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The Effectiveness Of Digital Marketing And The Consistency Of Islamic Branding On Customer Interest In Using The BSI Mobile Application

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ABSTRACT

This research aims to assess the impact of Digital Marketing and Islamic Branding on Customer Interest in using the BSI mobile application. Conducted on 100 BSI mobile customers, quantitative research using multiple linear regression and analysis using SPSS 26. Data was collected through questionnaires. The results show that Digital Marketing and Islamic Branding have a positive and significant effect on Customer Interest. The findings confirm that both play an important role in shaping customer interest, with Islamic Branding which includes BSI's positive image in implementing sharia principles, sharia-based products and halal labels providing an overall positive impact. Thus, it can be concluded that the influence of Digital Marketing and Islamic Branding on Customer Interest in using the BSI mobile application has proven to be significant.

Keywords: *Digital Marketing, Islamic Branding, Customer Interest*

ABSTRAK

Penelitian ini bertujuan untuk menilai dampak Digital Marketing dan Islamic Branding terhadap Minat Nasabah dalam penggunaan aplikasi BSI mobile. Dilakukan kepada 100 nasabah BSI mobile, penelitian kuantitatif dengan regresi linier berganda dan analisis menggunakan SPSS 26. Data dikumpulkan melalui kuesioner. Hasilnya menunjukkan bahwa Digital Marketing dan Islamic Branding berpengaruh positif dan signifikan terhadap Minat Nasabah. Temuan menegaskan bahwa keduanya memainkan peran penting dalam membentuk minat nasabah, dengan Islamic Branding yang mencakup citra positif BSI dalam penerapan prinsip syariah, produk berbasis syariah, dan label halal memberikan dampak positif secara keseluruhan. Dengan demikian, dapat disimpulkan bahwa pengaruh Digital Marketing dan Islamic Branding terhadap Minat Nasabah dalam penggunaan aplikasi BSI mobile terbukti signifikan.

Kata Kunci: Digital marketing, islamic branding, minat nasabah



INTRODUCTION

As time goes by, developments in technology and marketing in the business world, both in the financial sector, especially banking, are currently increasing. This is due to the development of patterns of economic and environmental systems. Technological developments have made it easier and faster to access digital marketing for consumers, allowing them to find out about products and their advantages quickly. Every company or business person generally develops a special strategy in promoting their products. The use of appropriate marketing and media management strategies aims to reach the target market, with the hope of increasing sales volume and company profits. One popular approach is the application of *digital marketing*.

The use of digital marketing as a promotional tool makes it easier for consumers to access various products presented by a company. The advantages of attractive content, design and sentence structure can motivate consumer interest in the product, as well as create positive responses through customer reviews. This can act as a factor that influences consumers' decisions in choosing this product (Dela and Muhammad, 2023). Digital marketing is a method of marketing communication between companies and consumers via digital platforms. Thus, marketing messages can be conveyed to consumers efficiently and quickly in the context of *digital marketing activities* (Sanjaya & Tarigan 2009).

In this context, the role of technology is crucial because it encourages the shift of human civilization to the digital age, simplifying the tasks carried out by humans. According to Novayanti (2016) in the world of banking, the use of *digital marketing* is expected to create opportunities to develop connections with customers and increase the number of customers. In the *digital marketing era*, the desired approach is not only focused on product promotion, but also emphasizes the importance of the relationship between banks and customers, both before and after they become customers.

According to Krisnawati (2018), digital marketing is an effort to promote company products through electronic media, with the aim of increasing brand awareness and sales. This method involves digital marketing communication between companies and consumers, with a simple, practical and efficient approach to deliver marketing activities quickly (Oktaviani, 2018). Business people utilize this digital marketing service with the main aim of introducing and promoting their products, thereby facilitating consumer access to the various products offered by the company. This approach aims to attract consumers' attention to the product being promoted, while creating a positive response from them. Therefore, the bank plans to improve the quality of its services to customers, including by expanding the range of banking services. This is due to the positive impact of implementing digital marketing strategies which influence the growth in the number of customers.

The aim of Islamic Business aims to increase significantly, both in terms of profits and general welfare, by optimizing *Falah*. In the context of Islamic business, the main considerations are the benefits obtained by the entire community and priority factors in Islamic countries. *Digital marketing* has received recognition from an Islamic perspective, as long as sharia principles are adhered to. The aim is to ensure that in running an online business, *falah* (life prosperity) and maximum profits can be achieved. Muslims can achieve success in the business world and obtain blessings in the afterlife by achieving these goals. Achieving optimal *falah* requires adherence to Sharia principles, which involve four main prohibitions, namely the prohibition of usury, *maisir*, *gharar*, and the sale of prohibited products. Yusof Qardawi (1993) in Hartini, Et al (2022) states in his book *The Lawful and Forbidden in Islam*, "Islam does not prohibit trade unless it involves injustice, fraud, exorbitant profits, or promotes something that is haram. et al (2019) is research on the relationship between *digital marketing* and consumer purchasing interest shows that *digital marketing strategies* involving websites, social media, email and AdWords advertising are positively related to consumer purchasing interest, although the level of engagement via email tends to lower. This perception formation process is directly related to brand image. According to Salim (2014), brand image is the main aspect that consumers want from a product. The special appearance of the packaging, accompanied by a logo and attractive features, allows consumers to easily differentiate it from similar products. Apart from that, brand image also has an impact on customer interest in using the product. According to Kotler & Keller (2009:259), brand image is a consumer's view or belief, which is reflected through a strong connection in the consumer's mind.

Image can influence consumer in choose brand or product certain in accordance with his wish. A product can attract consumer interest if it has a strong brand identity. Branding has a significant place in consumers' minds and is not a tool to compete in determining which product is better, but rather to determine who can form a better perception (Nasrullah, 2015). Islamic marketing strategies are carried out by utilizing or integrating elements of Islamic identity, such as halal labels, Islamic names, and sharia principles, in an effort to market their products with the aim of building consumer trust. In a business context, gaining trust from customers is an essential first step for companies that want to have a loyal customer base (Rauyruen & Miller, 2007).

Based on survey results from the Indonesian Internet Service Providers Association (APJII), in the 2022-2023 period, the number of internet users in Indonesia reached 215.3 million people, showing an increase of 2.67% compared to the previous period which recorded 210.03 million users. This percentage is equivalent to 78.19% of Indonesia's total population of 275.77 million people. This figure has increased by 1.17% points compared to the 2021-2022 period which previously reached 77.02%. In gender categorization, the internet penetration rate for

men reached 79.32%, outperforming the penetration rate for women which reached 77.36%. The internet penetration rate in urban areas reached 77.36% in that period, which is slightly better than rural areas which reached 79.79%. The survey conducted by APJII together with SRA Consulting involved 8,510 respondents throughout Indonesia during 10-27 January 2023. The survey method used multistage random sampling with a margin of error of 1.14% and a confidence level of 95%.

