <i>Felt Desire</i> | <i>KD2</i> | <i>0.706</i> | <i>Valid</i> |
| | <i>KD3</i> | <i>0.694</i> | |
| | <i>KD4</i> | <i>0.711</i> | |
| | <i>KD5</i> | <i>0.698</i> | |
| | <i>KD6</i> | <i>0.280</i> | |
| | <i>KD7</i> | <i>0.528</i> | |

Source: Researcher data, 2024

Table 4 Validity Tests of Entrepreneurial Intentions

| <i>Variable</i> | <i>Indicator</i> | <i>Rotated Component Matrix</i> | <i>Information</i> |
|-----------------------------------|------------------|---------------------------------|--------------------|
| <i>Entrepreneurial Intentions</i> | <i>NB1</i> | <i>0.568</i> | <i>Valid</i> |
| | <i>NB2</i> | <i>0.633</i> | |
| | <i>NB3</i> | <i>0.727</i> | |
| | <i>NB4</i> | <i>0.742</i> | |
| | <i>NB5</i> | <i>0.687</i> | |
| | <i>NB6</i> | <i>0.748</i> | |
| | <i>NB7</i> | <i>0.728</i> | |

Source: Researcher data,2024

Table 5 Reliability Test Results

| <i>Variable</i> | <i>Cronbach's Alpha If Item Deleted</i> | <i>Cronbach's Alpha</i> | <i>Information</i> |
|-----------------------------------|---|-------------------------|--------------------|
| <i>Entrepreneurship Education</i> | | | |
| <i>PK1</i> | <i>0.826</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>PK2</i> | <i>0.823</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>PK3</i> | <i>0.814</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>PK4</i> | <i>0.807</i> | <i>0.7</i> | <i>Reliable</i> |

| <i>Variable</i> | <i>Cronbach's Alpha If Item Deleted</i> | <i>Cronbach's Alpha</i> | <i>Information</i> |
|-----------------------------------|---|-------------------------|--------------------|
| <i>PK5</i> | <i>0.807</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>PK6</i> | <i>0.815</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>PK7</i> | <i>0.817</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>Self-Efficacy</i> | | | |
| <i>ED1</i> | <i>0.882</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>ED2</i> | <i>0.867</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>ED3</i> | <i>0.862</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>ED4</i> | <i>0.868</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>ED5</i> | <i>0.866</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>ED6</i> | <i>0.865</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>ED7</i> | <i>0.876</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>Felt Desire</i> | | | |
| <i>KD1</i> | <i>0.825</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>KD2</i> | <i>0.824</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>KD3</i> | <i>0.821</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>KD4</i> | <i>0.846</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>KD5</i> | <i>0.824</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>KD7</i> | <i>0.837</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>Entrepreneurial Intentions</i> | | | |
| <i>NB1</i> | <i>0.903</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>NB2</i> | <i>0.899</i> | <i>0.7</i> | <i>Reliable</i> |
| <i>NB3</i> | <i>0.900</i> | <i>0.7</i> | <i>Reliable</i> |

| Variable | Cronbach's Alpha If Item Deleted | Cronbach's Alpha | Information |
|----------|----------------------------------|------------------|-------------|
| NB4 | 0.890 | 0.7 | Reliable |
| NB5 | 0.904 | 0.7 | Reliable |
| NB6 | 0.895 | 0.7 | Reliable |
| NB7 | 0.893 | 0.7 | Reliable |

Source: Researcher data, 2024

Table 6 Normality Test Results

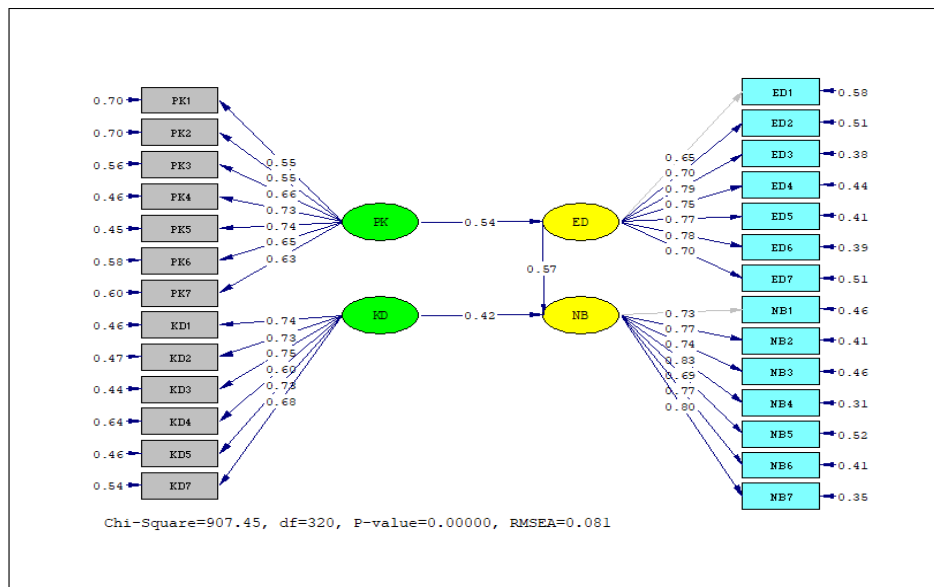
| Skewness | | | Kurtosis | | | Skewness dan Kurtosis | |
|----------|---------|---------|----------|---------|---------|-----------------------|---------|
| Value | Z-Score | P-Value | Value | Z-Score | P-Value | Chi-Square | P-Value |
| 133.443 | 24.946 | 0.000 | 956.441 | 17.498 | 0.000 | 928.460 | 0.000 |

Source: Researcher data, 2024

Based on the results of the normality test in table 4.14, it show that the p-value of skewness and kurtosis is $0.00 < 0.05$, so it can be concluded that the data is not normally distributed. Abnormal data can be ignored, this is because the answers from respondents are varied. This research is supported by previous researchers, namely (Rina Lestari, 2022) and (Meliana, 2023) where the results of the normality test were not normal due to the varied responses from respondents.

After carrying out Confirmatory Factor Analysis /CFA for each latent variable, a full structural model estimation was carried out. This is because the full structural model estimation analysis can describe the relationship between latent variables. The results of the full structural model estimation using latent variables are shown in the following figure:

Figure 4. 1 Full Structural Model Test Results (Standardized)



Before testing the structural model, the level of fit is first tested using the *Goodness of Fit index approach*. This was done to find out whether the model built was compatible with the empirical data obtained through the distributed questionnaire instrument. The test results are shown in the following table:

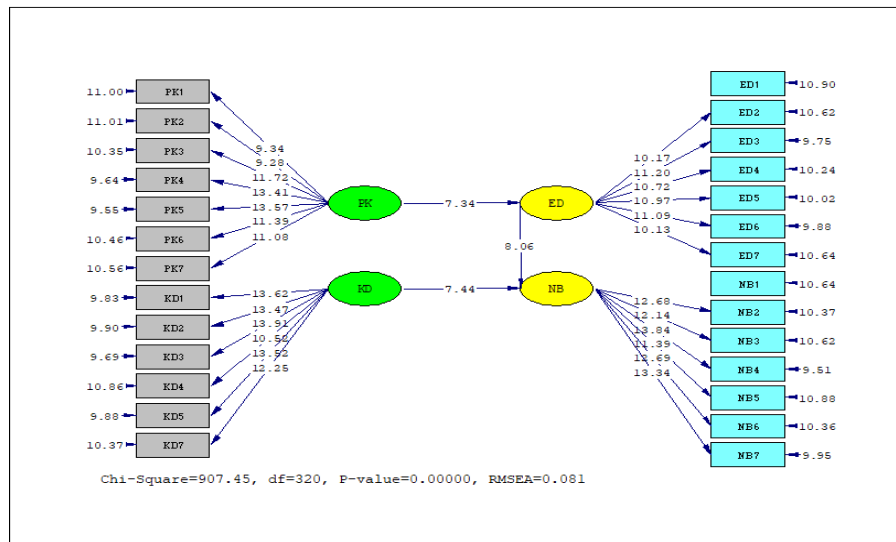
Table 1 Goodness of Fit Results

| Goodness of Fit | Cut of Value | Research result | Information |
|--------------------|-----------------|-----------------|--------------|
| Chi-Square | 850.50 | 907.45 | Marginal Fit |
| X ² /df | > 5 | 320 | Fit |
| NCP | 501.29 - 681.24 | 587.45 | Fit |
| RMSEA | ≤ 0,08 | 0,081 | Marginal Fit |
| NFI | ≥ 0,9 | 0,94 | Fit |
| CFI | 0,90-1 | 0,96 | Fit |
| IFI | 0,90 | 0,96 | Fit |

Sumber: Data peneliti

Based on the test results in table 4.7, it show that some parameters have met the expected requirements, but there are two parameters, namely Chi-square and RMSEA, which are at *marginal fit criteria* (not good). However, according to Ghozali (2005), this is not a problem because other fit models can be found. Therefore, researchers can see *from* the values of

Figure 4. 2 Full Structural Model Test Results (T-Value)



Based on Figure 4.1 and Figure 4.2, the results of hypothesis testing and the magnitude of the relationship values between research variables can be seen as shown in table 4.16 as follows:

Table 2 Hypothesis Test Results

| Alternative Hypothesis | Variable Relationships | β | Q Value | T Table | Information |
|------------------------|------------------------|---------|---------|---------|-------------|
| H1 | PK→ED | 0.54 | 7.34 | | Supported |
| H2 | ED→NB | 0.57 | 8.06 | 1.96 | Supported |
| H3 | KD→NB | 0.42 | 7.44 | | Supported |

Source: Researcher data, 2024

The results of hypothesis testing for each variable can be explained based on the analysis of table 4.8 as follows:

H1: The Effect of Entrepreneurship Education on Self-Efficacy

The influence of entrepreneurship education on self-efficacy has a β value of 0.54 with a t value of 7.34 and a t table of 1.96. So the t value > t table value, so it can be interpreted that entrepreneurship education has a positive and significant effect on self-efficacy. Thus it can be concluded that Hypothesis 1 **is supported**.

H2: The Influence of Self-Efficacy on Entrepreneurial Intentions

The influence of self-efficacy on entrepreneurial intentions has a β value of 0.57 with a t value of 8.06 and a t table value of 1.96. So the t value > t table value, so it can be interpreted that self-efficacy has a positive and significant effect on entrepreneurial intentions. Thus it can be concluded that Hypothesis 2 **is supported**.

H3: The Influence of Perceived Desire on Entrepreneurial Intentions

The influence of perceived desire on entrepreneurial intentions has a β value of 0.42 with a t value of 7.44 and a t table value of 1.96. So the t value > t table value, so it can be interpreted that the perceived desire has a positive and significant effect on entrepreneurial intentions. Thus it can be concluded that Hypothesis 3 **is supported**.

1. Entrepreneurship Education on Self-Efficacy

Based on the research results, it show that entrepreneurship education has a positive and significant effect on student self-efficacy in Tarakan City. Entrepreneurship education is a process of instilling an entrepreneurial spirit in someone so that they can live independently, creatively, and innovatively by increasing their knowledge. With entrepreneurship education, students will increase their knowledge of real entrepreneurial experience so that it will make them more trained which will give rise to the confidence to start a business.

Entrepreneurship education that involves entrepreneurial practices can help students gain experience and increase self-efficacy with encouragement and positive feedback given by lecturers to students during the learning process regarding students' abilities in entrepreneurship. Entrepreneurship can change the mindset of students who were previously unsure to become confident in their abilities. By the opinion of Lubem & Sarah (2018) entrepreneurship education has a role in the development of self-efficacy, which can influence a person's attitude towards entrepreneurship, thereby creating motivation and desire to become an entrepreneur.

The results of this research are in line with research conducted by Anggreini and Nurcaya (2016) that entrepreneurship education has a positive and significant effect on self-efficacy. This research is also supported by Solomon *et al.*, (2008) who say that entrepreneurship education has a positive impact on an individual's perception of their ability to start a new business. Furthermore, Puni *et al.*, (2018) also said that entrepreneurship education has a significant positive effect on self-efficacy.

2. Self-Efficacy on Entrepreneurial Intentions

The results of hypothesis testing carried out in this research state that self-efficacy has a positive and significant effect on students' entrepreneurial intentions in Tarakan City. Self-efficacy is a person's belief in their ability to manage and lead a business, as well as the belief that through continuing this business they will achieve entrepreneurial success (Anggreini, 2016). A person's self-confidence can influence the activities that will be carried out and a person's thoughts. By having good self-efficacy, a person's confidence in acting will be higher. These results are consistent with the results of research conducted by Vindi (2021) which also found that self-efficacy has a positive and significant effect on entrepreneurial intentions.

Self-efficacy influences the actions a person will choose. One of the actions a person chooses is to want to become an entrepreneur. This shows that self-efficacy plays a very big role in students. This is in line with research

conducted by Hapsah and Savira in Evaliana (2015) which states that with great self-efficacy, a person will have more confidence in their abilities to complete various tasks so that a person has a high interest in entrepreneurship. So it can be said that the higher a person's self-efficacy towards entrepreneurial interest, the stronger the person's intention or intention to become an entrepreneur. Therefore, high self-efficacy is believed to influence entrepreneurial intentions among students in Tarakan City.

3. Perceived Desirability of Entrepreneurial Intentions

The results of hypothesis testing carried out in this research state that perceived desirability or perceived desire has a positive and significant effect on students' entrepreneurial intentions in Tarakan City, which means that the higher a person's perceived desire, the higher their entrepreneurial intentions will be. This is in line with research conducted by Mukharomah (2017) which states that perceived desires have a positive and significant influence on entrepreneurial intentions.

When someone perceives entrepreneurship as something desirable, then someone tends to have a stronger intention to engage in entrepreneurial activities (Krueger et al., 2000). In other words, students who have high entrepreneurial interest or desire will be encouraged to start and run a business compared to students who have low perceived desirability.

The results of this research are also supported by previous research conducted by Wibisono (2011) on students at the Faculty of Economics, Sebelas Maret University, which showed positive results, namely that the perceived desire variable can increase entrepreneurial intentions, where the more students apply their perceived desire for entrepreneurship, the more it will increase. a person's intention to become an entrepreneur. Apart from that, Krueger (2000) also suggests a positive relationship between perceived desire and intention to start a business, this is due to the existence of factors to meet family needs.

IV. CONCLUSION

Based on research conducted by researchers entitled *The Influence of Entrepreneurship Education, Self-Efficacy and Perceived Desire Regarding Entrepreneurial Intentions*, the following conclusions are drawn:

1. Entrepreneurship education has a positive and significant effect on student self-efficacy in Tarakan City. Entrepreneurship education has a role in the development of self-efficacy, where self-efficacy can influence a person's attitude toward entrepreneurship.
2. Self-efficacy has a positive and significant effect on students' entrepreneurial intentions in Tarakan City. The higher a person's confidence, the higher their entrepreneurial intentions.
3. Perceived desire has a positive and significant effect on students' entrepreneurial intentions in Tarakan City. The higher the desire a person feels, the higher the entrepreneurial intention he or she will have.

Based on the research results, discussion, and conclusions above, the suggestions that researchers can convey are as follows:

1. Students should not only think about looking for work but also try to continue to develop their creativity so that they can create jobs through entrepreneurship.
2. It is hoped that future researchers will be able to develop this research, such as adding variables or indicators as well as research models using different and better test equipment so that the results obtained are more accurate and more valid so that they can be implemented in the formation of students' youth to create young entrepreneurs.
3. The role of universities is to improve entrepreneurship education and motivate students to develop entrepreneurial intentions.

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Character Building Capital to Avoid Bullying Social Behavior of Elementary School Children Based on Homeschooling

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ABSTRACT

Purpose: Bullying in elementary schools is a serious problem that can affect children's social and emotional well-being. This research aims to analyze the character-building capital applied in homeschooling and how this influences the social behavior of elementary school children in the context of bullying prevention.

Design/methodology/approach: This study uses a qualitative approach with in-depth interview methods and observations of parents and children participating in homeschooling.

Findings: The research results show that homeschooling provides flexibility in the application of character values that can be adapted according to the child's individual needs. Character education methods applied in homeschooling, such as a values-based approach and direct parental involvement, have proven effective in increasing children's empathy, responsibility and social skills. This research provides new insight into the role of homeschooling in character formation and bullying prevention, and offers recommendations for developing more effective character education strategies in the homeschooling context. It is hoped that these findings will contribute to parents, educators and policy makers in creating a safer and more supportive educational environment for these children.

Paper type: Research paper

Keyword: Capital, Anti-Bullying Character, Children's Social Behavior, Elementary School, Homeschooling.

Received: March 11th

Revised: June 18th

Published: July 31th

I. INTRODUCTION

Lack of specific research on homeschooling, with limited studies: Much research on character formation and bullying prevention focuses on conventional education in schools (Santoso et al., 2023). Specific studies on how homeschooling affects children's character in the context of bullying prevention have been limited. Then with the methods and approaches: Research examining the specific methods used in homeschooling to build character and prevent bullying has been lacking, especially in the context of different curricula or approaches.

There are not many variations in Homeschooling Practices, especially in anti-bullying prevention. Various approaches: Homeschooling can be done with various approaches and philosophies (Santoso, 2020). How these variations affect the effectiveness of character building and bullying prevention has not been widely studied. For example, the methods used by different parents can produce very different results in terms of the child's character and social behavior. The role of parents and teaching, including support and qualifications, is still lacking in understanding how the qualifications and support given to parents or homeschooling teachers influence the formation of children's character in the context of bullying prevention. Then regarding training and resources, is there special training for parents in homeschooling on how to deal with bullying and shape children's character? Research has not yet identified training needs or necessary resources. In the Social and Emotional aspects section too, including Social interactions: How homeschooling affects a child's social interactions and its impact on bullying prevention can still be an under-explored area. Homeschooled children have different social opportunities compared to children who attend formal educational institutions. Especially in the Social Isolation section: The potential risk of social isolation experienced by homeschooled children and its impact on character and social

behavior in the context of bullying has also not been studied enough. So with the evaluation and methodology, with evaluation criteria, getting an evaluation of the effectiveness of the homeschooling program in forming character and preventing bullying is inconsistent or inadequate.

Research has needed to develop or adapt better evaluation methods to accurately assess impacts. Then Special Needs and Individual Variability, on Special Needs: as homeschooling has affected children with special needs or individual differences in character formation and bullying prevention can be an area that has not been explored enough.

The increase in cases of bullying in schools is a general concern, where bullying in elementary schools is a serious problem that has an impact on children's social and emotional well-being (Santoso, 2021). Data and reports often show that bullying can cause long-term negative impacts on children, including mental health and academic problems (Pandapotan et al., 2024). Then various prevention efforts, from various programs and approaches have been implemented in conventional schools to overcome bullying, but the results are often varied and not always effective.

Furthermore, the role of Character Education, where the Importance of Character, has been considered important for forming positive social behavior and preventing negative behavior such as bullying (Ulandari & Rapita, 2023). Good characters such as empathy, integrity and responsibility can serve as important assets in avoiding bullying behavior. Then there is an integrated approach, for this reason in conventional schools, character education is often integrated into the curriculum. However, its effectiveness in dealing with bullying varies. Furthermore, there is a need for growth in homeschooling, due to the increase in population, in any part. The number of families choosing homeschooling as an alternative to formal education has increased. Homeschooling offers a more flexible and personalized approach to education, requiring parents to integrate values and character in a deeper way. Next with variations in Homeschooling: Homeschooling methods and curricula vary greatly, and this can influence how children's characters are formed and how they interact socially. Then there is a need for specific research, there is a lack of research, although there is a lot of research on bullying and character education in conventional schools, there is a lack of specific studies on how homeschooling affects children's character formation and bullying prevention. Then the uniqueness of Homeschooling: Homeschooling offers a different context in terms of social interaction and character education, and needs to be explored further to understand how this method can function as capital in preventing bullying. Next on the role of parents in homeschooling, in terms of parental influence: In homeschooling, parents have a key role in shaping children's character and managing their social environment. It is important to understand how the support, approaches and strategies implemented by parents can influence the formation of children's character and their ability to avoid bullying. Then Training and Resources: The availability of training and resources for homeschooling parents in the context of character building and bullying prevention has been lacking, and this could be an area that needs attention. Children's Social and Emotional Context, in Social Interaction: Homeschooled children have different social opportunities compared to children in conventional schools. Understanding how this context influences the formation of their character and social behavior in the context of bullying is very important. Then Emotional Well-being, research needs to explain how homeschooling affects children's emotional well-being and relationships them with peers, especially related to bullying. Formal learning at school has many advantages. However, this learning also has weaknesses, especially in providing guidance and learning services, individually to students (Santoso et al., 2022). Learning is carried out classically and teachers often provide material that students do not understand, causing students who have learning obstacles to receive less intensive attention (Agustina et al., 2023). Learning held in schools imposes a set of rules that are very binding on students. The application of discipline that is very rigid, the many rules that are too binding and the learning atmosphere that is too formal, without realizing it, often burdens and stifles the creativity of students which is built in the school climate, causing some students to feel stressed so that they view learning more as an obligation and burden, rather than not. as a requirement.

Law number 20 of 2003 concerning national education which clearly contains the rights and obligations of providing educational institutions and facilities provided to students must be fully and responsibly, so it is clear now that education is very important as well as complaints regarding the appropriateness of the provision. education for students that is fulfilled by the applicable legal basis. In the Qur'an, Allah SWT says in the letter Al-Mujjadi which reads: "Allah will elevate those who believe among you and those who are given knowledge by several degrees" (QS. Al-Mujjadi: 11). The facts from this research are the story of Christine's mother preferring homeschooling because bullying occurred during learning at the school. Based on a true story and from the results of other observations made by Christine, the mother of K (not her real name) moved her child from formal school to homeschooling.

Christine chose homeschooling because she felt that formal school was not safe for K. Long story short, K had attended a formal school (SDK) there. K received treatment that was very inappropriate for a teacher to treat students. The teacher is a local content subject teacher (mulok), the teacher said inappropriate words to students, bullied, differentiated K from other friends (K was considered stupid, couldn't read and his grades always dropped

in that lesson) but other teachers always said that K was very intelligent and had above average grades. At first Christine never realized what had happened to K all this time until finally K started to show great fear every time he was taken to school (because the distance from home to school is quite far \pm 5 km). When he arrived at school, K was always crying and didn't want to go to school (but only on certain days when there was a long lesson), he was always crying and delirious when sleeping, and was always alone. K was also taken to a psychiatrist and general practitioner (the doctor who treated K from infancy until now) so up until now his behavior has resulted from formal schooling, he has always been rude towards his friends, especially, always using violence and this has had an impact on his psychology. The general aim of the researcher is for researchers to know the application of Homeschooling in changing children's social behavior.

II. METHODS

This research method uses qualitative methods (Santoso et al., 2023). The research subjects in this research activity are as follows: Class teacher; Class teachers as informants related to problems in Homeschooling. Problem students; In this research, the object of research is students who have problems with social behavior in homeschooling. In this data collection technique, researchers used observation methods (observations of students), interviews with teachers, students and documentation. In this observation, the researcher is involved with the daily activities of the person being observed or used as a source of research data. While making observations, the researcher participates in what the data source is doing, and feels the ups and downs. With participant observation, the data obtained will be more complete, sharper, and will reveal the level of meaning of each visible behavior. The interview grid includes Homeschooling Competencies for behavior change, Curriculum used, Goals, Teachers, Teaching and Learning Activities, Evaluation and Factors that influence types of behavior, Formation of attitudes and behavior, Characteristics of social behavior, Factors that influence development. The documentation is by collecting information on Homeschooling activities through photos and videos carried out directly by researchers to strengthen the data has been obtained. Kutilang homeschooling school is located on Jl Raya Puspitak Serpong, Komp Puri Serpong Blok AH 11 No.9 Kec. Setu, South Tangerang City.

III. RESULTS AND DISCUSSION

Based on research results, the Kutilang Homeschooling School is a single homeschooling that is carried out at home, under the supervision and direction of parents and is not carried out in other formal places such as state schools, private schools or other educational institutions with a model of structured and collective learning activities (Santoso et al., 2022). Kutilang homeschooling is not an educational institution, nor is tutoring carried out in an institution. However, it is a single homeschooling that carries out a learning model at home with parents as the main person responsible. Homeschooling does not mean that activities are always done at home. Students can study in open spaces, for example open spaces can take advantage of the natural surroundings such as tourist attractions and the environment (for recovery from trauma experienced at school). Parental commitment in accompanying children to study is the main key. The aim of Kutilang Homeschooling is the explanation and objectives of education, the vision and mission of the school are as follows: a. Diverting learning, because the formal school had problems, finally homeschooling was adopted. b. The best and most trusted in providing educational services.

One of the data collection techniques used by researchers is observation or often called observation.

This observation started on January 18 2018 at 13:30 WIB. This observation was carried out in order to describe the research from what the researcher saw directly (Purwanto et al., 2023). This observational data collection technique is intended solely as an objective observation of children with problems. There was no intervention from any party regarding this observation. So the researcher wrote these observations consciously and truthfully. The observations in this research were divided into several types, namely place observations, time observations, activity observations and informant observations. The following is an explanation of each observation in this study: a. Place Observation, Based on the results of observations, researchers saw that homeschooling was in a housing complex. The surrounding environment is calm, comfortable and safe, because it is far from the main road. b. Time Observation, Researchers made observations at homeschooling in the learning process. At that time, the teacher carried out the learning process. Where learning is linked to real life. The learning material provided by the teacher is material on problems in social life and what was studied during school. c. Activity Observation: Like students in general, the first hour is reading prayers. After reading the prayer the teacher begins the lesson. Then invite students to ask questions. In this lesson the teacher explains about "social life" in real life. Then the teacher shows a video about real life, the teacher

gives several questions that the students will answer, then gives assignments to the students. In this activity, students are involved in gaining direct experience. d. Informant Observations, 1) Parents, One of the roles of parents in developing children's social-emotional aspects is to show affection. This will certainly really help children in their social and emotional development. Children will feel that their parents are people who always support them. 2) Children, children's education starts from the family and educating children boils down to getting to know children and how to treat children according to their needs and development. The family is the main center of education for children. b. Interviews, Interviews will be conducted by students' parents, teachers (CC), parents (CC) and students (K).

The facilities and infrastructure used are only adequate, such as books, pens and pencils.

After conducting research, researchers found out that homeschooling was carried out where the homeschooled students lived. The reason the student chose to homeschool was because of the bullying that occurred to the student. Then the researchers conducted in-depth interviews and the results showed that parents knew their views on homeschooling. Apart from that, students also find it easier to carry out learning. This image also shows the ongoing learning process where the teacher provides knowledge to students regarding Civics learning competencies regarding values, character and morals. In this learning process, it shows that there is very good development for K, before homeschooling his development was very disturbed which resulted in K being very emotional and difficult to regulate in learning. This photo explains that K is carrying out the process of learning Citizenship Education subjects. In the learning process Currently, K has started to show his responsiveness to learning. In this learning, it is known that K has started to improve. From the results of observations, researchers found that homeschooling is a family that prefers to be responsible for their child's education at home. And from the results of interviews conducted by researchers, it can be concluded that homeschooling is an alternative learning process carried out with a parent-to-parent approach that directs students more so that the learning process is easier and more focused.

From the results of observations, researchers can conclude that children have advantages in carrying out homeschooling, namely that children focus on their learning by listening to explanations from the teacher. Activities and morals are more closely monitored by parents, in the homeschooling process a greater vision of the future is instilled. Furthermore, from the interview, the researcher concluded that the advantages of homeschooling are that education carried out at home with the help of homeschooling is true and learning is more centered on the teacher, morale improves and teachers always instill a vision so that students are more focused. This is reinforced by the opinion of Asmani (2012: 108) who sees from the positive side that homeschooling accommodates children's intelligence to the maximum because each child has a diversity and uniqueness of different interests, talents and skills (Ayu et al., 2022).

After conducting research, researchers learned that there are advantages and disadvantages to homeschooling. The advantages include that teachers will not compare students with each other, and the learning process is more purposeful.

The disadvantage of homeschooling is that there are limitations in interacting with peers from various social statuses. The reason these students continue to choose homeschooling is because the teacher pays more attention to the learning process and the teacher does not compare students with others.

Then the researchers conducted in-depth interviews and the results showed that parents knew their views about the advantages and disadvantages of homeschooling. Apart from that, students also find it easier to develop in homeschooling.

The indicators contained in the Social Behavior aspect are that a person appears in the response pattern between people which is expressed by reciprocal interpersonal relationships. Social behavior is also identical to a person's reaction to other people (Muhtadin & Santoso, 2022). The results of the observations that the researchers found were that a person's social behavior is a very relative characteristic of responding to other people in different ways. For example, in carrying out cooperation, there are people who do it diligently, patiently and always prioritize above interests along with their personal interests. This shows that there is a process of social activities which have been taught in the learning process in homeschooling. After conducting research, researchers know that social behavior is behavior related to the surrounding natural environment which can be demonstrated by social attitudes expressed by the same and repeated ways of activity towards social objects which causes the same and repeated ways of activity to occur. behavior. A person's behavior is grouped into normal behavior, acceptable behavior, strange behavior and deviant behavior. In sociology, behavior is considered something that is not directed at other people and therefore is a very basic human social action.

Various Behaviors; 1. Closed behavior, that student behavior cannot be captured through human senses, but must use measurement. This behavior is a student's response to stimuli in a closed form or that people don't want to know about. For example, thinking, imagining, ideas or creativity that he thinks about. 2. Open behavior, in the form of behavior that is easy to observe directly and observe with the human senses. This behavior is a response made by students to stimuli in the form of reality in the form of actions or practices, for example laughing, walking, running, etc. Factors that influence human behavior: 1. Genetics, 2. Attitude is a measure of a person's level of

preference for certain behavior, 3. Social norms are the influence of social pressure, 4. Control (personal behavior) is a person's belief about whether or not it is difficult to do something. behavior, b. Interview. Interviews will be conducted by parents, teachers (CC) and students (K). It can be seen from the picture above that homeschooling learning and activities develop through social activities because learning does not only occur in the classroom.

Homeschooling provides a freer learning method, where students do not have to go to school and are far from their parents, so the author concludes that home schooling does not mean that the activities are always at home.

Students can study outdoors in laboratories, libraries, museums, tourist attractions, socializing and in the surrounding environment. However, parents still have to play an active role as the main teacher. This photo is an activity outside of school, this activity explains that there is a change in K's attitude and behavior after undergoing homeschooling as a result of the bullying he has experienced, the process of this interaction is a form of change that has begun to appear. After conducting research, researchers know that homeschooling is a teaching and learning activity carried out at home with teacher supervision, whose learning method does not always refer to learning books. The learning process can be carried out anywhere depending on the learning situation and conditions, meaning students can study even in open spaces and in nature. Research conducted by researchers has provided information regarding the science that needs to be understood in changing behavior in homeschooling. Homeschooling was founded about two years ago, to be precise in 2016. In the research carried out, the activities involved in homeschooling. Supporting factors in the activities of implementing homeschooling are failures in formal schools, both abroad and in Indonesia. The failure of formal schools to produce better quality education is a trigger for families in Indonesia and abroad to implement homeschooling. This home school is considered to be able to produce quality education. Another inhibiting factor comes from the limited availability of information regarding homeschooling. However, several methods continue to be used to minimize or even eliminate these inhibiting factors.

The positive impact of avoiding bullying on the social behavior of elementary school children based on homeschooling includes various aspects related to children's emotional, social and academic development. The following are some of the positive impacts that can be identified: 1. Strong Character Development, through the formation of Moral Values and the Integration of Positive Values, Homeschooling enables parents to integrate moral values such as honesty, empathy, responsibility and cooperation into the curriculum daily. 2. Then be a Direct Role Model: Parents can be a direct role model for children, demonstrating desired behavior in everyday life. 2. Reduction of bullying behavior and a safe learning environment, with strict supervision: Homeschooling offers stricter supervision by parents, so that children are in a safe environment and free from the threat of bullying. Then Early prevention: Strong character education helps children understand the negative impacts of bullying and encourages them to avoid this behavior. 3. Development of Good Social Skills and Healthy Social Interactions, making Social activities Structured: Homeschooling parents often organize social activities such as study groups, play meetings, and extracurricular activities, which help children develop social skills in a controlled environment. Further Variety of Interactions: Children often interact with various age groups, including adults, which enriches their social experiences. 4. Better Emotional Well-Being and Strong Emotional Support, with Close Relationships with Parents: Homeschooling allows children to have closer and more open relationships with their parents, who provide strong emotional support. Furthermore, there is a calming environment, where a calm and supportive learning environment can reduce stress and anxiety, improving children's emotional well-being. 5. Independence and Sense of Responsibility, where the Independent Learning Approach, with Homeschooling has encouraged an independent learning approach, which teaches children to be more independent and responsible for their own education.

Advantages of Healthy Social Behavior in a Homeschooled, Controlled Environment: Homeschooled children are often in a more controlled and supportive environment, which can minimize exposure to negative behavior and bullying (Sutia & Santoso, 2022). Strong Family Values: Family values that are instilled directly can strengthen positive social behavior, such as empathy, cooperation, and a sense of responsibility (Pratomo et al., 2024). Multigenerational Interaction: Homeschooled children frequently interact with various age groups, including adults, which can enrich the development of their social skills. Rich Social Interactions: Children in conventional schools have more opportunities to interact with peers in a variety of social situations, which is important for developing broad social skills. Exposure to a Variety of Situations: Children learn to interact in a larger and more diverse environment, which helps them develop the ability to deal with a variety of social situations. Strong Emotional Support: Homeschooled children usually get strong emotional support from parents, which can help them develop a sense of security and self-confidence. Intensive Character Education: More intensive and personalized character education can equip children with the skills to recognize and overcome bullying situations. Exposure to Real Situations: Children in conventional schools are more frequently exposed to complex social situations, including bullying, which can help them develop coping strategies and conflict resolution skills. Anti- Bullying: Many schools have anti-bullying programs designed to help children recognize, report, and address bullying.

Challenges and solutions, here the challenge is a lack of social opportunities: Homeschooled children have fewer opportunities to interact with peers, which is important for the development of social skills (Istiqomah et al., 2023). Then Social Isolation: Lack of interaction with a larger peer group can lead to social isolation, which can affect a child's ability to cope with bullying situations. So the way to overcome this is to have a Homeschooling Group: Join a local homeschooling group that holds social activities, such as play meetings, study clubs, and group events. Furthermore, there are extracurricular activities: Enrolling children in extracurricular activities such as sports, art, music, or community clubs to increase social interaction. Then there is the Socialization program: Participating in a program or camp specifically designed for homeschooled children. The next challenge is limited knowledge, with parents lacking knowledge or training regarding character building techniques and preventing bullying. Furthermore, there is access to materials: Limited access to resources and learning materials that are effective in character building. So the way to overcome this is training and workshops: Attend training, seminars or workshops on character education and bullying prevention aimed at homeschooling parents.

Online Resources: Uses online resources, books, and specialized curriculum that focuses on character education and bullying prevention. Expert Consultation: Consult an education expert or child psychologist to get the right advice and strategies. The next challenge is Diverse Needs. Children have different needs, interests and learning styles, which can make it difficult for parents to find an effective approach for each child. Age Differences: Managing character education for children of different age ranges in one family can be a challenge. Next, how to overcome, Individual Approach: Develop an approach that is tailored to the needs and interests of each child. Using a variety of learning methods to maintain children's interest and motivation. Family Activities: Organize family activities that children of all ages can participate in, such as community service projects, which also help in character building. Challenges in Managing Time and Discipline, with Time Management, here balancing time between academic education, character building and social activities can be difficult. Discipline and Consistency: Maintaining discipline and consistency in character building and bullying prevention requires continuous effort. The way to overcome this is by setting a regular schedule, of course by making a regular and balanced schedule that includes time for academic education, character building activities, and social interaction. Then the Positive Discipline Approach: Using a positive discipline approach that focuses on reinforcing good behavior and providing constructive consequences for undesirable behavior.

Challenges in Facing Conflict Situations, with a lack of experience, means that homeschooled children lack experience in dealing with and resolving conflicts with peers. Further Self-Confidence: Children already have low levels of self-confidence in challenging social situations. The way to overcome this is through Role- Playing: Using role-playing to simulate conflict situations and teach healthy ways to resolve them. Increased Self-Confidence: Engaging children in activities that can increase their self-confidence, such as sports or acting. Challenges of Handling Bullying that Occurs in the External Environment, with Limited Supervision: Parents are not always able to supervise their children's social interactions outside the homeschooling environment. Then Response to Bullying: Children do not know how to respond appropriately if they experience or witness bullying in the external environment. The way to overcome this is Education about Bullying: Providing comprehensive education about what bullying is, how to recognize it, and how to respond to it.

Support Network: Form a support network with other homeschooling parents to share information and strategies for dealing with bullying.

IV. CONCLUSION

In terms of the effectiveness of Character Education in Homeschooling, it can be formed in the adaptation of Character Values, where Homeschooling results in the application of character values that are more personal and flexible, according to the needs and personality of each child. This approach wears people down parents to directly integrate values such as empathy, responsibility and integrity in children's daily activities. Parental Involvement: Active involvement of parents in homeschooling plays a key role in shaping a child's character. Intensive interaction between parents and children facilitates the instillation of positive values and strengthens teaching about how to resolve conflicts and bullying situations. Then there are challenges in homeschooling, which is social isolation, so that homeschooled children experience limitations in social interaction compared to children in conventional schools. This can affect their ability to deal with bullying situations in a wider social context. It is important for parents to look for ways to increase their child's opportunities to interact with peers outside the home environment. Furthermore, there are limited resources, with research showing that not all homeschooling parents have adequate access to training and resources to teach character effectively. Therefore, it is important to provide additional support for parents in the form of training and resources that can assist them in forming their child's character. Then there is curriculum development, with the development of a homeschooling curriculum that is more structured and based on character values, it can increase effectiveness in

shaping children's character and preventing bullying. This curriculum should include components that support children's social and emotional skills. Then with support for parents, where the government and educational organizations need to provide adequate training and resources for homeschooling parents, including strategies to overcome bullying and build children's character effectively.