By using digital strategies, customers can access all information about the products offered anytime and anywhere. Thus, *digital marketing* plays a role in increasing the number of customers and strengthening customer loyalty. This *digital marketing* approach is an effective communication method for creating public awareness and involvement in the products offered. Customer satisfaction according to an Islamic perspective includes evaluating the extent to which products, both goods and services, meet expectations in accordance with the principles of Islamic law. The level of satisfaction depends on the quality of service provided by the company. In general, customers want friendly and quality service. However, with the existence of these digital services, there are still some customers who do not have or even know about the digital application. In an interview with one of the BSI bank customers, Sari (2023) revealed that they had never downloaded the BSI Mobile service application, and there were still many again customers who are not yet aware of the existence of the BSI Mobile application service. With its existence, BSI makes Indonesia a center for significant sharia economic development, confirming this country as having the largest Muslim population in the world. This achievement is not only a global identity for Indonesia, but also a source of pride and great potential to become a country that leads in sharia economic development (Rizal, 2020).

Based on the background stated above, the author is interested in researching and finding out whether there is an influence from digital marketing with the digital convenience of online financial transactions without having to go to the bank directly and Islamic branding with the Islamic features provided by Bank Syariah Indonesia towards BSI Bank customers' interest in using the BSI Mobile application at Bank Syariah Indonesia.

METHOD

The research method used in this study is a quantitative method. In this research, the location chosen as the research location is Bank Syariah Indonesia which is located in Bekasi City, West Java . The reason for choosing this location is because there are still many people in the city of Bekasi who do not know the BSI Mobile application, therefore in accordance with the title of this research, namely "The influence of *digital marketing* and *Islamic branding* on customer interest in using the BSI Mobile application" so that this research can find out how influential it is. *digital marketing* and *Islamic branding* on interest in using the BSI Mobile

application . Based on calculations using the Lemeshow formula, the minimum sample size required is 96.04. Therefore, the sample size for this research has been rounded to 100 respondents. This research is a step in developing theory with the aim of gaining a deeper understanding of the problem being researched. According to Sugiyono (2018:13) quantitative data is a research method based on positivistic (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being studied to produce a conclusion.

RESULTS AND DISCUSSION

According to Sugiyono (2015), the use of regression analysis is to predict whether the condition of the dependent variable will increase or decrease if two or more independent variables are manipulated (increase or decrease their value), so that multiple regression can be carried out if there are more than two independent variables. In this research, the regression equation is used to assess how much influence the independent variables, namely Digital Marketing, Islamic Branding, have on customer interest in using the BSI MOBILE application.

In this research, the regression formula used is:

$$Y = a+b_1X_1+b_2X_2+e \dots\dots\dots(1)$$

Where:

Y = BSI Customer

a = Coefficient

b1-b4 = Regression Coefficient

X1 = Digital Marketing

X2 = Islamic Branding

E = Standard Error

In this research, the results of the multiple linear regression analysis test were obtained as follows:

Table 1. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	5,434	2,804		1,938	0.056		
1 X1.TOTAL	0.312	0.075	0.404	4,180	0,000	0.474	2,108
X2.TOTAL	0.429	0.101	0.409	4,235	0,000	0.474	2,108

a. Dependent Variable: Y.TOTAL

Source : Results Primary Data Processing SPSS version 26.0

Based on Table 1 shows results from the equation model regression linear multiple, namely:

$Y = 5.434 + 0.312X_1 + 0.429X_2$. This shows that:

1. Value constant amounting to 5,434 which is mark permanent and influential positive towards Interest Customer on customers BSI Mobile KCP BSI application in Bekasi City with assumption Digital Marketing and Islamic Branding variables have mark fixed coefficient.
2. If Digital Marketing value experienced change on unit certain, then it will increase Interest Customer amounting to 0.312 units certain with assumption that variable other in this research model no experience the same change.
3. If the value of Islamic Branding experienced change on unit certain. Then it will increase Interest Customer 0.429 units certain with assumption that variable other in this research model no experience the same change.

Table 2. Results of Determination Coefficient

Model	Adjusted R Square
$Y = a + b_1 X_1 + b_2 X_2 + e$	0.562

Source : Results Primary Data Processing SPSS version 26.0

Based on Table 2 above, in the model the R² value shows a value of 0.562, meaning that the ability of the Digital Marketing and Islamic Branding variables in explaining customer interest is 56.2%, while the remaining 0.438 or 43.8% is a value outside the variables in this research.

Table 3. t test results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	5,434	2,804		1,938	0.056		
1 X1.TOTAL	0.312	0.075	0.404	4,180	0,000	0.474	2,108
X2.TOTAL	0.429	0.101	0.409	4,235	0,000	0.474	2,108

a. Dependent Variable: Y.TOTAL

Source : Results Primary Data Processing SPSS version 26.0

Based on the output above is known mark t-count variable X1 (Digital Marketing) $4,180 > 1,983$ and value significance count $0.000 < 0.050$. This shows that exists influence significant between Digital Marketing and Interest Customer. Next value is also known t-count variable X2 (Islamic Branding) $4.235 > 1.983$ and value significance calculate $0.000 < 0.050$ so concluded that Islamic Branding has influence significant to Interest Customer

Table 4. F Test Results (Simultaneous Test)

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1359,212	2	679,606	64,391	,000 ^b
Residual	1023,778	97	10,554		
Total	2382,990	99			

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

Source : Results Primary Data Processing SPSS version 26.0

Based on the results from table 4 So it can be seen that the results of the significance in the F test are 0.000, which value is smaller than 0.05 ($0.000 < 0.05$), so it can be concluded that in this research the Digital Marketing & Islamic Branding variables have a joint (simultaneous) influence on Customer Interest.

Based on results data study did get results discussion:

These findings highlight the success of Digital Marketing, which has a significant impact on customer engagement. Based on the results of research conducted, there are findings that indicate a significant influence between Digital Marketing and Customer Interest. This can be seen from the t-calculated value of variable X1 (Digital Marketing) of 4,180, which is much greater than the t-table value of 1,983. Apart from that, the calculated significance value of 0.000 is also smaller than the specified significance level (0.05).

The findings of this research indicate that Islamic Branding has a significant influence on Customer Interest, as reflected in the t-calculated value of the variable (0.050). It is important to note that the positive factors of Islamic Branding play a central role in influencing Customer Interest. BSI's positive image regarding the implementation of sharia principles is a strong foundation for customer trust. BSI's compliance with sharia principles is not only reflected in sharia-based products, but is also recognized through the halal label which strengthens customer confidence in the integrity and sanctity of transactions.

Results study show that digital marketing and Islamic branding together together have significant influence _ to interest customers . Mark significance F test of more than 0.000 small from level specified significance (0.05) which shows that both of them have influence in a way simultaneous to interest customers . Next , Digital Marketing via various characteristics positive like reduced time transactions , promotions advantages and convenience communication with banks also contributing in form perception positive customers to service banking . On at the same time , sharia brands , incl image deep BSI positive application principle sharia , products

based sharia , and the halal label, provide contribution positive to benefit customers in a way whole .

Combination Advantages of Digital Marketing and Islamic Branding. Factors that create Power pull more big for customers . Awareness of halal transactions , trust to image sharia and features Islamic on BSI Mobile application becomes factor decisive key interest customer. Customer No only impressed with efficiency and comfort service , but also because harmony with values Sharia , so create a comprehensive and positive experience .

By Because that , this result gives contribution important to direction strategy marketing of Indonesian Sharia Bank . This confirms that impact positive to interest customers No come from one factor just but results a combination of innovative Digital Marketing and consistent Islamic Branding .

Study previously support results this research , Based on research conducted by Maria, Furkan , and Herman on 2019 , concluded that digital marketing has positive and significant impact _to interest consumer . Next , results research carried out by Ambarwati on 2015 also showed that image brand give positive and significant influence to interest purchase .

CONCLUSION

Based on the research results and discussion , it can be concluded that

1. The research results confirm that Digital Marketing has a significant influence on customer interest in using BSI Mobile product applications. Transaction speed, service efficiency and easy interaction through digital marketing strategies create a positive experience for customers, providing added value in increasing customer interest.
2. Findings show that Islamic Branding, with BSI's positive image regarding the implementation of sharia principles, sharia-based products, and halal labels, plays a key role in shaping customer interest. Sharia identity in products and conformity of Islamic values with banking services are important factors that strengthen trust and increase customer interest.
3. The combination of Digital Marketing effectiveness and Islamic Branding consistency simultaneously has a significant effect on Customer Interest. A holistic marketing strategy that combines digital innovation with an Islamic identity creates a comprehensive experience for customers, strengthens positive perceptions, and builds strong relationships between banks and customers. This provides guidance for Bank Syariah Indonesia to design an integrated marketing strategy to increase customer interest in BSI Mobile products.

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Special Relationship Transactions Against Tax Aggressiveness in Property Companies with Institutional Ownership as a Moderating Variable

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ABSTRACT

This study examines the effect of special relationship sales transactions and special relationship lending on tax aggressiveness with institutional ownership as a moderating variable. The data used in this study is secondary data taken from the annual financial statements of several property and real estate companies listed on the Indonesia Stock Exchange for 2020, 2021 and 2022. The sample in this study obtained 54 data from 18 selected companies using a purposive sampling technique. This study uses quantitative analysis methods, and the data analysis techniques used in this study are multiple regression equations and Moderated Regression Analysis (MRA). The results of this study indicate that Special Relationship Sales Transactions do not affect Tax Aggressiveness, while Special Relationship Lending Transactions have a positive effect on Tax Aggressiveness. Then Institutional Ownership cannot moderate the effect of special relationship sales transactions and special relationship lending transactions on tax aggressiveness.

Keywords: Tax Aggressiveness, Institutional Ownership, Special Relationship Transactions.

ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh transaksi penjualan hubungan istimewa dan peminjaman hubungan istimewa terhadap agresivitas pajak dengan kepemilikan institusi sebagai variabel moderasi. Data yang digunakan dalam penelitian ini data sekunder diambil dari laporan keuangan tahunan beberapa perusahaan properti dan real estate terdaftar di Bursa Efek Indonesia periode 2020, 2021, dan 2022. Sampel pada penelitian ini diperoleh sebanyak 54 data dari 18 perusahaan terpilih dengan menggunakan teknik purposive sampling. Penelitian ini menggunakan metode analisis kuantitatif dan teknik analisis data yang digunakan dalam penelitian ini adalah persamaan regresi berganda dan Moderated Regression Analysis (MRA). Hasil penelitian ini menunjukkan Transaksi Penjualan Hubungan Istimewa tidak berpengaruh terhadap Agresivitas Pajak, Sedangkan Transaksi Peminjaman Hubungan Istimewa berpengaruh positif terhadap Agresivitas pajak. Kemudian Kepemilikan Institusi tidak dapat memoderasi pengaruh transaksi penjualan hubungan istimewa dan transaksi peminjaman hubungan istimewa terhadap agresivitas pajak.

Kata Kunci: Agresivitas Pajak, Kepemilikan Institusi, Transaksi Hubungan Istimewa



INTRODUCTION

The tax has an important role that makes it the main source of income in various countries, including Indonesia. Tax revenue supports development and state expenditure activities, regulated in the State Expenditure and Expenditure Budget (APBN). In Indonesia, tax regulations are regulated by Law Number 7 of 2021 concerning the Harmonization of Tax Regulations. According to the law, taxes are mandatory contributions that must be given by every citizen and have a coercive nature. As one of the largest sources of state revenue, state budget data for 2022 shows that state revenues from taxes reach IDR 1,716.8 trillion, or around 65.37% of total state revenue (Ministry of Finance, 2023).

According to Santoso, et al. (2021), the average tax people have deposited is not infrequently misused or used for personal gain. This can result in people losing confidence in the government and feeling pressured to pay taxes, so it is not uncommon for many people not to report their income. People feel that taxes are a burden that can interfere with their financial security because they pay taxes. Therefore, many people manipulate their finances or avoid taxes legally according to tax regulations. This term in taxation is known as tax avoidance or tax avoidance

According to (Sujannah, 2021), tax avoidance is an action done intentionally to minimise taxable income. Usually, tax evasion is also known as tax aggressiveness, which the government allows under certain conditions. Tax aggressiveness is a common tactic that involves legally profiting from loopholes in taxation rules. Not only that, tax avoidance also involves debt manipulation or interest charges that can be reduced (deductible expense). According to (Hasibuan & Aceh, 2022), debt is not company ownership, but the cost of debt is a business cost that can affect taxes. The purpose of the company to do tax avoidance is to maximise profits by reducing the cost of taxes that must be paid.

Transactions between related parties or related Party Disclosure in PSAK No. 7 (Revised 2015) involve transfers of assets or liabilities between those with a special relationship. There are several transactions with parties related to bringing profit to an entity because the entity can set prices to generate profits for the company. The implementation of tax avoidance does not only occur in companies in Indonesia. Several countries in other parts of the world also often transfer profits through implementing transfer pricing in other countries, including Indonesia.

Transactions involving related parties can occur in various forms. Three categories of transactions involving related parties, according to Habib, et al. (2021), are debt, costs and income. In general, related parties prefer to provide capital rather than loans. This is because the tax regulations permit the deduction of interest costs from taxable profits, which

results in liabilities and income being regulated by the agreement of related parties to reduce the amount of taxable profits. Meanwhile, in loan transactions, it is possible to determine whether the loan interest rate is fair or not (Zubaidah & Satyawan, 2018). Losses for related parties may arise from transactions between them, especially the government. The government does not prohibit transactions involving related parties. However, a special relationship for related parties makes it possible to manipulate the transaction price beyond fairness due to the existence of a special relationship between the companies involved in the transaction to reduce the tax burden and attract the attention of the government, especially the Directorate General of Taxes, because it was used to avoid taxes (Ikraam & Ariyanto, 2020).

Institutional ownership can also impact the use of tax avoidance strategies. One effective method for implementing corporate management is institutional ownership. Refers to a situation where an entity owns shares in a company that can strengthen management's oversight of performance to run optimally in the interests of the shareholders. In addition, it is hoped that institutional ownership can monitor, supervise and take disciplinary action against companies to prevent detrimental behaviour, especially in tax evasion (Sadeva, Suharno, & Sunarti, 2020). Meanwhile, research by Widiyantoro and Sitorus (2019) shows that institutional ownership positively affects tax evasion.