Furthermore, overall, homeschooling offers a flexible and personal approach in forming a child's character. However, to maximize this potential in preventing bullying requires attention to existing challenges and appropriate support for parents and children. Children who attend homeschooling and conventional schools show different social behavior and ability to overcome bullying situations based on the characteristics of their respective educational environments.

Homeschooled children tend to have a more controlled and supportive environment, which can strengthen family values and character education. However, they have faced challenges in terms of limited social interactions and lack of direct experience in bullying situations. Conventional school children have more opportunities to develop social skills through richer interactions and exposure to a wider variety of situations. However, they are also more exposed to bullying and negative social pressure. The effectiveness of these two approaches depends greatly on how each educational environment addresses its shortcomings and exploits its strengths. An integrated approach, in which homeschooled children receive broader socialization opportunities and conventional school children receive stronger emotional support, can help optimize children's social development and ability to cope with bullying.

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Building Apartment Developer Satisfaction with Brand Image, Value Co-Creation and Supply Chain Agility along with its Impact on Developer Loyalty Towards Apartment Contractors

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ABSTRACT

Objective: Apartment sector is one of the important real estate sectors of a country. The aim of this research is to analyse the influence of brand image, value co-creation, and supply chain agility on customer satisfaction and its impact on developer loyalty to apartment contractors. The novelty of this research lies in analyzing the influence of brand image, value co-creation, and supply chain agility on customer satisfaction simultaneously in the context of the apartment construction industry.

Design/ methodology/ approach: This research uses a quantitative approach with structured equation modeling using smartPLS. The population of this research is apartment developers in Indonesia.

Findings: The results of this research show that brand image, value co-creation, and supply chain agility have a positive and significant influence on customer satisfaction. This research has theoretical implications for expectancy disconfirmation theory and service dominance logic. The managerial implications of this research are on apartment contractors' strategies for gaining developer satisfaction and loyalty.

Paper type: Research paper

Keyword: Building Apartment, Developer Satisfaction, Brand Image, Value Co-Creation, Supply Chain Agility, Developer Loyalty, Apartment Contractors

Received : March 12th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

The property and real estate sector are one of the important sectors of a country. The COVID-19 pandemic in 2020 hit various economic sectors globally, including the property and real estate sectors. In 2023, the global property and real estate sector will begin to show increasing activity (jll, 2024). The apartment sector is a sector that has high growth potential compared to various sectors in property and real estate. The predicted trajectory of the global market for apartments developments suggests a significant growth, with an expected rise from \$64.55 billion in 2022 to \$72.77 billion in 2023, with a compound annual growth rate (CAGR) of 12.7% indicating a potential growth (Markets, 2023). Indonesia is one of the countries that possesses considerable real estate potential within the Asian region, positioning itself as a prominent destination for real estate investment in the Asian market (Deny, 2023). The apartment sector is one of the property sectors in Indonesia that has the best growth potential in the years following the start of the COVID-19 pandemic, where consumers have begun to show increased demand for apartment housing in recent months (Grahadyarini, 2023). The increasing demand for apartments in Indonesia also has the potential for increasing apartment construction projects. An apartment construction project is a construction project financed by the developer as the apartment owner and carried out by the contractor company as the party appointed to work on the project, so that the increase in demand for apartment housing has the potential for apartment developer companies and apartment contractors. Customer loyalty is an important asset that must be owned by companies, especially those engaged in providing services and business to business or B2B, in order to survive and excel amidst competition (Wattoo & Iqbal, 2022). Loyal companies will tend to commit to reuse, then they will also recommend the service to their colleagues, and they will say good

things about the service they use to their colleagues. (Wattoo & Iqbal, 2022; Zhang & Li, 2019). Developer loyalty as a customer is an important asset for apartment contractor companies to thrive and success.

Customer loyalty is one of the important variables not only as an asset for companies but also for the academic world, where the customer loyalty variable is frequently addressed in research across various industries including B2B industries (Ahmed et al., 2023; Hariandja & Vincent, 2022; Wattoo & Iqbal, 2022). The cultivation of customer loyalty is a strategic approach that is suitable for the service industry B2B due to the increased opportunities it presents (Huang et al., 2019). Loyalty from customers can be obtained by companies that can manage customer satisfaction effectively, so that customer satisfaction is an important predictor in achieving customer loyalty (Lee et al., 2019). From an academic perspective, several studies have examined and summarized the role of customer satisfaction as a predictor of customer loyalty in the B2B industrial context (Famiyeh et al., 2018; Hsu et al., 2021). Customer satisfaction in the B2B industry is an emotional response based on customers' perceptions of the quality of the service they receive (Kushwaha et al., 2021). The valuation of consumer experiences when using services or products from a company subsequently forms the company's image in the consumer's mind. This formed image determines whether the consumer will repurchase the product or service (Erkmen & Hancer, 2019). Previous academic research has provided empirical evidence on the influence of brand image on customer satisfaction in various industries (Espinosa et al., 2018; Song et al., 2019). Given these considerations, this study proposes that a good brand image is needed as a predictor for customer satisfaction of developers towards apartment contractors. Another factor taken into account in B2B relationships is the supply chain. Ideally the supply chain is designed with customer needs in mind, so good agility capabilities are needed in the supply chain to increase the value of the company's services to its customers (Gligor et al., 2020). Several previous studies have proven the significant influence of supply chain agility on customer satisfaction (Gligor et al., 2020; Gupta et al., 2019). With these considerations, this research proposes that good supply chain agility is needed as a predictor factor for developer satisfaction in contractors. Good relationships between contractors and developers alone are not enough for development. In building relationships between customers and contractors, developers as customers cannot be seen as playing a passive role, but as active actors in creating value, so that customers must play an active role together with the company in creating experiences and creating shared value, which contractors can do by implementing value co-creation in their relationships with developers (González-Mansilla et al., 2019; Vargo & Lusch, 2004). Several recent academic studies provide empirical evidence that confirms the significant influence of value co-creation on customer satisfaction in various industries (Dewarani & Alversia, 2023; Opata et al., 2021; Woratschek et al., 2020). By reflecting on the arguments and looking at the results of previous academic research, this research proposes value co-creation, brand image and supply chain agility as antecedent variables of customer satisfaction from developers towards apartment contractors.

The role of customer satisfaction as a determinant of customer loyalty has been proven in various academic studies in various industries, including the B2B industry (Wattoo & Iqbal, 2022; Zhang & Li, 2019). Several academic studies also examine the influence of supply chain agility, value co-creation and brand image in shaping customer satisfaction in various industries separately (Gligor et al., 2020; González-Mansilla et al., 2019; Gupta et al., 2019). Although supply chain agility, value co-creation and brand image are important in the B2B industry, only a few studies have examined the influence of supply chain agility, value co-creation and brand image in forming customer satisfaction simultaneously in a research model, let alone research in the context of the apartment construction industry. This research fills the gap in the literature by examining the influence of supply chain agility, value co-creation and brand image in shaping customer satisfaction and its impact on loyalty in the apartment construction industry.

Based on the observed phenomena and research gaps, the primary objective of this study is to examine the influence of supply chain agility, brand image and value co-creation on customer satisfaction and its impact on customer loyalty. To address the main research objective, this study is further divided into two specific research aims: First, to understand the impact of customer satisfaction on customer loyalty; and second, to determine the effect of supply chain agility, brand image and value co-creation on customer satisfaction.

A. Literature Review

1. Customer loyalty

One of the primary objectives of a company's marketing strategy is to achieve competitive advantage through fostering customer loyalty. Loyal customers provide benefits to the company; they will reuse the company's products or services, recommend its services or products to their colleagues, and are less likely to be attracted to competitors, thereby saving on customer retention costs. Customer loyalty has been extensively addressed in academic research, resulting in numerous definitions of customer loyalty over its development. One definition by Subrahmanyam, (2017) states that customer loyalty is the relative strength of an individual's attitude and their repeat patronage as a consequence. According to Souar et al., (2015), customer loyalty is an individual's psychological condition formed from satisfaction and combined with emotional attachment, resulting in a consistent relationship with the seller. Another definition of Customer loyalty refers to the tendency of customers

to engage in purchasing a product or services based on a good experience, positive perceived value, and even if the purchase is not the most logical decision (Wattoo & Iqbal, 2022).

2. Customer Satisfaction

Customer satisfaction is a crucial component in marketing strategies within the service and retail industries, grounded in the expectancy-disconfirmation theory. In academic research, customer satisfaction has been extensively examined. In the academic realm, customer satisfaction is based on the expectancy-disconfirmation theory, where customers form their satisfaction towards a product or service as a result of evaluating the disparity between their expectations of the product or service and their perceptions of their experience with that product or service (Oh, 1999; R.L, 1997). When customers' experiences with a product or service exceed their expectations, their satisfaction evaluation will be positive; however, if their experiences fall short of their expectations for the product or service, their satisfaction will decrease or they may be dissatisfied (Nisar & Prabhakar, 2017). According to Kotler & Keller, (2021), satisfaction refers to an individual's emotional state of contentment or dissatisfaction that arises from evaluating the perceived performance or outcome of a product in relation to their initial expectations. Consumer evaluations in customer satisfaction are largely influenced by consumers' positive or negative attitudes towards their experiences. Customer satisfaction in the B2B industry is an emotional response based on customers' perceptions of the quality of the service they receive (Kushwaha et al., 2021).

Customer satisfaction is considered a primary component in retaining customers, with customer satisfaction measuring the extent to which a company's products meet or exceed customer expectations, enhancing the relationship between clients and service providers, and encouraging repeat purchase behavior from customers (Wattoo & Iqbal, 2022). According to several academic studies, customer satisfaction consistently remains one of the key elements in shaping customer loyalty across various industries (Koay et al., 2022; Nik Ramli Nik Abdul Rashid et al., 2021; Wattoo & Iqbal, 2022). Several academic studies even indicate that customer satisfaction plays a pivotal role for companies to obtain customer loyalty in the B2B industry (Gligor et al., 2020; Huang et al., 2019; Woratschek et al., 2020). Looking at several previous studies and arguments for the importance of customer satisfaction, this research is proposed that.

H1. Customer satisfaction have a positive influence on customer loyalty toward apartment contractor.

3. Value Co-creation

Good relationships and cooperation between companies and customers alone are not enough to produce added value from company services, an active role is needed from customers and companies in their relationships (Sales-Vivó et al., 2021). The value co-creation variable uses service-dominant logic or SD logic as the basic idea of value co-creation, where the core idea of SD logic is rather simple and straightforward. First, marketing activities (and economic activity in general) are best understood as exchanges of services for services, rather than exchanges in terms of goods-for-goods or goods-for-money, then second, value is created together, not created by just one factor only and then delivered (Vargo & Lusch, 2014). Good relationships and cooperation between companies and customers in applying existing resources will produce added value from company services (Sales-Vivó et al., 2021). According to Prahalad and Ramaswamy, value co-creation is a collaborative initiative where providers and customers jointly create value (Leclercq et al., 2016; Prahalad & Ramaswamy, 2004).

Previous studies have proven the influence of value co-creation on customer satisfaction (Gaudenzi et al., 2021; Gligor et al., 2020; Sthapit et al., 2020). Seeing the importance of value co-creation on customer satisfaction from the results of previous research and previous arguments, this research puts forward the following hypothesis.

H2. value co-creation has a significant positive effect as a predictor of customer satisfaction.

4. Brand Image

The brand image of a company is one source of intangible assets that become a competitive advantage for the company, because brand image is an asset that is difficult for competitors to imitate (Alam & Noor, 2020). In its development, there are several definitions regarding the brand image of a company. According to Gray & Balmer, (1998), corporate brand image is related to the mental image of a company that occurs to an individual when the individual interacts with the company logo and/or company name. Meanwhile, according to Gürlek et al., (2017), the definition of corporate brand image is the concrete results of an organization which are expressed through various emotions, opinions, interactions and impressions from company stakeholders regarding the organization, where customers are part of the stakeholders. The perception of consumer experiences when utilizing services or products from a firm subsequently shapes the company's reputation in the consumer's perception, which the perception created by this image has a crucial role in influencing the consumer's decision to make a repeat purchase of the goods or service (Erkmen & Hancer, 2019). Previous academic research has provided empirical evidence on the influence of brand image on customer satisfaction in various industries (Espinosa et al., 2018; Song et al., 2019). Following prior research, this study proposes the following hypotheses.

H3. Brand image has a significant positive effect as a predictor of customer satisfaction.

5. Supply Chain Agility

The main premise of the supply chain is to create and deliver products or services to provide added value for customers (Gligor et al., 2020). The supply chain agility is the additional capability of the supply chain to overcome market uncertainty, competitive pressure from the market by quickly responding to customers (Afraz et al., 2021). In the midst of competition and the current market, supply chain agility has become one of the competitive advantages for a company, where supply chain agility allows the company's supply chain to be flexible and responsive to customer demand, where supply chain agility is built with an orientation to customer needs and desires (Atmaja et al., 2022). Previous academic research provides evidence of the importance of supply chain agility as a competitive advantage, as well as its influence on customer satisfaction (Gligor et al., 2020; Gupta et al., 2019). Looking at the results of previous research and arguments for supply chain agility, this research proposes the following hypothesis.

H4. supply chain agility has a significant effect as a predictor of customer satisfaction.

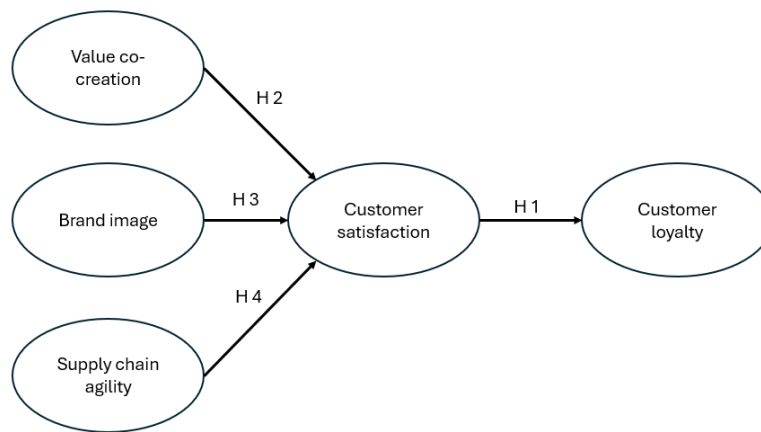


Figure 1. Research model.

II. METHODS

The research populations focus on developer companies that have undertaken the construction of residential apartments developments in Indonesia. The unit analysis is the developer project manager that have more than 5 years' experience as project manager. The survey methodology employed in this study is a cross-sectional design which the data collecting processes occurring between October and December 2023. Data from respondents was collected by means of an online questionnaire administered using Google Forms. The questionnaire for this research was adapted in Indonesian language, as it is the native language of the respondents. A pilot study was carried out before collecting respondent data, with the aim of finding out whether the questionnaire created could be understood by respondents. The pilot study involved a sample of 30 respondents, aiming to assess the comprehensibility of the developed questionnaire among the participants.

The table 1 presents the descriptive analysis of the respondent data that was obtained.

Table 1. Respondent Characteristic

| | | <i>numbers</i> |
|---------------|---------------|----------------|
| <i>Gender</i> | <i>Male</i> | 291 |
| | <i>Female</i> | 25 |
| <i>Age</i> | 20 – 30 | |
| | 31 – 40 | 17 |

| | <i>numbers</i> |
|----------------|----------------|
| <i>41 – 50</i> | <i>120</i> |
| <i>51 - 60</i> | <i>125</i> |
| <i>>61</i> | <i>44</i> |

According to the descriptive data which presented in Table 1, the age group of 51–60 years comprised the largest proportion of respondents in this research with 40.85% or 125 individuals. This was followed by the age group of 41–50 years with 39.22% or 120 individuals. In contrast, among the respondents, 14.38% or 44 individuals were over the age of 60, followed by 5.56% or 17 individuals who fell within the age bracket of 31 to 40 years. Additionally, Table 1 reveals that males comprised the majority of respondents gender, comprising 291 individuals or 92% of the total, while women constituted 25 individuals or 7.91% of the respondents.

The variables in this research model were adapted from variables used in previous studies. The customer loyalty variable in the research was adapted from customer loyalty from the research by Kittur & Chatterjee, (2021) and Zhang & Li, (2019). Because prior research by Kittur & Chatterjee, (2021) and Zhang & Li, (2019) focuses on B2B industry which relevant with apartment construction industries. The customer satisfaction variable also uses measurement indicators from previous research Gligor et al., (2020) , and Kittur & Chatterjee, (2021). The supply chain agility variable measurement that uses in this research was adapted from Gligor et al., (2020). The brand image variable that used in this research was developed from several prior study in B2B industries that deemed relevant with the context of this study (Alam & Noor, 2020; Balmer et al., 2020; Kaur & Soch, 2018). While value co-creation variable was adapted from prior study that examined value co-creation in B2B industries (Iglesias et al., 2020; Sales-Vivó et al., 2021; Sun et al., 2020).

III. RESULTS AND DISCUSSION

This research uses structured equation modeling partial least squares or SEM-PLS, with SmartPLS to analyze data and research models. This research uses SmartPLS with the consideration that the respondent data from this research is not large, and this research model is exploratory in nature. According to Hair et al., (2019) there are 2 parts in measurement analysis and reporting using SmartPLS, namely: reflective measurement and structural measurement. The first stage in SmartPLS analysis is reflective measurement, where this stage consists of checking loading factors, measuring convergent validity, measuring composites reliability and measuring discriminant validity. The results of statistical testing for loading factor, convergent validity and reliability are displayed in table 1.

Table 1. loading factor, convergent validity and reliability

| | <i>Items</i> | <i>Loading factor</i> | <i>CR</i> | <i>AVE</i> |
|-------------------------|---------------|-----------------------|--------------|--------------|
| <i>Brand image</i> | <i>item_1</i> | <i>0,944</i> | <i>0,969</i> | <i>0,862</i> |
| | <i>item_2</i> | <i>0,915</i> | | |
| | <i>item_3</i> | <i>0,943</i> | | |
| | <i>item_4</i> | <i>0,903</i> | | |
| | <i>item_5</i> | <i>0,937</i> | | |
| <i>Customer loyalty</i> | <i>item_6</i> | <i>0,715</i> | <i>0,951</i> | <i>0,764</i> |

| | | | | |
|------------------------------|----------------|-------|-------|-------|
| | <i>item_7</i> | 0,902 | | |
| | <i>item_8</i> | 0,921 | | |
| | <i>item_9</i> | 0,913 | | |
| | <i>item_10</i> | 0,926 | | |
| | <i>Item_11</i> | 0,848 | | |
| <i>Customer satisfaction</i> | <i>item_12</i> | 0,966 | 0,980 | 0,925 |
| | <i>item_13</i> | 0,957 | | |
| | <i>item_14</i> | 0,965 | | |
| | <i>item_15</i> | 0,959 | | |
| <i>Supply chain agility</i> | <i>item_16</i> | 0,920 | 0,974 | 0,904 |
| | <i>item_17</i> | 0,964 | | |
| | <i>item_18</i> | 0,961 | | |
| | <i>item_19</i> | 0,957 | | |
| <i>Value co-creation</i> | <i>item_20</i> | 0,926 | 0,965 | 0,848 |
| | <i>item_21</i> | 0,942 | | |
| | <i>item_22</i> | 0,951 | | |
| | <i>item_23</i> | 0,940 | | |
| | <i>item_24</i> | 0,840 | | |

The initial phase of the reflective measurement analysis entails doing a loading factor analysis. According to Hair Jr. et al. (2017), the factor loading value measure of the strength of the relationship between the indicator and the construct, with the recommended value for the loading Factor is 0.7. If the value of the loading factor decreases below the recommended threshold or 0.7, it indicates a potential deficiency in the validity of the indicators. As can be seen in Table 1, the loading factor figures for the indicators in this study all exceed 0.7 or above the recommendation, indicating that all variables in the study have good validity. Convergent validity refers to the extent to which a collection of indicators accurately measures and serve a single underlying latent variable. Convergent validity can be exemplified by the utilisation of the average value of the extracted variance (AVE) as a means of expressing this representation (Hair Jr. et al., 2017). The minimum acceptable AVE value is 0.5, this demonstrates sufficient convergent validity, indicating that a single latent variable can account for over 50% of the variability observed in its indicators, on average. The calculation results in Table 1 show that the AVE value of each latent variable is above 0.5, which indicates that the validity of each latent variable can account for over 50% of the variability observed in its indicators, on average. Reliability tests are carried out to prove the accuracy,

consistency and precision of the instrument in measuring a latent construct. To achieve good reliability, the composite reliability or CR value must be greater than 0.70, if it is less than 0.7 then it cannot be said to be reliable (Hair Jr. et al., 2017). The calculation results in Table 1 show that the CR value of each latent variable is above 0.7, which indicates that each of the latent variable is reliable.

The last phase in reflective measurement analysis is discriminant validity test. Discriminant validity is a statistical test in SmartPLS which is carried out to ensure that each latent variable is different from other latent variables in the research model. In SMART-PLS discriminant validity testing is carried out using the Fornell-Larcker criterion test. In the Fornell-Larcker criterion test, the discriminant validity of a research model can be said to be good if the root of the AVE in the construct of a latent variable is higher than the correlation of the latent variable with other latent variables. The results of the discriminant validity test from this study are shown in Table 2.

Table 2. Discriminant Validity

| | <i>Brand Image</i> | <i>Customer Loyalty</i> | <i>Customer Satisfaction</i> | <i>Supply Chain Agility</i> | <i>Value Co-Creation</i> |
|------------------------------|--------------------|-------------------------|------------------------------|-----------------------------|--------------------------|
| <i>Brand Image</i> | 0,929 | | | | |
| <i>Customer Loyalty</i> | 0,696 | 0,874 | | | |
| <i>Customer Satisfaction</i> | 0,655 | 0,673 | 0,962 | | |
| <i>Supply Chain Agility</i> | 0,663 | 0,655 | 0,751 | 0,951 | |
| <i>Value Co-Creation</i> | 0,648 | 0,698 | 0,619 | 0,647 | 0,921 |

The results of the discriminant validity test in Table 3 show that the discriminant validity of the research model is good, indicating that all latent variables in this research are empirically different from one another.

The second phase in the SmartPLS analysis test is the structural test. The structural test consists of 2 steps (Hair Jr. et al., 2017). The first step is the R square test. R square is a statistical test that calculates how much the independent (exogenous) variables together influence the value of the dependent (endogenous) variable. R squared has a number that ranges from 0 to 1 (Hair Jr. et al., 2017). The results of calculating the R square value in this study are shown in Table 3.

Table 3. R Square calculations

| <i>Variables</i> | <i>R²</i> |
|------------------------------|----------------------|
| <i>Customer loyalty</i> | 0,454 |
| <i>Customer satisfaction</i> | 0,618 |

The next step in structural test analysis using SmartPLS is structural testing. The structural model describes the causal relationship between latent variables which is built based on the substance of the theory. The initial step of structural model testing is carried out using the Bootstrapping procedure in SMART PLS. The next step is to evaluate the structural model by looking at the significance of the relationship between constructs/variables. This can be seen from the path coefficient which describes the strength of the significance of the relationship between latent variables, which is shown in the t test or P value obtained from the bootstrapping process (resampling method). The recommended t value for a relationship to be called significant is 1.96 with 95% confidence. Meanwhile, the recommended P value for a relationship that is said to be significant is 0.05. The results of the structural test calculations are shown in Table 4 and Figure 2.

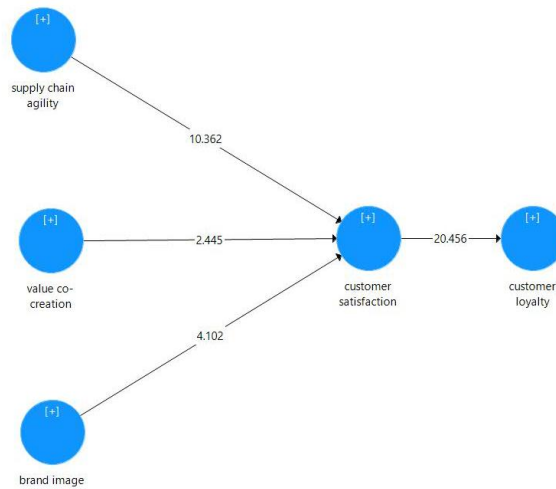


Figure 2. Structural Test Result

Table 4 Structural Test Result

| Path | Path coefficient (β) | T values | P Values |
|---|------------------------------|----------|----------|
| H3. brand image -> customer satisfaction | 0,224 | 4,102 | 0,000 |
| H1. customer satisfaction -> customer loyalty | 0,673 | 20,456 | 0,000 |
| H4. supply chain agility -> customer satisfaction | 0,509 | 10,362 | 0,000 |
| H2. value co-creation -> customer satisfaction | 0,144 | 2,445 | 0,015 |

The path analysis test of this research began with bootstrapping using 5,000 resamples with a 95% confidence interval (Hair et al., 2019). The results of the t value and P value which calculated through bootstrapping are shown in Table 4 and Figure 3. The analysis revealed that brand image (t-value = 4.102, p value = 0.00), supply chain agility (t-value = 10.362, p value = 0.00), and value co-creation (t-value = 2.445, p value = 0.015) exert a substantial influence on customer satisfaction. More precisely, all of these components exhibited a t-value exceeding 1.96 and a p-value below 0.005, which are the suggested thresholds. Therefore, the structural testing validated hypotheses 2 to 4. The analysis also showed that customer satisfaction also provoked significant influence on customer loyalty (t-value = 20.456, p value = 0.00), which indicate that hypotheses 1 is validated.

A. Discussions

The main objective of this research is to analyze the influence of brand image, value co-creation and supply chain agility on developer satisfaction as a customer, as well as the impact on developer loyalty to apartment contractors. To answer the main objective of the research, four hypotheses were formed which were tested quantitatively.

The results of the SEM test show that the first hypothesis is accepted, where customer satisfaction turns out to have a significant effect on developer loyalty to apartment contractors. The results of this first hypothesis test are in line with several previous academic studies that prove the influence of customer satisfaction on customer loyalty in the B2B industry.(Gligor et al., 2020; Huang et al., 2019; Woratschek et al., 2020). The results of this first hypothesis test contribute to the academic literature by providing empirical evidence that customer satisfaction has a significant and positive effect on customer loyalty in the apartment construction industry. The results of this first hypothesis test indicate that to create and maintain loyalty from developers, apartment contractors must be able to provide services that can satisfy the expectations of apartment developers.

The results of the SEM calculation test also show that hypotheses 2, 3 and 4 are accepted, where the variables brand image, value co-creation and supply chain agility have a significant and positive influence on developer satisfaction as customers of apartment contractors in Indonesia. The results of this hypothesis test are in

accordance with the results of previous research which empirically proves the significant and positive influence of value co-creation on customer satisfaction in the B2B industry (Gaudenzi et al., 2021; Gligor et al., 2020; Sthapit et al., 2020), and are also in accordance with the results of empirical research which proves the influence of brand image on customer satisfaction in B2B industry (Espinosa et al., 2018; Song et al., 2019), and in line with the results of previous research which proves the influence of supply chain agility on customer satisfaction in the B2B industry (Gligor et al., 2020; Gupta et al., 2019). The influence of value co-creation, brand image and supply chain agility on customer satisfaction has actually been widely studied academically in various industries, but previous studies have examined the influence of value co-creation, brand image and supply chain agility on customer satisfaction separately (Espinosa et al., 2018; Gupta et al., 2019; Song et al., 2019). There are only a few studies that examine the influence of value co-creation, brand image and supply chain agility on customer satisfaction simultaneously in 1 research model (Gligor et al., 2020), especially those that examine the apartment construction industry, so the results of this hypothesis test are novel and a separate contribution from this research. to academic literature. The results of this hypothesis test indicate that apartment developers will be satisfied with contractors if the contractor has a good brand image, the contractor is able to work well together and involve developers in solving problems on the project, and the contractor is flexible in their supply chain matters when responding to requests. from developers or addressing changes in the field.

IV. CONCLUSION

1. The implications of this research lie in the theoretical and managerial realm.

There are several theoretical implications of this research. The first implication of this research is in the development of expectancy disconfirmation theory. Expectancy disconfirmation theory is the theoretical root of customer satisfaction, and the results of this research show empirical evidence of the significant influence of brand image, value co-creation and supply chain agility simultaneously on customer satisfaction in the apartment construction industry. The second theoretical implication is in the service dominant logic theory, which is a theory that forms value co-creation. The results of this research show empirical evidence of the significant influence of value co-creation on customer satisfaction in the apartment construction industry.

Apart from implications for the development of theoretical literature, this research also has implications for the managerial side. The results of this research become a strategy for contractor companies to achieve developer satisfaction which has an impact on developer loyalty. The results of this research show that to achieve satisfaction from apartment developers, apartment contractors need to do the following things: first, apartment contractors must build and maintain the brand image of their company. secondly, a good relationship between the contractor and the developer is not enough, the apartment contractor must treat the developer not only as a passive partner, but as an active partner in the relationship and in solving problems. Third, apartment contractors need to have an agile supply chain, where the contractor's supply chain can be flexible and easily adapt to customer demand and situations.

2. Limitations and Future Research

Although this research has implications, it is not free from limitations. The following are several limitations of this research. Firstly, this research is a quantitative research that uses data collection using a cross-sectional method, so one of the limitations of this research is that it is cross-sectional. secondly, this research was created for the context of the apartment construction industry in Indonesia, so the next limitation is in the Indonesian context, future research can use the model from this research for apartment construction in other countries.

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Habituation of the Mutual Cooperation Character in Pancasila Education in Elementary Schools

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ABSTRACT

Purpose: This research aims to analyze the strengthening of the character of mutual cooperation in Pancasila education learning in class V of SDN Pondok Betung 04. Strengthening the character of mutual cooperation is an important aspect of character education which is expected to shape students into individuals who have social awareness and the ability to work together in life. daily.

Design/methodology/approach: The research method used is a case study with a qualitative approach, involving classroom observations, in-depth interviews with teachers and students, as well as analysis of documentation related to learning implementation plans (RPP) and teaching materials.

Findings: The results of the research show that the initial condition of the mutual cooperation character of class V students at SDN Pondok Betung 04 still needs to be improved. Several effective methods and strategies in learning Pancasila Education to strengthen the character of mutual cooperation include project-based learning, group discussions and collaborative activities. The effectiveness of these methods and strategies can be seen from increasing students' ability to work together, help each other, and participate actively in class activities. However, this research also found several inhibiting factors, such as limited time, lack of parental involvement, and lack of supporting resources. The role of teachers and the school environment is very important in supporting the strengthening of the character of mutual cooperation, especially through modeling behavior and providing motivation to students. Positive responses from students and parents show that this program was well received and had a positive impact on student character development. Based on these findings, this research recommends increasing training for teachers on character learning methods, increasing parental involvement, and providing adequate resources to support character strengthening programs. In this way, it is hoped that strengthening the character of mutual cooperation can be more effective and sustainable in learning Pancasila Education at SDN Pondok Betung 04.

Paper type: Research paper

Keyword: Mutual Cooperation, Pancasila Education, Character Strengthening, Collaborative Learning, Elementary School.

Received: March 8th

Revised: June 18th

Published: July 31th

I. INTRODUCTION

The importance of character education in Indonesia is one of the main focuses in the education system in Indonesia. The aim is to form students who are not only intellectually intelligent, but also have strong character and good morals. Pancasila as the basis of the state and ideology of the Indonesian nation contains very important values to be instilled in the younger generation, including mutual cooperation, which is one of the main values (Santoso, Khairunnisa, et al., 2023) . **Mutual Cooperation as a Pancasila Value** ; Mutual cooperation is a value that emphasizes cooperation, togetherness and solidarity. This value is considered very important in building a harmonious and productive society. In the educational context, strengthening the character of mutual cooperation is expected to foster a sense of togetherness and cooperation among students, which will be beneficial in their future lives. **Pancasila Education in Elementary Schools** ; Learning Pancasila education in elementary schools aims to introduce and instill Pancasila values from an early age. In class V, students have begun to understand

concepts and are able to be invited to discuss Pancasila values in everyday contexts. **Conditions at SDN Pondok Betung 04** ; SDN Pondok Betung 04 as one of the elementary schools that will be the research site has a mission to develop student character through various educational programs, including Pancasila Education. Analysis of strengthening the character of mutual cooperation in learning in class V can provide an overview of how Pancasila values are integrated in teaching and learning activities.

The gap in this research is **the lack of Empirical Studies on the Implementation of Mutual Cooperation Values** ; Although the value of mutual cooperation is often mentioned in the Pancasila Education curriculum, in-depth empirical research regarding how this value is practically implemented in the classroom is still limited and special studies that evaluate teaching methods and strategies used to strengthen the character of mutual cooperation in class V of SDN Pondok Betung 04 has not existed yet. **Limitations of Evaluation of the Success of Character Strengthening** ; Research on strengthening the character of mutual cooperation often does not include comprehensive evaluations of the success or long-term impact of such programs on students and there is a need to develop more effective evaluation tools that comprehensively assess the influence of teaching the value of mutual cooperation on student behavior. **Lack of focus on Local Context** ; Each school has different contexts and challenges. Existing studies have not fully considered local and specific factors that influence the implementation of the value of mutual cooperation at SDN Pondok Betung 04. Research that focuses on this local context can provide more relevant and practical insights for the school. **Teaching Methods that are Not Optimal** ; Many studies show that methods of teaching character values such as mutual cooperation are often theoretical and less attractive to students. This gap shows the need to explore and develop more innovative, interactive and contextual teaching methods, which can be more effective in instilling the values of mutual cooperation. **Lack of Longitudinal Studies** ; most of the existing research is short-term studies that do not track the long-term development of students' cooperative character. Longitudinal research that monitors changes and developments in students' character over time is needed to understand the long-term impact of strengthening the character of mutual cooperation. **The Role of Teachers and the School Environment** ; Not much research has explored the role of teachers and the school environment as a whole in influencing the strengthening of the character of mutual cooperation. Understanding how these factors contribute can provide more comprehensive insights and more effective strategies.

Relevance and Benefits of Research ; considering the importance of mutual cooperation in building a strong and united society, this research is expected to contribute to the development of effective learning methods in instilling these values (Santoso, Karim, et al., 2023) . The results of the analysis can be used as a reference for other schools in developing similar character education programs. The theories used in this research include: a). **The Theory of Moral Development by Lawrence Kohlberg**; This theory focuses on the stages of individual moral development. Kohlberg suggested that moral development occurs in six stages which are divided into three main levels: pre-conventional, conventional, and post-conventional. Learning Pancasila education which emphasizes the value of mutual cooperation can help students reach higher stages of moral development. Its application can understand how teaching the value of mutual cooperation can influence the moral development of students in class V and develop teaching strategies that are appropriate to the students' stage of moral development. b). **Social Learning Theory by Albert Bandura** ; emphasizes that learning occurs in a social context through observation, imitation, and modeling. According to Bandura, individuals learn from their social environment, and character strengthening such as mutual cooperation can be instilled through social examples and experiences. Apply teaching methods that involve observing and modeling mutual cooperation behavior by teachers and peers and using collaborative activities and group discussions to strengthen the values of mutual cooperation. c). **Constructivism Theory by Jean Piaget and Lev Vygotsky** ; constructivism emphasizes that learning is an active process in which students construct their own understanding based on their experiences. Piaget focused on individual cognitive development, while Vygotsky emphasized the important role of social and cultural interactions in learning. This is implemented by developing learning activities that require students to participate actively, building their understanding of mutual cooperation and utilizing Vygotsky's zone of proximal development (ZPD) to provide appropriate support to students in understanding and internalizing the value of mutual cooperation. d). **Character Education Theory** ; the importance of education in forming an individual's moral and ethical character. Character education aims to develop virtues and positive values, including mutual cooperation, in students.

This is implemented by designing a curriculum and learning activities that explicitly teach, strengthen the value of mutual cooperation and integrate character education in every aspect of classroom learning. (Muhtadin & Santoso, 2022) . An explanation that is easier to understand: a). **The Theory of Moral Development by Lawrence Kohlberg**; Children's moral development occurs in several stages, starting from a basic understanding of right and wrong to the ability to think abstractly about moral principles, which relates to how teaching the value of mutual cooperation can help students reach a higher stage of moral development, for example from the conventional stage to post-conventional stage where the values of mutual cooperation are understood as part of social responsibility. b). **Social Learning Theory by Albert Bandura**; learning occurs in a social context through

observation, imitation, and modeling. Individuals learn from their social environment. It emphasizes the importance of the school environment and the role of teachers and peers in teaching and modeling mutual cooperation behavior. Collaborative activities and social interactions in the classroom can strengthen the learning of these values. c). **Constructivism Theory by Jean Piaget and Lev Vygotsky**; learning is an active process in which students construct their own understanding based on their experiences (Piaget). Social and cultural interactions have an important role in learning (Vygotsky). This is related to mutual cooperation learning which involves social interaction, such as group work, discussions, and requires students to build understanding and actively internalize the values of mutual cooperation. d). **Character Education Theory** ; aims to develop positive virtues and values, such as honesty, responsibility, and mutual cooperation, in students. This can be done by providing a framework for designing curriculum and learning activities that explicitly teach and strengthen the values of mutual cooperation. This theory supports the importance of integrating character values in every aspect of learning. e). **Humanistic Motivation Theory by Abraham Maslow**; Individuals have basic needs that must be met to achieve self-actualization, which include physiological, safety, social, self-esteem and self-actualization needs. Explain the importance of meeting students' social needs, such as a sense of belonging and cooperation, to create a learning environment that supports strengthening the character of mutual cooperation. f). **Cooperative Learning Theory**; emphasizes cooperation between students in small groups to achieve common goals. Possible applications, such as group work and joint projects, can be used to teach and strengthen the value of mutual cooperation. This theory supports a practical approach to learning that encourages collaboration and shared responsibility. g). **Social-Cognitive Theory by Albert Bandura**; learning is influenced by dynamic interactions between environment, behavior, and cognition. Emphasizes the importance of role models (teachers and peers) and a supportive learning environment to strengthen the character of mutual cooperation. The use of positive reinforcement and feedback is also important in learning this value.

II. METHODS

Qualitative Research Approach: explores an in-depth understanding of the process of strengthening the character of mutual cooperation and the subjective experiences of students, teachers and parents. The main focus was carried out at SDN Pondok Betung 04 as a case study to analyze the strengthening of the character of mutual cooperation in depth. Carrying out various teaching methods and strategies used in the school to strengthen the character of mutual cooperation. The first data collection technique is conducting class observations: directly observing the learning process in class V, including interactions between teachers and students, as well as between students, to see how the value of mutual cooperation has been implemented, then conducting in-depth interviews: researchers conduct interviews with teachers and students to get their perspective on strengthening the character of mutual cooperation. finally, documentation: collecting related documents such as learning implementation plans (RPP), class notes, and teaching materials used by the teacher. The technique for data analysis uses data triangulation, namely combining various data sources and methods to ensure the accuracy and validity of research findings. Research procedures go through four stages, the first is the preparation stage: identifying research objectives, compiling research instruments, and obtaining research permission from the school. Second, data collection: carrying out observations, interviews and documentation according to a predetermined schedule. Third, data analysis: analyzing the data that has been collected using appropriate methods. Finally, reporting results: compiling a research report that includes findings, analysis and recommendations.

III. RESULTS AND DISCUSSION

Based on the research results, data can be collected from students and teachers through data collection asking about their perceptions or views regarding local wisdom-based learning and strengthening the character of mutual cooperation. Interviews: Conduct in-depth interviews with students and teachers to explore their experiences and views regarding the learning methods applied. Observation: Observing student and teacher interactions during the learning process to understand how local wisdom is integrated and how the character of mutual cooperation is applied. Weaknesses in this research; **Limited time** to carry out learning activities that focus on the character of mutual cooperation. the solution integrates the value of mutual cooperation into various subjects so that it does not require significant additional time. For example, group projects in other subjects may emphasize cooperation.

Student Perceptions, taken from several students, namely the existence of Connectedness with Everyday Life: Students have felt that strengthening the character of mutual cooperation through learning based on local wisdom makes these values more relevant and directly connected to their daily lives (Santoso, et al., 2023). Activities that involve local wisdom, such as local traditions and culture, can make it easier for students to

understand and apply the concept of mutual cooperation. Then there is Interest and Motivation: If learning is presented in an interesting way, such as through folklore or cultural activities, students will be more motivated and enthusiastic. Activities that involve active interaction and direct experience are usually preferred by students and can increase their interest in learning. Then there are various Positive Experiences: Students have positive perceptions if they feel involved in mutual cooperation activities that give them the opportunity to work together with their friends. Experiences like these can strengthen their understanding of the value of mutual aid and give them a sense of accomplishment. Next in the Obstacles and Challenges section: On the other hand, students have faced obstacles if they do not fully understand the values of local wisdom or if the activities carried out do not suit their interests. Challenges like this can influence how they view the importance of strengthening the character of mutual cooperation.

Teacher perception states that; “Educational Relevance: Teachers usually see the importance of strengthening the character of mutual cooperation through learning based on local wisdom as a way to link lesson material to relevant cultural contexts. They have believed that this helps students understand and appreciate the values of Pancasila in a more real and practical context.” Then there is Method Effectiveness: Teachers have assessed that local wisdom-based methods are effective in teaching the values of mutual cooperation because this approach utilizes local cultural riches that are already known to students (Sartika & Santoso, 2023). They have felt that this method makes it easier for students to internalize and apply these values. Furthermore, Experience and Observation: Teachers who have implemented this method have had positive perceptions regarding student progress in terms of cooperation and mutual cooperation. They have seen improvements in student attitudes and behavior indicating increases in cooperation and active participation. Then there are Implementation Challenges: On the other hand, teachers have faced challenges in integrating local wisdom into the existing curriculum. They can also experience difficulties in adapting learning materials to various student backgrounds, which can affect the effectiveness of strengthening the character of mutual cooperation.

The implementation of Pancasila education learning based on local wisdom in an effort to strengthen the character of mutual cooperation in class V at SDN Pondok Betung 04 has been carried out through several strategic steps. It is hoped that by implementing these steps, it is hoped that class V students at SDN Pondok Betung 04 can internalize the values of mutual cooperation through Pancasila education based on local wisdom, so that they grow into individuals who have strong character and care about each other and the surrounding environment. These steps are as follows: 1. Integration of Local Wisdom in the Curriculum, through Contextualization of Material: class V teacher at SDN Pondok Betung 04 Prepares teaching materials that integrate local wisdom values. For example, using folklore, customs, or traditional activities that contain the value of mutual cooperation as part of the teaching material. Then Develop Learning Modules: Create learning modules that include local wisdom as a concrete example of implementing the value of mutual cooperation. 2. Teacher Competency Training and Development at SDN Pondok Betung 04, then Workshop and Training: Holding training for teachers to improve understanding and skills in teaching Pancasila Education based on local wisdom. Then collaborate with community leaders, by inviting community leaders or local cultural experts to provide knowledge and insight to teachers and students regarding relevant local wisdom. 3. Active and Participatory Learning Methods, as part of Learning Through Projects (Project-Based Learning), which involves students in projects that require cooperation and mutual cooperation, such as cleaning the school environment, creating classroom gardens, or handicraft projects. Then there are group discussions and role-playing. Using group discussions and role-playing simulations to practice the values of mutual cooperation in real situations. 4. Extracurricular Activities Based on Local Wisdom, with Cultural Activities, which of course by holding extracurricular activities related to local culture, such as traditional dances, traditional games, or cultural festivals that emphasize the importance of mutual cooperation. Then there is the Community Service Program, by organizing regular community service programs involving all students, teachers and the surrounding community to develop a spirit of mutual cooperation. 5. Continuous Assessment and Evaluation, Qualitative and Quantitative Assessment: Using qualitative assessment methods such as observation and daily journals as well as quantitative methods such as tests and quizzes to evaluate the understanding and application of the value of mutual cooperation among class V students at SDN Pondok Betung 04. Then reflect and provide feedback Return, by providing opportunities for students to reflect on the activities they have carried out and provide feedback for future improvements. 6. Collaboration with parents and the community, parental involvement, by encouraging parental involvement in school activities based on mutual cooperation and local wisdom to strengthen the application of these values at home (Anindia et al., 2023). Then there is Partnership with Local Communities: Building partnerships with local communities to support learning programs that promote local wisdom values. Through Specific Implementation in Class V of SDN Pondok Betung 04, using Local Stories and Fairy Tales as media, Using stories and fairy tales from the local area which emphasize the value of mutual cooperation in Pancasila Education lessons. Then there is the Collaborative Project, making class projects such as making mading (wall magazines) which contain information about local wisdom and the importance of mutual cooperation. Next is the Use of Local Language, which teaches several

vocabulary and expressions in regional languages related to mutual cooperation, to instill a sense of pride in local culture.

Using efficient but effective learning methods, such as project-based learning which combines various materials in one activity. Arrange the class schedule to allow additional time for collaborative activities, such as special sessions for group projects or mutual aid activities. **Lack of resources;** Limited teaching aids, materials, or facilities that support collaborative activities. The solution is to use existing resources creatively. For example, use simple materials for group activities or use available technology to support learning, collaborate with local communities or organizations to obtain donations or sponsors for teaching material and facility needs, and use available information technology, such as digital platforms for collaboration and online learning. **Low Parental Involvement;** Lack of parental support and involvement in supporting character strengthening programs. **The solution** is holding meetings and workshops with parents to explain the importance of character strengthening and how they can play an active role, maintaining regular communication with parents through letters, emails, or meetings to provide information about program activities and progress, and organizing activities that involve parents and students simultaneously to increase engagement and support. **Incompatibility of methods with student needs;** learning methods that do not suit students' needs or learning styles. **The solution** is to adapt learning methods to different student learning styles. Use a variety of teaching techniques, such as visual, auditory, and kinesthetic, collect feedback from students regarding the methods used and make adjustments based on their needs, and provide training for teachers on various teaching methods that can be adapted to students' needs. **Student Discipline and Behavior Problems;** Difficulty in managing student behavior that does not support cooperation or frequent conflicts within the group. **The solution** implement effective classroom management strategies, such as setting clear rules and consistent consequences for inappropriate behavior, teaching social skills and conflict resolution through special programs that help students overcome differences and work together better, and identify and address behavior problems proactively through observation and early intervention before problems become bigger. Lack of **training for teachers; teachers** who have not received adequate training in teaching and implementing the value of mutual cooperation. **The solution** organize regular training for teachers on character teaching and effective techniques in implementing mutual cooperation, provide access to professional resources, such as books, articles, and online courses, that can help teachers develop their skills, and encourage collaboration between teachers to share experiences as well as successful strategies in teaching the value of mutual cooperation. **Unsupportive school policies; school policies** that do not fully support or integrate mutual cooperation character learning. **The solution** is to provide recommendations to school management regarding policies that support strengthening the character of mutual cooperation and its benefits for student development, involve all stakeholders, including teachers, parents and communities, in formulating and implementing policies that support the character of mutual cooperation, and ensure that existing policies support activities and programs that promote mutual cooperation, and monitor their implementation regularly.

On assessment standards: Assessments which are usually more focused on academic results have ignored aspects of character and the value of mutual cooperation that are sought through local wisdom (Santoso, 2020a). Several obstacles in integrating local wisdom into Pancasila education learning to strengthen the character of mutual cooperation in class V of SDN Pondok Betung 04, as follows: 1. Lack of resources and learning materials, where limited materials result in the availability of learning materials based on local wisdom often limited. Existing textbooks and teaching materials do not cover in depth the values and concrete examples of local wisdom. Then there is access to resources: Access to local resources such as books, videos, or digital materials that are relevant to local wisdom is inadequate in class V at SDN Pondok Betung 04. 2. Teacher competency in class V at SDN Pondok Betung 04, with knowledge Teachers: Teachers lack in-depth knowledge of local wisdom that is relevant to the student community. This can make them less confident in teaching the material. Then there is lack of training: The lack of special training for teachers regarding how to integrate local wisdom in teaching Pancasila education is the main obstacle. 3. Rigid Curriculum, there is still a lack of Curriculum flexibility, where a rigid national curriculum can be an obstacle in adapting learning based on local wisdom. Teachers have felt bound to a predetermined syllabus and material with no room to include local elements. Then there is material suitability, where the material provided in the curriculum is not always relevant to local wisdom, so it is difficult to link it to the value of mutual cooperation. 4. Support from the School and Community, with Administrative support, of course a lack of support from the school, such as the school principal and administration, can be an obstacle in implementing local wisdom-based learning. Then there is collaboration with the Community: Not all communities or parents of students are actively involved in supporting learning programs based on local wisdom, which can hinder efforts to strengthen the value of mutual cooperation. 5. Limited Learning Time, with the existence of a learning schedule, with limited time in the daily learning schedule it can make it difficult for teachers to allocate enough time for activities that are in-depth and focused on local wisdom and the value of mutual cooperation. Then, with the existence of a learning priority, existing Pancasila education based on local wisdom has competed with other subjects which also require the same attention and time. 6. Resistance to Change, with old habits, a teacher and students are already accustomed to conventional learning methods, so there is resistance to change

that involves new approaches based on local wisdom. Furthermore, when accepting students, it is hoped that some students will be less interested or do not understand the importance of learning local wisdom, so they will be less enthusiastic about participating in learning activities. 7. Evaluation and Assessment, with the Assessment method, of course the lack of appropriate assessment tools and methods to measure the effectiveness of local wisdom-based learning in strengthening the character of mutual cooperation can be an obstacle.

Solutions by overcoming Obstacles To overcome these obstacles, efforts are needed involving various parties, where all Material Development and Provision, through the hands of the government and educational institutions can work together to develop and provide learning materials rich in local wisdom (Santoso, et al., 2022). **Collaboration with Cultural Experts:** Collaborate with local cultural experts to develop relevant and in-depth learning materials about local wisdom. **Providing Digital Learning Resources:** Developing and providing interactive digital teaching materials, such as videos, e-books and applications that focus on local wisdom and the value of mutual cooperation. Furthermore, there is teacher training, by providing ongoing training for teachers regarding local wisdom and relevant teaching methods. **Special Time Allocation:** Set aside special time in the learning schedule for activities related to local wisdom and mutual cooperation. **Thematic Learning:** Using a thematic learning approach that results in the integration of various subjects with a focus on local wisdom and the value of mutual cooperation. **Continuous Training:** Holding regular training and workshops for teachers to increase knowledge and skills in integrating local wisdom into learning. **Providing Practical Guides:** Providing practical guides and teaching modules that make it easier for teachers to implement local wisdom in daily teaching. Then there is curriculum flexibility, which is aimed at providing flexibility in the curriculum to achieve the integration of local wisdom. **Curriculum Flexibility:** Encourage policies that provide flexibility for teachers to adapt the national curriculum to relevant local wisdom. **Integration of Local Wisdom in the Syllabus:** Develop a syllabus that explicitly covers local wisdom topics and strategies for teaching the value of mutual cooperation. Furthermore, there is community support, which increases the involvement of the community and parents in supporting local wisdom-based learning. **Phased Approach:** Introducing changes gradually so teachers and students can adapt to the new approach. **Outreach and Education:** Hold outreach to increase awareness about the importance of local wisdom and the value of mutual cooperation among teachers, students and parents. **Parent and Community Participation:** Gather support from parents and local communities to be involved in school activities based on local wisdom, such as cultural festivals, community service and collaborative projects. **Community Collaboration Program:** Building partnerships with community organizations and cultural institutions to provide resources and support for local wisdom-based learning activities. Then in the Innovative evaluation section, which describes the development of a holistic and appropriate assessment method to measure the strengthening of the character of mutual cooperation through learning based on local wisdom. **Holistic Assessment Method:** Develop holistic assessment methods, such as portfolio, observation, and reflection, to measure understanding and application of the value of mutual cooperation. **Project-Based Evaluation:** Using local wisdom-based projects as an evaluation tool to assess student involvement and cooperation in implementing the value of mutual cooperation. **Periodic Evaluation:** Conduct regular evaluations of the effectiveness of the methods and strategies implemented. **Student Reflection:** Inviting students to carry out personal reflections about their experiences in mutual cooperation activities and learning Pancasila, this can be done through reflective journals or group discussions.

Points that have become indicators of the effectiveness of increasing understanding of Pancasila values, with local wisdom applied in learning can help students better understand and internalize Pancasila values, especially the value of mutual cooperation (Santoso, 2020b). The effectiveness of using local wisdom in learning Pancasila education towards strengthening the character of mutual cooperation in class V of SDN Pondok Betung 04 can be seen from several aspects, such as increasing students' understanding of Pancasila values, changes in students' attitudes and behavior, as well as active involvement in mutual cooperation activities. The use of folklore, local traditions and community-based activities can make these values more relevant and easier for students to understand. **Changes in Student Attitudes and Behavior:** Effectiveness can also be seen from changes in students' attitudes and behavior in everyday life, both at school and outside school. If students show an increase in cooperation, mutual assistance, and a sense of togetherness, this could be an indication that local wisdom-based learning has succeeded in strengthening the character of mutual cooperation. **Active Involvement in Mutual Cooperation Activities:** Student participation in mutual aid activities, whether initiated by the school or outside the school environment, can be another measure of effectiveness. Students who are actively involved show that they not only understand the value of mutual cooperation, but also apply it in real action. **Feedback from Teachers and Parents:** Observations and assessments from teachers as well as feedback from parents can provide an idea of how effective local wisdom is in learning Pancasila. Teachers can provide evaluations based on direct observations in the classroom, while parents can report changes in their child's behavior at home. **Conducive Learning Environment Conditions:** A learning environment that supports the application of local wisdom, such as supporting appropriate learning facilities and materials, also contributes to the effectiveness of learning. Schools that provide space for local cultural and traditional activities will be more successful in integrating local wisdom in learning.

IV. CONCLUSION

Before implementing the character strengthening program, the level of understanding and application of the value of mutual cooperation among class V students still varied and needed to be improved. Students show basic awareness of mutual cooperation, but its implementation in daily activities in the classroom is still limited. Project-based learning methods, group discussions and collaborative activities have proven effective in strengthening the character of mutual cooperation. This method requires students to practice directly in situations that require cooperation, and facilitates understanding and practical application of the value of mutual cooperation. The application of these methods and strategies has shown a significant increase in students' ability to work together, help friends, and participate actively in group activities. This improvement can be seen from the results of observations and assessments of students' attitudes and behavior in class activities. The main supporting factors include the active role of teachers, school environment support, and parental involvement. On the other hand, inhibiting factors include limited time, lack of supporting resources, and parental involvement which still needs to be improved. Teachers have a crucial role as role models and facilitators in strengthening the character of mutual cooperation. A supportive school environment, including policies that facilitate collaborative learning, also contribute to the success of this program. Students and parents showed positive responses to the mutual cooperation character strengthening program. Active involvement of students in activities that involve cooperation and parental support strengthens the implementation of this value outside the classroom. To increase the effectiveness of strengthening the character of mutual cooperation, it is recommended that teachers be given further training regarding character learning methods, increase parental involvement in supporting the value of mutual cooperation, and provide adequate resources to support collaboration-based learning activities. Pancasila education based on local wisdom in class V of SDN Pondok Betung 04 shows positive results in increasing understanding and application of the values of mutual cooperation among students. With the right support and necessary adjustments, this method can be more effective in shaping students' character and integrating Pancasila values in their lives.

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Risk Factors and Effectiveness of Implementing Multi-Construction Projects for Development of Industrial Facility Sector in Indonesia

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ABSTRACT

Purpose: Multi-project management of industrial facility construction has high challenges and complexity. Various factors influence the effectiveness and risks of multi-project implementation. A separate management method is required in implementing multi-projects compared to single projects. An organization must manage multiple projects using organizational resources and personnel. This research aims to obtain best practices in managing multi-project construction of industrial facilities in Indonesia and understand the cause and effect and influence between variables.

Design/ methodology/ approach: This research uses a qualitative approach based on literature observations, reviews, and surveys of the construction sector of industrial facilities in Indonesia. Survey data were analyzed by looking for essential themes related to the research questions. The survey results show that six factors and 50 important variables influence the implementation of multi-project industrial facility construction. These factors are human resources, organization, environment, construction, external, design & technical, and business.

Findings: This research provides an overview of the practices and challenges of multi-project management of industrial facility construction in Indonesia. This research also provides recommendations for developing dynamic system models that can assist in managing the risks and impacts of multi-project implementation.

Paper type: Research paper

Keyword: Multi-project, industry facility, system dynamic

Received : March 8th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

Multi-project management refers to managing several interrelated projects with different levels of complexity and characteristics compared to driving a single project (Tsvetkova & Tukkel, 2017). According to Hedberg & Högländer (2013), multi-project refers to a situation where an organization carries out several projects simultaneously, regardless of their interrelationships. Managing multiple projects brings new challenges to project management, such as resource allocation, team coordination, and quality control. The definition of multi-project from relevant previous research is: 1) Activities of an organization or company that involve the simultaneous execution of several projects that may be related (Patanakul, 2013; Patanakul & Milosevic, 2009; Tsvetkova & Tukkel, 2017) or not have relatedness (Hedberg & Högländer, 2013); 2) Projects that interact in terms of intangible resources such as ideas, core values, or innovation, while being constrained by physical resources such as finance, technology, labor, and information that can change over time and require efficient scheduling (Tsvetkova & Tukkel, 2017); 3) Management of a series of projects simultaneously within a company, including portfolio optimization (Kracik et al., 2013); 4) Organizational operational conditions that involve implementing a series of projects simultaneously or sequentially (Engwall & Jerbrant, 2003).

Specifically, the definition of the multi-project construction sector, according to Abdullah & Vickridge (1999), is the management of several construction projects directly or indirectly interconnected by clients,

business objectives, funding, resources, environment, or operations. Multi-projects are needed to increase management and monitoring efficiency at the organizational level (Abdullah & Vickridge, 1999; Engwall & Jerbrant, 2003; Hedberg & Högländer, 2013; Martinsuo & Ahola, 2022; Patanakul & Milosevic, 2009; Tsvetkova & Tukkel, 2017). In multi-projects, there are interaction and coordination factors between related projects (Abdullah & Vickridge, 1999; Engwall & Jerbrant, 2003; Patanakul, 2013; Tsvetkova & Tukkel, 2017). Multi-projects are used to increase collaboration, cooperative communication between project teams, and technology transfer between projects (Martinsuo & Ahola, 2022; Patanakul & Milosevic, 2009; Tsvetkova & Tukkel, 2017). It increased flexibility to environmental and business changes (Hedberg & Högländer, 2013; Kracík et al., 2013). It is a common method modern organizations use to achieve company strategic goals (Kracík et al., 2013). They were carried out for resource efficiency optimization of resource use (Abdullah & Vickridge, 1999; Engwall & Jerbrant, 2003; Patanakul, 2013). Improving performance and competitiveness (Kracík et al., 2013), reducing costs and risks (Kracík et al., 2013), and achieving maximum benefits by integrating various aspects of design, finance, risk, quality, environment, health, and safety in construction projects (Abdullah & Vickridge, 1999).

There is a huge challenge in managing multiple projects in parallel with limited resources. Multi-project management is required to ensure alignment between strategic and project objectives and optimize resources and risks (Kracík et al., 2013). According to Payne (1995), a separate management method is needed in implementing multi-projects compared to single projects. The division of workload management of work tasks (Elonen & Arto, 2003; Engwall & Jerbrant, 2003) is a problem in multi-project management. An organization is required to manage multiple projects regarding the use of organizational resources and personnel (Hedberg & Högländer, 2013). The main elements of multi-project construction management, according to Abdullah & Vickridge (1999) are 1) Multi-project objectives and strategies; 2) Multi-project organization; 3) Multi-project master plan; 4) Integrated information and communication systems; 5) Financial strategy, risk management, quality management, environment, health and safety, design strategy, and contract and procurement strategy; 6) Planning and controlling resources, schedules, costs and progress for each project in multiple projects; 7) Regular measurement of benefits, evaluation and corrective action. Multi-project differs from project portfolio management, which focuses more on aligning strategy and organizational goals. Multi-project also differs from program management, focusing more on achieving significant results and benefits through related projects.

Industrial projects are projects related to the construction or repair of industrial facilities, including factories in the form of places or buildings used to carry out economic activities related to the processing or manufacturing of raw materials or finished goods. Industrial facility construction projects can include various types, such as developing production plants, refineries, power plants, chemical plants, and their derivatives. Developing industrial facilities requires planning, design, construction, operation, and maintenance under engineering and environmental standards.

The context of multi-project management in previous research includes various issues, such as 1) Effectiveness and efficiency of multi-project management (Abdullah & Vickridge, 1999; Kracík et al., 2013; Patanakul & Milosevic, 2009); 2) Problems of resource allocation, risk management, and work environment challenges in a multi-project context (Hedberg & Högländer, 2013; Martinsuo & Ahola, 2022; Patanakul, 2013); 3) Assignment of project managers, orientation and organizational culture, as well as multi-project manager competencies (Patanakul, 2013); 4) In the construction sector, the problem of difficulties in getting attention from senior management, establishing multi-project definitions, schedule management, risk management, change, multi-project management structures, communication, coordination, and comprehensive guidance for multi-project management in the construction industry (Abdullah & Vickridge, 1999).

This research aims to analyze risk factors and factors that influence the effectiveness of implementing multi-construction projects in developing industrial facilities in Indonesia based on existing problems. A literature review was carried out to deepen the understanding of the research variables. The variables found in previous research were verified through questionnaires distributed to selected industrial facilities development sector respondents. The collected data is analyzed to identify factors that influence the development of multi-construction projects in industrial facilities and to support planning and anticipatory efforts in dealing with potential problems in the future.

II. METHODS

This research was carried out in five stages, which are: 1) Literature review to obtain research variables and answer research problems; 2) Testing research variables using a qualitative approach and concluding using descriptive analysis; 3) Modeling research variables using a dynamic system approach; 4) Model testing with multi-project construction implementation data on industrial facilities with multi-project implementation conditions in Indonesia using a quantitative approach and dynamic system analysis; 5) Optimization of models to

obtain optimum policies, quantitative approaches, dynamic system analysis. A qualitative approach was taken in the first stage by concluding descriptive analysis. In the second stage, questionnaires were given to respondents, including professionals and experts in Indonesia's industrial facilities development industry. A Likert scale from 1 to 5 is used in the questionnaire to measure research variables, and frequency analysis is used as a tool to test research variables. There are six factors explored, namely: 1) Resources, 2) Organization, 3) Environment, 4) Construction, 5) External, 6) Design and Technical, and 7) Business factors. There are 50 research variables: 24 project risk variables, 15 multi-project risk variables, and 11 multi-project effectiveness variables. Project risk variables and multi-project risk variables are listed in Table 1

Table 1 Construction Multi-Project Risk Variables

| <i>Var No.</i> | <i>Project Risk</i> | <i>Var No.</i> | <i>Multi-project Risk</i> |
|----------------|--|----------------|---|
| <i>X2.1</i> | <i>Inefficient work supervision (Nasirzadeh et al., 2008).</i> | <i>X1.1</i> | <i>Availability of necessary resources and coordination (Ghasemi et al., 2018; Hofman & Grela, 2022; Micán et al., 2021).</i> |
| <i>X3.1</i> | <i>Collecting contributions from surrounding/local communities in project implementation (Nasirzadeh et al., 2008).</i> | <i>X1.2</i> | <i>Relationships and dependencies between projects (Ghasemi et al., 2018; Hofman & Grela, 2022; Micán et al., 2021).</i> |
| <i>X3.2</i> | <i>Conditions and conditions of the project environment regarding project implementation (Leon et al., 2018).</i> | <i>X2.2</i> | <i>Involvement of top and middle-level managers in the implementation (Ghasemi et al., 2018; Micán et al., 2021).</i> |
| <i>X4.1</i> | <i>Increased construction costs due to lack of information (Nasirzadeh et al., 2008)</i> | <i>X2.3</i> | <i>Availability of risk management at the multi-project level (Ghasemi et al., 2018).</i> |
| <i>X4.2</i> | <i>Construction cost levels are not defined (Leon et al., 2018; Wan & Liu, 2014).</i> | <i>X2.4</i> | <i>Transparency of data and information (Ghasemi et al., 2018).</i> |
| <i>X4.3</i> | <i>Construction errors due to design failure (Nasirzadeh et al., 2008)</i> | <i>X2.5</i> | <i>Flow of information and communication (Ghasemi et al., 2018; Hofman & Grela, 2022; Micán et al., 2021).</i> |
| <i>X4.4</i> | <i>Low work efficiency (Nasirzadeh et al., 2008; Rodrigues, 2001; Wan & Liu, 2014).</i> | <i>X2.6</i> | <i>Conflict between project managers (Ghasemi et al., 2018; Hofman & Grela, 2022; Micán et al., 2021).</i> |
| <i>X4.5</i> | <i>Low work productivity (Kim et al., 2020; Leon et al., 2018; Nasirzadeh et al., 2008; Rodrigues, 2001; Wan & Liu, 2014).</i> | <i>X2.7</i> | <i>The conflict between stakeholders (Hofman & Grela, 2022; Micán et al., 2021).</i> |
| <i>X4.6</i> | <i>Construction accidents (Leon et al., 2018; Nasirzadeh et al., 2008).</i> | <i>X2.8</i> | <i>Competency level of project managers (Ghasemi et al., 2018; Hofman & Grela, 2022; Micán et al., 2021).</i> |
| <i>X4.7</i> | <i>Rework or postponement of work (Leon et al., 2018; Nasirzadeh et al., 2008; Wan & Liu, 2014).</i> | <i>X2.9</i> | <i>Company portfolio structure (Ghasemi et al., 2018; Hofman & Grela, 2022; Micán et al., 2021).</i> |
| <i>X4.8</i> | <i>Demands for accelerated project duration from the initial plan (Kim et al., 2020; Leon</i> | <i>X2.10</i> | <i>Project financing (Hofman & Grela, 2022; Micán et al., 2021).</i> |

| <i>Var No.</i> | <i>Project Risk</i> | <i>Var No.</i> | <i>Multi-project Risk</i> |
|----------------|--|----------------|---|
| | et al., 2018; Nasirzadeh et al., 2008; Rodrigues, 2001; Wan & Liu, 2014). | | |
| X4.9 | <i>Geological and topographic conditions are different and undetected in the planning stage (Nasirzadeh et al., 2008).</i> | X2.11 | <i>Significant changes to project requirements and scope (Hofman & Grela, 2022; Micán et al., 2021).</i> |
| X5.1 | <i>Law Changes in employment affect work costs/wages (Almashaqbeh et al., 2019; Kim et al., 2020; Nasirzadeh et al., 2008; Wan & Liu, 2014).</i> | X2.12 | <i>Multi Project Management Standards (Ghasemi et al., 2018; Hofman & Grela, 2022; Micán et al., 2021).</i> |
| X5.2 | <i>Changes in work safety regulations (Kim et al., 2020; Nasirzadeh et al., 2008; Wan & Liu, 2014).</i> | X3.3 | <i>Changes in the project environment (Ghasemi et al., 2018; Hofman & Grela, 2022; Micán et al., 2021).</i> |
| X5.3 | <i>Weather conditions not detected at the planning stage (Nasirzadeh et al., 2008; Wan & Liu, 2014).</i> | X5.4 | <i>Availability of work contracts with goods providers (suppliers) (Micán et al., 2021).</i> |
| X5.5 | <i>Equipment operating error rate (Leon et al., 2018; Nasirzadeh et al., 2008).</i> | | |
| X6.1 | <i>Design errors are not detected at the tender stage of work implementation (Nasirzadeh et al., 2008).</i> | | |
| X6.2 | <i>Changes in construction work due to design changes (Wan & Liu, 2014).</i> | | |
| X6.3 | <i>Changes in design and construction implementation due to technological changes (Wan & Liu, 2014).</i> | | |
| X7.1 | <i>Changes in project costs (Wan & Liu, 2014).</i> | | |
| X7.2 | <i>Deficit of financial resources (Nasirzadeh et al., 2008).</i> | | |
| X7.3 | <i>Inflation Rate (Almashaqbeh et al., 2019; Nasirzadeh et al., 2008).</i> | | |
| X7.4 | <i>Global Recession (Almashaqbeh et al., 2019).</i> | | |
| X7.5 | <i>Market acceptance of the product (Wan & Liu, 2014).</i> | | |

Source: processed data, 2023

Multi-project effectiveness variables that influence each other with project risk variables and multi-project risk variables are explained in Table 2. These variables came from relevant previous research studies and were tested by professionals and multi-project construction experts by answering research questionnaires given to respondents.

Table 2. Multi-Project Construction Effectiveness Variables

| <i>Var No.</i> | <i>Factor</i> | <i>Multi-Project Effectiveness</i> |
|----------------|---------------------|--|
| <i>X1.3</i> | <i>Resources</i> | <i>Availability of tangible resources</i> (Engwall & Jerbrant, 2003; Tsvetkova & Tukkel, 2017). |
| <i>X1.4</i> | <i>Resources</i> | <i>Availability of intangible resources</i> (Engwall & Jerbrant, 2003; Tsvetkova & Tukkel, 2017). |
| <i>X1.5</i> | <i>Resources</i> | <i>Resource allocation</i> (Engwall & Jerbrant, 2003; Tsvetkova & Tukkel, 2017). |
| <i>X2.13</i> | <i>Organization</i> | <i>Oriented of multi-project management</i> (Kracík et al., 2013). |
| <i>X2.14</i> | <i>Organization</i> | <i>Multi-project management</i> (Hedberg & Högländer, 2013; Kracík et al., 2013; Ruan & Na, 2017). |
| <i>X2.15</i> | <i>Organization</i> | <i>Organizational culture</i> (Patanakul, 2013; Patanakul & Milosevic, 2009). |
| <i>X2.16</i> | <i>Organization</i> | <i>Project manager competencies</i> (Patanakul, 2013; Patanakul & Milosevic, 2009). |
| <i>X2.17</i> | <i>Organization</i> | <i>Dependencies between projects</i> (Hedberg & Högländer, 2013; Ruan & Na, 2017). |
| <i>X2.18</i> | <i>Organization</i> | <i>Availability of resources</i> (Hedberg & Högländer, 2013; Ruan & Na, 2017). |
| <i>X2.19</i> | <i>Organization</i> | <i>Communication between projects</i> (Hedberg & Högländer, 2013; Ruan & Na, 2017). |
| <i>X2.20</i> | <i>Organization</i> | <i>Project personnel workload</i> (Hedberg & Högländer, 2013; Ruan & Na, 2017). |

Source: processed data, 2023

The third, fourth, and fifth stages of research will be continued in the next research. This research is based on the study and verification of variables carried out in the first and second stages of research.

III. RESULTS AND DISCUSSION

To resolve research problems regarding the risk and effectiveness of multi-projects throughout the implementation of engineering design work, material procurement, and construction of industrial facility development projects, field observations and interviews were carried out to obtain information on the implementation of industrial facility construction project work. Data collected through a questionnaire in 2023 comes from answers from professional respondents and industry experts on industrial facility development construction projects. Questionnaires were given and analyzed by 61 selected respondents. The total number of respondents who provided answers was 47 respondents.

1. General Description of Respondents

Respondents in this research are professionals and experts in the construction sector who are involved in industrial facility development projects. Descriptive data was collected by filling out questionnaires that reflected the respondents' profiles and were used to confirm the initial research variables that had been formulated, as listed in Table 3.

Table 3 Demographic Respondent

| <i>Demographic Type</i> | <i>Description</i> | <i>Frequency</i> | <i>Percentage</i> | |
|---|--|-----------------------------|-------------------|-------|
| <i>Gender</i> | <i>Male</i> | 47 | 100% | |
| <i>Age</i> | <i><35 years old</i> | 4 | 8,5% | |
| | <i>35-44 years old</i> | 25 | 53,2% | |
| | <i>45-54 years old</i> | 13 | 27,7% | |
| | <i>55-65 years old</i> | 5 | 10,6% | |
| <i>Education</i> | <i>Diplome / Polytechnic</i> | 1 | 2,1% | |
| | <i>S1 – bachelor's degree</i> | 34 | 72,3% | |
| | <i>S2 – Postgraduate</i> | 12 | 25,5% | |
| <i>Type of company currently working.</i> | <i>Project owner / Client</i> | 26 | 55,3% | |
| | <i>EPCm / Planning Consultant / Supervision Consultant / Construction Management</i> | 4 | 8,5% | |
| | <i>EPC Contractor</i> | 14 | 29,8% | |
| | <i>Construction Contractor</i> | 1 | 2,1% | |
| | <i>Vendors / Suppliers</i> | 2 | 4,3% | |
| | <i>Department of work (Place or location where the respondent currently works)</i> | <i>Project Management</i> | 22 | 46,8% |
| | | <i>Design / Engineering</i> | 17 | 36,2% |
| <i>Construction</i> | | 4 | 8,5% | |
| <i>Procurement</i> | | 1 | 2,1% | |
| <i>Others</i> | | 3 | 6,4% | |
| | <i>< 10 years</i> | 7 | 14,9% | |

| <i>Demographic Type</i> | <i>Description</i> | <i>Frequency</i> | <i>Percentage</i> |
|--|----------------------------|------------------|-------------------|
| <i>Work experience (In the field of industrial facility construction)</i> | <i>10-14 years</i> | 20 | 42,6% |
| | <i>15-20 years</i> | 8 | 17,0% |
| | <i>>20 years</i> | 12 | 25,5% |
| <i>Total length of work</i> | <i>< 10 years</i> | 1 | 2,1% |
| | <i>10-14 years</i> | 17 | 36,2% |
| | <i>15-20 years</i> | 13 | 27,7% |
| | <i>>20 years</i> | 16 | 34,0% |
| <i>Project Value in US Dollars (Respondent's highest project value and has been involved for at least six working calendar months)</i> | <i>\$1-\$10 million</i> | 2 | 4,3% |
| | <i>\$11-\$50 million</i> | 5 | 10,6% |
| | <i>\$51-\$100 million</i> | 1 | 2,1% |
| | <i>\$101-\$200 million</i> | 5 | 10,6% |
| | <i>\$201-\$500 million</i> | 4 | 8,5% |
| | <i>>\$500 million</i> | 29 | 61,7% |
| | <i>Others</i> | 1 | 2,1% |

Source: processed data, 2023

All selected respondents were male, and 80% of respondents were aged between 35-45 years. The educational background of the respondents was 97.8% undergraduate (S1) and postgraduate (S2). Respondents mainly came from the company providing the project (client) at 55.3% and EPC Contractors at 29.8%. Respondents mostly worked in project management departments (46.8%), engineering design, and engineering and construction departments (44.7%). Respondents' work experience in industrial facility construction is mainly in the range of 10-14 years (42.6%), 15 years, and above 15 years, around 42.5%. Respondents had been involved in projects above US\$ 500 million for at least six months, 61.7%.