Much previous research related to tax evasion has been carried out, so these results can serve as a reference for analyzing the impact of special relationship transactions between entities on tax-aggressive behaviour, including research by Sungwon Park (2018), which states that various corporate groups use related party transactions to avoid paying taxes. The maximum entity of the tax avoidance strategy by using party transactions. Meanwhile, Suntari & Mulyani's research (2020) also shows that entities maximize tax avoidance strategies by conducting related party transactions. However, Darma's research, (2019) conclusions differ from the two previous studies. According to him, transactions between related parties do not affect the effective tax rate.

According to research by Zubaidah & Satyawan (2018), sales transactions involving relationships between related parties do not affect tax evasion. This is due to regulations from the authorities that provide commitments to companies that carry out transactions with related parties to avoid taxes. Related party loan transactions significantly affect tax avoidance as well. The company's related party loan agreements are designed to maximize interest expense to reduce taxable profit. Loan transactions did not significantly influence the tax avoidance strategy in this study because most of the sample companies did not frequently engage in related party loan transactions. However, Abdani's research, (2020) suggests that related party relationships significantly influence tax evasion.

The difference between this study and previous studies is that this study intends to combine various subjects regarding tax avoidance techniques which are influenced by two variables, namely related sales transactions and related loan transactions. In addition, this study also includes institutional ownership moderating variables. With different results from previous research, this motivated the writer to conduct another study which aims to determine the effect of related party transactions on tax avoidance behaviour with the title "Private Relations Transactions Against Tax Aggressiveness in Property Companies with Institutional Ownership as a Moderating Variable" with a sample of Property and Real Estate companies listed on the Indonesia Stock Exchange (IDX) during the 2020, 2021 and 2022 periods.

METHOD

This study aimed to determine the relationship between the independent variables, namely special sales transactions, special purchase transactions, and special loan transactions, on the dependent variable, namely tax aggressiveness. In addition, this study also added a moderating variable, namely institutional ownership, which aims to evaluate whether institutional ownership will strengthen or weaken the influence of the independent variables on the dependent variable. This research was conducted at property companies listed on the Indonesia Stock Exchange for 2020, 2021 and 2022. The data was taken from the annual financial reports of several companies that have been selected based on predetermined criteria. The data type used is quantitative data; the data source comes from secondary data. The financial statements analyzed in this study are audited and published financial reports. This annual financial report is obtained from the property company's official website, which is published on the website www.idx.co.id. The population in this study was taken from the property and real estate companies listed on the Indonesia Stock Exchange in 2020, 2021 and 2022. However, not all industries were taken as samples because sampling was based on predetermined criteria. This study uses a sampling method called purposive sampling, which specifically selects samples based on certain criteria relevant to the research objectives.

This study's population consists of property sector companies listed on the Indonesia Stock Exchange in 2020-2022, with 85 companies. This study uses a sampling technique, usually called a purposive sampling technique. Sampling is based on predetermined criteria with a sample of property companies listed on the IDX for 2020-2022. The sampling criteria are as follows:

1. The company is in a profit/earning profit during the 2020-2022 period
2. The company is listed on the Indonesia Stock Exchange for 2020-2022.

3. The company has related transactions.
4. The company has complete financial reports

Based on the criteria above, 18 property companies met the criteria and obtained 54 sample data.

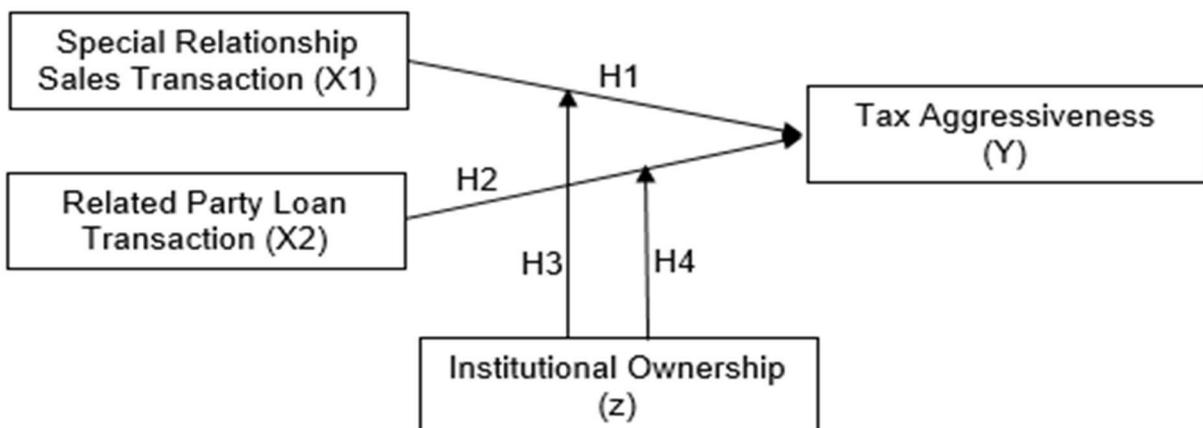
Tabel 1. Tabel Sampel

Sample selection result	Amaount
Registered real estate company indonesia stock exchange (idx) 2023	85
Criteria	
Property companies that are not listed on idx 2020-2022	-10
The company does not have complete financial statements	-10
The company is not in a condition of makin a profit	-40
The compani does not have relate transaction	-7
Number of companies that meet the criteria	18

Source: Processed data, 2023

After elaborating on the previous background, the following are the conceptual framework and hypotheses used to describe the research variables:

Figure 1 Conceptual Framework



Source: Processed data, 2023

H1: Sales transactions with related parties affect tax aggressiveness

H2: Special relationship loan transactions affect tax aggressiveness

H3: Institutional ownership can moderate the relationship between preferential sales transactions and tax aggressiveness

H4: Institutional ownership can moderate the relationship between preferential purchase transactions and tax aggressiveness.

Results and Discussion

This study uses a data normality test to determine whether residual values are normally distributed. In this study, a data normality test is used. The normality test aims to ascertain

how the research variable data is distributed (Lutfiana, 2021). The following are the results of the Kolmogorov-Smirnov test using SPSS version 26:

Tabel 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		33
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.01533622
Most Extreme Differences	Absolute	.133
	Positive	.133
	Negative	-.107
Test Statistic		.133
Asymp. Sig. (2-tailed)		.146 ^c

a. Test distribution is Normal.

Source: Secondary data processed, 2023

A significant value of $0.146 > 0.05$ was obtained using the Kolmogorov-Smirnov test results in Table 2. In line with the assumptions needed to apply the regression model, this indicates that the data is normally distributed. In addition, the pattern of the graph dots shows a distribution that closely resembles a diagonal line and corresponds to the line pattern, indicating that the data is normally distributed.

After that, the next test is multicollinearity. According to Gozali (2011), the multicollinearity test determines whether the independent variables in a regression model are correlated or have a relationship. The regression model is considered successful if there are no signs of multicollinearity. If the Variance Inflation Factor (VIF) value is less than 10 and the tolerance value is greater than 0.10, then the regression model is considered free from multicollinearity symptoms.