2. Respondent Assessment Recapitulation Data

Data collected from respondents' answers was obtained from a Likert scale questionnaire. The Likert scale measures the respondents' level of agreement, opinion, or assessment of a statement in a questionnaire, using different levels of strength of agreement or disagreement. The Likert scale used is Scale 1: Very no effect; Scale 2: No effect; Scale 3: Neutral; Scale 4: Influential; Scale 5: Very Influential. The statement items for the variation of research variables consist of 1) X1 research variables from resource factors; 2) X2 is a research variable from organizational factors; 3) X3 research variables from environmental factors; 4) X4 research variables from construction factors; 5) X5 research variables from external factors; 6) X6 research variables from design and technical factors, and 7) X7 research variables from business factors.

3. Variable Frequency Test

The frequency test on the Likert scale questionnaire is used to get an idea of the distribution of respondents' responses to each question item. Figure 1 identifies response patterns, level of agreement, and response variability as a basis for further analysis. The results show that Scale 3 is for neutral, scale 4 is for the Influential, and scale 5 is for Very Influential.

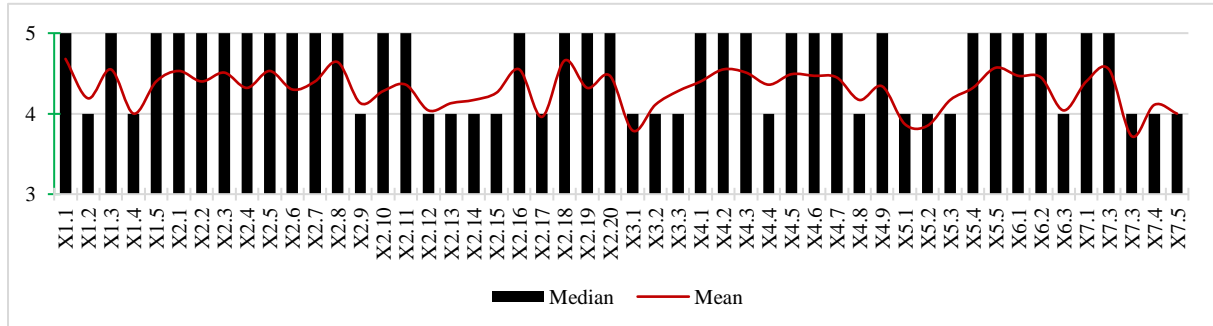


Figure 1 Research Variable Frequency Test

Source: data is processed, 2023

The average value of all research variables is 4.30, with a median value of 5. Variables: level of dependency between projects (X2.17), level of involvement of local workers (X3.1), level of changes in labor laws/regulations (X5.1), the level of change in work safety laws/regulations (X5.2) and the inflation rate (X7.3) have an average rating of respondents with a value between Scale 4 and Scale 3.

4. Test the Validity of Research Variables

The research variables have significant correlations and are interrelated. The results of the validity test of research variables in Figure 2 reveal three variables with the lowest calculated R values, namely: 1) 2) X5.1 Level of change in labor laws/regulations, with a calculated R-value of 0.394; 3) X1.4 Level of availability of intangible resources, with a calculated R-value of 0.450. The value of the R-table is 0.294.

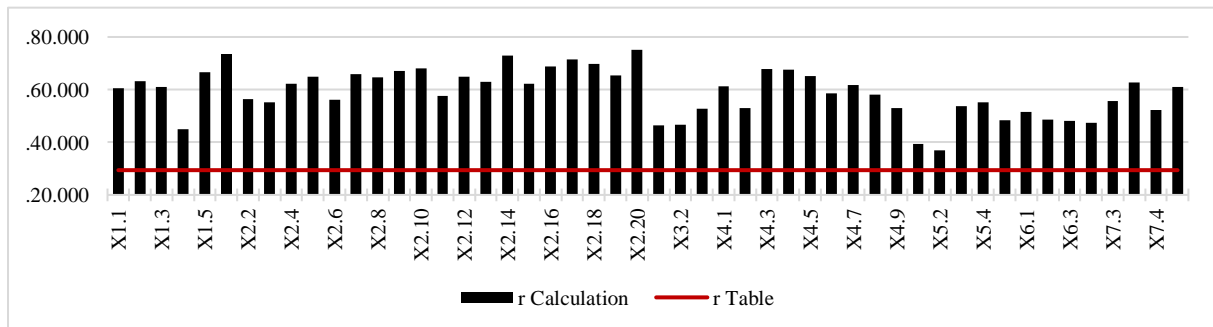


Figure 2 Validity Test Result

Source: SPSS Processing Data, 2023

5. Research Variable Reliability Test

A reliability test is used to ensure consistency in the measurement of research variables. Cronbach's Alpha statistical method was used to test the reliability and consistency of the questionnaire. The Alpha value of 0.960 exceeds the threshold value of 0.7 as an acceptable reliability value, Figure 3.

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .960 | 50 |

Figure 3 Cronbach's Alpha Value of Research Variables

Source: SPSS Processing Data, 2023

6. Advanced Research Model

Analysis of risk factors and effectiveness of implementing multi-project industrial facility development construction in Indonesia based on tests of variables found in previous research verified by selected respondents in Indonesia's industrial facility development sector. Fifty variables were then used as an initial model for further analysis using a dynamic systems approach by looking at the cause-and-effect relationships between research variables. Observations were made to see the behavior of the system, Figure 4.

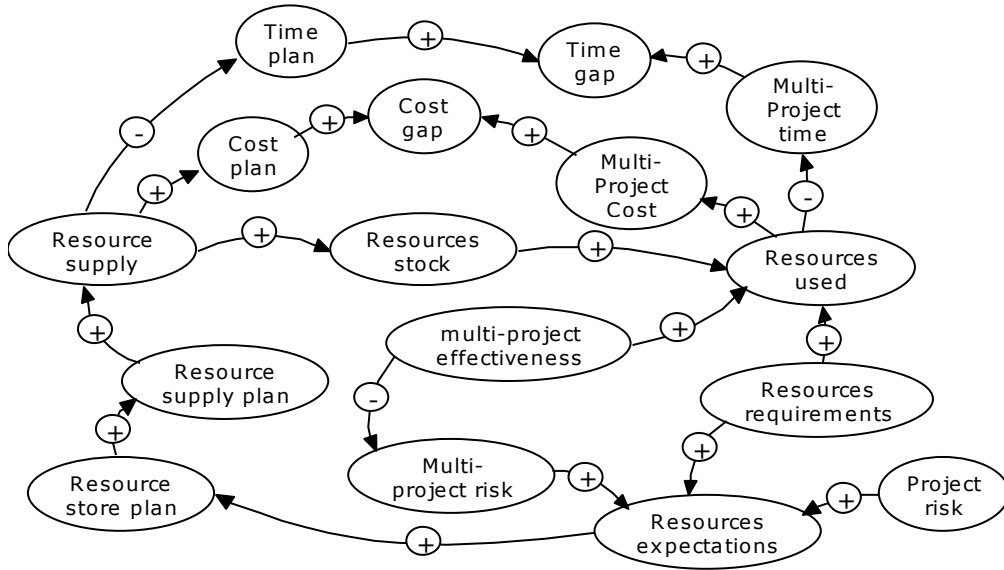


Figure 4 Advanced Research Model with Sistem Dynamics Approach

Source: processed data, 2023

IV. CONCLUSION

The conclusions obtained from this research are based on frequency, validity, and reliability tests for the result of responses from selected respondents: 1) 24 confirmed project risk variables could be used as variables in further research. Twenty variables were approved by respondents and had an average value between 4 and 5, meaning they were approved and strongly approved by respondents. There are four research variables, namely the inflation rate, collecting contributions from surrounding/local communities in project implementation, law changes in employment affect work costs/wages, changes in work safety regulations (x7.3; x3.1; x5.2; x5.1), which have a response with an average value below 4, which means respondents disagreed with it. 2) 15 confirmed multi-project risk variables can be used as variables in further research. All variables were approved by respondents and had an average value between 4 and 5, meaning they were approved and strongly approved by respondents. 3) 11 confirmed multi-project effectiveness variables can be used as variables in further research. One variable, namely the level of dependency between projects (x2.17), received a response from respondents with an average value below 4, which means it needs to be more approved. 4) In future research, interactions between variables and variable values can change over time; thus, a dynamic systems approach will be used to solve research problems. 5) Simulations and scenarios for the effectiveness of implementing a multi-project construction for the development of industrial facilities in Indonesia based on project risks and multi-project risks, as well as interactions and relationships between variables that can change throughout the implementation time, are carried out to obtain the right policies in implementing multi-projects to obtain time optimum and predictable implementation and costs at the planning stage.

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Implementation (P5) Profile Strengthening Project Pancasila Students Dimensions of Mutual Cooperation at Madrasah Ibtidaiyah

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ABSTRACT

Purpose: This research aims to evaluate the implementation of the Pancasila Student Profile Strengthening Project (P5) with a focus on the Gotong Royong dimension in class 4 of MI Al-Mujahidin Joglo. This project is designed to strengthen the values of mutual cooperation among students and improve their social skills through project-based activities integrated with the curriculum.

Design/methodology/approach: This research method uses a mixed approach, combining direct observation, interviews, surveys and document analysis. Data was collected from students, teachers, and parents to gain insight into project implementation, challenges faced, and impact on students' character development.

Findings: The research results showed that the project implementation was successful in increasing students' understanding of the value of mutual cooperation and cooperation skills. However, there are several challenges, such as limited resources, difficulties in collaboration between students, and a lack of consistent support from parents. This research underlines the importance of integrating Pancasila values in learning and the need for support from various parties to optimize project implementation. Recommendations for improvement include increasing training for teachers, providing adequate resources, and involving parents more actively in project activities. It is hoped that these findings can contribute to the development of curriculum and educational practices that focus on strengthening student character in elementary schools.

Paper type: Research paper

Keyword: Implementation, Pancasila Student Profile, Mutual Cooperation Dimensions.

Received: March 8th

Revised: June 18th

Published: July 31th

I. INTRODUCTION

Some of the problems that arise include, Lack of Understanding of the Value of Mutual Cooperation: Students may not fully understand or internalize the value of mutual cooperation and how to apply it in daily actions. Difficulties in Collaboration: Challenges in working together effectively in groups, such as differences of opinion, conflict, or inability to divide tasks fairly (Maulana et al., 2023). Limited Resources: Limitations in terms of educational resources, facilities, or time available to undertake the project may be an obstacle. Lack of Support from Parents: Lack of involvement or support from parents in mutual aid activities can affect project outcomes. Inappropriate Learning Methods: Learning methods that are inappropriate or less effective in teaching and practicing mutual cooperation can hinder the achievement of project goals. Limited Teacher Competence: Limitations in teacher understanding or skills in managing mutual cooperation projects and integrating Pancasila values in the curriculum. Resistance to Change: Students or even some teachers may show resistance to new methods or changes in learning approaches.

Gaps or gaps can include several aspects as follows, namely Knowledge and Understanding Gap: There is a difference between knowledge and understanding about the value of mutual cooperation between students, teachers and parents. Students may not fully understand the concept of mutual cooperation, while teachers and parents may not fully understand effective ways to support its implementation (Santoso, Abdulkarim, Maftuh, &

Rantina, 2023). **Practical Skills Gap:** Students may have theoretical knowledge of mutual aid but not yet the practical skills necessary to work together effectively on projects. **Gaps in the Curriculum:** The existing curriculum may not fully support or deeply integrate the dimensions of mutual cooperation. It is possible that existing activities and materials are inadequate to support the development of this value. **Resource Gap:** There is a shortage in terms of resources, be it materials, facilities, or time allocated to mutual cooperation projects. This can affect the implementation and success of the project. **Support and Involvement Gaps:** Differences in the level of support and involvement from various parties (teachers, parents, and community) can create gaps in project implementation. **Evaluation and Feedback Gap:** The lack of an effective evaluation and feedback system to assess project progress and results can lead to difficulties in measuring impact and making improvements. **Motivation and Participation Gaps:** Differences in levels of motivation and participation among students can hinder project effectiveness, where some students may be more active and engaged than others.

Some of the shortcomings, weaknesses and challenges that may be faced are **Lack of Understanding and Awareness:** Students may not fully understand the concept of mutual cooperation and how to apply it in everyday life. **Limited understanding of teachers and parents** about how to effectively integrate the value of mutual cooperation into learning activities (Santoso, Abdulkarim, Maftuh, & Murod, 2023). Then in **Inadequate Learning methods**, the methods used to teach mutual cooperation may be ineffective or not in accordance with the characteristics of grade 4 students. **Limited Resources, Limited facilities, materials and time** allocated for projects can hinder the implementation and success of projects. **Lack of Support from Parents and Community** Inadequate parental and community support can affect student motivation and involvement in projects. **Evaluation and Feedback:** An ineffective evaluation system can make it difficult to assess project progress and impact, and make it difficult to make improvements. **Motivation and Participation:** Differences in students' levels of motivation and participation in mutual cooperation activities can influence project results.

Challenges of Implementation in Context in schools, namely Adapting the concept of mutual cooperation to the local context and school culture which may have different traditions or norms. **Conflict Management in Groups:** Resolving conflicts or differences of opinion among students in work groups that can hinder project progress (Purwanto et al., 2023). **Limited Teacher Skills, Teacher skills and training** in managing and integrating mutual cooperation projects into the curriculum may still be lacking. **Acceptance and Adaptation of New Methods, Facing resistance** to new methods or different approaches in mutual cooperation learning. **Provision and Use of Resources, Providing sufficient resources and optimizing their use** to support mutual cooperation activities in the classroom. **Involvement and Coordination with External Parties, Coordinating with external parties**, such as parents and the community, to support and participate in the project.

The relevance, objectives and philosophy can be explained as follows, **The Importance of the Value of Mutual Cooperation:** Teaching the value of mutual cooperation is very relevant to the context of character education in Indonesia, especially in forming a generation that has empathy, cooperation and concern for others (Hartiyani et al., 2023). **National Curriculum Context:** in the Independent Curriculum: Within the Independent Curriculum framework, mutual cooperation-based projects support the strengthening of the Pancasila Student Profile and national education goals which emphasize the development of students' character and social skills. **Social Skills:** In the midst of social change and increasingly complex societal needs, social skills such as cooperation and mutual cooperation have become very important for success in various aspects of life. **Shaping Student Character:** The main objective of this project is to shape student character by instilling the values of mutual cooperation, which is one of the dimensions of the Pancasila Student Profile.

The goal is to improve **Social Skills** which improve students' skills in working together, communicating, and completing tasks in groups, as well as resolving conflicts. **Application of Pancasila Values**, by integrating and internalizing Pancasila values, especially mutual cooperation, in students' daily lives. **Encouraging parental and community involvement**, by encouraging parental and community involvement in supporting and participating in mutual cooperation activities. **Holistic Education Philosophy**, the philosophy behind this project is a holistic educational approach, which does not only focus on academic aspects but also on developing students' character and social skills. **Pancasila as Foundation**, This philosophy is rooted in the values of Pancasila, which emphasize the importance of cooperation, care and mutual cooperation as the foundation of social life. **Balance between Cognitive and Affective:** The project aims to achieve a balance between cognitive (knowledge) and affective (character and attitude) development, ensuring that students are not only academically intelligent but also of good character. Then there is **Active Participation:** This philosophy also supports educational principles that emphasize students' active involvement in the learning process, where they learn by contributing directly to projects that benefit them and the community.

II. METHODS

This research method uses a Quantitative Approach to Qualitative Research . The research techniques are observation, interviews and documentation. Observation: Conduct direct observations of the project implementation process in class, including interactions between students, mutual cooperation activities, and the application of Pancasila values. These observations can be made with field notes to document dynamics and developments. Interviews: Conduct interviews with teachers, students, and parents to gain their views and experiences regarding project implementation. Interviews can be conducted individually or in groups. Organize group discussions with students, teachers, and parents to explore their perceptions and feedback on the effectiveness and challenges of the project. Document Analysis: Review project-related documents, such as implementation plans, learning materials, and project results reports, to evaluate the suitability and application of the value of mutual cooperation. Researchers focused on visible learning media, the condition of Class 4 students, the daily learning activities of Class 4 students, teachers' teaching and learning activities, students' discussion activities with other students, students' interactions with teachers, and observing various conditions. class when teaching and learning activities take place. 2. Interviews Interviews are carried out to obtain data when the researcher is about to start carrying out data collection through problems that must be researched if they want to understand/or learn what the respondents found in depth. Researchers conducted interviews with the principal of MI Almujaahidin Joglo and the homeroom teacher of Class 4 and students of Class 4 on a predetermined schedule that was mutually agreed upon. The researcher recorded the interview and made a list of questions to be asked during the interview.

III. RESULTS AND DISCUSSION

Based on the research results, the following is a general description of how the implementation of this project can be carried out: 1. Project Planning, with Goal Determination: Establishing the main goals of the project, such as increasing students' understanding of the value of mutual cooperation and developing their social skills. Plan Development: Develop a project plan that includes activities, materials, schedule, and required resources. This plan must be integrated with the curriculum and appropriate to the needs of the class. 2. Activity preparation, material preparation: Preparing learning materials and activities that support the mutual cooperation dimension. This can include project-based learning, games, and group activities. Teacher Training: Conduct training for teachers to understand and implement the value of mutual cooperation in teaching and learning. 3. Project Implementation, Activity Implementation: Carrying out activities designed in the project, such as group work, community projects, or mutual cooperation events at school. Student Collaboration: Organizing students in groups to work together on various assignments and projects, encouraging them to apply the principles of mutual cooperation in each activity. Active Learning: Using active learning methods that involve students in discussion, reflection and self-evaluation regarding the value of mutual cooperation. 4. Monitoring and Evaluation, Observation: Observing the implementation of activities to ensure that students actively participate and apply the value of mutual cooperation. Feedback: Provide feedback to students and groups about their progress, as well as discussing what is working and what needs improvement. Assessment: Assessing project results based on predetermined criteria, such as collaboration skills, understanding the value of mutual cooperation, and contributions to group activities. 5. Parental and Community Involvement, Parental Participation: Inviting parents to participate in project activities, both as mentors and as moral supporters for students. Collaboration with Communities: Develop relationships with local communities to support and strengthen mutual cooperation activities, such as undertaking joint social projects. 6. Reflection and Report Preparation, Reflection: Hold reflection sessions with students, teachers, and parents to evaluate the success of the project and discuss lessons learned. Project Report: Prepare a final report on project implementation, results achieved, challenges faced, and recommendations for similar projects in the future. 7. Improvement and Follow-up, Critical Evaluation: Reviewing evaluation results and feedback to identify areas that need improvement. Improvement Plan: Develop a follow-up plan to improve less effective aspects and plan the next project activities.

Some of the challenges and obstacles that may be faced include: Limited Resources, Materials and Facilities: Limitations in terms of teaching materials and facilities needed to carry out mutual cooperation activities effectively (Sunengsih et al., 2023). Time: Limited time in the learning schedule can hinder the complete implementation of the project. Difficulty in Collaboration with Differences of Opinion: Conflicts or differences of opinion among students when working in groups can disrupt project progress. Students may not yet have sufficient skills to work together effectively in groups. Lack of Support from Parents, Lack of involvement or support from parents can affect student motivation and involvement in the project. Communication: Challenges in communicating with parents about the goals and benefits of the project. Limited Teacher Competence: Teachers may need additional training or have limited experience in managing projects based on mutual cooperation and

integration of Pancasila values. Managing a class and organizing project activities in an already busy learning context can be a challenge. Resistance to Change, Some students or even teachers may show resistance to new methods or learning approaches that are different from previous habits. Difficulty in adapting to new methods of teaching and learning. Evaluation and Feedback, Lack of an effective evaluation system to measure overall project progress and results. Provides constructive feedback to students about their performance on projects. Student Involvement and Motivation Not all students may have the same level of motivation to be involved in mutual cooperation activities. The challenge of encouraging all students to actively participate and make meaningful contributions to the project. Coordination with External Parties, Establishing coordination and collaboration with local communities or external organizations can be a challenge, especially if there are no previous strong relationships. Limitations in obtaining support or resources from external parties who are expected to contribute to the project.

To overcome the challenges and obstacles in implementing the Project for Strengthening the Profile of Pancasila Students with the Mutual Cooperation Dimension in class 4 of MI Al-Mujahidin Joglo, the following are several solutions that can be implemented: Resource Management: Identify existing resources and create an effective management plan. If resources are limited, consider using alternative materials or borrowing from local communities. Partnerships: Establish partnerships with local organizations, companies, or other institutions that can provide material or financial support. Social Skills Training : Provides training and activities designed to improve students' collaboration skills, such as team games, group discussions, and problem-solving exercises. Guidance and Mediator: Using a teacher or facilitator to guide students in the collaboration and mediation process when conflict occurs. Effective Communication: Increase communication with parents through meetings, school newsletters, or digital platforms to provide clear information about the project and how they can support. Involve Activities: Invite parents to participate in project activities or get them involved in relevant school events to increase their involvement. Professional Training: Providing additional training for teachers on mutual cooperation-based teaching and project management methods as well as the integration of Pancasila values. Support from Peers: Encourage teachers to share experiences and strategies with their colleagues to support each other in project implementation. Outreach and Education: Provide outreach and education about the benefits and objectives of the project to students, teachers, and parents to reduce resistance and increase understanding. Phased Approach: Introduce changes gradually and allow time for adaptation so that all parties can adjust to the new method. Clear Evaluation System: Develop a clear and measurable evaluation system to assess student progress and overall project outcomes. Feedback Collection: Collect regular feedback from students, teachers, and parents to understand the effectiveness of the project and make necessary adjustments. Engaging Activities: Design interesting and relevant project activities for students to increase their motivation and engagement. Rewards and Appreciation: Provide recognition and appreciation for student achievements in projects to encourage active participation and enthusiasm for learning. Collaboration: Establish good collaboration with external parties, such as local communities or non-profit organizations, to obtain additional support and resources. Careful Planning: Carefully plan coordination with external parties, including making clear agreements about the roles and contributions of each party.

The impact of the Project for Strengthening the Profile of Pancasila Students. The Mutual Cooperation Dimension on the social skills and character of students in class 4 of MI Al-Mujahidin Joglo can be analyzed from the following aspects: 1. Social Skills. Students may experience an increase in cooperation skills. By engaging in group projects and mutual aid activities, they learn how to work together, divide responsibilities, and complete tasks collectively. Better Communication: This project can improve students' communication skills, both in listening and speaking. Students learn how to express their opinions, negotiate, and communicate with group members effectively. Conflict Resolution: Conflict resolution skills may also improve. Through interactions in groups, students learn how to overcome differences of opinion and resolve conflicts constructively. Empathy and Caring: Through mutual cooperation activities, students can develop empathy and concern for the needs and feelings of others. They learn to understand their friends' perspectives and help those in need. 2. Character, Application of the Value of Mutual Cooperation: Students demonstrate understanding and application of the value of mutual cooperation in everyday life, such as helping friends, sharing tasks, and working together to achieve common goals. Independence and Responsibility: This project can increase students' sense of responsibility and independence. They learn to take initiative, complete tasks, and be responsible for their contributions to projects. Sense of Ownership and Pride: Students may feel proud and have a sense of ownership of the project results. Project success often strengthens a sense of accomplishment and motivation to continue implementing positive values. Resilience and Patience: Involvement in projects that involve group work can help students develop resilience and patience. They learn to face challenges, be patient, and adapt to situations that do not always go as expected. 3. Behavioral Changes, Positive Social Interactions: The positive impact of this project can be seen in students' better social interactions, such as collaborating more with classmates and showing more inclusive attitudes. Learning Motivation: Projects that involve the values of mutual cooperation can increase students' motivation to learn and actively participate in school activities, because they feel more connected and have a

common goal. 4. Feedback from Teachers and Parents, Teachers' Views: Teachers may observe positive changes in students' behavior and social skills, such as increased participation, better cooperation, and more positive attitudes toward group assignments. Parent Feedback: Parents may report that their child displays more positive attitudes at home, such as being more willing to help around the house or being more appreciative of others' contributions. Evaluate and analyze changes that occur in students' social skills and character after the project. This can be done through observation, feedback, and assessment. Emphasis on Positive Impact, through Communicating Success: Communicating project results and successes to the entire school community and parents to increase support and motivation. Recognition and Appreciation: Provide recognition and appreciation to students, teachers, and parents who contributed to the project to motivate them and recognize their efforts.

The response and involvement of parents and teachers is very important in supporting the implementation of the Project for Strengthening the Profile of Pancasila Students with Mutual Cooperation Dimensions in class 4 at MI Al-Mujahidin Joglo. Here are some aspects that can illustrate how involved they are: School Activities: Parents can be involved in school activities, such as mutual aid events or project exhibitions. Their involvement can strengthen the bond between home and school. Resource Assistance: Parents may donate resources or materials needed for the project, such as tools, books, or teaching materials. Encouragement and Support: Provide encouragement and moral support to their child to participate actively and enthusiastically in the project. Emotional Engagement: Demonstrates interest and involvement in the child's learning process, including attending meetings or events related to the project. Parent Meetings: Attend meetings or workshops held by the school to provide information about the project and how they can support it. Feedback: Provide feedback to teachers about their child's progress in the project and how the project impacts the child's behavior or attitude at home. Collaboration with Teachers: Collaborate with teachers in planning and implementing projects, including providing input on their needs and expectations regarding child involvement in projects. Involvement of All Parties: Involve teachers, parents, and students in project planning to ensure that the activities designed meet the needs and expectations of all parties. Setting Clear Goals: Establish specific, measurable, and realistic goals for the project, and ensure that they are integrated with the curriculum and meet student needs.

Teacher Response and Involvement in Planning and Implementation, both in Project Design: Involved in project planning and design, including selecting appropriate activities and developing effective implementation plans. Then in organizing: Organizing and facilitating project activities in class, including organizing student groups, providing materials, and managing time. Teaching and Mentoring, the process of guiding students through a project, providing direction, and helping them understand the value of mutual aid and how to apply it. Values Teaching: Integrate the value of mutual cooperation into daily teaching and ensure students understand the importance of cooperation and helping each other. Project Assessment: Assess student progress on projects and provide constructive feedback on developing social and character skills. Reflection: Reflecting on the project implementation process, including the challenges faced and successes achieved, for future improvements. Project Information: Provide clear information to parents about the goals, activities, and expected results of the project. Meetings and Reports: Hold meetings with parents to report on student progress and discuss how they can support projects at home. Professional Development, Training: Attend training or workshops to improve skills in managing projects based on mutual cooperation and integration of Pancasila values in learning. Professional Training: Holding training and workshops for teachers on effective teaching methods for projects based on mutual cooperation and integration of Pancasila values. Resources and Support: Provide adequate resources, including teaching materials and tools, as well as additional support for teachers in managing the project.

IV. CONCLUSION

The implementation of the Project for Strengthening the Profile of Pancasila Students on the Mutual Cooperation Dimension in class 4 at MI Al-Mujahidin Joglo shows that this approach is effective in strengthening the value of mutual cooperation among students. This project succeeded in improving students' social skills, such as cooperation, communication and empathy, as well as strengthening their character through the application of Pancasila values. Although there were challenges to implementation, such as limited resources, resistance to change, and parental involvement, the remedial measures implemented helped overcome these barriers. Integration of Pancasila Values in Projects: This approach integrates Pancasila values, especially the dimension of mutual cooperation, deeply into the curriculum and project activities, not just teaching these values as a theoretical concept but also applying them in practice. Community Engagement: This project involves local communities and parents in learning activities, which is an innovation in connecting education with social and community realities. Active Learning Methods: The use of active learning methods that focus on collaboration and problem-based projects is a novel way of teaching the value of mutual cooperation to students. The postulate is the Value of Mutual Cooperation as a Pillar of Character: The main postulate of this project is that the value of

mutual cooperation, if applied effectively in teaching and learning activities, can strengthen students' character and improve their social skills. Then, the Role of Projects in Character Education: Mutual cooperation-based projects can function as an effective educational tool in instilling Pancasila values and building student character beyond the boundaries of the conventional curriculum. Involvement of All Parties as the Key to Success: The successful implementation of this project depends on the active involvement of all parties, including teachers, students, parents, and the community, in supporting and implementing project activities. So, in integrating the value of mutual cooperation into learning projects and involving various parties in the process, MI Al-Mujahidin Joglo succeeded in creating an environment that supports the development of students' character and social skills. This project shows that a values-based approach to education can have a significant positive impact on student development, although it requires strategies to overcome the challenges that may arise.

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The Influence of Good Corporate Governance, Profitability, Leverage on Company Value Moderated by Company Size

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ABSTRACT

Purpose: Company value is one of investor's consideration before making investment decision. The aim of the research carried out is to analyze influence, profitability, GCG (Good Corporate Governance), company size and leverage on company value.

Design/methodology/approach: In this research, a population is applied in the form of food and beverage sector manufacturing companies on the BEI (Indonesian Stock Exchange) list for 2019-2022. As the following research sample uses a purposive sampling method, so that what is obtained is a total of 19 business entities. This research applies a type of data in the form of secondary data. In carrying out the research, data analysis was used in the form of multiple linear regression.

Findings: A conclusion was obtained in the form of profitability and leverage having an influence on the value of the company, in contrast to managerial ownership, independent board of commissioners, audit committee, and company size as moderators having no influence on the value of the company.

Paper type: Research Paper

Keyword: Good Corporate Governance, Leverage, Profitability, Company Value, Company Size.

Received : March 8th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

The company's objective is to enhance its value and promote the well-being of its shareholders and owners. As the company value increases, so does the prosperity of The organisation owner. The organization's value, From the perspective of investors, is closely correlated with its share price. The rise in share prices leads to a corresponding change in the value of the company, which can attract and persuade potential investors not only assess the company's present performance as well as consider its long-term prospects Susanti, et al. (2019). In order to maintain and enhance the value of a firm and its stock prices, a significant level of performance and effort is necessary.

Such is the case experienced by a business entity in Indonesia as reported by kontan.co.id news Rohali et al., (2021). Explaining that in Indonesia the practice of implementing Good Corporate Government (GCG) is decreasing. The incident that took place in 2018 involving the commissioners of PT AISA (Tiga Pilar Sejahtera Food) and the directors highlighted a firm operating in the food and beverage industry in Indonesia. The AISA directors are suspected of violating GCG practices. Therefore, it is imperative to have a governing body that performs oversight and surveillance more effectively. optimally to provide direction to the company's actual goals. Good Corporate Government is a principle that must be implemented within a business entity in order to control and direct a business entity to realize added value for a shareholder or stakeholder.

Effective corporate governance can enhance a company's value by elevating its corporate governance standards. Rahmadani and Rahayu (2017) explain the concept of GCG, namely a series of regulations that explain and formulate the relationships that occur with employees, government, creditors, managers, shareholders and several parties who have interests internally or externally as they relate to several responsibilities and the rights he has. In a study conducted, the governance of GCG was represented by the board of commissioners, managerial ownership, and independent commissioners.

An autonomous panel of commissioners has the ability to address and resolve a problem inside an agency, just as an independent commissioner can act as a mediator and be a fair party in a conflict experienced by several managers. Based on the opinion expressed by Badruddien et al. (2017), the aim of the independent Commissioner is to provide certainty and clarity from a business entity that has implemented the actual practice of several principles of Good Corporate Governance in several provisions that have been implemented.

The audit committee has the responsibility for elucidating and overseeing the implementation of certain Good Corporate Governance principles., especially by making these principles transparent so that they can be implemented consistently and precisely by company executives. It is hoped that the audit committee can reduce the occurrence of agency conflicts by making the financial reports provided to stakeholders reliable and supporting the increase in company value to be shown to investors Badruddien, et al (2017).

High profitability is a sign of an efficient and problem-free company condition, as this creates attraction and attention in making investments, leading to a rise in the overall worth of the company. Profitability ratio is a ratio that explains the size of a business entity's performance in creating profits (profitability) within predetermined levels of capital, assets and sales Anisya & Hidayat (2021).

Meanwhile, leverage can also be a factor in increasing The significance or worth of the company, based on the opinion expressed by Sujarweni, (2017) leverage is a ratio that is applied to measure the ability of a business entity to fulfill its obligations as a whole, both long term and short term. Low leverage is a form of indicator of a business entity that does not use debt to fund the business entity's operations Lailiyah et al. (2024) In the research carried out, the leverage ratio is proxied against DER.

Corporation size is a quantitative measure that describes the magnitude of a corporation, allowing for several qualifications such as equity value, asset count, revenue volume, and personnel count. With the increasing number of sales, it is an indicator of the increasing circulation of money carried out by a business entity, as well as the increasing number of assets, it is an indicator that the capital used by a business entity is investing more (Mayasari et al., 2018).

The study utilised a business entity operating within the food and beverage industry as a manufacturing business that is publicly traded on the Indonesian Stock Exchange. This entity has the potential to significantly contribute to the growth of the national economy. and more stable share prices do not have an influence on economic conditions. that changed. Food and drink are a primary necessity for human needs as it makes a business entity more confident that it can create profits for those who hold shares. The reason why the author took a sample from a business entity in the manufacturing sector is because manufacturing companies are clearly connected to society.

Based on the research above and previous research, the author will predominantly carry out research by conducting a test on the influence of GCG variables (represented by managerial ownership, audit committee and autonomous board of commissioners), Economic viability is measured The Return On Assets (ROA) measures the company's profitability, while the Debt to Equity Ratio indicates its level of leverage. The worth of the company is approximated by the Price Book worth. The research analyzes the Food and Beverage Manufacturing Companies that are listed on the Indonesian Stock Exchange during the specified time 2019 to 2022. The study investigates how Company Size, as assessed by the Natural Logarithm, affects the variables being studied. Given the significant magnitude of the firm's size, it is imperative to have effective corporate governance in place to oversee and administer the organisation.

This research has developed the research that was carried out by Bella Danita Putri and Eskasari Putri according to the differences, namely by adding an independent variable, namely leverage which also moderates company size. Then, the previous research used SPSS software, while this research applied Eviews software.

II. METHODS

The following research applies Research conducted in the manner of causal associative Investigation using a quantitative approach. Based on the opinion expressed by Rumengan et al., (2017) causal associative research can be described as research with the aim of identifying a relationship that occurs from several variables and The methodologies employed to ascertain degree of reliance The independent variable

affects the dependent variable. The research carried out also identified something that is causal in nature from one variable to another variable. The application of quantitative research is used through a statistical formula to support the data analysis carried out in collecting research data. As in the research carried out, it is quantitative research whose aim is to test theories and obtain several facts, prove the combination of several variables, explain statistical descriptions, interpret and forecast research results Matondang & Nasution, (2022). In the research conducted using a population in the form of the manufacturing industry in 2020-2022, the sample determination technique applied a purposive sampling method, which means determining a sample based on criteria that had

been determined previously. Below are several sample criteria that have previously been determined. Population size and research sample:

| No | Criteria | Total |
|----|---|-------|
| 1 | <i>F&B Manufacturing companies in the industry listed on the IDX from 2019 to 2022.</i> | 23 |
| 2 | <i>F&B sector manufacturing company that produces annual reports and financial reports for the 2019-2022 period</i> | 0 |
| 3 | <i>The F&B sector manufacturing company has prepared financial reports using the rupian currency for the 2019-2022 period</i> | 0 |
| 4 | <i>A manufacturing company in the F&B sector that did not experience losses in the 2019-2022 period</i> | (4) |
| 5 | <i>Number of populations and samples that meet the criteria</i> | 76 |
| | <i>Number of samples 19 X 4</i> | |

The research carried out applies Secondary data sources for data collection. As the research carried out obtained a data source from the collection of several previously existing documents in the format of yearly report statistics for A company involved in the production of The food and beverages included on the list IDX stock exchange list for the 2019-2022 period on the official BEI website on the page www.idx.co.id or also use the official website of a business entity itself. The research was conducted using a data analysis technique based on quantitative analysis as calculated statistically and mathematically. The research carried out in analyzing the data was supported by eviews software as the research carried out applied descriptive statistics, hypothesis testing, classical assumptions, and multiple linear regression analysis, this was because the research carried out applied more than two variables. Multiple linear regression testing is applied to identify a relationship that occurs in The variable that is being measured or observed and is expected to change in response to the independent variable. which can influence the independent variable. Based on this description, the researcher has formulated the hypothesis below:

III. RESULTS AND DISCUSSION

A. Results

Table 1. Descriptive Statistical Test

| | <i>PBV</i> | <i>GCG</i> | <i>ROA</i> | <i>DER</i> | <i>Company_Size</i> |
|----------------|------------|------------|------------|------------|---------------------|
| <i>Mean</i> | 39.52589 | 4.086282 | 0.064982 | 0.362129 | 24.89507 |
| <i>Median</i> | 7.540000 | 4.022538 | 0.016388 | 0.083271 | 27.32407 |
| <i>Maximum</i> | 340,0000 | 4.665390 | 0.485714 | 1.993684 | 30.73454 |

| | | | | | |
|---------------------|----------|-----------|-----------|----------|-----------|
| <i>Minimum</i> | 0.474000 | 3.388394 | -0.154406 | 0.001649 | 11.06697 |
| <i>Std. Dev.</i> | 67.67304 | 0.295289 | 0.102392 | 0.529555 | 4.973247 |
| <i>Skewness</i> | 2.785880 | -0.273143 | 2.089333 | 1.852970 | -1.145243 |
| <i>Kurtosis</i> | 11.62307 | 3.087521 | 8.846870 | 5.690130 | 2.966892 |
| <i>Jarque-Bera</i> | 333.7724 | 0.969277 | 163.5493 | 66.40749 | 16.61682 |
| <i>Probability</i> | 0.000000 | 0.615920 | 0.000000 | 0.000000 | 0.000246 |
| <i>Sum</i> | 3003.968 | 310.5574 | 4.938609 | 27.52179 | 1892.025 |
| <i>Sum Sq. Dev.</i> | 343473.0 | 6.539684 | 0.786317 | 21.03213 | 1854,989 |
| <i>Observations</i> | 76 | 76 | 76 | 76 | 76 |

Based on the descriptive statistical test above, it is shown that the number of observations analyzed is 76 data.

Table 2. Chow test

| <i>Effects Test</i> | <i>Statistics</i> | <i>df</i> | <i>Prob.</i> |
|---------------------------------|-------------------|-----------|--------------|
| <i>Cross-section F</i> | 9.999327 | (18.54) | 0.0000 |
| <i>Chi-square cross-section</i> | 111.437683 | 18 | 0.0000 |

Cross-section fixed effects test equation:

Dependent Variable: PBV

Method: Least Squares Panel

Date: 04/18/24 Time: 13:41

Sample: 2019 2022

Periods included: 4

Cross-sections included: 19

Total panel (balanced) observations: 76

| <i>Variables</i> | <i>Coefficient</i> | <i>Std. Error</i> | <i>t-Statistics</i> | <i>Prob.</i> |
|------------------------------|--------------------|---------------------------|---------------------|--------------|
| <i>C</i> | 32.60668 | 48.59560 | 0.670980 | 0.5044 |
| <i>GCG</i> | -8.207062 | 11.74039 | -0.699045 | 0.4868 |
| <i>ROA</i> | 564.4981 | 40.37544 | 13.98122 | 0.0000 |
| <i>DER</i> | 10.42044 | 7.457890 | 1.397236 | 0.1666 |
| <i>MSE Root</i> | 27.56121 | <i>R-squared</i> | | 0.831919 |
| <i>Mean dependent var</i> | 39.52589 | <i>Adjusted R-squared</i> | | 0.824916 |
| <i>SD dependent var</i> | 67.67304 | <i>SE of regression</i> | | 28.31645 |
| <i>Akaike info criterion</i> | 9.575959 | <i>Sum squared resid</i> | | 57731.12 |
| <i>Schwarz criterion</i> | 9.698629 | <i>Log likelihood</i> | | -359.8864 |
| <i>Hannan-Quinn Criter.</i> | 9.624984 | <i>F-statistic</i> | | 118.7887 |
| <i>Durbin-Watson stat</i> | 0.670866 | <i>Prob(F-statistic)</i> | | 0.000000 |

The resulting Chow test is shown by a probability value obtained from a cross-sectional analysis

0.000, which is still below the significant threshold of 0.05. In this case, it is shown that there are quite significant differences between CEM and FEM. Therefore, The fixed effect model has been chosen as the selected model. based on the Chow test.. After that, to ensure the correct choice of models both FEM and REM, we must test using the Hausman test. As in the Hausman test, it will help determine whether the estimates from REM or FEM are more appropriate to the data we have. If the resulting Hausman test is shown to have a probability value below 0.05, then the fixed effect model is more appropriate. Conversely, if the probability score exceeds 0.05, REM is more appropriate to apply.

Table 3. Hausman test

| <i>Test Summary</i> | <i>Chi-Sq. Statistics</i> | <i>Chi-Sq. df</i> | <i>Prob.</i> | |
|---|---------------------------|-------------------|-------------------|--------------|
| <i>Random cross-section</i> | 2.582475 | 3 | 0.4606 | |
| <i>Cross-section random effects test comparisons:</i> | | | | |
| <i>Variables</i> | <i>Fixed</i> | <i>Random</i> | <i>Var(Diff.)</i> | <i>Prob.</i> |
| <i>GCG</i> | 21.958975 | 6.500315 | 146.349429 | 0.2013 |
| <i>ROA</i> | 509.307105 | 522.981401 | 256.246473 | 0.3930 |
| <i>DER</i> | 17.407162 | 16.448807 | 4.837305 | 0.6630 |

Cross-section random effects test equation:

*Dependent Variable: PBV**Method: Least Squares Panel**Date: 04/18/24 Time: 13:41**Sample: 2019 2022**Periods included: 4**Cross-sections included: 19**Total panel (balanced) observations: 76*

| <i>Variables</i> | <i>Coefficient</i> | <i>Std. Error</i> | <i>t-Statistics</i> | <i>Prob.</i> |
|------------------|--------------------|-------------------|---------------------|---------------|
| <i>C</i> | <i>-89.60394</i> | <i>77.60113</i> | <i>-1.154673</i> | <i>0.2533</i> |
| <i>GCG</i> | <i>21.95897</i> | <i>18.95344</i> | <i>1.158575</i> | <i>0.2517</i> |
| <i>ROA</i> | <i>509.3071</i> | <i>39.52762</i> | <i>12.88484</i> | <i>0.0000</i> |
| <i>DER</i> | <i>17.40716</i> | <i>6.486322</i> | <i>2.683672</i> | <i>0.0096</i> |

Effects Specification

Cross-section fixed (dummy variables)

| | | | |
|------------------------------|-----------------|---------------------------|------------------|
| <i>MSE Root</i> | <i>13.24032</i> | <i>R-squared</i> | <i>0.961210</i> |
| <i>Mean dependent var</i> | <i>39.52589</i> | <i>Adjusted R-squared</i> | <i>0.946125</i> |
| <i>SD dependent var</i> | <i>67.67304</i> | <i>SE of regression</i> | <i>15.70755</i> |
| <i>Akaike info criterion</i> | <i>8.583358</i> | <i>Sum squared resid</i> | <i>13323.26</i> |
| <i>Schwarz criterion</i> | <i>9.258043</i> | <i>Log likelihood</i> | <i>-304.1676</i> |
| <i>Hannan-Quinn Criter.</i> | <i>8.852995</i> | <i>F-statistic</i> | <i>63.71990</i> |
| <i>Durbin-Watson stat</i> | <i>2.421157</i> | <i>Prob(F-statistic)</i> | <i>0.000000</i> |

In accordance with the Hausman test produced by showing some of the attached data, a random cross-section probability score of 0.4606 can be obtained as the score is above The model chosen is REM, with a significance level of 0.05.

Table 4. Lagrange Multiplier Test

| | <i>Test Hypothesis</i> | | |
|-----------------------------|------------------------|-----------------------|-----------------------|
| | <i>Cross-section</i> | <i>Time</i> | <i>Both</i> |
| <i>Breusch-Pagan</i> | 49.64360 (0.0000) | 0.923447 (0.3366) | 50.56705 (0.0000) |
| <i>Honda</i> | 7.045821 (0.0000) | -0.960962 (0.8317) | 4.302646 (0.0000) |
| <i>King-Wu</i> | 7.045821 (0.0000) | -0.960962 (0.8317) | 1.773393 (0.0381) |
| <i>Standardized Honda</i> | 7.900319 (0.0000) | -0.719329 (0.7640) | 1.483422 (0.0690) |
| <i>Standardized King-Wu</i> | 7.900319 (0.0000) | -0.719329 (0.7640) | -0.529089 (0.7016) |
| <i>Gourieroux, et al.</i> | -- | -- | 49.64360 (0.0000) |

In accordance with the test that has been produced, it is shown in some of the attached data, showing a Cross-section probability value of 0.000 as shown by a score below 0.05, as the model used with the Random Effect Model

Table 5. Multicollinearity Test

| <i>Variables</i> | <i>Coefficient</i> | <i>Uncentered</i> | <i>Centered</i> |
|------------------|--------------------|-------------------|-----------------|
| | <i>Variance</i> | <i>VIF</i> | <i>VIF</i> |
| <i>C</i> | 2824.653 | 266.0018 | NA |
| <i>GCG</i> | 139.7418 | 220.8690 | 1.132372 |
| <i>ROA</i> | 1682,763 | 2.308708 | 1.639556 |
| <i>DER</i> | 56.00644 | 2.151223 | 1.459578 |

| | | | |
|---------------------|----------|----------|----------|
| <i>COMPANY_SIZE</i> | 0.449605 | 27.27422 | 1.033423 |
|---------------------|----------|----------|----------|

Table 6. Heteroscedasticity Test

| <i>Heteroskedasticity Test: ARCH</i> | | | |
|--------------------------------------|----------|-----------------------------|--------|
| <i>F-statistic</i> | 5.509535 | <i>Prob. F(37.1)</i> | 0.3274 |
| <i>Obs*R-squared</i> | 38.80962 | <i>Prob. Chi-Square(37)</i> | 0.3881 |

In accordance with the heteroscedasticity test that has been produced, it is shown that the prob value is 0.388 which exceeds the value of 0.05. In carrying out this research, a conclusion was obtained, namely that there was no sign of heteroscedasticity.

Table 7. Autocorrelation Test

| | | | |
|----------------------|----------|-----------------------------|--------|
| <i>F-statistic</i> | 1.669063 | <i>Prob. F(38.33)</i> | 0.0685 |
| <i>Obs*R-squared</i> | 49.98999 | <i>Prob. Chi-Square(38)</i> | 0.0922 |

From the output results, a probability score of 0.063 is obtained, as the value above is 0.05. The following conditions are demonstrated by the absence of a correlation problem in the model used. The resulting tests indicate that some of the independent variables in the model do not have a significant correlation with others, which means that multicollinearity is not a problem in this analysis.

Table 8. Multiple Reg Test (Rem)

| <i>Variables</i> | <i>Coefficient</i> | <i>Std. Error</i> | <i>t-Statistics</i> | <i>Prob.</i> |
|------------------|--------------------|-------------------|---------------------|--------------|
| <i>C</i> | -26.97703 | 60.19772 | -0.448140 | 0.6554 |
| <i>GCG</i> | 6.500315 | 14.59052 | 0.445516 | 0.6573 |
| <i>ROA</i> | 522.9814 | 36.14120 | 14.47050 | 0.0000 |
| <i>DER</i> | 16.44881 | 6.102055 | 2.695618 | 0.0087 |

Effects Specification

| | | |
|-----------------------------|--------------------------|------------|
| | <i>elementary school</i> | <i>Rho</i> |
| <i>Random cross-section</i> | 25.44650 | 0.7241 |
| <i>Idiosyncratic random</i> | 15.70755 | 0.2759 |

Weighted Statistics

| | | | |
|------------------------------|----------|---------------------------|----------|
| <i>MSE Root</i> | 15.24421 | <i>R-squared</i> | 0.818411 |
| <i>Mean dependent var</i> | 11.65665 | <i>Adjusted R-squared</i> | 0.810844 |
| <i>SD dependent var</i> | 36.01106 | <i>SE of regression</i> | 15.66194 |
| <i>Sum squared resid</i> | 17661.33 | <i>F-statistic</i> | 108.1663 |
| <i>Durbin-Watson stat</i> | 1.927049 | <i>Prob(F-statistic)</i> | 0.000000 |
| <i>Unweighted Statistics</i> | | | |
| <i>R-squared</i> | 0.822699 | <i>Mean dependent var</i> | 39.52589 |
| <i>Sum squared resid</i> | 60897.97 | <i>Durbin-Watson stat</i> | 0.558873 |

Based on the results obtained, it is shown that the Prob (F-statistic) value is 0.000, still less than 0.05. As shown by the simultaneous ROA and DER variables, they have an impact on company value. From this output it can also be seen that the probability value for the ROA and DER variables is still less than 0.05. In the following conditions it can be concluded that individually, ROA and DER Can greatly influence the value of a firm. ROA influences company value by having a positive correlation, as meaning that an increase in ROA can be followed by an increase in company value. Meanwhile, the GCG variable and the natural logarithm of LN (company size) have a probability score of above 0.05. This can be concluded in a partial way, the GCG and LN variables Do not exert a substantial impact on the valuation of a firm.

B. Discussion

1. Good Corporate Governance which is distributed to the managerial ownership committee has no influence on company value

In a research that has been carried out, results were obtained showing that the application of GCG principles as reflected in the managerial ownership committee has negligible impact on company value. Although the managerial ownership committee aims to improve transparency, accountability and fairness in making corporate decisions, this research finds that these factors do not directly contribute to increasing company value. In this context, although the company may have implemented good GCG structures and practices, the results are not directly reflected in an increase in company value as expected. This raises questions about the effectiveness of GCG implementation in improving overall company performance, and highlights the importance of paying attention to several other factors that can also influence company value.

Previous research by Christiani & Herawaty, (2019) found regarding profitability, managerial ownership, The size of a corporation has a substantial influence on company value and earnings management becomes a moderating variable without strengthening the relationship between profitability and company value. Profit Management, Leverage, Audit Committee do not have an impact on company value. Earnings management becomes a moderating variable by further strengthening the relationship between company size, leverage, audit committee and managerial ownership with company value. In a study conducted Nuryono et al., (2019), it was shown that Simultaneously, audit quality (KuA), audit committee (KA), independent commissioner (KI), institutional ownership (INST) and managerial ownership (MOWN) have an influence on company value (PBV). In its partial form, institutional ownership has a significant positive influence on company value, in contrast to the other independent variables (audit quality, audit committee, independent commissioner, and managerial ownership) which have a positive but not significant influence on company value.

2. Good Corporate Governance which is shared by the independent board of commissioners has no influence on company value

As research has shown, the implementation of GCG principles, especially those related to the existence of an independent board of commissioners, does not have a significant influence on company value. Although an independent board of commissioners is generally believed to be an important element in maintaining transparency, accountability and independence in company decision making, research conducted found that their role does not

directly have an impact on increasing company value. This highlights the complexity in the relationship between corporate structure and firm performance, where other factors such as management strategy, market conditions, and the regulatory environment can also have a significant impact on firm value. Although independent boards of commissioners may be required and expected to ensure compliance with GCG principles, their implementation does not always result in a significant increase in company value. Thus, it is shown that more in-depth research is needed to determine several other factors that also influence company performance, as well as to evaluate the effectiveness of implementing GCG principles in a broader context.

Previous research by Amaliyah & Herwiyanti,(2019) showed that the audit committee variable had a significant influence on company value. In contrast, the variables independent commissioner and institutional ownership do not have a significant influence on company value. Based on the results of research conducted by Sondokan et al., (2019), it is shown that the independent board of directors and board of commissioners do not have an influence on the value of other companies, whereas the audit committee has quite an influence on the value of the company, audit committee, board of directors, board of commissioners. independence simultaneously has a positive influence on company value. In a company, banking performance can have a lot of positive influence on performance as demonstrated by the implementation of good corporate governance. In implementing GCG, The presence of an audit committee, board of directors, and independent board of commissioners serves as evidence of this.

3. Good Corporate Governance which is distributed to the audit committee has no influence on company value

In a study, it was shown that the application of Good Corporate Governance (GCG) principles, especially those related to the existence of an audit committee, did not have a significant effect on company value. Although audit committees are generally considered to be an important element for controlling accountability, transparency, and integrity in a company's internal control and financial reporting processes, research conducted shows that their presence does not directly influence increasing company value. These results highlight the complexity in the relationship between corporate structure and firm performance, where other factors such as market conditions, management strategy, and external factors can also contribute to firm value. However, the existence of an audit committee remains important to ensure compliance with accounting standards and regulations, as well as to mitigate the risk of fraud and irregularities that could be detrimental to the company.

Previous research by Valencia, (2019) found that financial distress, tax avoidance and A self-governing panel of commissioners exerted a substantial and favourable impact on the value of the corporation. whereas the audit committee had no influence on company value. Thus, the audit committee and profitability have a significant negative influence on tax avoidance, whereas the independent board of commissioners and financial distress do not have an influence on tax avoidance. The resulting research shows that tax avoidance can provide partial mediation of the relationship between profitability and company value. However, tax avoidance cannot provide mediation on the relationship between the audit committee, independent board of commissioners and financial distress with company value.

According to a study conducted by Mayangsari in 2018, it was shown that audit committees had a positive influence on a company's worth. Due to the rising firm valuation, a business entity is required to pay attention to the company's audit committee. Not only this, investors are also required to be scrutinized by the audit committee when making investments as a basis for decision making. Implementing an audit committee enhances the efficiency of the observation function and leads to an improvement in the company's worth.

4. Profitability influences company value

The resulting research shows that The profitability of a corporation has a substantial impact on its overall value. The following research implementation highlights the crucial importance of a company's financial performance in determining overall company value. The greater level of profitability in a business entity makes it possible for the company's value to increase. Factors that influence profitability, such as operational efficiency, cost structure, and financial management strategy, are key in determining a company's financial performance and ultimately company value. These findings provide empirical evidence of the close relationship between company value and financial performance, which can be used as a guide for company management to carry out planning and implement a business strategy correctly in order to increase company value in a sustainable manner.

In previous research Hertina et al., (2019), it was shown that independent variables in the form of debt policy, profitability and company size were able to describe and explain a dependent variable in the form of company value with a value of 83.56%. Another study by Yanda, (2018) found that Partially, it is shown that capital structure and profitability have a more significant impact on company value, whereas company growth and company size do not have an impact on company value. In research produced simultaneously, company growth, capital structure, profitability and company size have a simultaneous impact on company value.

5. Leverage affects company value

The following research was carried out and it was found that leverage, or the level of company debt, had a significant impact on company value. The following research highlights the important role of capital structure in obtaining and increasing overall company value. It was found that large levels of debt tend to have a negative impact on company value, because they increase financial risk and limit the company's flexibility in dealing with uncertain economic situations. Conversely, lower debt levels can reduce financial risk and increase investor confidence, which can further increase company value. This explanation provides a better understanding of how a capital structure can have an impact on company value and performance, as well as providing guidance for company management in planning balanced financial policies to increase long-term company value.

Previous research byutama & Lisa, (2018) found that *leverage* has a close relationship to company value, at a moderate level of closeness, in contrast to the profitability variable which has a very large relationship to company value. As partial, profitability and leverage in fact have a significant positive influence on company value. In their research Pradanimas & Sucipto, (2022) it has been explained that company size has a significant negative impact on company value, while profitability and leverage have a significant positive impact on company value. Although profitability, company size, and company value have a significant positive impact on other stock prices, leverage has a significant negative impact on stock prices. In terms of company size, company value has a negative insignificant impact on share prices. Profitability has an insignificant positive impact on share prices in terms of company value. Leverage has a significant positive impact on share prices from a company value perspective.

6. Good Corporate Governance assigned to the Board of Independent Commissioners has no influence on company value, which is moderated by company size

In a study, it was shown that the application of GCG principles, especially those related to the existence of an independent board of commissioners, did not have a significant influence on company value, especially when moderated by company size. Although an independent board of commissioners is usually believed to be an important factor in ensuring transparency, accountability and independence in company decision making, research conducted found that their presence does not directly have an influence on increasing company value, especially when company size is considered as a moderating variable. In this case, it is shown that several other factors, namely company size, have an increasingly dominant role in determining company value. However, the existence of an independent board of commissioners remains important in ensuring compliance with GCG principles, as well as providing effective supervision of company management.

7. Good Corporate Governance which is distributed to the audit committee has no influence on company value which is moderated by company size

In a study that was produced, it was shown that the implementation of GCG principles promoted by the existence of an audit committee did not have a significant influence on company value, especially when considered in the context of company size as a moderating variable. Although the audit committee is often believed to be a key element in maintaining transparency, accountability and integrity in the company's internal control process and financial reporting, research has found that the role of the audit committee does not have a direct influence on increasing company value, especially when the company size is a factor. taken into account. This shows that in the context of company value, the company size factor may have a more dominant influence than the existence of an audit committee. However, the existence of an audit committee remains important to ensure compliance with accounting standards and regulations, as well as to mitigate the risk of fraud and irregularities that could be detrimental to the company.

8. Profitability influences company value which is moderated by company size

A study demonstrated that profitability exerts a substantial impact on firm value, particularly when taking into account company size as a moderating component. It was found that the level of company profitability has a different impact depending on the size of the company. More specifically, the relationship between profitability and company value is stronger or more significant in companies with smaller sizes when compared with several large companies. This suggests that profitability may have an increasingly dominant role in determining firm value in smaller companies, while other factors, such as capital structure or brand reputation, may have more influence in some larger companies.

9. Leverage influences company value which is moderated by company size

A study demonstrated that the use of leverage, which refers to the extent of a firm's debt, has a substantial impact on the value of the company, especially when considered in the context of company size as a moderating variable. It was found that the relationship between firm value and leverage varies depending on the size of the

company. In particular, the correlation between company value and leverage tends to be more complex and depends on company size factors. Leverage may have a more significant impact on smaller companies, where large levels of debt can present significant risks and limit a company's financial flexibility Yulianto, (2017). On the other hand, in larger companies, The correlation between leverage and firm value may be more moderated, with other factors such as capital structure and operating scale also playing a significant role.

IV. CONCLUSION

In a research conducted and produced, a conclusion was obtained that profitability and leverage had a significant influence on company value in a manufacturing business entity in the F&B sub-sector on the IDX list during 2019-2022. As shown by the level of company profitability and leverage, it directly influences company value. However, the variables of managerial ownership, company size, audit committee and independent board of commissioners do not have a significant influence on company value in this context. This shows that these factors do not have a strong influence on company value in the F&B sub-sector in the period studied. Not only this, in the research conducted, company size was used as a moderating variable, but it was not proven to have a significant moderating effect on The correlation between profitability, leverage Regarding the valuation of the company. This is shown by the fact that company size does not really strengthen or weaken the impact of leverage and profitability on company value.

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A Model for Strengthening Learning Achievement Through an Approach to the Use of Social Media and Learning Motivation

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ABSTRACT

Purpose: Student learning achievement is the output of an educational institution. Achievement of learning achievement is determined by external and internal factors of students. Therefore, the learning achievement of each student varies. This phenomenon prompted this research to examine the influence of the use of social media as an external factor in learning achievement and learning motivation as an internal factor in learning achievement on learning achievement using empirical data.

Design/methodology/approach: The research was conducted on 146 cadets of the Semarang Maritime Science Polytechnic (PIP) which was carried out through interviews using a questionnaire. The data obtained was then analyzed using the Structural Equation Modeling (SEM) approach.

Findings: From the results of this research it can be proven that social media is statistically proven to have a significant positive effect on learning motivation and learning achievement and learning motivation is statistically proven to have a significant positive effect on learning achievement

Research limitations/implications: This research has not categorized internal and external factors.

Practical implications: Based on the results of this research, to improve student learning achievement, it can be done through two approaches. First, learning achievement can be improved by increasing students' learning motivation. The second approach to improving learning achievement is through the use or utilization of social media.

Originality/value: This research focuses on vocational education.

Paper type: Research Paper

Keyword: Social Media, Learning Motivation, Learning Achievement.

Received : March 10th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

Based on a survey by the Asosiasi Penyelenggara Jasa Internet (APJII) (APJII) Indonesia in 2019, it was stated that in 2017 the penetration rate of internet users in Indonesia increased by around 8 percent to 143.26 million people, which is equivalent to 54.68 percent of the entire population in Indonesia. It turns out that in 2019, the penetration rate of internet users in Indonesia increased again by around 10.12 percent to 171.17 million people. This figure is equivalent to 64.8 percent of the entire population, namely 264 million people. The survey results show that the largest users are people aged 15 to 19 years. This means that children and teenagers are still the largest internet users since 2017, at which time the results (APJII Survey, 2017) stated that the penetration of internet users based on age, including those aged 13-18 years, was 75.50 percent.

This case of low learning achievement can be caused by various factors. In the journal Use of Social Media and its Impact on Academic Performance, Acheaw and Larson (2015) explain that, social media among students is increasingly popular, so that researchers from economists and professors continue to question whether student learning achievement can be affected by a lot of time spent students and high concentration in using social media.

One of the internal factors that influences student learning achievement is learning motivation. Motivation to learn is an impulse that comes from within or outside a person so that it can lead to learning activities. The role of motivation is very important to encourage students to obtain good achievement results. The existence of learning motivation can raise students' enthusiasm for learning which will ultimately achieve optimal learning achievement. However, during learning, each student's motivation for taking lessons is different. There are some students who have high enthusiasm for learning as shown by their enthusiasm for practicing typing, there are also those who have low motivation and complain when given assignments by the teacher.

Students are the output or product of an educational institution, the good and bad will be shown in their learning achievements, so that the input process from the educational institution itself (teachers, school environment, etc.) will greatly influence the student's own success process as the output. The problems with student achievement vary from students who are only able to get grades below the completion standard and have to do remedial work to fulfill graduation requirements, but it cannot be denied that there are also some students who actually achieve well. From the explanation that has been presented, the author wants to conduct a study on the influence of the use of social media on student learning motivation and student achievement.

II. METHODS

A. Population

The population used in this study was the cadets and cadets of the Semarang Maritime Science Polytechnic (PIP), totaling 827 people.

Table 1 Population Distribution

| | <i>Nautical</i> | <i>Technica</i> | <i>KPN</i> | |
|------------------------|-----------------|-----------------|------------|-----|
| <i>Cadet Level I</i> | 81 | 88 | 102 | |
| <i>Cadet Level II</i> | 89 | 89 | 108 | |
| <i>Cadet Level III</i> | 87 | 81 | 102 | |
| <i>Total</i> | 257 | 258 | 312 | 827 |

Source: Secondary Data Processed, 2022

B. Sample

Determination of the sample size is determined using the following formula, number of indicators x 5 to 10 (Ferdinand, 2005). Because in this study there were 17 indicators, the number of samples used was 85 – 170 samples. Furthermore, Hair, et al in Ferdinand (2005) stated that the appropriate sample size for SEM is between 100 - 200 samples.

C. Sampling Technique

The sampling technique was carried out using a Simple Random Sampling approach where each member of the population had the same opportunity to become a research sample.

D. Variable Measurement

The measuring instruments developed to measure research variables are presented in the following table:

Table 2 Development of Research Variable Indicators

| <i>Variables</i> | <i>Indicators</i> | <i>Sources</i> |
|-------------------------|---|----------------|
| <i>Social Media Use</i> | <i>Allocate time to access social media</i> | |

| | | |
|----------------------------|--|--|
| | <i>Have more than one social media account</i> | <i>Rasyidah (2017), Irfan, Nursiah & Rahayu (2019)</i> |
| | <i>Using more than one social media</i> | |
| | <i>Actively improve status or content on social media</i> | |
| | <i>Actively respond or respond to comments on social media</i> | |
| | <i>Actively increase friendships</i> | |
| <i>Learning motivation</i> | <i>Desire to know</i> | <i>Hanafi (2016), Sardiman (2005)</i> |
| | <i>Encouragement or desire to progress</i> | |
| | <i>Encouragement or desire to get sympathy/appreciation/praise from parents</i> | |
| | <i>Encouragement or desire to get sympathy/appreciation/praise from friends</i> | |
| | <i>Encouragement or desire to get sympathy/appreciation/praise from other people</i> | |
| | <i>The desire to correct past failures</i> | |
| | <i>Encouragement or desire to feel secure in mastering knowledge</i> | |
| | <i>Encouragement of reward or punishment for failure</i> | |
| <i>Prestasi Belajar</i> | <i>Pass the theory course (cognitive domain)</i> | <i>Suprijono (2010)</i> |
| | <i>Passed practical courses (psychomotor domain)</i> | |
| | <i>Cumulative assessment exceeds minimum criteria</i> | |

Source: Secondary Data Processed, 2022

E. Data Collecting

Data collection was carried out through interviews with respondents using a questionnaire. The questionnaire consists of statements developed from indicators adopted from previous research. The statements composed in the questionnaire are closed in nature where the respondent provides the answers that have been provided. Alternative answers provided use the Agree Disagree Scale approach in the range 1-10.

F. Analysis Technique

The use of causality/influence relationship models in this research, while SEM (Structural Equation Modeling) analysis with the AMOS (Analysis Moment Structure) program.

III. RESULTS AND DISCUSSION

A. Research Result

1. Confirmatory Factor Analysis

Confirmatory factor analysis is the measurement stage of the indicators that form latent variables in the research model. The results of confirmatory factor analysis for each variable were carried out by analyzing standardized regression weight values, discriminant analysis as well as variance extracted and construct reliability values. The following is a description of the confirmatory analysis carried out in this research.

The following are the results of the analysis of the Standardized Regression Weight values for each research variable.

Table 3 Standardized Regression Weight Analysis for Research Variables

| | | | Std Estimate | Estimate | S.E. | C.R. | P |
|-----|------|----------------------|--------------|----------|------|--------|------|
| X1 | <--- | Social Media Use | .423 | .555 | .114 | 4.856 | *** |
| X2 | <--- | Social Media Use | .785 | 1.000 | | | |
| X3 | <--- | Social Media Use | .778 | .964 | .103 | 9.375 | *** |
| X4 | <--- | Social Media Use | .809 | 1.077 | .110 | 9.761 | *** |
| X5 | <--- | Social Media Use | .714 | .932 | .110 | 8.490 | *** |
| X6 | <--- | Social Media Use | .228 | .330 | .130 | 2.539 | .011 |
| X7 | <--- | Learning Motivation | .811 | 1.000 | | | |
| X8 | <--- | Learning Motivation | .756 | .812 | .086 | 9.451 | *** |
| X9 | <--- | Learning Motivation | .785 | .868 | .086 | 10.143 | *** |
| X10 | <--- | Learning Motivation | .857 | .918 | .082 | 11.168 | *** |
| X11 | <--- | Learning Motivation | .090 | .136 | .133 | 1.023 | .306 |
| X12 | <--- | Learning Motivation | -.028 | -.041 | .129 | -.319 | .750 |
| X13 | <--- | Learning Motivation | .022 | .019 | .076 | .247 | .805 |
| X14 | <--- | Learning Motivation | .019 | .018 | .087 | .209 | .834 |
| X15 | <--- | Learning Achievement | .885 | 1.000 | | | |
| X16 | <--- | Learning Achievement | .843 | .988 | .087 | 11.388 | *** |
| X17 | <--- | Learning Achievement | .785 | .899 | .084 | 10.661 | *** |

Source: Primary Data Processed, 2022

The social media use variable is measured using six indicators adopted from research by Rasyidah (2017), Irfan, Nursiah & Rahayu (2019). The results of the confirmatory analysis show that for indicators X1 and social media.

The learning motivation variable is measured using eight indicators which are the result of adoption from research conducted by Hanafi (2016), Sardiman (2005). From the results of the confirmatory analysis of the eight indicators, it is known that there are four indicators, namely X11, X12.

The measurement of learning achievement variables was carried out by adopting the indicators in Suprijono's (2010) research which used three indicators. The results of the confirmatory analysis of these three indicators show that these indicators have a standardized regression weight value of > 0.6, which shows that these three indicators are appropriate measuring tools for measuring learning achievement variables.

2. Model Feasibility Testing (Goodness of Fit)

After analyzing the level of unidimensionality of the dimensions/indicators forming the latent variables which were tested using confirmatory factor analysis, the next analysis was a full model Structural Equal Modeling (SEM) analysis. The results of data processing for full SEM model analysis are explained below.

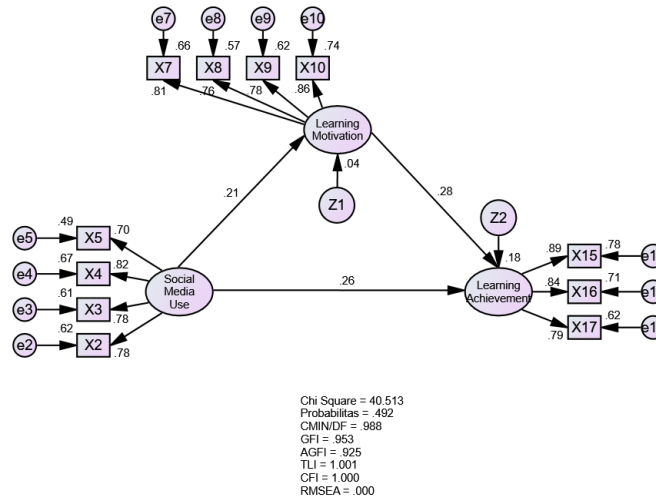


Figure 1 Research Model Testing

Source: Primary Data Processed, 2022

The results of feasibility testing on the research model developed in this research are presented in the following table.

Table 4 Research Model Feasibility Test Results

| Goodness of Fit Indeks | Cut off Value | Result | Model Evaluation |
|------------------------|---------------|--------|------------------|
| Chi-Square (df = 41) | < 56,942 | 40,513 | Good |
| Probability | ≥ 0,05 | 0,492 | Good |
| CMIN/DF | ≤ 2,00 | 0,988 | Good |

| | | | |
|--------------|-------------|-------|-----------------|
| <i>GFI</i> | $\geq 0,90$ | 0,953 | <i>Marginal</i> |
| <i>AGFI</i> | $\geq 0,90$ | 0,925 | <i>Marginal</i> |
| <i>TLI</i> | $\geq 0,95$ | 1,001 | <i>Good</i> |
| <i>CFI</i> | $\geq 0,95$ | 1,000 | <i>Good</i> |
| <i>RMSEA</i> | $\leq 0,08$ | 0,000 | <i>Good</i> |

Source: Primary Data Processed, 2022

Testing the research model developed in this study using empirical data produced a calculated Chi-Square value of 40.513 with a probability value of 0.492. The Chi Square table value for this research at a df of 41 is 56.942. Because the calculated Chi-Square value (40.513) is smaller than the critical/table value (56.942), it can be concluded that the empirical model regarding marketing performance developed in this study is no different from the estimated population or in other words, the model is considered good (accepted).

3. Hypothesis Testing

After assessing the assumptions in SEM, hypothesis testing will be carried out as proposed in the previous chapter. Testing of the four hypotheses proposed in this research was carried out by analyzing the Critical Ratio (CR) value and the probability of a causal relationship.

Table 5 Hypothesis Testing

| | | | <i>Std Estimate</i> | <i>Estimate</i> | <i>S.E.</i> | <i>C.R.</i> | <i>P</i> |
|-----------------------------|------|----------------------------|---------------------|-----------------|-------------|-------------|----------|
| <i>Learning Motivation</i> | <--- | <i>Social Media Uses</i> | .210 | .261 | .119 | 2.192 | .028 |
| <i>Learning Achievement</i> | <--- | <i>Learning Motivation</i> | .280 | .309 | .102 | 3.017 | .003 |
| <i>Learning Achievement</i> | <--- | <i>Social Media Uses</i> | .262 | .359 | .128 | 2.801 | .005 |

Source: Primary Data Processed, 2022

- a. **Testing the Effect of Using Social Media on Learning Motivation**
 This study carries out empirical testing on the variables of social media use and learning motivation. Testing these two variables produces a CR value of 2.192 with a probability value of 0.028. Because the CR value = 2.192 is greater than the critical value = 1.980 (at $\alpha = 5\%$) it can be concluded that the alternative hypothesis developed in this study can be accepted and proven statistically. This means that the use of social media has actually been proven to have a positive effect on changes in students' learning motivation.
- b. **Testing the Effect of Social Media Use on Learning Achievement**
 This study carries out empirical testing on the variables of social media use and learning achievement. Testing these two variables produces a CR value of 2.801 with a probability value of 0.005. Because the CR value = 2.801 is greater than the critical value = 1.980 (at $\alpha = 5\%$) it can be concluded that the alternative hypothesis developed in this study can be accepted and proven statistically. This means that the use of social media has actually been proven to have a positive effect on changes in student learning achievement.
- c. **Testing the Effect of Learning Motivation on Learning Achievement**
 This study carries out empirical testing on the variables of learning motivation and learning achievement. Testing these two variables produces a CR value of 3.017 with a probability value of 0.003. Because the CR value = 3.017 is greater than the critical value = 1.980 (at $\alpha = 5\%$) it can be concluded that the alternative hypothesis developed in this study can be accepted and proven statistically. This means that

learning motivation has actually been proven to have a positive effect on changes in student learning achievement.

B. Discussion

1. The Effect of Using Social Media on Learning Motivation

Testing the variables of social media use and learning motivation gave positive and significant results. This means that the use of social media statistically influences changes in learning motivation. The results of this study strengthen previous studies, such as Syaifudin & Elmasari (2020), Irfan, Nursiah & Rahayu (2019), Hanafi (2016), and Sahid (2020) which also show that the use of social media has been proven to have a significant positive effect on learning motivation.

2. The Effect of Using Social Media on Learning Achievement

Testing on the variables of social media use and learning achievement gave positive and significant results. This means that the use of social media statistically influences changes in learning achievement. The results of this study are in line with previous studies which also examined the variables of social media use and learning achievement, namely Esto, Daud & Ilyas (2019), Tifani (2019) and Naimawati, Tellu & Tureni (2018) that statistically proven to have a significant positive effect on learning achievement.

3. The Effect of Learning Motivation on Learning Achievement

Testing on the variables of learning motivation and learning achievement gave positive and significant results. This means that learning motivation statistically influences changes in learning achievement. The results of this study certainly strengthen previous studies which were used as references in this study, namely Soewono (2018), Prayogo (2018), Susilo (2016), Unneputty (2021), Mismiaty (2017), Makatita & Azwan (2021) and Musakkir (2015) whose research also shows that learning motivation has actually been proven to have a significant positive influence on learning achievement.

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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Exploring the Impact of Work Relationships on Employee Performance: The Mediating Role of Job Satisfaction

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ABSTRACT

Purpose: The purpose of this study is to analyze the correlation of work relationships, and employee performance with job satisfaction as an intervening

Design/methodology/approach: The population in this study were all production employees of pallet plastic industries in Sidoarjo, east java with 36 people. Data collection in this research used a questionnaire and Data analysis in this research uses Partial Least Squares (PLS).