Table 3. Test Multicollinearity

Model		Collinearity Statistics		Keterangan
		Tolerance	VIF	
1	(Constan)			
	Sales of Related Parties	.935	1.069	Free from Multicollinearity
	Related Party Lending	.969	1.036	Free from Multicollinearity
	Institutional Ownership	.969	1.036	Free from Multicollinearity

Source: Secondary data processed, 2023

Table 3 above shows no symptoms of multicollinearity according to the results of the multicollinearity test processed using SPSS version 26. This is because in the coefficient table in the collinearity statistics, the tolerance value is greater than 0.10, and the VIF value for all variables is less than 10. In addition, the Durbin-Watson test (D-W test) can be used to identify the presence or absence of autocorrelation symptoms as follows:

Tabel 4. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.471 ^a	.222	.142	.016110	2.208

It is known that the Durbin-Watson value (dw) is 2.208 based on the "Model Summary" output table shown above, which is higher than the DU value of 1.6511. If the value of $du < DW < 4 - du = 1.6511 < 2.208 < 2.3489$, then the regression model is either free or there is no autocorrelation test. Therefore, the residual data is free of autocorrelation.

Table 5. T test results

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.021	.004		5.695	.000
	Sales of Related Parties	-.090	.075	-.199	-1.195	.241
	Related Party Lending	-.071	.033	-.359	-2.153	.040

a. Dependent Variable: Tax Aggressiveness

Source: Secondary data processed, 2023

Test Moderated Regression Analysis (MRA) was used in this study to test the null hypothesis with a moderating variable, and the following results were obtained:

Tabel 6. MRA test results

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	.006	.017		.366	.717
X1Z	.050	.494	.094	.101	.920
X2Z	-.106	.213	-.389	-.497	.623

a. Dependent Variable: Agresivitas Pajak

Source: Secondary data processed, 2023

The Influence of Related Sales Transactions on Tax Aggressiveness

Table 5 shows the significance value of 0.241 for the related sales transaction variable, indicating that the value is more than 0.05. In other words, the volume of related sales transactions has no impact on the level of tax evasion. In other words, the company's tax avoidance method is not affected by the volume of sales transactions made through a special relationship. Can be concluded from the t value of -1.195 and the B value of -0.090. Thus, it can be concluded that there is no significant relationship between the frequency of sales transactions in related parties and tax evasion.

The existence of the Director General of Taxes Regulation Number 32 of 2011, which mandates business actors (taxpayers) to use fair prices in transactions between related parties, is one of the factors that influence the results of this study. In order to ensure the

fair market value of related parties, the tax authorities also have the right to evaluate the transaction's fairness using comparative data from internal and external sources. The practice of tax avoidance (tax aggressiveness) through sales transactions in related parties has been successfully minimized by this limitation and the tax authority's easy access to comparative data.

The results of this study are in line with previous research conducted by (Lubis, Ummayro, & Sipahutar, 2022) and Zubaidah & Satyawati (2018), which showed that there was no effect between special sales transactions on tax evasion (tax aggressiveness). However, these results differ from the findings of other studies, namely (Surjana, 2020) and Istiqomah & Trisnaningsih (2022), which state that sales transactions with special relationships significantly affect tax evasion.

Effect of Special Relationship Loan Transactions on Tax Aggressiveness

Table 5 shows that the significance value is 0.040 for the related lending transaction variable, indicating that the value is less than 0.05. While the t value is -2.153 and the B value is -0.071. In other words, the volume of related lending transactions affects the level of tax evasion. In other words, the tax avoidance method used by a company is influenced by the volume of borrowing transactions it does through special relationships.

These results indicate that when there is an increase in special lending transactions, the value of the Effective Tax Rate (ETR) will also increase. Conversely, if there is a decrease in lending transactions, the Effective Tax Rate (ETR) will tend to decrease. This phenomenon occurs because borrowing transactions carried out by companies with related parties aim to maximize the interest expense earned by the company so that profits subject to tax can be reduced to a lower level. Thus, using external funding sources such as company loans has the potential to cause interest costs which can reduce taxable profits (Zhang, et al., 2020)

The results of this study support previous research by Syahputra & Abdani (2023), which showed that tax aggressiveness is affected by related party loan transactions. However, it differs from the research conducted by Zubaidah & Satyawati (2018), and Nurariza (2019), which states that related lending transactions do not significantly affect tax aggressiveness.

Institutional Ownership as a Moderating Variable

The Moderation Regression study (MRA) test in Table 6 shows that the X1Z variable has a significant result of 0.920, which is substantially higher than the specified level of significance (0.920 > 0.05). In addition, the t-value for this variable is 0.101. Thus, institutional ownership cannot moderate the effect of related sales transactions on tax aggressiveness.

This is because when institutional ownership increases, more optimal supervision will be created, and there will be pressure on management to implement tax rate efficiency policies to achieve maximum profit. Therefore, along with the increasing influence of institutional owners in controlling the company, the possibility of financial fraud behaviour, including tax evasion by internal management, will tend to decrease (Sanchez & Mulyani, 2020).

The company's tax will increase along with the proportion of institutional ownership. This phenomenon occurs because the possibility of companies practising tax avoidance will decrease. Institutional owners, in this case, having a majority of voting rights, can influence company management to concentrate more on the company's success and ignore opportunities that may benefit themselves, such as tax aggressiveness (Sarpingah & Purba, 2019). Therefore, in this study, the effect of related sales transactions on tax aggressiveness cannot be significantly moderated by institutional ownership variables. These results suggest that other factors may be more influential in explaining tax avoidance practices in the context of institutional ownership and special sale transaction relationships.

Furthermore, the results of the Moderation Regression Analysis (MRA) test for the moderating variable X2Z showed a significant result of 0.623, which was substantially higher than the established level of significance ($0.623 > 0.05$). With these results, the Institutional Ownership variable cannot moderate the effect of lending transactions in special relationships on tax aggressiveness.

Institutional ownership often involves strict external monitoring of corporate actions. This strict supervision encourages companies to comply with applicable tax rules and regulations. However, on the other hand, high levels of debt ownership are considered unfavourable for companies by investors. Thus, in this study, the effect of related lending transactions on tax aggressiveness cannot be significantly moderated by institutional ownership variables.

CONCLUSION

Then, in this study, the effect of related sales and special purchase transactions on tax aggressiveness could not be significantly moderated by institutional ownership variables. The company's tax will increase along with the proportion of institutional ownership. This phenomenon occurs because the possibility of tax avoidance practices carried out by companies will decrease. After all, when institutional ownership increases, more optimal supervision will be created, and there will be pressure on management to implement tax rate efficiency policies to achieve maximum profit.

Suggestions for future research so they can examine different objects, for example, in the manufacturing, banking, mining and infrastructure sectors. In addition, subsequent

researchers can replace or add independent variables such as audit committees, company size, and independent commissioners and replace moderating variables such as managerial ownership, audit quality and political connection.