Findings: The result that work relations affect employee performance with job satisfaction as an intervening variable.

Research limitations/implications: This research is limited to doing regional pallet plastic industries in sidoarjo east java, Indonesia. For generalization so that further research can be carried out in different organizations or companies and in different regions (cities)

Practical implications: The results of this research can be used as a reference to improve of employee performance in pallet plastic industries or similar plastic industries.

Originality/value: The research results explain that among the variables work relationships, job satisfaction must be applied for increase of employee performance in pallet plastic industries or similar plastic industries.

Paper type: This paper can be categorized as research paper.

Keyword: *Work relationships, Job Satisfaction, Employee Performance*

Received : March 13th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

Companies must continue to enhance their performance and competitiveness in order to survive in the age of globalization and intensifying economic rivalry. Particularly in Sidoarjo's plastic pallet manufacturing industry, employee performance is a critical component that determines a company's success. Good human resource management is essential for businesses to meet objectives and adapt to ongoing change in today's dynamic workplace.

However, in the context of Indonesia's manufacturing business, particularly in the production sector, not much research has looked into the relationship between work relationships and employee performance. In order to close this gap in the literature, this study examines and evaluates how work dynamics and pay affect manufacturing workers' performance at Sidoarjo plastic pallet firms. Meanwhile, work happiness is the intervening variable that this study has brought up. The relationship between work relationships, salary, and employee performance is thought to be explained by job satisfaction, which acts as a mediator. Businesses can

create more successful management methods to raise employee performance by figuring out what variables can mediate this relationship.

Employee performance, according to Robbins (2018), is the outcome of an individual's labor within an organization. According to Robbins, employee performance in the context of management and organizational behavior encompasses how well each person accomplishes organizationally-set goals for their work. Mangkunegara (2017) defines employee performance as the quality and quantity of work that an employee achieves while performing his or her duties in accordance with the obligations assigned to them. Work relationships (Pratama and Wimar'ein, 2018; Prilian et al., 2014; and Rorong, 2016), compensation (Kasenda, 2013; Fauzi, 2014 ; Leonardo and Andreani, 2015; Dayanandan, 2017; Laksmana and Lopian, 2015), and other factors are some of the variables that have been found to influence employee performance.

According to Law of the Republic of Indonesia No. 13 of 2023 concerning Work, in Article 1 number 15, it is stated that a work relationship is a relationship between an entrepreneur and a worker or laborer based on a work agreement, which has the elements of work, wages, and orders.

According to Robbins and Judge's (2017) perspective, an individual's overall assessment of their work may be used to determine job satisfaction. This assessment takes into account the discrepancy between the awards they believe they should have received and the ones they actually receive. Because it incorporates affective or emotional reactions to different facets of work, job satisfaction is multifaceted. People could be content with certain facets of their jobs while being dissatisfied with others. Employees' positive attitudes about their work are reflected in their job satisfaction, which is determined by an evaluation of the working environment.

An evaluation of the work environment might center on a number of factors, including the kinds of duties performed or the acknowledgment of values that are deemed significant for the position. It is impossible to think of job satisfaction in this setting as a monolithic or uniform term. On the other hand, because it is subject to the effect of multiple work-related factors, job satisfaction is dynamic and complex. Workers who are happy in their positions typically express higher favorable preferences for their entire working environment. Their commitment to work, desire to do better, and increased contribution to company objectives all show this. On the other hand, unhappy workers could have less upbeat attitudes,

such as discontent, a lack of drive, and possibly even a propensity to look for new work possibilities. Therefore, comprehending and evaluating job happiness is essential to human resource management and creating organizational strategies that enhance both worker well-being and total workplace efficiency.

Based on the production department phenomena, the Sidoarjo pallet plastic manufacture maintains a work connection akin to a work contract. In addition, pay adjustments will be required in 2024 due to the increase in the City/Regency Minimum Wage, in compliance with relevant rules. In order to create a safe and comfortable work environment, it is also vital to continuously enhance the workplace by consulting the Occupational Safety and Health Management System requirements. In addition to the phenomena mentioned above from a number of earlier investigations, there are still unanswered questions, as evidenced by the findings of Warongan et al.'s (2022) research. claimed that employee performance is unaffected by the workplace. The findings of Rianda and Winarno's (2022) demonstrate that employee performance is unaffected by salary. The findings of Fauziek and Yanuar's (2021) further demonstrate that employee performance is unaffected by work satisfaction. Consequently, research on the effects of work relationship characteristics, pay, and job satisfaction on employee performance continues to yield inconsistent results. To ensure that the research findings are accurate and applicable to a wide range of situations, more research must be done. We plan to carry out research on the subject, taking into consideration the background information, the phenomena that are present in the research object, and the gaps mentioned previously.

This research was conducted with the purpose to analyse the correlation of work relationships, and employee performance with job satisfaction as an intervening.

A. Literature Reviews and Hypotheses

1. Employee Performance

Performance, according to Rivai (2020), is the outcome or total degree of success an individual has during a specific time period when completing tasks in comparison to different possibilities, such as standard work results, targets, objectives, or criteria that have been decided upon beforehand and mutually agreed upon. According to Mangkunegara (2019), an employee's performance is determined by the quality and amount of work they accomplish and their capacity to complete duties in line with the obligations assigned to them by their superiors. Conversely, performance is defined by Dessler (2020) as the comparison of work performance, that is, the comparison of work outcomes with expected standards. Sondang (2018) expressed a similar viewpoint, stating that performance is a global idea that is the efficiency of employees' operations. organizational components as well as components that follow predetermined guidelines and norms. According to Bernardin and Russell (as cited in Faryandi, 2017), "performance is defined as the record of outcomes produced on a specified job function or

activity during a specified time period." In other words, performance is defined as a record of the work completed on a certain task within a given time frame. As per Hasibuan (2017), an individual's performance is determined by his ability, experience, seriousness, and time spent on the tasks allocated to him.

Mangkunegara (2019) lists the following as some of the attributes of employee performance: 1. Exercise a great deal of personal accountability 2. Is able to accept and tolerate the hazards. 3. Set reasonable objectives. 4. Create a thorough work plan and make an effort to achieve its objectives. 5. Apply specific feedback to every task you complete at work. According to the criteria given above, performance is defined as how employees show up or manifest while doing their jobs. When someone can do their work effectively—that is, when they meet the goals or standards established and even go above and beyond those criteria—that person is considered to have strong work performance.

Several performance goals are explained by Rivai (2020), and they essentially consist of:

1. To assess the degree of accomplishment within the workforce.
2. Offering corresponding incentives, such as monetary bonuses and a raise in base pay.
3. Push for accountability from staff members.
4. Boost your motivation at work.
5. Strengthen the ethic of effort.
6. To set one employee apart from the others.
7. Fortify staff bonds by having candid conversations regarding their development on the job.
8. As an informational resource for career planning and human resources.
9. Help in assigning workers based on their productivity.

According to Mathis and Jackson (2019). Employee performance is influenced by the following factors:

1. Individual abilities, which are made up of a variety of elements such as talents, hobbies, and personality traits.
2. The effort is comprised of task design, work ethics, motivation, and attendance.
3. Work standards, technology and equipment, management, coworkers, and training and development comprise the organizational support it receives.

Meanwhile according to Gomes (2018), a number of variables that affect how well employees perform at work are predicated on:

1. Quantity of Work: This refers to the total amount of output produced in a certain amount of time.
2. Work Quality, or the level of output attained in accordance with appropriateness and preparedness requirements.
3. Job knowledge: in-depth expertise in both job and abilities.
4. Creativity, or the sincerity of the concepts put forth and the steps made to address issues as they emerge.
5. Cooperative, which refers to the readiness to collaborate with others (fellow organization members). Dependability, or consciousness and reliability in terms of showing up and finishing assignments,
6. Initiative, or the drive to take on more responsibilities and new duties.
7. Personal attributes, including kindness, leadership, personality, and moral integrity.

2. Work Relationships

A reference is required to serve as the foundation for this writing in order to attempt to approach writing to current concerns. A theoretical foundation for work relationships, work discipline, motivation, and performance, as well as an analysis of earlier research, make up the references used in this study. According to Law No. 13 of 2003 covering work, work relationship is defined as a (legal) relationship founded on an work agreement between an employer and worker or laborer (employee). Consequently, the work agreement is something tangible and real, whereas the work relationship is something abstract. An agreement will be made using a work agreement. Stated differently, work relationship is one that results from an work agreement. Aloewir (2012), on the other hand, defines work connection as the one that results from agreements made for a specific or indefinite amount of time and involves both employers and workers.

Moreover, work relations are as follows, according to Law Number 13 of 2003 regulating Work, articles 50 to 62:

Article 50: A work agreement between an employer and employee or laborer is the basis for work relations.

Article 51: (1) The agreement for work is formed either orally or in writing. (2) The written work agreement is completed in compliance with all relevant laws and regulations.

Article 52: 1. The work agreement is based on the following: a) a mutual agreement between the parties; b) the parties' capacity or competence to pursue legal action; c) the work agreement's existence; and d) the work agreement's non-violation of applicable laws, morals, or public order. 2. Work agreements entered into by the parties that are in disagreement with the clauses envisaged by paragraph (1) letters a and b may be terminated. 3.

Work agreements signed by the parties that legally contradict the terms specified in paragraph (1), letters c and d, are void.

Article 53: The entrepreneur is in charge of and accountable for all things and/or expenses necessary for the work agreement's implementation.

Article 54 (1) The following elements must be included in a written work agreement: a. the employer's name, address, and type of business; b. the worker or laborer's name, gender, age, and place of work; c. the position or type of work; d. the place of work; e. the amount of wages and mode of payment; f. the terms and conditions of work, which outline the rights and obligations of both the employer and the worker or laborer; g. the start and duration of the work agreement; h. the place and date the work agreement was made; and dani. the signatures of the parties. (2) The terms of the work agreement as stated in paragraph (1) letters e and f cannot be in conflict with rules set forth by the employer, collective bargaining agreements, or any other applicable laws or regulations. (3) The worker/laborer and the entrepreneur each get one (one) work agreement, and the work agreement as envisaged in paragraph (1) is made in at least two (two) copies, which have the same legal force.

Article 55 Without the parties' consent, the work agreement cannot be revoked or altered.

Article 56: (1) A labor arrangement is made for a specific period of time or for an unlimited period of time. (2) The labor agreement for a specific amount of time, as stated in paragraph (1), is dependent upon either the accomplishment of a specific task or the time period.

Article 57: (1) A written work agreement for a specific duration must be written in both Indonesian and Latin characters. (2) A labor agreement for an unlimited period of time is defined as one that is drafted for a certain duration and does not contradict with the requirements as intended by paragraph (1). (3) If a work agreement is made in a foreign language and Indonesian, and there is a discrepancy in how the two are interpreted, the Indonesian work agreement will take precedence.

Article 58: (1) A work trial term cannot be required under a labor agreement that lasts for a specific amount of time. (2) If the work agreement specifies a work trial time as intended in paragraph (1), the required work trial period is legally void.

Article 59: (1) A work agreement for a specific duration may only be made for specific types of work that, based on their nature and type, will be finished within that duration. These types of work include: a. work that is temporary or once completed; b. work that is estimated to be finished in a short amount of time, up to three (three) years; c. seasonal work; or d. work pertaining to novel products, novel endeavors, or extra products that are presently undergoing testing or investigation. (2) For permanent work, a labor agreement for a specific duration cannot be signed. (3) A labor agreement may be renewed or extended for a specific amount of time. (4) A work agreement with a set duration that is fixed-term in nature may be signed for a maximum of 2 (two) years and may only be renewed once for a maximum of 1 (one) year. (5) An employer who plans to prolong a fixed-term work agreement must give written notice to the worker or laborer in question at least seven (seven) days prior to the agreement's expiration. (6) Renewing a fixed-term work agreement can only be done once, up to a maximum of two (2) years, and only after the previous fixed-term work agreement's grace period of thirty (30) days has passed. (7) If a labor agreement for a specific duration fails to comply with the terms and conditions stated in paragraphs (1), (2), (4), (5), and (6), it will legally transform into a work agreement for an infinite duration. (8) The Ministerial Decree will further regulate other topics that are not covered in this item.

Article 60: (1) A work trial period of no more than three months may be necessary for a labor agreement for an indefinite period of time. (2) As stipulated in paragraph (1), employers are not allowed to pay employees less than the applicable minimum wage during the work trial period.

Article 61 (1) The work agreement terminates if one of the following occurs: a. the employee passes away; b. the work agreement's term expires; c. a court decision or an industrial relations dispute resolution institution's decision or determination has permanent legal force; or d. specific events or circumstances specified in the work agreement, company policies, or collective work agreement can result in the termination of the work relationship. (2) The termination of the work agreement does not occur upon the entrepreneur's death or upon the transfer of rights to the business through a gift, sale, or inheritance. (3) Unless otherwise specified in the transfer agreement, which does not diminish the rights of the workers or laborers, the new entrepreneur assumes responsibility for the workers' or laborers' rights in the case of a company transfer. (4) After consulting with the employee or laborer, the heirs of the individual entrepreneur may end the work arrangement in the event of the entrepreneur's death. (5) In the case that a worker or laborer passes away, their heirs are entitled to receive their rights as stipulated by applicable laws and regulations, as well as any rights outlined in the work agreement, corporate policies, or collective work agreement.

Article 62: The party ending the work relationship must compensate the other party in the amount of wages to workers or laborers until the end of the work agreement if one of the parties ends the relationship before the end of the period specified in the work agreement for a specific period of time, or if the termination is not due to the provisions as intended in Article 61 paragraph (1).

Several studies conducted by Pratama dan Wimar'ain (2018), Prilian et al. (2014), and Rorong (2016) have proved that work relationship have influenced employee performance. Thus, a hypothesis can be made as follows:

H1: work relationship influences employee performance

3. Job Satisfaction

Job satisfaction is a common hope for working individuals, but the realization of this satisfaction is a long and gradual process. Job satisfaction is basically subjective because each individual has a different level of satisfaction according to their values and expectations. The more aspects of a job match an individual's preferences, the higher the level of satisfaction that can be felt. Job satisfaction describes positive and loving feelings towards one's work, and this is reflected in work morale (Hasibuan, 2017).

According to Gomes (2018), job satisfaction may be understood as the outcome of comparing an employee's expectations and hopes for what they believe is worthy or suitable for them with what they receive from their work. In the context of the workplace, job satisfaction encompasses gratitude for output, as well as favorable equipment, treatment, placement, and working conditions. It can also be described as how people feel about different facets or dimensions of the tasks they have to perform at work, whether positively or negatively (Hariandja, 2016).

Although compensation is still vital, workers who are happier in their jobs will place more emphasis on the work itself than on it. Outside of the workplace, job satisfaction include fulfillment from outside sources, such as monetary compensation that enables one to meet one's needs. A balanced emotional attitude toward rewards and work performance is reflected in job satisfaction, which is a composite of both internal and external factors. People who experience this combination will feel content if they believe their work results and rewards are just and suitable.

Kreitner and Kinicki (2016) define job satisfaction as an individual's emotional reaction to different facets of their work. According to Davis (2015), job satisfaction refers to people's perceptions of how fun their work is or is not. As per Robbins (2017), job satisfaction may be defined as the discrepancy between an individual's perceived value from their work and the actual quantity they get.

According to each person's evaluation of the work environment, job satisfaction is a subjective or affective reaction to several aspects of one's job. People may find themselves content with certain facets of their jobs while being unsatisfied with others, so job happiness is not a singular notion. Values that people hold dear and that support them in meeting their basic needs are a key component of job satisfaction. Thus, the degree to which people believe their work reflects their beliefs and expectations determines their level of job satisfaction, which is determined by their particular work drive. When someone is happy with their work, it's because they feel that their work environment meets their needs. This is known as job satisfaction. Sentiment When it comes to job satisfaction and discontent, people's evaluations of their past and present work experiences typically come through more than their hopes for the future. It follows that the notion of job satisfaction is comprised of two key components: an individual's basic requirements and work values. These two components together shape an individual's attitude toward their work.

Twenty dimensions are measured by the Theory of Work Adjustment model (Cascio, 2015), which explains twenty unique factors or conditions that are critical to fostering job happiness. A succinct description of these dimensions is provided below:

1. Ability utilization: the application of a person's unique skills to their job.
2. Achievement: The caliber of success attained at job.
3. Activities: Kinds of tasks performed in the workplace.
4. Progress: The degree of growth or advancement attained while working.
5. Authority: The degree of power used to accomplish tasks.
6. Company Policies and Practices: The equitable application of company policies to employees.
7. Remuneration: Kinds of pay that employees receive.
8. Coworkers: Interactions with coworkers who assist with tasks directly.
9. Creativity: The degree to which one is able to use creativity in the workplace.
10. Independence: The degree of autonomy that employees possess in their work.
11. Moral Values: Moral principles, such as guilt or compulsion, are utilized in the performance of tasks.
12. Recognition: Acknowledgment for the accomplished effort.
13. Responsibility: The degree of accountability one possesses or exercises in work.
14. Security: Having a sense of safety at work.
15. Social Service: Attitudes regarding the workplace from the public.
16. Social prestige: The sense of self-worth and social prestige that comes from one's job.
17. Human Relations in Supervision (Human Relations in Supervision): Management assistance to employees.
18. Counseling: workers receive direction and technical support from their superiors.

19. Variety: The degree of variety that is practicable in the workplace.
20. Working Conditions: The environment in which one works while doing their duties.

The primary tenet of the Theory of Work Adjustment is that an individual's needs and the elements that motivate them at work determine how satisfied they are with their jobs.

Affecting Factors for Job Satisfaction As to Kreitner and Kinicki's (2016) findings, job satisfaction can be influenced by five elements, which can be summed up as follows:

1. Need Fulfillment: The degree to which work affords people the chance to meet their needs is a key factor in determining job happiness.
2. Discrepancies: Individual expectations are met to varying degrees, which determines satisfaction. This illustrates the discrepancy between what people believe they get from their professions and what they really get. When expectations are not fulfilled, people get disappointed; when expectations are exceeded, they get satisfied.
3. Value Attainment: People's opinions of how much their work represents the fulfillment of important work values have an impact on their level of job satisfaction.
4. Justice (equity): The degree to which people believe they are treated fairly at work is correlated with their level of job satisfaction.
5. Genetic Components: Individual personality traits and genetic factors can have an impact on job satisfaction. This shows that, in addition to work environment variables, individual variability in qualities also play a significant role in explaining job satisfaction.

There are variables that can decide one's degree of job satisfaction in addition to the aspects that contribute to it. Among these are:

1. Type of Job (Work Itself): The degree to which a job requires certain, industry-appropriate talents affects how satisfied one is with their work. The degree of job satisfaction can be influenced by the job's difficulty and the perception of the necessity for the employee's talents.
2. Aspect is the relationship with supervisors: Work satisfaction can be influenced by positive connections between bosses and subordinates, particularly when it comes to consideration. The degree to which employers support employees in achieving their personal work values is reflected in functional connections.
3. Coworkers: Whether or whether coworkers perform similar or different kinds of work, relationships with them can have an impact on how satisfied one is with their career.
4. Promotion: Opportunities to advance your career while at work, like promotions, are also linked to job satisfaction.
5. Pay or Wages (Pay): The degree to which an employee's pay or wages are deemed sufficient to cover their living expenses has an impact on their job satisfaction. Therefore, a person's degree of job satisfaction in their workplace is influenced by a combination of these different elements.

Methods to Improve Workplace Contentment Riggio (2015) states that the following actions can be taken to increase job satisfaction: Modifications to the work structure:

1. Approach is through modifications to the way work is organized, like job rotation, where tasks are performed in accordance with the job description and alternate between different types of work. Another strategy is to broaden the job's scope, or add different jobs to their existing workload. This increases employees' sense of worth and engagement inside the company.
2. Modification of Payment Structure: Several approaches are available in this situation. First, there is a skill-based compensation structure, in which employees are compensated for their abilities and knowledge rather than their role within the organization. The second type of pay structure is merit pay, in which an employee's salary is determined by their performance and personal financial accomplishments. The third option is gainsharing, in which each group member receives a payment determined on the group's success and earnings are divided equally.
3. Offering Flexible Work Schedules: It's critical to offer flexibility in work schedules, particularly to employees who have family responsibilities or work in congested regions. There are a number of ways to accomplish this, including a compressed work week, in which employees work more hours each day in order to take extra days off. Another approach is flextime, in which employees choose when to start and end their workdays in addition to having a fixed amount of hours each week.
4. Employee Support Programs: Employers can boost employee happiness by offering benefits like profit-sharing, health centers, and employee-sponsored child care. Companies can help improve their employees' well-being and job happiness by putting this step into practice.

Empirical research on the influence of work relationships on employee performance has been carried out by several previous researchers, including Pratama and Wimar'ain (2018), Prilian et al. (2014), and Rorong (2016). The results of this research show that work relationships influence employee performance.

Previous empirical research on the influence of work relationships on job satisfaction has been carried out by several previous researchers, including Yeniarti et al. (2022), Izhatullaili et al. (2022), and Merta et. al. (2019). The results of this research prove that work relationships influence employee performance. Thus, a hypothesis can be made as follows:

H2: work relationship influences job satisfaction

Besides that, there are several previous studies which state that job satisfaction influences employee performance (Azhari et al, 2021; Paparang et al, 2021; Adha et al, 2019; Hendrayana et al, 2021). Thus, a hypothesis can be made as follows:

H3: satisfaction influences employee performance

H4: work relationship influences employee performance with job satisfaction as an intervening variable.

Referring to the background of the problem and research objectives, as well as the results of previous empirical research, a conceptual framework was created so that this research was more focused on achieving the research objectives. The conceptual framework in this research is as follows:

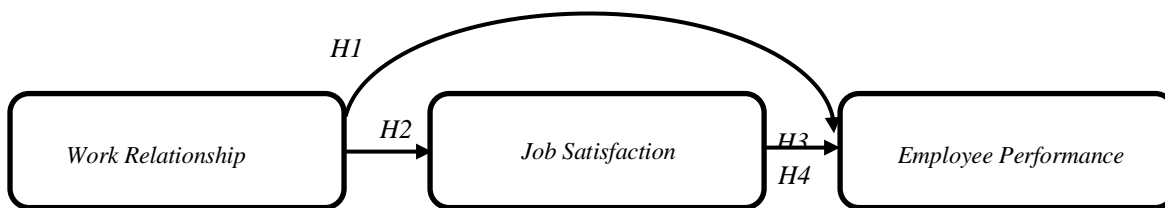


Figure 1. Research Model

II. METHODS

This type of research is quantitative. Quantitative research methods can be defined as "research methods based on the philosophy of positivism, used for research on certain populations or samples, data collection using research instruments, and quantitative or statistical data analysis with the aim of testing predetermined hypotheses" (Sugiono, 2018). There is a research population that will serve as the study's subject. Sugiono (2018) defines population as the entirety of the substance or element under investigation. Therefore, population refers to all of the qualities of the persons or objects under study, not just the total number of them. The 36 participants in this study were all factory workers at the Pallet plastic industries in Sidoarjo.east java The 36 production workers of Pallet plastic industries in Sidoarjo.east java were all selected as samples for this study since it employed a saturation sampling technique. This is consistent with Sugiono's (2018) assertion that the entire population is gathered and used as a research sample if the population does not reach 100 individuals. A questionnaire was used in this study's data collection process. A questionnaire is a method for gathering data in which participants are provided with a set of questions or written statements to complete (Sugiyono, 2018). The Questionnaire Using a Likert scale that goes from 1 (strongly disagree) to 5 (strongly agree), the questionnaire is set up as a closed statement with five (five) possible answers. Data analysis in this research uses Partial Least Square (PLS).

III. RESULTS AND DISCUSSION

The research findings from processing questionnaire data, which included respondent characteristics, variable descriptions, and statistical tests utilizing SEM PLS analysis, are provided in this sub-chapter. This research's hypothesis can be addressed by referring to the outcomes of the data processing that has been done. In this study, T-statistics and P-values were examined in order to do hypothesis testing. According to Yamin and Kurniawan (2011), if the P-value is less than 0.05, the research hypothesis can be deemed accepted. The following are the findings from the hypothesis testing that this study's inner model enabled:

Table 1. Hypothesis Testing

| Hypothesis | Influence | Original Sample | T-statistics | P-Values | Result |
|------------|---|-----------------|--------------|----------|----------|
| H1 | Work Relationship → Employee Performance | 0,322 | 2,947 | 0,003 | Accepted |
| H2 | Work Relationship → Job Satisfaction | 0,448 | 3,023 | 0,003 | Accepted |
| H3 | Job Satisfaction → Employee Performance | 0,22 | 3,231 | 0,001 | Accepted |
| H4 | Work Relationship → Job Satisfaction → Employee Performance | 0,144 | 1,985 | 0,048 | Accepted |

Based on table 1 above, it can be concluded as follows:

1. The P value for the association between work relationships on employee performance is 0.003, which is less than 0.05. This indicates that employee performance is influenced by the work relations variable.
2. The P value for the link between work relationships on job satisfaction is 0.003, which is less than 0.05. This indicates that job satisfaction is influenced by the work relations variable.
3. The P value for the relationship between job satisfaction on employee performance is 0.001, which is less than 0.05. This indicates that employee performance is influenced by job satisfaction variable.
4. The P value for the impact of work relationship on employee performance through job satisfaction is 0.048, which is less than 0.05. This indicates that work relationship influences employee performance with job satisfaction.

IV. CONCLUSION

Based on the findings of the research and the talks that have taken place, the following conclusions can be drawn:

Referring to the results of hypothesis testing, it can be concluded that employment relationships have an influence on employee performance. The relationship between these two variables is positive. These results indicate that changes that occur in employment relationships will have an effect on changes that are in line with employee performance. If work relations improve, it will trigger an increase in employee performance. On the other hand, if work relations are low, it will have a negative impact on employee performance by resulting in a decrease in quality.

Based on the results of hypothesis testing, it was revealed that work relationships have a significant influence on job satisfaction with a positive relationship direction. These results indicate that changes in the work relationship variable have a direct impact on changes in job satisfaction. Satisfactory working relationship conditions tend to have a positive influence on the level of job satisfaction, while unsatisfactory working relationships can have a negative impact on job satisfaction.

The results of the research hypothesis test confirm that Job Satisfaction has a significant influence on Employee Performance with a positive relationship direction. These results indicate that changes in the Job Satisfaction variable will have a proportional impact on changes in the Employee Performance variable; An increase in Job Satisfaction encourages increased Employee Performance, while low Job Satisfaction has the potential to result in decreased performance.

Based on the results of the hypothesis analysis, it was found that work relationships have a significant influence on employee performance through job satisfaction. The relationship between these three variables leads in a positive direction, indicating that changes in the Job Satisfaction variable will increase the impact of Work Relations on Employee Performance proportionally.

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Implementation of Differentiation Strategy for Competitive Advantage in the Disruption Era (Study Case at Dr. Soetomo University Surabaya)

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ABSTRACT

Purpose: Intense competition among private universities in Surabaya, including Dr. Soetomo University, necessitates differentiation strategies to achieve competitive advantage in the era of disruption. This study aims to explore the implementation of differentiation strategies as a key to achieving competitive advantage in private universities in Surabaya.

Design/methodology/approach: This research employs a qualitative method with in-depth interviews with the Vice Rector IV and the Dean of the Faculty of Economics and Business.

Findings: The results identify four main dimensions of differentiation strategy: academic quality differentiation, campus facilities, extracurricular activities, and support services. Suggested best practices include stakeholder involvement, focus on quality, human resource development, strategic partnerships, utilization of digital technology, and continuous monitoring and evaluation.

Practical implications: The implications of this research provide practical guidance for other private universities in developing similar strategies to enhance institutional reputation and attractiveness.

Paper type: Research Paper

Keyword: *Differentiation Strategy, Competitive Advantage, Private Universities, Dr. Soetomo University, Surabaya*

Received : March 13th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

In this era of rapid globalization and technological disruption, competition among universities has become increasingly intense and complex. Universities are no longer competing only on a local or national scale but are facing increasingly open global competition. Advancements in information and communication technology have enabled wider access to higher education across national borders, both through partnership programs and distance and online education offerings (Xing & Marwala, 2017). On the other hand, the demands of the labor market are becoming increasingly dynamic, requiring new skills from university graduates. The 4.0 industrial revolution, driven by technological developments such as artificial intelligence, big data, and the Internet of Things, has significantly changed the work landscape (Xing & Marwala, 2017). University graduates are required to possess 21st-century skills such as critical thinking, creativity, collaboration, and high adaptability to compete in the global job market.

In this situation, differentiation strategies have become one of the main approaches adopted by universities worldwide to build competitive advantage (Pucciarelli & Kaplan, 2016). Differentiation strategy is one of the generic strategies proposed by Porter (1985) to achieve competitive advantage. This strategy involves efforts to differentiate an organization's products or services from its competitors in ways deemed important by customers. In the context of higher education, differentiation can be achieved through various aspects, such as academic quality, campus facilities, extracurricular activities, support services, or other elements that can create added value for students (Ivy, 2008). Research by Bunzel (2007) shows that differentiation strategies can provide significant

benefits for universities, including increasing institutional attractiveness, building student loyalty, and strengthening the overall reputation and image of the institution. Competitive advantage can be achieved by offering unique and valuable products or services to students and other stakeholders, such as parents, industry, and society in general (Barney, 1991). By having a competitive advantage, universities can increase attractiveness, maintain student loyalty, and strengthen the overall reputation and image of the institution.

However, the implementation of differentiation strategies also faces challenges such as the need for large resource investments, alignment with organizational vision and culture, effective communication, and the ability to adapt to changing student needs and technological developments (Alves et al., 2015; Bunzel, 2007; Pucciarelli & Kaplan, 2016). Universities need to periodically evaluate and adjust the differentiation strategies implemented to remain relevant to changes in the external environment. Research in Indonesia related to the implementation of differentiation strategies in higher education is still limited, especially in the context of private universities with different accreditation levels (Harwati, 2019).

This study aims to identify and analyze effective differentiation strategies in achieving competitive advantage at Dr. Soetomo University, one of the private universities in Surabaya. The main focus of this research is to find approaches that can help private universities remain competitive and relevant in an increasingly dynamic education market. By emphasizing the local context of Surabaya, this research will provide more specific and practical insights for private higher education institutions in the region. Dr. Soetomo University, which is accredited with a B rating, is one of the private universities in Surabaya committed to providing quality education. However, this university also faces major challenges due to intense competition among private universities (PTS) in Surabaya. Data from LLDIKTI Region VII East Java shows that out of 47 private universities in Surabaya, 10 have A accreditation, 25 have B accreditation, and the rest are accredited C. Additionally, the number of existing students in private universities in Surabaya has fluctuated over the past five years, with some institutions experiencing significant increases while others have declined.

The following table shows data on the Top Favorite Private Universities in Surabaya according to UniRank, published by detik Jatim on Monday, May 27, 2024:

Table 1 List of Accreditations & Rankings of Favorite Private Universities in Surabaya According to UniRank

| <i>No.</i> | <i>University Name</i> | <i>Institutional Accreditation</i> | <i>National Ranking (2023)</i> | <i>National Ranking (2024)</i> |
|------------|--|------------------------------------|--------------------------------|--------------------------------|
| 1 | <i>Universita Kristen Petra</i> | <i>A</i> | <i>37</i> | <i>43</i> |
| 2 | <i>Universitas Surabaya (Ubaya)</i> | <i>A</i> | <i>65</i> | <i>91</i> |
| 3 | <i>Universitas Muhammadiyah Surabaya</i> | <i>B</i> | <i>91</i> | <i>84</i> |
| 4 | <i>Universitas Ciputra</i> | <i>A</i> | <i>101</i> | <i>120</i> |
| 5 | <i>Universitas Wijaya Kusuma</i> | <i>B</i> | <i>107</i> | <i>75</i> |
| 6 | <i>Universitas Nahdatul Ulama Surabaya</i> | <i>B</i> | <i>116</i> | <i>105</i> |
| 7 | <i>Universitas Dr. Soetomo</i> | <i>B</i> | <i>130</i> | <i>123</i> |

| | | | | |
|----|---|---|-----|-----|
| 8 | <i>Universitas Narotama</i> | B | 134 | 121 |
| 9 | <i>Universitas 17 Agustus 1945 Surabaya (Untag)</i> | B | 135 | 129 |
| 10 | <i>Universitas Katolik Widya Mandala</i> | A | 137 | 122 |

Source: detik Jatim, Monday, May 27, 2024

This condition requires innovative strategies and strong differentiation for Dr. Soetomo University to maintain and improve its position in the higher education market. The era of disruption, characterized by technological advancements and rapid changes in the way we work and learn, has drastically changed the educational landscape. Universities, especially private ones, must adapt quickly to remain competitive (Hoshi, 2023). In Surabaya, many private universities face major challenges, ranging from declining applicant numbers to intense competition with other institutions. Differentiation strategy becomes key to facing these challenges, allowing these institutions to offer unique value not possessed by competitors (Premathilaka & more, 2023).

The main problem this research aims to solve is: "How can Dr. Soetomo University develop and implement a differentiation strategy to achieve competitive advantage in the era of disruption?" This question will guide the entire research, focusing on identifying the most effective and relevant strategies. This research not only aims to answer this question but also to provide practical recommendations that can be implemented by Dr. Soetomo University and other private universities in Surabaya.

Many studies have discussed differentiation strategies in higher education, but few focus on the local context in Surabaya and the current era of disruption. This research will fill this gap by providing more specific and contextual insights about the challenges and opportunities faced by Dr. Soetomo University and other private universities in Surabaya. This research offers innovation and significant new contributions. Through innovative research methods, this study is expected to make meaningful contributions, both academically and practically. The findings from this research will provide practical guidance for Dr. Soetomo University and other private universities in Surabaya in developing effective strategies, as well as provide insights for education policymakers to support these institutions in facing the era of disruption.

This research is highly relevant to be conducted now, given the rapid dynamics in higher education due to technological disruption. The results of this research are expected to provide practical guidance for Dr. Soetomo University and other private universities in Surabaya in developing effective strategies, as well as provide insights for education policymakers to support these institutions. Thus, this research not only contributes to academic knowledge but also provides real benefits for practitioners and policymakers in the field of higher education.

In the era of disruption, the ability to innovate and adapt becomes the key to success. Dr. Soetomo University must be able to identify and develop unique competitive advantages to attract and retain students (Puspitaningtyas et al., 2023). Effective differentiation strategies can cover various aspects, ranging from innovative curricula, superior educational facilities, to partnerships with industry and local communities (Holt, 2023). This research will also explore how Dr. Soetomo University can leverage digital technology to support their differentiation strategies. For example, the use of online learning platforms, technology-based education management systems, and digital marketing strategies can be an important part of the university's differentiation efforts. By utilizing this technology, universities can increase the accessibility, flexibility, and attractiveness of their educational programs.

II. METHODS

This research was conducted at Dr. Soetomo University, Surabaya, during the period from April to June 2024. This university was chosen because it is one of the leading private universities in Surabaya accredited with a B rating, and faces intense competition among private universities (PTS) in Surabaya. This study aims to identify and analyze effective differentiation strategies in achieving competitive advantage in the era of disruption.

The research design used is descriptive qualitative with a case study approach. This design was chosen to gain an in-depth understanding of the differentiation strategies implemented by Dr. Soetomo University. The case study approach allows for the exploration of complex phenomena through various relevant perspectives and contexts. Data collection will be conducted through semi-structured interviews, observation, and document study. In-depth interviews were conducted with key informants, namely Vice Rector 4, Prof. Dr. Nur Sayidah, M.Si, Ak and the Dean of the Faculty of Economics and Business at Dr. Soetomo University, Prof. Dr. Sukei, MM. The

selection of these informants was based on their strategic roles in decision-making and implementation of differentiation strategies at the university. The interviews were designed to explore the informants' understanding, experiences, and views regarding differentiation strategies and the challenges faced. The document study will include analysis of relevant documents, such as strategic plans, accreditation reports, marketing brochures, and other promotional materials.

Data analysis was carried out using a thematic analysis approach (Braun & Clarke, 2006). Data obtained from interviews were coded and grouped into themes relevant to the research questions. The thematic analysis process involves several steps, namely transcription and familiarization, initial coding, theme determination, theme review, theme definition and naming, and reporting of findings. Transcription and familiarization involve the process of verbatim transcribing of interviews and repeated reading. After that, initial coding is carried out where data is identified and coded based on initial themes that emerge. Similar initial codes are then grouped to form broader themes. The formed themes are reviewed to ensure coherence and relevance to the data. Each theme is clearly defined and given a representative name before the thematic analysis results are reported by linking the themes found with the research objectives and relevant theoretical contexts. Document analysis was carried out on official documents such as strategic plans, annual reports, marketing brochures, and institutional websites. Observations will be made on campus facilities, academic activities, and student activities to directly observe the differentiation dimensions implemented.

To ensure data validity, this study uses data triangulation techniques. Triangulation is carried out by comparing information obtained from interviews with document data and field observations. In addition, member checking is carried out by asking informants to review and confirm the results of interview transcripts to ensure the accuracy and precision of the information provided. Research findings will be presented descriptively and interpretively, providing practical recommendations for universities in implementing effective differentiation strategies.