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THE EFFECT OF DISCOUNT AND SHOPPING LIFE STYLE ON IMPULSE BUYING WITH POSITIVE EMOTION AS AN INTERVENING VARIABLE ON THE SHOPEE SHOPPING PLATFORM

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ABSTRACT

Business that employs an online store using the Shopee platform is Ghealsy.id. The aim of this study is to ascertain: (1) whether Discounts have an influence on Impulse buying, (2) whether Shopping lifestyle has an influence on Impulse buying, (3) whether Positive emotions have an influence on Impulse buying, (4) whether Discounts have an influence on Positive emotions, (5) whether Shopping lifestyle has a positive influence on Positive emotions, (6) whether Discounts have an influence on Impulse buying through Positive emotions as an Intervening Variable, and (7) whether Shopping lifestyle has an influence on Impulse buying through Positive emotions as an Intervening Variable. This study employs a quantitative (numeric) approach with 100 respondents as its sample. The results of this research demonstrate that: (1) Discounts have an effect on Impulse buying, (2) Shopping lifestyle does not have an effect on Impulse buying, (3) Positive emotions have an effect on Impulse buying, (4) Discounts have an effect on Positive emotions, (5) Shopping lifestyle has a positive effect on Positive emotions, (6) Through Positive emotions as an Intervening Variable, Discounts have an effect on Impulse buying, and (7) Through Positive emotions as an Intervening Variable, Shopping lifestyle has an effect on Impulse buying

Keywords: Discount, Shopping Lifestyle, Positive Emotion, Impulse Buying

ABSTRAK

Bisnis yang menggunakan toko online dengan menggunakan platform Shopee adalah Ghealsy.id. Penelitian kali ini bertujuan untuk mengetahui (1) *Discount* memiliki pengaruh terhadap *Impulse buying* (2) *Shopping life style* memiliki pengaruh terhadap *Impulse buying* (3) *Positive emotion* memiliki pengaruh terhadap *Impulse buying* (4) *Discount* memiliki pengaruh terhadap *Positive emotion* (5) *Shopping life style* memiliki pengaruh *Positive emotion* (6) *Discount* memiliki pengaruh terhadap *Impulse buying* melalui *Positive emotion* sebagai Variabel Intervening (7) *Shopping life style* memiliki pengaruh terhadap *Impulse buying* melalui *Positive emotion* sebagai Variabel Intervening. Penelitian ini menggunakan metode pendekatan secara kuantitatif (numerik) dengan 100 responden sebagai sampelnya. Hasil penelitian ini menunjukkan bahwa (1) *Discount* berpengaruh terhadap *Impulse buying* (2) *Shopping life style* tidak berpengaruh terhadap *Impulse buying* (3) *Positive emotion* berpengaruh terhadap *Impulse buying* (4) *Discount* berpengaruh terhadap *Positive emotion* (5) *Shopping life style* berpengaruh *Positive emotion* (6) Melalui *Positive emotion* sebagai Variabel Intervening *Discount* berpengaruh terhadap *Impulse buying* (7) Melalui *Positive emotion* sebagai Variabel Intervening *Shopping life style* berpengaruh terhadap *Impulse buying*.

Kata Kunci: Diskon, Gaya Hidup Belanja, Emosi Positif, Pembelian Impuls



Introduction

The development of retail business in Indonesia is also accompanied by the rapid advancement of information technology. As a result, many conventional retail businesses are transitioning to modern retail businesses using digital platforms. Digital economy is widely embraced by pioneering companies, often referred to as startup companies. According to Boyoung (2018), a Startup Business is created to launch new products or services in uncertain conditions. With the presence of retail startups, businesses are now expanding their market share from conventional sales to modern methods, one of which is app-based marketing.

The prevalent method of app-based marketing nowadays utilizes platforms known as e-commerce. Examples of e-commerce platforms in Indonesia include Shopee, Tokopedia, Lazada, Bukalapak, and others. Based on www.goodstats.id (2022), 77% of the e-commerce platform preference in Indonesia still belongs to Shopee compared to seven similar competing platforms. In 2022, Shopee's revenue saw an increase of 64.4%, reaching approximately 1.5 billion dollars. One interesting aspect of Shopee is its large following in comparison to similar competitors, as Shopee is closely associated with fashion-related sales such as clothing, shoes, and bags, unlike its counterparts like Tokopedia, Bukalapak, and others, which predominantly sell non-fashion necessities like electronics and automotive spare parts

An example of a retail business utilizing the Shopee shopping platform is Ghealsy. Ghealsy operates an online store on Shopee and has earned the title of "star seller" due to its high sales intensity. Additionally, Ghealsy's Shopee online store boasts the largest number of followers, totaling 299.2 thousand, surpassing the top 2 other clothing online stores on Shopee, namely Prabujaya and Clodia

Ghealsy leverages the phenomenon of impulse buying to increase its sales volume. According to Solomon (2007), impulse buying refers to when consumers make spontaneous purchases driven by certain factors. Ghealsy's customers tend to engage in impulse buying when the store offers products at discounted prices during specific periods and releases new products that align with ongoing trends.

According to Tjiptono (2008), the discount offers provided by Ghealsy to its customers include examples such as discounts on special dates, holiday discounts, early-month discounts, anniversary discounts, new product launch discounts, and clearance sale discounts in the form of flash sales. This phenomenon aligns with previous research as stated by Sari (2018), where Price Discount has a positive and significant influence on

impulse purchasing. However, in contrast to the study by Bambang et al (2023), it is shown that discounts actually have a negative and insignificant influence on impulse buying.

Aside from discounts, the shopping lifestyle phenomenon can also influence impulse buying among consumers who use the Shopee platform for shopping. Shopping lifestyle can be described as how consumers allocate their time and finances to obtain what they desire. This is in line with prior research by Padmasari and Widyastuti (2022) that shows Shopping lifestyle significantly affects impulse buying. However, in contrast to the study by Umboh et al (2018), it is indicated that Shopping lifestyle does not have a significant influence on impulsive purchases.

To enhance impulse buying, Ghealsy also strives to trigger emotional responses from consumers during special offers, including positive emotions. According to Saputro (2019), positive emotion is a characteristic that someone possesses to support a decision. Such decisions can aid consumers in making product purchases based on their interests.

METHODS

The approach utilized in this study employs a quantitative approach, which involves research that employs numerical statistical analysis and data collection methods that are objective (Sugiyono, 2015). The population used in this research consists of all Ghealsy consumers who have made purchases through the Shopee online store at Ghealsy.id, the exact number of which is unknown. Meanwhile, the sample used follows Cooper & Emory's (1996) method and consists of 100 respondents. The respondent criteria are as follows: (1) A minimum age of 17 years, (2) Having shopped at Ghealsy through the Shopee platform within the period of March to May 2023, (3) Having made impulsive purchases at Ghealsy, and (4) Having purchased Ghealsy products, specifically clothing.

The research is conducted in Malang, East Java. The choice of Malang as the research location is due to Ghealsy's research subject being located at Jalan Raya Jetis No.19A Mulyoagung, Dau Malang. The research was conducted over a span of 4 months, from March to June 2023, which includes literature collection for proposal development to the publication process.