III. RESULTS AND DISCUSSION

Based on the research results, there are several main dimensions that are the focus of differentiation strategies at Dr. Soetomo University, namely:

1. Academic Quality Differentiation

One of the most common differentiation strategies applied is offering superior academic quality. This can be achieved through providing unique study programs, relevant to market needs, and having promising career prospects. Examples include interdisciplinary study programs such as Data Science, Artificial Intelligence, or Biotechnology which are highly sought after fields in the era of the 4.0 industrial revolution (Xing & Marwala, 2017). Academic quality differentiation can also be achieved through recruiting competent, experienced lecturers with good academic reputations. Quality lecturers are not only able to deliver material effectively but can also inspire and guide students to develop their potential to the fullest. Research by Bornstein (2011) shows that lecturer quality is an important factor affecting student satisfaction and academic achievement. Dr. Soetomo University strives to maintain and improve its academic quality as a main differentiation strategy. According to Vice Rector IV, Prof. Dr. Nur Sayidah, M.Si, Ak, efforts to improve academic quality include continuous updating of learning materials and improving lecturer competencies. She stated, "The competence of lecturers is in accordance with their field of study and the materials are always updated. That's from internal." These efforts are important to ensure the relevance of the education provided in accordance with the latest developments in each field of study.

Dr. Soetomo University's focus on improving academic quality is in line with global trends in higher education that emphasize improvement and innovation (Ivy, 2008). By prioritizing regular updating of learning materials and improving lecturer competencies, the university ensures the relevance and quality of education provided. In addition, the university has also invited accreditation assessors to provide critical views and help improve academic standards on an ongoing basis (Nygren & Sjöberg, 2023). This step is part of the strategy to achieve the status of a superior university recognized by the community and can attract more students. The impact on theory shows that this differentiation strategy supports the theory of competitive advantage which underlines the importance of innovation and quality in higher education. Practically, this provides an example for other private universities in Surabaya to improve their academic quality as a main strategy in competition. In addition, universities can promote student and graduate academic achievements as a form of differentiation. These achievements can be in the form of accomplishments in academic competitions or contests, scientific publications, or other awards that demonstrate the quality of graduates.

2. Campus Facilities Differentiation

Modern, complete, and conducive campus facilities for learning become an important differentiating factor for universities. Good campus facilities not only create a pleasant learning environment but also demonstrate the university's commitment to providing adequate resources for students. Research by Kuh et al. (2011) shows that complete and quality campus facilities can increase student engagement and satisfaction in the learning process.

In terms of campus facilities, Dr. Soetomo University has made significant investments to provide learning facilities that support optimal academic and non-academic experiences. The Dean of the Faculty of Economics and Business, Prof. Dr. Sukesu, MM mentioned that learning facilities such as e-learning media, libraries, and scientific journals are important elements of this differentiation. "For academic learning facilities, maybe e-learning media is also included in facilities, libraries, journals, and then there are extracurricular student activities," she said. Sports facilities and extracurricular spaces are also a focus, which not only support academic activities but also develop students' non-academic skills. By providing superior facilities, this university strives to create a comprehensive and conducive learning environment (Ivy, 2008). From a theoretical perspective, this finding supports the literature that highlights the important role of educational facilities in improving institutional quality and attractiveness, setting a precedent for other higher education institutions to prioritize campus facility development as a strategy for student attraction and retention (Firman & Arnyana, 2023).

3. Extracurricular Activities Differentiation

Universities can offer various attractive and beneficial extracurricular activities for students, such as student organizations, social and humanitarian activities, sports or arts clubs, and international student exchange programs. Through these activities, students can develop leadership skills, teamwork, communication, and other soft skills needed in the workplace. Extracurricular activities can also be a means for students to explore interests and talents outside the academic field, as well as build extensive social networks (Ivy, 2008). Universities that are able to provide diverse and quality extracurricular activities will have their own appeal to prospective students.

Extracurricular activities are one of the differentiation strategies implemented to increase the attractiveness of Dr. Soetomo University. These activities include various events such as national seminars, social activities, and community service projects that reflect the university's commitment to national and populist values. The Dean of the Faculty of Economics and Business explained, "Extra student activities means including non-academic facilities." These extracurricular activities not only provide additional learning experiences for students but also help them develop leadership skills, teamwork, and social awareness. This approach is in line with the university's brand personality as a "Campus of Nationality and Populism," which emphasizes inclusivity and social care. Interpretation of the results shows that this differentiation contributes to strengthening the university brand and attracting the interest of prospective students looking for a holistic educational experience. Theoretically, this supports the concept of experiential learning which states that active involvement in extracurricular activities can enhance learning and personal development.

4. Support Services Differentiation

In an era of increasing competition, one of the key aspects of differentiation is supplementary services that offer added value to customers. In the increasingly competitive higher education environment, the differentiation of supplementary services plays a crucial role for institutions in achieving sustainable competitive advantage. In this context, supplementary services refer to various facilities and additional services that complement the core offering of education and teaching (Kotler et al., 2015). Supplementary services include various facilities and additional services that complement the company's core offering, such as consulting, training, maintenance, and after-sales support. Through effective differentiation of supplementary services, companies can distinguish themselves from competitors, increase perceived customer value, and build loyalty. Higher education institutions must be able to identify the unique needs and preferences of students and prospective students and design supplementary service differentiation strategies that align with those market segments (Ostrom et al., 2015). This can be achieved through close collaboration with students, leveraging digital technology, and innovating in the delivery of supplementary services. Universities have an ethical obligation to fund support services for students to meet their diverse needs and promote inclusivity on campus. Quality support services can also be a differentiating factor for higher education institutions (Parasuraman et al., 2021).

Quality support services are also a key focus in Universitas Dr. Soetomo's differentiation strategy. According to the Vice-Rector IV, these services include partnerships with industries to facilitate job placements for graduates and career services that help students prepare for the job market. "We establish access to various stakeholders who are decision-makers so we can prepare students for employment," he said. These services ensure that students not only receive a good education but are also supported in their transition to the workforce. The university strives to create sustainable competitive advantage through continuously enhanced and updated support services. The impact on practice is that good support services can increase student employability, which in turn enhances the

university's reputation. Theoretically, this supports the idea that effective support services are a vital component of higher education differentiation strategies (Ivy, 2008).

5. Differentiation in Marketing and Branding Strategy

In a highly competitive business environment, differentiation in marketing and branding strategy plays a key role for companies to achieve sustainable competitive advantage. Differentiation in marketing strategy involves developing a unique and distinct marketing mix from competitors, while differentiation in branding focuses on building a strong brand identity and distinguishing oneself from other brands in the market (Keller, 2020). These two aspects are interrelated and must be managed synergistically to create superior value propositions for customers.

In the increasingly competitive higher education landscape, differentiation in marketing and branding strategy becomes a key factor for institutions to attract prospective students, build reputation, and achieve sustainable competitive advantage. Effective marketing strategy involves developing a unique marketing mix tailored to the needs and preferences of the target audience, while branding differentiation focuses on building a strong brand identity and positioning that distinguishes oneself from other higher education institutions. In the digital era, higher education institutions must leverage new technologies and media to develop innovative marketing and branding differentiation strategies. For example, institutions can utilize social media platforms and influencer marketing to build brand awareness, attract prospective students, and promote academic programs. Additionally, institutions can adopt integrated omni-channel marketing strategies to provide consistent and seamless experiences for prospective students across various online and offline channels.

Universitas Dr. Soetomo also implements differentiation strategies in marketing and branding to enhance its visibility and appeal. According to the Dean of the Faculty of Economics and Business, branding through good image and reputation is crucial in attracting prospective students. "We must be really astute in our strategies...one of the strategies we recently implemented was inviting the executive director," he said. By strengthening its brand personality as "Kampus Kebangsaan dan Kerakyatan" (Patriotism and Community Campus), the university emphasizes values of patriotism and inclusivity. Consistent marketing strategies and programs reflecting these values help the university build a positive image in the community.

Differentiation in marketing and branding strategy must also be tailored to the unique preferences and behaviors of younger generations, such as millennials and Gen Z. For example, institutions can adopt more authentic, transparent, and socially-oriented branding strategies to attract the interest of younger generations. Additionally, institutions can utilize data analysis and marketing intelligence to deeply understand the needs and preferences of prospective students, enabling them to design more effective differentiation strategies.

Overall, the research findings show that Universitas Dr. Soetomo implements various differentiation strategies to achieve competitive advantage in the era of disruption. These strategies include enhancing academic quality, developing campus facilities, enriching extracurricular activities, providing superior support services, and strengthening marketing and branding strategies. Through a holistic approach focused on improving quality across various aspects, the university strives to remain relevant and appealing amid the intense competition among private higher education institutions in Surabaya. These findings offer valuable insights for other higher education institutions aiming to enhance their competitiveness in this rapidly changing era.

6. Challenges in Implementing Differentiation Strategies

Although differentiation strategies can provide competitive advantage for higher education institutions, there are several challenges in their implementation:

1. Large Resource Investment

Differentiation strategies often require significant resource investment, whether in terms of finances, human resources, or infrastructure (Bunzel, 2007). For example, to offer unique new study programs, institutions need to provide competent teaching staff, adequate laboratory facilities, and funds for curriculum development and program promotion. Resource investment is also required to build modern campus facilities, provide quality support services, or develop attractive extracurricular activities.

2. Alignment with Vision, Mission, and Organizational Culture

Higher education institutions need to ensure that the differentiation strategies implemented are aligned with their vision, mission, and organizational culture (Pucciarelli & Kaplan, 2016). If not, these strategies may cause conflicts or resistance from internal stakeholders, such as faculty, staff, and students. For example, if an institution has a culture that highly values traditional academic principles, differentiation strategies that are too commercially or business-oriented may not be well received.

3. Effective Communication

Differentiation strategies must be communicated well to both internal and external stakeholders to ensure solid understanding and support (Bok, 2015). Institutions need to promote the uniqueness and added value offered through these differentiation strategies to prospective students, parents, industry, and the wider

community. Ineffective communication can lead to misinterpretation or misunderstanding of the differentiation strategies by the target audience.

4. Adapting to Changing Needs and Trends

Higher education institutions also need to pay attention to the changing needs and preferences of students, as well as anticipate technological changes and industry trends that may affect demand for certain study programs or services (Xing & Marwala, 2017). For example, with the increasing popularity of online learning since the COVID-19 pandemic, institutions need to adjust their differentiation strategies by offering innovative and quality online learning experiences (Dill et al., 2020).

5. Evaluation and Adjustment of Strategies

Therefore, differentiation strategies must be periodically evaluated and adjusted to ensure their relevance. Institutions need to conduct regular market research to understand the needs and preferences of prospective students and monitor technological developments and industry trends that may impact their service offerings. Differentiation strategies that are no longer relevant or less attractive to the target audience may cause institutions to lose their competitive advantage (Pucciarelli & Kaplan, 2016).

7. Best Practices in Implementing Differentiation Strategies

Based on research findings, there are several best practices that higher education institutions can apply in implementing differentiation strategies:

1. Stakeholder Engagement

Engaging stakeholders, such as faculty, staff, students, alumni, industry, and the community, in the planning and implementation process of differentiation strategies is crucial for ensuring success (Alves et al., 2015). Input and perspectives from various stakeholders can provide valuable insights into their needs and preferences and help identify opportunities for unique and valuable differentiation.

2. Focus on Quality

Although differentiation strategies emphasize uniqueness and distinguishing oneself from competitors, quality remains a key factor that cannot be overlooked. Higher education institutions must ensure that the implemented differentiation strategies do not compromise the quality of academics, services, or other important aspects for students (Bok, 2015). Quality should be the top priority in every differentiation effort undertaken.

3. Human Resource Development

Implementing differentiation strategies requires quality and motivated human resources. Therefore, higher education institutions need to invest in developing the competencies and capacities of faculty, staff, and leaders through training programs, workshops, or continuing education (Altbach et al., 2019). Quality human resources will ensure that differentiation strategies can be well executed and provide optimal results.

4. Strategic Partnerships

Building strategic partnerships with industry, research institutions, or other organizations can be key to the success of differentiation strategies (Pucciarelli & Kaplan, 2016). These partnerships can help institutions access new resources, expertise, or opportunities that support differentiation efforts. For example, partnerships with technology companies can help higher education institutions develop technology-oriented study programs or research centers.

5. Leveraging Digital Technology

In the current digital era, higher education institutions need to leverage digital technology to support their differentiation strategies. For example, by developing innovative online learning platforms, institutions can offer unique and flexible learning experiences for students (Dill et al., 2020). Additionally, leveraging technology can also support administrative processes, marketing, and other support services that are part of the differentiation strategy.

6. Monitoring and Evaluation

Finally, higher education institutions need to regularly monitor and evaluate the implementation of differentiation strategies. This is important to ensure that these strategies remain relevant and effective in achieving the desired competitive advantage (Pucciarelli & Kaplan, 2016). Institutions can collect feedback from students, faculty, staff, and other stakeholders, and analyze performance data and metrics related to differentiation strategies. The results of these evaluations can form the basis for adjustments or improvements to strategies in the future.

IV. CONCLUSION

A. Conclusion

This research reveals that Dr. Soetomo University in Surabaya implements various differentiation strategies to achieve competitive advantage in the disruption era. Academic quality differentiation is achieved through updates to learning materials and enhancement of faculty competencies, ensuring education relevance with the latest developments in the field. Campus facilities differentiation includes investments in learning media, libraries, and modern facilities that support comprehensive learning experiences. Diverse extracurricular activities help students develop non-academic skills and support the university's brand personality as the "National and People's Campus." Support services, including industry partnerships and career services, strengthen graduates' competitiveness in the job market. Lastly, consistent marketing and branding strategies help the university build a positive image and attract prospective students.

B. Recommendations

1. **Continuous Improvement of Academic Quality:** Dr. Soetomo University should continue to focus on curriculum updates and innovative teaching methods. Engaging more industry experts as guest lecturers and expanding collaborations with leading universities domestically and internationally will enrich student learning experiences and enhance the university's competitiveness.
2. **Development of More Inclusive Facilities:** Further investment in inclusive and student-friendly campus facilities is recommended. Enhancing accessibility for disabled students, improving laboratory quality, and providing creative spaces for students to innovate will support more holistic academic and non-academic development.
3. **Strengthening Extracurricular Programs:** Developing more diverse extracurricular programs relevant to industry needs will help students develop necessary skills for the workforce. Internship programs, collaborations with local communities, and more intensive social projects can be key focuses.
4. **Optimization of Support Services:** Support services such as career centers and industry partnerships should be optimized by expanding collaborative networks and providing comprehensive career mentoring programs. Utilizing technology in career services, such as job search platforms and online career guidance, will add value for students.
5. **Innovative Marketing and Branding Strategies:** Marketing strategies should continually adapt to current digital trends. Strategic use of social media, creative digital marketing campaigns, and promotional content reflecting university values will help attract a broader range of prospective students. Additionally, engaging successful alumni as university ambassadors can strengthen Dr. Soetomo University's image and reputation.

C. Social Implications and Research Limitations

The social implications of these findings are that by implementing comprehensive differentiation strategies, Dr. Soetomo University not only enhances its competitiveness but also contributes to community development through high-quality, job-ready graduates. Community service programs and other social activities also strengthen the relationship between the university and the local community, supporting inclusive social development.

This research has limitations. The focus on a single university in Surabaya may not fully reflect the differentiation strategies implemented by other private higher education institutions in the region or across Indonesia. Additionally, data obtained through interviews may contain subjective bias, potentially influencing the results.

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The Influenz of Gen X And Gen Y on Motivation by Leadership Style

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ABSTRACT

Purpose: Changes in the generation of human resources in an organization is something that cannot be avoided. Including the change of generations who hold the baton of leadership who have changed from generation X to the mayiritas gen Y, especially in managerial and top management positions. This study aims to analyze the influence of Gen X and Gen Y leadership on employee motivation through leadership style as an intervening variable, where the independent variable consists of Gen X leadership (X1), Gen Y leadership (X2), leadership style (Z) as an intervening variable and motivation (Y) as a dependent variable.

Design/methodology/approach: This research is a quantitative research using the employee population in one of the salt industries in Indonesia at the level of supervisor, manager, and general manager.

Findings: The results of this study show the direction of a positive variable relationship which means that the two variables are directly proportional, which means that Gen X leadership and Gen Y leadership affect employee motivation. Leadership style affects employee motivation. Gen X leadership influences employee motivation through leadership style and Gen Y leadership influences motivation through leadership style

Research limitations/implications: This research was conducted on one of the companies in the salt industry in Indonesia by distributing questionnaires to 132 employees at the supervisor level as many as 77 people, managers 43 people and general managers as many as 12 people. The nature of the questionnaire shared is closed so that respondents only have to choose on the application of the selected answer.

Practical implications: Changes that occur in the leadership variables of gen X will be followed by changes in employee motivation in the same direction if the leadership of Gen X is adequate in carrying out duties it will be followed by employee motivation, the existence of adequate Gen X leadership will be followed by high work motivation. The right leadership style can encourage Gen X to strengthen employee motivation. Changes that occur in the leadership variables of gen Y will have a good impact and will be followed by high employee motivation. A good leadership style will affect employee motivation. Changes in the leadership variables of gen Y will have an effect on changes in motivation variables in the direction, if the leadership of Gen Y runs well, it will have an impact on increasing employee motivation. The right leadership style can encourage Gen X to strengthen employee motivation. The right leadership style can support the implementation of the influence of gen Y leadership on employee motivation.

Originality/value: This research was conducted in November – December 2023 at one of the salt industry companies in Indonesia by surveying at once 3 generations, namely gen X, gen y and gen z simultaneously to assess each of their leaders, both Gen X and Gen Y.

Paper type: Research paper

Keyword: Gen X Leadership, Gen Y Leadership, Leadership Style, Motivation

Received : March 13th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

In the last six years in one of the salt industry companies faced with the problem of leadership regeneration. The Company's personnel data from 2018 to 2023 as the table below shows that there is a generational shift in occupying managerial positions ranging from supervisors, managers to general managers.

| No | Tahun | 2018 | | | 2019 | | | 2020 | | | 2021 | | | 2022 | | | 2023 | | |
|----|---------|------------|---------|-----------------|------------|---------|-----------------|------------|---------|-----------------|------------|---------|-----------------|------------|---------|-----------------|------------|---------|-----------------|
| | Usia | Jabatan | | | Jabatan | | | Jabatan | | | Jabatan | | | Jabatan | | | | | |
| | (Tahun) | Supervisor | Manager | General Manager | Supervisor | Manager | General Manager | Supervisor | Manager | General Manager | Supervisor | Manager | General Manager | Supervisor | Manager | General Manager | Supervisor | Manager | General Manager |
| 1 | ≥44 | 45 | 31 | 12 | 35 | 23 | 10 | 28 | 16 | 4 | 19 | 10 | 4 | 14 | 6 | 4 | 14 | 4 | 2 |
| 2 | 39-43 | 4 | 0 | 0 | 4 | 0 | 0 | 1 | 3 | 1 | 1 | 5 | 2 | 1 | 7 | 3 | 0 | 11 | 4 |
| 3 | 33-38 | 13 | 16 | 4 | 10 | 0 | 5 | 3 | 26 | 7 | 5 | 25 | 7 | 5 | 25 | 7 | 8 | 20 | 6 |
| 4 | 26-32 | 15 | 11 | 2 | 28 | 29 | 2 | 44 | 3 | 1 | 57 | 3 | 1 | 59 | 4 | 0 | 55 | 8 | 0 |
| 5 | ≤25 | 9 | 0 | 0 | 23 | 6 | 0 | 7 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 86 | 58 | 18 | 100 | 58 | 17 | 83 | 48 | 13 | 87 | 43 | 14 | 79 | 42 | 14 | 77 | 43 | 12 |

Figure 1 Composition of the Department Year 2018 -2023

The company itself has undergone a leadership transformation since the last five years, namely by regenerating Top Leaders (General Managers) from Gen X leaders to Gen Y leaders, while for the manager level there is also a generational shift from gen X to Gen Y and has even begun to enter Gen Z as well as those who occupy manager positions. This is because at the same time in the last six years the top leaders up to the supervisor level have entered retirement age. The slowdown in employee regeneration in the last six years has resulted in the composition of employees entering retirement age almost 90% gen X, but the transfer of knowledge to younger employees has not been carried out optimally. One of the reasons for not maximizing knowledge transfer is because of the significant age that causes communication style problems and is supported by the old work culture still attached to senior employees where delegation is not carried out and involves the team in completing work.

Leadership regeneration by Gen Y, especially at the Top Management level, resulted in a shift in leadership patterns due to very rapid technological changes and social developments in the company environment. It takes enough time for Gen Y leaders to be able to blend and change the mindset of changing leadership patterns originally led by Gen X and Baby Boomers. The age gap between the leader and the leader is sufficient as well as the process of changing work culture will also affect the motivation of the department / department he leads. Generational differences are diversity issues that need to be focused on in developing current and future leaders, and each generation has unique preferences and activities that are exemplified through movies, music, television shows, individuals or groups and favorite leaders (Arora and Dhole 2019).

Along with the development of time now the company has the arrival of employees from other generations, namely those born between 1996 to 2012. They are Gen Z or also called iGen which reflects the internet generation. Gen Z or iGen always have the internet as a part of their lives either through computers, laptops, or mobile phones in their daily lives wherever it is at home, while working or relaxing. The iGen or Gen Z has characteristics that are not much different from Gen X or Millennials because they both grow in rapid technological developments. Gen Z prefers millennial leaders/managers over Gen X and Baby Boomers because millennial leaders are closer to their expected leaders, i.e., leaders who have good communication and confidence, have high emotional intelligence, always provide continuous, competent guidance, and promote equality. (Gabriellova and Buchko 2021).

According to research conducted by Bencsik, Csikos, (2016) there are 6 (six) groups are (Machova et al. 2022):

1. Veteran Generation is the generation with birth years 1925 - 1946
2. Baby Boomers, the generation born in 1946 – 1960
3. Generation X, which is the generation born in 1961 – 1980
4. Generasi Y, yaitu generasi yang lahir tahun 1981 – 1995 yang sering juga disebut dengan Generasi Millennial.
5. Generation Z, the generation born in 1996 – 2010. Generation Z can also be called iGeneration or IGen.
6. Generasi Alpha Generation Y, which is the generation born in 1981 – 1995 which is often also called the Millennial Generation, yaitu generasi yang lahir setelah tahun 2010.

Leadership regeneration by Gen Y, especially at the Top Management level, resulted in a shift in leadership patterns due to very rapid technological changes and social developments in the company environment. It takes enough time for Gen Y leaders to be able to blend and change the mindset of changing leadership patterns originally led by Gen X and Baby Boomers. The age gap between the leader and the leader is sufficient as well as the process of changing work culture will also affect the motivation of the department / department he leads. Generational differences are diversity issues that need to be focused on in developing current and future leaders, and each generation has unique preferences and activities that are exemplified through movies, music, television shows, individuals or groups and favorite leaders (Arora and Dhole 2019).

In this generational diversity, Gen Y leaders must be experts in communication in their organizations in order to be productive for all their team members / subordinates. A managerial leader must be a true communication expert so that decision making can be accepted by all levels of positions in his team and all ages who must take into account the expectations of work roles, status positions, social norms and work rules as well as the behavior of people in his team. In organizations, the decision-making process by a managerial leader plays an important and significant role in the organization, including but not limited to the organization's employees and processes in achieving company goals. The motivating functions of managerial decisions are realized through the system of Organizational actions (orders, decisions, orders), economic incentives (bonuses, benefits), social assessment (moral and political factors of work activity: individual self-enforcement, self-creativity) (Tashkent 2023). As a generation of leaders in an era full of changes, Gen Y as the successor (Gabriellova and Buchko 2021). Not only leading from the same generation and older, but Gen Y also has challenges to lead the next generation, namely Gen Z or iGen, all of which have different characteristics and have different motivational models. Therefore, a Gen Y or Millennial leader must be good at communicating with his team, both those below him who are equivalent to his position, both in one work unit and across work units in order to create synergy of cooperation in achieving the set organizational targets.

Leadership is considered as an ongoing process in which a person tries to influence his followers to set and achieve a goal, by using his power to influence others either by motivating his followers or subordinates to complete the job or by rewarding those who do or punishment those who do not do motivation according to a predetermined level/measure (Vasilescu 2019). With the entry of Generation Z into the workforce, there is a development of leadership styles, namely: (Vasileva and Datta 2021):

- a. Transformational leadership, which is a leader who can influence people and social systems in the organization, is able to inspire followers to be able to feel trust, loyalty and admiration for themselves, by increasing understanding of the importance of work results, persuasively emphasizing to his team to put aside his personal interests for the betterment of the team and the Company, and activate higher needs
- b. Transactional Leadership uses an approach based on agreement between the leader and the team members below to each be able to fulfill agreements or transactions that have been agreed so that there is a balance of relationships between them and the Company's bureaucracy and regulations.
- c. Transactional leadership emphasizes the existence of reward and punishment systems so that it emphasizes external motivation. (Cahya, Putriastuti, and Stasi 2019).

How to lead a leader (leadership style) will affect employee motivation. How leaders communicate, involve their teams in problem solving, recognition of employees' work performance. In addition, one's competence is the foundation for one's effective and superior motivation in a job. An employee who has high competence in knowledge, skills, abilities and attitudes relevant to the position he holds will always be motivated to work effectively, efficiently, and productively. This is because the competence of the employee is increasingly able to carry out the tasks assigned to him (Purwanto and Sulaiman 2023).

Motivation itself according to Robbin is the desire to try as hard as possible to achieve organizational goals that are conditioned or determined by the ability of the business to meet the needs of an individual (Purwati and Muttaqiyathun 2020). According to Maslow's theory, humans have five basic human needs, namely physiological needs (food, shelter, and clothing), security needs, social needs namely a sense of belonging and self-acceptance, external submission needs or self-esteem, and self-actualization. According to McCellend that an individual has potential energy reserves that can be released or developed depending on the motivation drive of the individual as well as by the situation and opportunity that exists. A person can release his potential energy reserves because they are formed by three needs, namely the need of achievement or nAch, the need of power or nPow and the need for affiliation or nAff (Ridho et al. 2020). According to Mangkunegara that motivation is formulated as a need, want, drive or impulse in the individual. Motivation is an effort to improve work, achievement Motivation will decrease if motivation is low (Ida Fitri, Maryadi, and Asri 2021).

II. METHODS

This study used a quantitative research model. Quantitative research is a type of research that basically uses a deductive – inductive approach. This approach starts from a theoretical framework, expert ideas, and researchers' understanding based on their experience, then developed into problems and solutions proposed to obtain justification (verification) or assessment in the form of empirical data support in the field. Data collection using research instruments, quantitative / statistical data analysis, with the aim of testing hypotheses that have been set (Sugiyono, 2016:8). The type of data used in this study is primary data, namely data on respondents' opinions about Gen X Leadership, Gen Y (Millennial) Leadership, Leadership Style, and Work Motivation.

Population is a generalized area consisting of objects / subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions (Sugiyono 2010). group or collection of individuals - individuals or objects of research that have certain standards of previously established characteristics. In this study the population used were employees of PT. Salt with position levels at the level of Supervisor, Manager, and General Manager. Sampling techniques using non-probability sampling by means of saturated sampling are respondents who are selected to become members based on the consideration of researchers, where the entire population at the supervisor level up to the General Manager level. The number of employees at the supervisor level up to the General Manager level in 2023 is 132 people, so the sample in this study is 132 people, with the following qualifications :

Table 1 Managerial Positions by Age

| No | Tahun | 2023 | | |
|--------------|---------|------------|-----------|-----------------|
| | Usia | Jabatan | | |
| | (Tahun) | Supervisor | Manager | General Manager |
| 1 | ≥ 44 | 14 | 4 | 2 |
| 2 | 39 - 43 | 0 | 11 | 4 |
| 3 | 33 - 38 | 8 | 20 | 6 |
| 4 | 26 - 32 | 55 | 8 | 0 |
| 5 | < 25 | 0 | 0 | 0 |
| Total | | 77 | 43 | 12 |

III. RESULTS AND DISCUSSION

The results of this study were analyzed through questionnaires, including information related to respondent characteristics, variable descriptions, and the application of statistical tests using the SEM PLS analysis method. The object of this study consisted of 132 respondents who were employees of salt industry companies in Indonesia with positions at the level of supervisors to general managers with diverse characteristics and backgrounds. The characteristics of respondents are differentiated based on gender, age of respondents, respondent education, and years of service of respondents as the table below.

Table 2. characteristics of respondents

| <i>Characteristics of respondents by gender</i> | <i>Amount</i> | <i>Percentage</i> |
|---|---------------|-------------------|
| <i>Gender</i> | | |
| <i>Man</i> | 80 | 60,6% |
| <i>Woman</i> | 52 | 39,4% |
| <i>Total</i> | 132 | 100,0% |

Based on the table above, most respondents are employees with male gender, which is 60.6%. Meanwhile, female respondents only amounted to 39.4%.

Table 3. Characteristics of respondents by age

| <i>Age</i> | <i>Amount</i> | <i>Percentage</i> |
|--------------------|---------------|-------------------|
| <i>18-25 year</i> | <i>0</i> | <i>0,0%</i> |
| <i>26-32 year</i> | <i>63</i> | <i>47,7%</i> |
| <i>33-38 year</i> | <i>34</i> | <i>25,8%</i> |
| <i>39-44 year</i> | <i>15</i> | <i>11,1%</i> |
| <i>>44 year</i> | <i>20</i> | <i>15,2%</i> |
| <i>Total</i> | <i>132</i> | <i>100,0%</i> |

Referring to the results of the age-based frequency distribution shows that most (34.6%) respondents are aged 26-32 years

Table 4. Characteristics of respondents based on education

| <i>Education</i> | <i>Amount</i> | <i>Percentage</i> |
|------------------|---------------|-------------------|
| <i>SMA/SMK</i> | <i>18</i> | <i>13,6%</i> |
| <i>D3</i> | <i>31</i> | <i>23,5%</i> |
| <i>S1</i> | <i>67</i> | <i>50,8%</i> |
| <i>S2</i> | <i>16</i> | <i>12,1%</i> |
| <i>S3</i> | <i>0</i> | <i>0</i> |
| <i>Total</i> | <i>132</i> | <i>100%</i> |

In accordance with the results of frequency distribution based on education, it can be seen that most (50.8%) respondents of this study have the last level of S1 education.

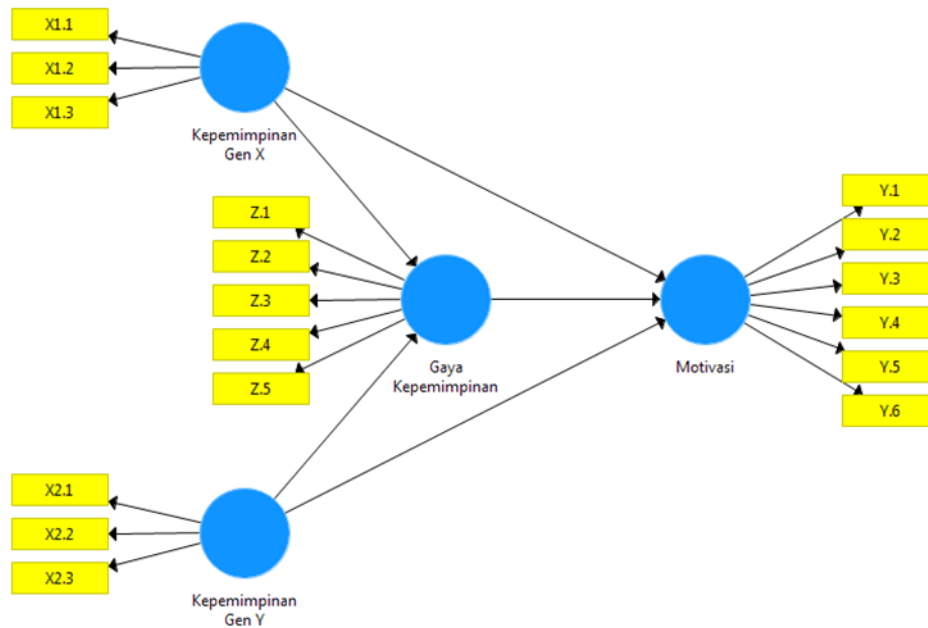
Table 5. Characteristics of respondents by length of service

| <i>Working Period</i> | <i>Amount</i> | <i>Percentage</i> | <i>Working Period</i> |
|-----------------------|---------------|-------------------|-----------------------|
| <i>1-5 year</i> | <i>4</i> | <i>10,6%</i> | <i>1-5 year</i> |
| <i>6-10 year</i> | <i>54</i> | <i>49,2%</i> | <i>6-10 year</i> |
| <i>11-15 year</i> | <i>25</i> | <i>26,5%</i> | <i>11-15 year</i> |
| <i>16-20 year</i> | <i>10</i> | <i>9,9%</i> | <i>16-20 year</i> |

| | | | |
|-----------|-----|------|-----------|
| > 20 year | 5 | 2,8% | > 20 year |
| Total | 132 | 100% | Total |

In accordance with the results of frequency distribution based on education, it can be seen that most (49.2%) respondents of this study have a working period of 6-10 years.

In this study, the hypothesis was tested using the Partial Least Square (PLS) Structural Equation Modeling (SEM) analysis method using the smartPLS 3.0 program. Below, a schematic model of the SEM PLS program that has been tested is presented:



From the PLS model in this study, it can be seen that there are two independent variables, namely Generation X Leadership and Generation Y Leadership, one intervening variable is Leadership Style, and one dependent variable is Motivation. The model has five direct relationships between these variables and two indirect relationships.

1. Convergen Validity

To test convergent validity, outer load factor values and Average Variance Extracted (AVE) values are used.

1. Outer Loading

Suatu indikator dianggap memenuhi validitas konvergen dengan baik jika nilai faktor The outer charge > 0.5. The following are the outer charge factor values of each indicator on the research variable:

Table 6. Outer Loading

| <i>Variable</i> | <i>Indicator</i> | <i>Outer loading</i> | <i>Information</i> |
|-------------------------------------|------------------|----------------------|--------------------|
| <i>Generation Leadership X (X1)</i> | <i>X1.1</i> | <i>0,872</i> | <i>Valid</i> |
| | <i>X1.2</i> | <i>0,871</i> | <i>Valid</i> |
| | <i>X1.3</i> | <i>0,875</i> | <i>Valid</i> |
| <i>Generation Leadership Y (X2)</i> | <i>X2.1</i> | <i>0,879</i> | <i>Valid</i> |

| <i>Variable</i> | <i>Indicator</i> | <i>Outer loading</i> | <i>Information</i> |
|-----------------------------|------------------|----------------------|--------------------|
| | X2.2 | 0,894 | Valid |
| | X2.3 | 0,895 | Valid |
| | Z.1 | 0,846 | Valid |
| | Z.2 | 0,833 | Valid |
| <i>Leadership Style (Z)</i> | Z.3 | 0,876 | Valid |
| | Z.4 | 0,908 | Valid |
| | Z.5 | 0,915 | Valid |
| <i>Motivation (Y)</i> | Y.1 | 0,764 | Valid |
| | Y.2 | 0,764 | Valid |
| | Y.3 | 0,866 | Valid |
| | Y.4 | 0,861 | Valid |
| | Y.5 | 0,873 | Valid |
| | Y.6 | 0,902 | Valid |

Source, Smart-PLS data processing, 2024

In the table above, it can be seen that each indicator in the study variable has an outer load factor value of > 0.5. According to Chin cited by Ghazali (2018), an outer charge factor value between 0.5 to 0.6 is sufficient to meet the convergent validity requirement. The data show that there are no indicators with an external load factor value below 0.7, so all indicators are considered feasible and valid for use in research and can be further analyzed.

In addition to observing cross loading values, convergent validity can also be evaluated through other methods, namely by paying attention to the Average Variance Extracted (AVE) values for each indicator. A good requirement is that the AVE value must be more than 0.5 (Ghozali, 2018).

Table 7. Average Variant Extracted (AVE)

| <i>Variable</i> | <i>AVE</i> |
|-------------------------------------|------------|
| <i>Generation Leadership X (X1)</i> | 0,761 |
| <i>Generation Leadership Y (X2)</i> | 0,791 |
| <i>Leadership Style (Z)</i> | 0,768 |
| <i>Motivation (Y)</i> | 0,706 |

Data Source : PLS 2024 Results

The data of table 5.1o above confirms that the AVE value of the variables Generation X Leadership, Generation Y Leadership, Leadership Style, Motivation > 0.5. So it can be mentioned that each variable has a good convergent validity.

a. Discriminant Validity

In this section, the results of the discriminant validity test will be described. Testing the validity of the discriminant is carried out using cross loading values. An indicator is considered to meet discriminant validity if the cross-loading value of the indicator on that variable is higher than that of other variables (Ghozali, 2018). The following is the cross-loading value of each indicator:

Table 8. Cross Loading

| <i>Indicator</i> | <i>Variable</i> | | | |
|------------------|-----------------|--------------|--------------|--------------|
| | <i>X1</i> | <i>X2</i> | <i>Y</i> | <i>Z</i> |
| <i>X1.1</i> | 0,872 | 0,779 | 0,794 | 0,784 |
| <i>X1.2</i> | 0,871 | 0,767 | 0,785 | 0,716 |
| <i>X1.3</i> | 0,875 | 0,765 | 0,822 | 0,734 |
| <i>X2.1</i> | 0,808 | 0,879 | 0,801 | 0,745 |
| <i>X2.2</i> | 0,804 | 0,894 | 0,827 | 0,727 |
| <i>X2.3</i> | 0,745 | 0,895 | 0,828 | 0,722 |
| <i>Y.1</i> | 0,725 | 0,720 | 0,764 | 0,708 |
| <i>Y.2</i> | 0,745 | 0,714 | 0,764 | 0,643 |
| <i>Y.3</i> | 0,822 | 0,811 | 0,866 | 0,847 |
| <i>Y.4</i> | 0,827 | 0,800 | 0,861 | 0,852 |
| <i>Y.5</i> | 0,735 | 0,781 | 0,873 | 0,731 |
| <i>Y.6</i> | 0,762 | 0,805 | 0,902 | 0,764 |
| <i>Z.1</i> | 0,745 | 0,722 | 0,786 | 0,846 |
| <i>Z.2</i> | 0,690 | 0,633 | 0,752 | 0,833 |
| <i>Z.3</i> | 0,771 | 0,785 | 0,792 | 0,876 |
| <i>Z.4</i> | 0,734 | 0,720 | 0,808 | 0,908 |

| Indicator | Variable | | | |
|-----------|----------|-------|-------|--------------|
| | X1 | X2 | Y | Z |
| Z.5 | 0,796 | 0,736 | 0,830 | 0,915 |

Sumber Data : PLS 2024 Data Processing Results

Based on the data in the table above, each indicator in the research variable has the largest cross loading value in the variable formed from it, compared to the cross loading value in other variables. By looking at these results, it can be concluded that the indicators used in this study have good discriminant validity in compiling each variable. The indicators in the indicator block of such constructs are better than the indicators in other blocks.

b. Discriminant Reliability

Discriminant Reliability in this study was measured by Composite Reliability and Cronbach alpha.