The data analysis technique employs quantitative or numerical measurement methods using a Likert scale ranging from 1 to 5 (strongly disagree - strongly agree). The data analysis method involves path analysis, utilizing the SmartPLS data processing tool.

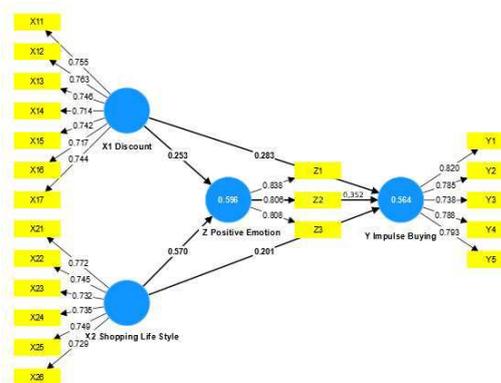
RESULT AND DISCUSSION

A. Outer Model Measurement

a. Validity Test

1.1 Loading Factor

Image 1. Structural Model



Source: SmartPLS Output (2023)

Based on the output diagram from SmartPLS regarding the loading factors, all indicators of each variable can reflect Discount (X1), Shopping Lifestyle (X2), Positive Emotion (Z), and Impulse Buying (Y) as the values of each indicator towards their respective variables are > 0.7, thus considered valid.

1.2. Fornell Lacker

Table 1. Fornel Lacker

	X1 (Discount)	X2 (Shopping Life Style)	Y (Impulse Buying)	Z (Positive Emotion)
X1 (Discount)	0,740			
X2 (Shopping Life Style)	0,719	0,752		
Y (Impulse Buying)	0,660	0,669	0,785	
Z (Positive Emotion)	0,663	0,762	0,690	0,818

Source: SmartPLS Output (2023)

As can be seen from the above Fornell-Lacker table, the results indicate that the discount variable has a value of 0.740, which is greater than the other variables. Similarly, shopping lifestyle has a value of 0.752, impulse buying has a value of 0.785, and positive emotion has a value of 0.818. The results from the table above demonstrate that discriminantly, the constructs of Fornell-Lacker indicators used to measure the research variables are declared valid.

1.3. Cross Loading

Table 2. Cross Loading

Variabe	X1 (Discount)	X2 (Shopping Life Style)	Y (Impulse Buying)	Z (Positive Emotion)
X11	0,755	0,658	0,491	0,602
X12	0,763	0,555	0,560	0,585
X13	0,746	0,572	0,576	0,453
X14	0,714	0,480	0,480	0,454
X15	0,742	0,543	0,443	0,492
X16	0,717	0,403	0,419	0,421
X17	0,744	0,466	0,415	0,372
X21	0,585	0,772	0,419	0,578
X22	0,639	0,745	0,458	0,581
X23	0,539	0,732	0,494	0,552
X24	0,515	0,735	0,505	0,526
X25	0,489	0,749	0,573	0,539
X26	0,446	0,729	0,525	0,579
Y1	0,562	0,540	0,820	0,490
Y2	0,492	0,489	0,785	0,572
Y3	0,541	0,499	0,738	0,491
Y4	0,495	0,553	0,788	0,584
Y5	0,503	0,542	0,793	0,569
Z1	0,616	0,658	0,564	0,838
Z2	0,518	0,620	0,591	0,806
Z3	0,485	0,561	0,537	0,808

Source: SmartPLS Output (2023)

Based on the cross loading table above, it is evident that all cross loading values of the indicators for each variable towards the intended construct are higher compared to the cross loading values towards other constructs. This indicates that the outer model used is declared valid.

1.2 Reliability Test

Table 3. Reliability Test

	Cronbach Alph	Composite Realibility	Average Variance
X1 (Discount)	0,863	0,895	0,548
X2 (Shopping Life Style)	0,838	0,881	0,553
Y (Impulse Buying)	0,844	0,889	0,617
Z (Positive Emotion)	0,752	0,858	0,668

Source: SmartPLS Output (2023)

Based on the reliability test table above, it is evident that the Cronbach's alpha value for the discount variable is 0.863 (> 0.6), the AVE value for discount is 0.548 (> 0.5), and the composite reliability value is 0.895 (> 0.8). Similarly, for the shopping lifestyle variable, the Cronbach's alpha value is 0.838 (> 0.6), the AVE value is 0.553 (> 0.5), and the composite reliability value is 0.881 (> 0.8). Furthermore, for the impulse buying variable, the Cronbach's alpha value is 0.844 (> 0.6), the AVE value is 0.617 (> 0.5), and the composite reliability value is 0.889 (> 0.8). Lastly, for the positive emotion variable, the Cronbach's alpha value is 0.752 (> 0.6), the AVE value is 0.668 (> 0.5), and the composite reliability value is 0.858 (> 0.8). This implies that the research instruments used are valid.

B. Inner Model Measurement

1. R-Square (R²)

Table 4. R-Square (R²)

	R-Square	R-Square Adjusted
Y (Impulse Buying)	0,564	0,550
Z (Positive Emotion)	0,596	0,588

Source: SmartPLS Output (2023)

According to the R-Square table above, it shows that the R-Square value for positive emotion (Z) is 0.596. This means that 59.6% of the variance in positive emotion (Z) is explained by discount and shopping lifestyle. The remaining 40.4% is accounted for by other latent constructs that are not considered in this research. Meanwhile, the R-Square value for impulse buying (Y) is 0.564. This indicates that 56.4% of the variance in impulse buying (Y) is explained by discount, shopping lifestyle, and positive emotion. The other unconsidered latent constructs account for 43.6%.

2. Effect Size

Table 5. F Square Table

	X1 (Discount)	X2 (Shopping Life Style)	Y (Impulse Buying)	Z (Positive Emotion)
X1 (Discount)			0,082	0,077
X2 (Shopping Life Style)			0,032	0,390
Y (Impulse Buying)				
Z (Positive Emotion)			0,115	

Source: SmartPLS Output (2023)

Based on the F Square table above, it is indicated that the f² value for the relationship between discount and impulse buying is 0.082. From these results, it can be inferred that discount has a moderately significant influence on impulse buying. Similarly, the f² value for the relationship between shopping lifestyle and impulse buying is 0.031.

This suggests that shopping lifestyle has a weak to moderately significant influence on impulse buying. Next, the f² value for the relationship between positive emotion and impulse buying is 0.115. This indicates that positive emotion has a moderately significant influence on impulse buying. Furthermore, the f² value for the relationship between discount and positive emotion is 0.007. This suggests that discount has a somewhat significant influence on positive emotion. Similarly, the f² value for the relationship between shopping lifestyle and positive emotion is 0.390. This result explains that shopping lifestyle strongly influences positive emotion.