2. Composite Reliability

Composite reliability is a part used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value of > 0.6 (Ghozali, 2014). The following are the composite reliability values of each variable used in this study:

Table 9. Composite Reliability

| Variable | Composite Reliability | Information |
|-------------------------------------|-----------------------|-----------------|
| <i>Generation Leadership X (X1)</i> | 0,905 | <i>Reliabel</i> |
| <i>Generation Leadership Y (X2)</i> | 0,919 | <i>Reliabel</i> |
| <i>Leadership Style (Z)</i> | 0,943 | <i>Reliabel</i> |
| <i>Motivation (Y)</i> | 0,935 | <i>Reliabel</i> |

Data Source : PLS 2024 Results

Referring to the table, it can be found that the value of Composite Reliability All variables in this study are greater than 0.6 so that it can be stated that the indicators on all variables are reliable.

1) Cronbach Alpha

The Reality Discrimination Test was also carried out using the Cronbach alpha value. A variable is declared reliable or meets the cronbach alpha if it has a cronbach alpha value > 0.7 (Eisingerich and Rubera, 2010). The following is the cronbach alpha value of each variable:

Table 10. Cronbach Alpha

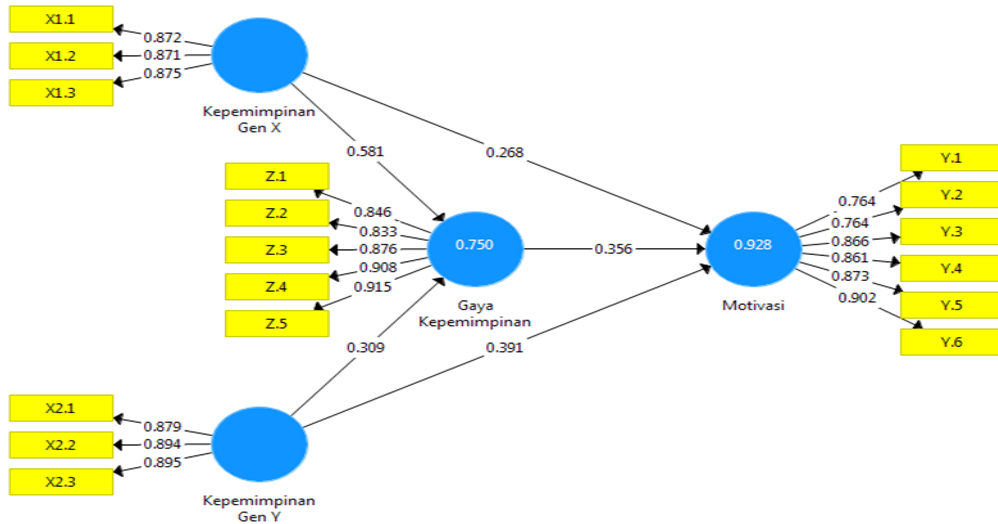
| Variable | Cronbach alpha |
|-------------------------------------|----------------|
| <i>Generation Leadership X (X1)</i> | 0,843 |
| <i>Generation Leadership Y (X2)</i> | 0,868 |
| <i>Leadership Style (Z)</i> | 0,924 |
| <i>Motivation (Y)</i> | 0,916 |

Sumber Data : PLS 2024 Data Processing Results

In accordance with the data above in the table, it can be seen that the Cronbach alpha value of each research variable > 0.7. Thus these results can show that each of the study variables has met the requirements of the Cronbach alpha value. So it can be concluded that the overall variable has a high level of reliability.

c. Inner Model Evaluation

In this study, the results of R square and Q square test and hypothesis test will be explained. The following is a picture of the inner model of the smart-PLS data processing results.



Inner Model

Source : PLS Processing, 2024

2) Goodness of Fit Test

The assessment of goodness of fit is known from the value of coefficient determination (R-Square) and Q-Square. Triggering the results of data processing carried out using the smartPLS 3.0 program, the R-Square value is obtained as follows:

Table 11. Value R-Square

| Variable | R-Square Value |
|------------------|----------------|
| Leadership Style | 0,746 |
| Motivation | 0,927 |

Data Source : PLS 2023 Results

According to the data in table 5.13, it can be seen that the R-Square value for the Work Motivation variable is 0.746. The acquisition of the score explains that the percentage of leadership styles can be explained by Gen X leadership, and Gen Y leadership at 74.6%. Then for the R-Square value obtained by the Motivation variable of 0.927 The value explains that Motivation can be explained by Gen X Leadership, and Gen Y Leadership, and Leadership Style by 92.7%.

Evaluation of the suitability of the model can be obtained through the assessment of Q-Square values. Q-Square has a concept similar to the coefficient of determination (R-Square) in regression analysis, where an increase in the value of Q-Square indicates an increase in the fit of the model with the data. The following are the results of the calculation of the Q-Square value that has been done:

Table 12. Value Q Square

| <i>Variable</i> | <i>SSO</i> | <i>SSE</i> | <i>Q² (=1-SSE/SSO)</i> |
|-------------------------|----------------|----------------|-----------------------------------|
| <i>Leadership Style</i> | <i>660,000</i> | <i>283,844</i> | <i>0,570</i> |
| <i>Motivation</i> | <i>792,000</i> | <i>282,063</i> | <i>0,644</i> |

Data Source : PLS 2023 Results

Based on the table data above, it can be seen that the Q-Square value of the leadership style variable is 0.570, and the motivation variable is 0.644. A Q-Square value greater than 0 (zero) indicates that the model has a predictive relevance value. Thus, from these results, this research model can be stated to have a good goodness of fit.

3) Hypoplant Test

Referring to the data analysis that has been done, the results can be used to test the hypothesis in this study. Hypothesis testing is done by evaluating the values of T-Statistics and P-Values. The research hypothesis can be considered accepted if the P-Values < 0.05, in accordance with the views of Yamin and Kurniawan (2011). The following are the results of the hypothesis test obtained in this study through the inner model.

Table 13. Test the Direct Influence Hypothesis

| <i>Hypothesis</i> | <i>Influence</i> | <i>Original Sample</i> | <i>T-statistics</i> | <i>P-Values</i> | <i>Results</i> |
|-------------------|---|------------------------|---------------------|-----------------|-----------------|
| <i>H1</i> | <i>Generation Leadership X → Leadership style</i> | <i>0,581</i> | <i>7,425</i> | <i>0,000</i> | <i>Accepted</i> |
| <i>H2</i> | <i>Generation Leadership Y → Leadership style</i> | <i>0,309</i> | <i>3,946</i> | <i>0,000</i> | <i>Accepted</i> |
| <i>H3</i> | <i>Leadership Style → Motivation</i> | <i>0,356</i> | <i>7,452</i> | <i>0,000</i> | <i>Accepted</i> |
| <i>H4</i> | <i>Generation Leadership X → Motivation</i> | <i>0,268</i> | <i>3,778</i> | <i>0,000</i> | <i>Accepted</i> |
| <i>H5</i> | <i>Generation Leadership Y → Motivation</i> | <i>0,391</i> | <i>5,656</i> | <i>0,000</i> | <i>Accepted</i> |

Data Source : PLS 2024 Results

Table 14. Test the Indirect Influence Hypothesis

| <i>Influence</i> | <i>Original Sample</i> | <i>T-statistics</i> | <i>P-Values</i> | <i>Results</i> |
|--|------------------------|---------------------|-----------------|-----------------|
| <i>Generation Leadership X → Leadership Style → Motivation</i> | <i>0,207</i> | <i>5,528</i> | <i>0,000</i> | <i>Accepted</i> |
| <i>Generation Leadership Y → Leadership Style → Motivation</i> | <i>0,110</i> | <i>3,389</i> | <i>0,001</i> | <i>Accepted</i> |

Data Source : PLS 2024 Results

Based on the results of the data in the table above, it can be seen that of the seven hypotheses proposed in this study, they are as follows:

1. The Influence of Gen X Leadership on Leadership Style has a P value of 0.009 or less than 0.05. This means that Gen X Leadership variables affect Leadership Style.

2. The Influence of Gen Y Leadership on Leadership Style has a P value of 0.001 or less than 0.05. This means that the Gen Y Leadership variable affects the Leadership Style.
3. The Influence of Leadership Style on Motivation has a P value of 0.000 or less than 0.05. This means that the Leadership Style variable affects Motivation.
4. The influence of Gen X leadership on motivation has a P value of 0.000 or less than 0.05. This means that the Gen X Leadership variable has an effect on motivation.
5. The Influence of Gen Y Leadership on Work Motivation has a P value of 0.000 or less than 0.05. This means that the Gen Y Leadership variable has an effect on motivation.
6. The Influence of Gen X Leadership on Motivation Through Leadership Style has a P value of 0.001 or less than 0.05. This means that Gen X Leadership variables influence Motives Through Leadership Style.
7. The Influence of Gen Y Leadership on Motivation Through Leadership Style has a P value of 0.000 or less than 0.05. This means that the Peak Gen Y Leadership variable influences motivation through leadership style.

Referring to the results of hypothesis testing, it can be stated that:

1. Gen X leadership influences leadership style. The two variables have a positive relationship, which means that both variables are directly proportional. These results confirm that changes that occur in the Gen X Leadership variable will be followed by changes in employee motivation in the same direction. If Gen X leadership is adequate in carrying out duties, it will be followed by high employee motivation. Gen Y leadership affects employee motivation. The direction of the relationship between the two variables shows positive, these results indicate that changes that occur in the Gen Y Leadership variable will have an impact on employee motivation in direct proportion. If Gen Y leadership is good, it will be followed by high employee motivation. Referring to the variable description data, it can be seen that the average score of Gen Y Leadership is in the good category. These results ultimately contribute to the motivation of employees who fall into the good category. Top management support reflected by aligning goals, allocating resources, and encouraging participation and motivating organizational members will encourage high employee motivation.
2. Gen Y leadership influences leadership style. The direction of the relationship between the two variables shows positive, which means that both variables are directly proportional. These results indicate that changes that occur in the Gen Y Leadership variable will have an impact on employee motivation in direct proportion. If Gen Y leadership is good, it will be followed by high employee motivation.
3. Leadership Style influences employee motivation. The direction of the relationship between the two variables is positive. This means that a good leadership style will motivate employees. A strong leadership style can spur employees to provide higher quality work. Leadership Style encourages employees to take initiative and show creativity in completing tasks. Motivated employees feel a responsibility to contribute positively to the organization and can generate innovative ideas to improve the efficiency or quality of work.
4. Gen X leadership influences motivation through leadership style. The right leadership style can encourage strengthening Gen X leadership towards employee motivation. By providing comprehensive support like this, Gen X Leadership not only helps implement the right leadership style, but also encourages motivation. Overall, Generation X leadership is becoming a key element in helping to implement the right leadership style in the organization that will motivate employees in achieving organizational goals.
5. Gen Y leadership influences motivation through leadership style. The right leadership style can support the implementation of the influence of Gen Y Leadership on Employee Motivation. Gen Y's leadership in providing inspiration, guidance and influence on the leadership style adopted by leaders in organizations can encourage the formation of employee motivation. Employees who feel they fit the leadership style of the leaders in the organization and get direction from the right leaders will be more motivated to work. Gen Y leadership in providing inspiration, guidance, and influence is needed to create a situation or condition of leadership style that suits the needs of employees. This right leadership style can motivate employees in carrying out their duties.
6. Gen X leadership influences motivation through leadership style. The sign of the relationship between the three variables is positive, which means that the direction of the relationship is directly proportional. The results suggest that the right leadership style can encourage strengthening Gen X leadership towards employee motivation. Gen X leadership has a primary role in making the leadership style in the organization in accordance with employee expectations so that it can support the creation of employee motivation. Gen X leadership that emphasizes leadership that inspires, guides, and influences can create high employee motivation.
7. Gen Y leadership influences motivation through leadership style. The sign of the relationship between the three variables is positive, which means that the direction of the relationship is directly proportional. The results stated that the right leadership style can support the implementation of the influence of Gen Y Leadership on Employee Motivation. Gen Y's leadership in inspiring, guiding and influencing the leadership

style adopted by leaders in organizations can encourage the formation of employee motivation. Employees who feel they fit the leadership style of leaders in the organization and get direction from the right leaders will be more motivated to work.

IV. CONCLUSION

In drawing the conclusion line of this study, an in-depth analysis has been conducted regarding the influence of Gen X leadership and Gen Y Leadership on Motivation through Leadership Style as an intervening variable in PT Employees. Salt gives a comprehensive picture. The conclusions of this study are as follows :

1. Gen X leadership influences the leadership style at PT Garam. Adequate Gen X leadership will encourage a good Leadership Style.
2. Gen Y leadership of top management influences the Leadership Style at PT Garam. Strong Gen Y leadership will support the Leadership Style.
3. Leadership Style affects PT Garam's Employee Motivation. Adequate competence will encourage Employee Motivation.
4. Gen X leadership influences PT Garam's employee motivation. Strong Gen X leadership shapes employee motivation.
5. Gen Y leadership influences PT Garam's employee motivation. Gen Y leadership, will drive employee motivation.
6. Gen X leadership influences motivation through leadership style at PT Garam. Adequate Gen X leadership can encourage leadership styles that are appropriate to organizational conditions, so as to encourage employee motivation.
7. Gen Y leadership influences motivation through PT Garam's Leadership Style. Gen Y leadership that supports the running of the Leadership Style in the organization will create high employee motivation.

ACKNOWLEDGMENTS

Acknowledgments of people, grants, funds, etc. should be placed in a separate section on the title page. The names of funding organizations should be written in full.

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The Influence of Job Rotation and Work Teams on Employee Performance

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ABSTRACT

Purpose: This study involved all employees of PT Indomarco Prismatama, and the purpose of this study was to determine how job rotation and work teams affect employee performance.

Design/methodology/approach: The study used a saturated sample and collected 44 respondents who had all the necessary data to test. This research data comes from a survey conducted to employees and processed using the SPSS version 25 program.

Findings: The results showed that job rotation has no effect and is not significant on employee performance, while work teams have an effect and are significant on employee performance.

Research limitations/implications: This study also has several limitations such as difficulty in obtaining respondents who are willing to fully participate in the study.

Practical implications: Companies can improve employee performance by implementing effective job rotation and forming cohesive work teams. Job rotation can prevent burnout and improve employee skills, while cohesive work teams can strengthen collaboration and productivity. Thus, management needs to consider optimal rotation and team building strategies to achieve better employee performance.

Originality/value: This title has significant originality as it combines two important variables in human resource management, namely job rotation and work teams, and analyzes their impact specifically on employee performance. The value of this title lies in the potential of the research to provide new insights into how job rotation strategies and work team dynamics can influence employee productivity and effectiveness in an ever-evolving work environment.

Paper type: Research paper

Keyword: *Job Rotation, Work Team, Employee Performance*

Received : March 8th

Revised : June 18th

Published : July 31th

I. INTRODUCTION

Human resources (HR) are very important to achieve company goals and maintain them. Therefore, companies need human resources who have the ability and high quality to remain competitive, answer future challenges, and create performance (Manopo et al., 2018). Because labor is a human resource in the production process, employees are expected to achieve higher levels of productivity and professionalism supported by a safework environment (Haedar et al., 2016). Performance is the output made or contributed by an employee who works for a company (Nurcahyani & Dewi, Adnyani, 2023). Performance appraisal is the process of evaluating how well an employee does his job compared to certain standards. This assessment can be used to obtain information about employee performance and influence how much contribution employees make to the organization (Kurnia & Rahmawati, 2017).

Job rotation is another way to develop human resources besides education and training. This job rotation can be carried out by organizations or institutions on a consistent and sustainable basis with the aim of increasing motivation and good work results. To achieve this difficult task, the system must be improved proactively and continuously. This will prevent employees from getting frustrated at work. This condition is

thought to be related to boredom caused by long periods of working in a unit or just a job. Such a situation is not healthy in terms of human resource development. As a result, the Ministry of Cooperatives and Small and Medium Enterprises of South Sulawesi must routinely rotate employees and jobs (Firman et al., 2022). Job rotation is expected to motivate employees to gain more experience and maximize their potential. This can stop someone from holding a position or position for a long period of time, which causes employees to not know about fraud opportunities (Nadzilah & Handari, 2023).

In addition to job rotation, there are other factors that can improve employee performance, namely teamwork. Teamwork itself is an activity carried out by two or more people to achieve goals through communication and joint management (Letsoin & Ratnasari, 2020). Work success depends on communication, mutual commitment, and trust in each other. Teamwork will provide synergy energy to team members, in this cooperation will provide collaboration of the strength of several people to achieve the desired goal. Brilliant ideas will not appear without good cooperation, to achieve success people must work together. Many problems cannot be solved by working together. The advantage in reliable teamwork is the ability of various people to achieve various solutions in synergy (Arifin, 2020).

PT. Indomarco Prismatama, is a company engaged in supermarket retail. Until now, these outlets have spread in almost all regions. PT Indomarco Prismatama or usually called indomaret, is a minimarket network with more than 200 million customers that provides basic needs and daily necessities. The various awards that Indomaret has received show the performance of its employees in meeting company goals.

Research conducted Sulistiowati & Nur (2012) shows that Job Rotation has a significant effect on employee performance. The same results from research Sari et al. (2020) stated that there was a significant relationship between job rotation and employee performance. Research results Windhyastiti (2020) teamwork has no significant effect on employee performance. However, research conducted by Letsoin & Ratnasari (2020) found that teamwork has a significant effect on employee performance. This research was conducted to find variables that affect employee performance, namely job rotation, and work teams. In the end, the results of this study are used for PT. Indomarco Prismatama to assess its performance and ensure that the primacy of employee performance is very important.

Based on the above background, the problems in the study can be identified as follows: whether job rotation can determine employee performance, whether the work team can determine employee performance, while the objectives of this study are: to test and analyze whether job rotation can determine employee performance, to test and analyze whether the work team can determine employee performance.

A. Literatur Review

1. Job Rotation

Job rotation is a development program used by organizations or companies to improve employee performance. According to Nursanti et al. (2014) routine work and only doing the same thing for a long time can certainly cause boredom or boredom, which in turn will reduce morale and morale.

2. Work Team

Teamwork is when team members cooperate, interact, depend on each other, and coordinate to achieve a goal. Teamwork also has signs such as focusing on team goals, depending on each other to complete tasks, cooperating with fellow team members, and collaborating to complete tasks. According to Rahayu & Susanto (2024) teamwork, known as team work, is a group of two or more people who work together to achieve a common goal and the goal will be easier to achieve if they work together than if they work alone.

3. Employee Performance

Employee performance is defined as the level of achievement of the implementation of program activities or policies in realizing the goals, objectives, vision, and mission of the organization, as outlined in the organization's strategic planning. Employee performance is the quality and quantity of work achieved by an employee when they do their job in accordance with their responsibilities. In addition Indrayati (2014) said that employee performance is influenced by the relationship between motivation and ability. The work performed by employees can be described as their performance, which can be evaluated in terms of quantity and quality. These results can be evaluated strategically to ensure whether they are in accordance with the goals, vision, and mission that have been set.

4. Hypothesis Development

1. Effect of Job Rotation on Employee Performance

With job rotation, each employee has the ability to complete each task, reducing seniority and giving employees the knowledge and skills they need to achieve higher quality results. Research results Hadian

(2019);Wyk et al. (2018);Warsi (2019) found that job rotation has a positive effect on employee performance. Based on these findings, the researcher makes the following hypothesis:

H₁ : Job Rotation affects employee performance at PT.Indomarco Prismatama

2. Effect of Work Team on Employee Performance

Employee performance is directly influenced by the work team, this supports research from (Salman, 2016), (Ahmad, 2017), (Abdulle & Aydintan, 2019). The work team has an indirect or insignificant effect on employee performance, this research is in line with researchers (Mcewan et al., 2017). Based on these findings, researchers hypothesize as follows:

H₂ : Teamwork affects employee performance at PT.Indomarco Prismatama

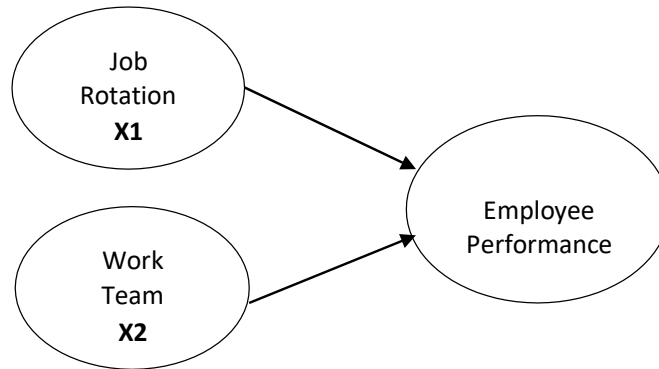


Figure 1. Conceptual framework

II. METHODS

A. Type of Research

In this study, a quantitative method was used. The quantitative method is used because the data used in this research is angka, which will eventually become the object of statistical data for analysis. The purpose of this research is to test or try hypotheses, as well as to find out how the relationship between variables interact with each other where measurable and objective, this method can generally be used. This research was conducted at PT Indomarco Prismatama which is located in Karang-Karangan, Bua sub-district, Luwu Regency. This study aims to determine how the influence of job rotation, and work teams have an impact on employee performance.

B. Data Collection Sources and Methods

This study uses primary data that can be obtained through the preparation of questionnaires and distributing them to all employees of PT Indomarco Prismatama as respondents related to the research, in order to find out the effect of job rotation and work teams carried out and implemented by PT Indomarco Prismatama. In this study, the survey method was used to collect data. Oral or written questions are used to obtain information from respondents about things they know or about themselves. The scale used in the questionnaire is a Likert scale of 1-5 with the following explanation:

- Strongly Agree (SS) : 5
- Agree (S) : 4
- Undecided (R) : 3
- Disagree (TS) : 2
- Strongly Disagree (STS) : 1

Table 1 Operation Definition

| No. | Variables | Operational Definition |
|-----|--------------------------|--|
| 1 | Job Rotation (X1) | <i>The shifting of workers from one position to another is called job rotation in this study. According to (Mourdoukoutas & Roy, 1994), organizations use job rotation as a way to achieve high performance or performance. They also said that job rotation is a shift between employees in an organization where this shift does not last forever.</i> |
| 2 | Work Team (X2) | <i>Teamwork is an activity undertaken by two or more people to communicate and work together to achieve a goal. Being willing to work together, showing positive expectations, valuing input, providing encouragement, and fostering group spirit are signs of teamwork.</i> |
| 3 | Employee Performance (Y) | <i>Employee performance is the result of employee work during a certain period of time and in accordance with established standards and measures. The amount of work, timeliness, attendance, and cooperation skills are indicators of employee performance.</i> |

C. Data Analysis Method

After the data selection and collection stage in the research, the data testing process includes analyzing the research data. The following is the data analysis method used in this research:

1. Descriptive Statistics

Descriptive statistical analysis is a data analysis method that aims to provide an explanation or description of the variables in the data using mean, standard deviation, maximum, and minimum.

2. Data Quality Test

The quality of data used in research is highly dependent on the instruments used to collect it, the instruments used to collect data also determine the quality of the research. Validity and reliability tests were conducted on this research data.

3. Multiple Linear Regression Analysis

It is a statistical technique used to show the pattern of the relationship between the independent variable and the dependent variable. The effect of job rotation and work teams on employee performance can be identified using multiple linear regression analysis.

Multiple linear regression equation in this research:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Description:

Y = Employee Performance

α = Constant

β1-β2 = Coefficient

X1 = Job Rotation

X2 = Work Team

E = Error

D. Hypothesis Testing

Hypothesis testing is used to determine the effect of independent variables on related variables partially (T test). Probability is a term used to describe how large or small this risk is, because decisions made during hypothesis testing contain uncertainty which can mean that the decision can or cannot be made correctly. The following are the steps taken to test the hypothesis of this study:

1. F test

Basically, the F statistical test shows whether the dependent variable as a whole (bound) is influenced by each independent variable (free) in the model.

2. T test

The dependent variable, the t statistical test basically shows how much influence the independent variable has. How much influence one independent variable has on the dependent variable can be seen by using the t

test. to determine whether the independent variable (X) in a particular variable (Y) affects the individual significantly or not. Hypothesis testing steps based on partial data results in this study: If the significant value of $t \leq 0.05$, Ho is rejected and Ha is accepted, which indicates that there is a significant influence between variables X1, X2 on Y. If the significant value of $t \geq 0.05$, Ho is accepted and Ha is rejected, which indicates that variables X1, X2 have no influence on Y.

III. RESULTS AND DISCUSSION

A. Results

Data Quality Test Results

1. Data Validity Test Results

The validity test is a process used to determine whether a questionnaire is valid or not. The questionnaire is considered valid if the statement can explain the purpose of the questionnaire (Rahman & Solikhah, 2016). The validity test can be seen in the corrected item-total correlation column. Where this value will then be compared with the r value r_{table} , which is obtained at a significant value of 0.05 through a two-sided test.

The value of r_{table} is obtained through the analysis of the degree of freedom, also known as the df (degree of freedom) formula $df = n - k$ where n is the number of respondents and k is the number of independent variables used. The instrument is considered valid if the correlation value $r_{count} > r_{table}$. Conversely, if the correlation value $r_{count} < r_{table}$, the instrument is considered invalid (Astuti, 2010). Therefore, the value of $df = 41$ ($n - k = 44 - 3$) = 0.300. The following table shows the results of testing the validity of each variable.

Table 2 Validity Test Results

| <i>Variables</i> | <i>Item</i> | <i>r_{count}</i> | <i>r_{table}</i> | <i>Sig</i> | <i>Description</i> |
|---------------------|-----------------------|--------------------------|--------------------------|--------------|--------------------|
| <i>Job Rotation</i> | <i>Statement X1.1</i> | <i>0,643</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X1.2</i> | <i>0,876</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X1.3</i> | <i>0,856</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X1.4</i> | <i>0,789</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X1.5</i> | <i>0,751</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X1.6</i> | <i>0,856</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| <i>Work Team</i> | <i>Statement X2.1</i> | <i>0,508</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X2.2</i> | <i>0,695</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X2.3</i> | <i>0,656</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X2.4</i> | <i>0,782</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X2.5</i> | <i>0,700</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement X2.6</i> | <i>0,699</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |

| | | | | | |
|-----------------------------|----------------------|--------------|--------------|--------------|--------------|
| | <i>Statement Y.1</i> | <i>0,593</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement Y.2</i> | <i>0,697</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement Y.3</i> | <i>0,694</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| <i>Employee Performance</i> | <i>Statement Y.4</i> | <i>0,833</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement Y.5</i> | <i>0,469</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement Y.6</i> | <i>0,687</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |
| | <i>Statement Y.7</i> | <i>0,725</i> | <i>0,300</i> | <i>0,000</i> | <i>Valid</i> |

Source; Data Processed in SPSS 25

Based on the validity test processed in SPSS, it can be concluded that, the Work Rotation variable (X_1), the Work Team variable (X_2), and the Employee Performance variable (Y) resulted in all statement items for each variable being declared valid. This can be seen from the significance value for each statement on each variable $0.000 > 0.05$, so the statement is said to be valid.

2. Data Reliability Test Results

The reliability test is used to measure how reliable or reliable a questionnaire is, if a person's answer to a statement is consistent, the questionnaire is considered reliable or reliable. A statistical test is carried out by looking at the Cronbach Alpha value to determine the reliability of the variable. The criteria that can be used are as follows:

- The statement used to assess the variable is "reliable" if the *Cronbach Alpha* value is > 0.60 .
- The statement used to assess variables is "unreliable" if the *Cronbach Alpha* value is < 0.60 .

Table 2 below shows the results of the reliability test of the questionnaire used in this study:

Table 3 Reliability Test Results

| <i>Variables</i> | <i>Cronbach's Alpha</i> | <i>Reliability Limit</i> | <i>Description</i> |
|--|-------------------------|--------------------------|--------------------|
| <i>Job Rotation (X_1)</i> | <i>0,870</i> | <i>0,60</i> | <i>Reliable</i> |
| <i>Teamwork (X_2)</i> | <i>0,755</i> | <i>0,60</i> | <i>Reliable</i> |
| <i>Employee Performance (Y)</i> | <i>0,789</i> | <i>0,60</i> | <i>Reliable</i> |

Source; Data Processed in SPSS 25

The table above shows that the *Cronbach's alpha* value for the work rotation variable (0.870), work team (0.755) and employee performance (0.789) is greater than 0.60, so the question constructs to measure the level of variables in this study can be said to be reliable.

3. Model Accuracy Test

1. Determination Coefficient Test

A coefficient of determination (R^2) test close to one means that the independent variables provide almost all the information needed to predict the variation in the dependent variable. The following table shows the results of the R^2 test:

Table 4 Coefficient of Determination Results

| <i>Model Summary^b</i> | | | | |
|----------------------------------|----------|-----------------|--------------------------|-----------------------------------|
| <i>Model</i> | <i>R</i> | <i>R Square</i> | <i>Adjusted R Square</i> | <i>Std. Error of the Estimate</i> |
| 1 | .728a | .530 | .507 | .31767 |

Source; Data Processed in SPSS 25

a. Predictors: (Constant), Teamwork, Job Rotation

b. Dependent Variable: Kwaryawan Performance

Based on the table above, it shows that the Adjusted R_{Square} value is 0.507. So it can be concluded that the effect of job rotation, work teams on employee performance is 50.7% and the remaining 49.3% is influenced by other factors outside the research model.

2. Multiple Linear Regression Analysis

To test the hypothesis of this study, the multiple linear regression method was used. The equations obtained from data processing using SPSS are shown in table 4 below:

Table 5 Multiple Linear Regression Results

| <i>Coefficients^a</i> | | | | | | |
|---------------------------------|--------------|------------------------------------|-------------------|-------------|----------------------------------|-------------|
| | | <i>Unstandardized Coefficients</i> | | | <i>Standardized Coefficients</i> | |
| <i>Model</i> | | <i>B</i> | <i>Std. Error</i> | <i>Beta</i> | <i>t</i> | <i>Sig.</i> |
| 1 | (Constant) | 1.318 | .451 | | 2.920 | .006 |
| | Job Rotation | .146 | .082 | .201 | 1.567 | .083 |
| | Work Team | .553 | .098 | .638 | 5.644 | .000 |

a. Dependent Variable: Kwaryawan Performance

Source; Data Processed in SPSS 25

The above data can be made into multiple linear regression equations as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

Y = Employee Performance

a = Constant

$\beta_1 - \beta_2$ = Coefficient

X1 = Job Rotation

X2 = Work Rotation

e = Error

So it can be written as follows:

$$Y = 1.318 + 0.146 + 0.553 + e$$

By considering each coefficient value in the multiple linear regression equation mentioned earlier, the researcher can draw the following conclusions:

1. The constant has a positive value of 1.318, which indicates that if the work rotation variable, the work team is considered 0, the employee performance value is 1.318.

2. The job rotation variable has a coefficient of 0.146, which means that if the value of the job rotation variable increases by 1 point, employee performance will increase by 0.146.
3. The work team variable has a coefficient of 0.553, which means that if the value of the work team variable increases by 1 point, employee performance will increase by 0.553.

4. Hypothesis Test

1. T test

Assuming that there are additional constant independent variables, the individual parameter significance test, or t-statistic test, aims to determine whether there is an effect between the individual variables and the independent variables. The examination criteria are as follows:

- 1) If $t_{count} > t_{tabel}$ or $p\text{-value (sig)} < \alpha$ (0.05) then H_o is rejected and H_a is accepted. So that the independent variable individually affects the dependent variable.
- 2) If $t_{count} < t_{tabel}$ or $p\text{-value (sig)} > \alpha$ (0.05) then H_o is accepted and H_a is rejected. So that the independent variable individually has no effect on the dependent variable.

Table 6 Hypothesis Test Results

| No. | Model | Coefficient | T count | Significance | Description |
|-----|-------------------|-------------|---------|--------------|-------------|
| 1 | (Constant) | 1,318 | 2,929 | 0,006 | |
| 2 | Job Rotation (X1) | 0,146 | 1,567 | 0,083 | Rejected |
| 3 | Work Team (X2) | 0,553 | 5,644 | 0,000 | Accepted |

Dependent Variable: Employee Performance F count:
23,080

F Significance: 0,000

$\alpha = 0,05$

Source; Data Processed in SPSS 25

The t test is used to prove the hypothesis, and the results can be seen from the coefficients table in the t and sig columns. The t value in this table is 1.684 (df = 37 (n-k-1 = 40-3-1)), with a significant 0.05. The t test results can be explained in table 5 with a significant test as follows:

- 1) The significant value of job rotation on employee performance is 0.083, so it is not significant above 0.05. The t_{count} value of $1.567 < 1.684 t_{tabel}$, then H_1 is rejected, so the work rotation variable has no significant effect on employee performance.
- 2) The significant value of the work team on employee performance is 0.000 so that it is significantly above 0.05. The t_{count} value is $5.644 > 1.684 t_{tabel}$, then H_2 is accepted so that the work team variable has a significant effect on employee performance.

2. F test

According to (Astuti, 2010) F value is a combination analysis of independent variables to compare them with the dependent variable. According to (Astuti, 2010) to see the probability number that is considered significant is as follows:

- a. If $F_{count} < F_{tabel}$ or probability > 0.05 , then the parameter β is not feasible in the model.
- b. If $F_{count} > F_{tabel}$ or probability < 0.05 , then the parameter β is feasible in the model.

Based on table 5 above shows that, the value of F_{count} is greater than the value of F_{tabel} which is $23.080 > 3.226$ and the value (df N1 = k-1 = 3-1 = 2) and (df N2 = n-k = 44-3 = 41) or significant is less than 0.05, namely 0.000 < 0.05. So it can be concluded that the work rotation variable, the work team has a significant effect on employee performance.

B. Discussion

1. The Effect of Job Rotation on Employee Performance

The results of testing the first hypothesis of this study show that job rotation has a t_{count} value $< t_{tabel}$ which is $1.567 < 1.684$ and a significant value of $0.083 > 0.005$ so that H_1 is rejected. Therefore, this study shows that there is no significant relationship or effect between job rotation and employee performance. In other words, the worse the job rotation given by the company to its employees, the worse the employee performance will be.

Sometimes, the working relationship between an employee and another employee in one division is colored by a sense of kinship, which can make an employee feel comfortable and increase his motivation to work. With the rotation of employees, it can reduce communication between employees because employees prefer to work with old people (Megantara et al., 2019).

The results of this study are supported by previous research (Setiadi et al., 2021) found that the job rotation system cannot improve employee skills and knowledge while reducing boredom and boredom. Because he has many tasks, employees do not feel challenged anymore and are not eager to return to work. The same results from research (Anggraini, 2023) which states that job rotation has a negative effect on employee performance. This researcher is not in line with previous research such as (Ariani et al., 2020). So when job rotation increases, employee performance will decrease.

2. The Effect of Work Team on Employee Performance

The results of testing the second hypothesis of this study show that the work team variable has a t_{count} value $< t_{tabel}$ which is $5.664 > 1.684$ and a significant value of $0.000 < 0.005$ with a positive value, so the work team on employee performance is influential and significant, so H_2 is accepted. The results showed that a high work team can improve employee performance.

This relationship shows that when team members trust each other, there is no close supervision. Thus, fellow team members do not feel suspicious when completing tasks according to the job description. The results of this study are supported by previous research (Manzoor et al., 2011), stating that there is a significant positive impact of teamwork on employee performance. In addition, this study supports researchers (Pratiwi & Nugrohoseno, 2018) which states that work teams have a significant impact on employee performance. So it can be concluded that a work team that can be well established can improve employee performance.

IV. CONCLUSION

This study aims to determine whether job rotation, and work teams affect employee performance. Based on the data collected and the results that have been tested using hypothesis testing, it can be concluded that job rotation has no positive and insignificant effect on employee performance at PT. Indomarco Prismatama, which means that the lower the job rotation, the worse the employee performance will be. The work team has a positive and significant effect on employee performance. This shows that a strong work team can improve employee performance at PT Indomarco Prismatama. This means that the quality of work results is determined by how well and effectively cooperation is carried out.

Based on analysis, observations, and questionnaire results, this study suggests maintaining and improving the job rotation system that helps employee performance. Employees are expected to always try to improve their work teams so that they can complete their tasks well. These suggestions will encourage employees to continue to improve their performance and feel satisfaction with their work, which in turn will result in an increase in their performance. In this study, there are only two variables that affect employee performance, namely job rotation and work teams. However, many other variables can affect employee performance, such as competence, work discipline, organizational commitment, motivation, and work environment.

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