3. Q Square (Q²)

The Q Square will further elucidate the value of Goodness of Fit (GoF). The Goodness of Fit (GoF) value is calculated manually. As per the formula provided by Tenenhaus (2004)

$$GoF = \sqrt{AVE \times R^2}.$$

for R² = 0,564 obtained:

$$GoF_{discount} = \sqrt{0,548 \times 0,564} = 0,556$$

$$\text{GoF shopping life style} = \sqrt{0,553 \times 0,564} = 0,558$$

$$\text{GoF positive emotion} = \sqrt{0,668 \times 0,564} = 0,614$$

Untuk $R^2 = 0,596$ obtained:

$$\text{GoF discount} = \sqrt{0,548 \times 0,596} = 0,571$$

$$\text{GoF shopping life style} = \sqrt{0,553 \times 0,596} = 0,574 \dots\dots\dots(1)$$

According to Tenenhaus (2004), GoF values are as follows: small GoF = 0.1, medium GoF = 0.25, and large GoF = 0.38. Based on the calculated results above, it is evident that the GoF value for the impulse buying construct explained by discount and shopping lifestyle through positive emotion is greater than 0.38. Therefore, the structural model satisfies the Goodness of Fit (GoF) criterion and is considered acceptable.

C. Hypothesis Test

Table 6. Hypothesis Test

Variabel	Original Sample	T Statistics	P Values	Kesimpulan
Direct Effect				
X1 -> Y	0,283	2,367	0,018	Signifikan
X1 -> Z	0,253	2,879	0,004	Signifikan
X2 ->Y	0,201	1,610	0,108	
X2 -> Z	0,570	5,970	0,000	Signifikan
Z ->Y	0,352	3,105	0,002	Signifikan
Specific Direct Effect				
X1 -> Z -> Y	0,089	2,070	0,039	Signifikan
X2 -> Z -> Y	0,201	2,676	0,007	Signifikan

Source : SmartPLS Output (2023)

Based on the structural equations formed in Path 2, Discount has a positive value of 0.283 units. Thus, the first hypothesis of this research, H1, stating that "discount influences impulse buying," is **accepted**.

Based on the structural equations formed in Path 2, Shopping Lifestyle has a positive value of 0.253 units. Therefore, the second hypothesis of this research, H2, stating that "Shopping Lifestyle influences impulse buying," is **rejected**.

Based on the structural equations formed in Path 2, positive emotion has a positive value of 0.352 units. Hence, the third hypothesis of this research, H3, stating that "positive emotion influences impulse buying," is **accepted**.

From the formed structural equations, it's known that the path coefficient of Discount has a positive value of 0.253 units. Therefore, the fourth hypothesis of this research, H4, stating that "discount influences positive emotion," is **accepted**.

The path coefficient of Shopping Lifestyle has a positive value of 0.570 units. This indicates that Shopping Lifestyle has a positive influence on positive emotion. Hence, the fifth hypothesis of this research, H5, stating that "Shopping Lifestyle influences positive emotion," is **accepted**.

Similarly, the indirect influence of discount on impulse buying through positive emotion ($X1 \rightarrow Z \rightarrow Y$) has a positive value of 0.089, with a t-statistics value of 2.070 (> 1.96), and a Sig. value of 0.039 (< 0.05), which proves the mediating role of positive emotion in the influence of discount on impulse buying. Thus, the seventh hypothesis of the research (H6), stating that "Discount influences Impulse buying mediated by Positive Emotion," is **accepted**.

Likewise, the indirect influence of Shopping Lifestyle on impulse buying through positive emotion ($X2 \rightarrow Z \rightarrow Y$) has a positive value of 0.201, with a t-statistics value of 2.676 (> 1.96), and a Sig. value of 0.007 (< 0.05), which demonstrates the mediating role of Positive Emotion in the influence of Shopping Lifestyle on impulse buying. Hence, the seventh hypothesis of the research (H7), stating that "Shopping Lifestyle influences Impulse buying mediated by Positive Emotion," is **accepted**.

CONCLUSION

In this study, it can be concluded that:

1. Discount has a positive and significant influence on Impulse Buying.
2. Shopping Lifestyle has a positive influence but is not significant on impulse buying.
3. Positive emotion has a positive and significant influence on impulse buying.
4. Discount has a positive and significant influence on positive emotion.
5. Shopping Lifestyle has a positive and significant influence on positive emotion.
6. Discount has a positive and significant influence on impulse buying through positive emotion.
7. Shopping Lifestyle has a positive and significant influence on impulse buying through positive emotion.

Suggestion

- a. For Ghealsy.id

Based on the conclusions presented above, it can be observed that the majority of respondents from Ghealsy.id are students, most of whom do not yet have their own income and tend to receive financial support from their parents. Therefore, Ghealsy provides special offers for students, such as exclusive discounts during school breaks.

- b. For Future Researchers

For future researchers, it is recommended to include additional variables in subsequent studies. Since impulsive buying is not solely influenced by discount, shopping lifestyle, and positive emotion, including more factors could lead to improved research outcomes that can be compared with the findings of this study.

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DOES TALENT MANAGEMENT AFFECT ORGANIZATION PERFORMANCE IN ELECTRONICS MANUFACTURING BATAM?

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ABSTRACT

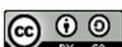
The research focuses on the influence of talent management on organizational performance, mediated organizational commitment and moderation of transformational leadership. This study is a quantitative study that distributes questionnaires to employees of electronics manufacturing companies in Batam City of 352 respondents, analyzed using the SmartPLS method. The results of the research show that talent management has a significant influence on organizational performance through direct influence tests and its influence becomes insignificant and not mediated by organizational commitment. Organizational commitments, consisting of the dimensions of affective commitment, continuance commitment and normative commitment also have a significant impact on organizational performance, suggesting that employees who are committed to the organization tend to make a better contribution to the company's performance. Transformational leadership has a significant influence on organizational performance directly, when tested as a moderation variable its influence becomes insignificant. This research gives some recommendations; the importance of employee development through training and talent development to improve company performance.

Keywords: Talent Management, Organizational Performance, Batam City

ABSTRAK

Penelitian ini berfokus pada pengaruh talent management terhadap kinerja organisasi, dimediasi komitmen organisasi dan moderasi kepemimpinan transformasional. Penelitian ini adalah penelitian kuantitatif yang menyebarkan kuesioner kepada karyawan perusahaan manufaktur elektronik di Kota Batam sebanyak 352 responden. Dianalisis menggunakan metode SmartPLS. Hasil penelitian menunjukkan bahwa talent management memiliki pengaruh yang signifikan terhadap kinerja organisasi melalui uji pengaruh langsung dan pengaruhnya menjadi tidak signifikan ketika dimediasi oleh komitmen organisasi. Komitmen organisasi, terdiri dari dimensi affective commitment, continuance commitment, dan normative commitment, juga memiliki dampak yang signifikan terhadap kinerja organisasi sehingga menunjukkan bahwa karyawan yang komit terhadap organisasi cenderung memberikan kontribusi yang lebih baik terhadap kinerja perusahaan. Kepemimpinan transformasional memiliki pengaruh yang signifikan terhadap kinerja organisasi secara langsung, saat diuji sebagai variabel moderasi pengaruhnya menjadi tidak signifikan. Penelitian ini memberikan beberapa rekomendasi; pentingnya pengembangan karyawan melalui pelatihan dan pengembangan bakat untuk meningkatkan kinerja perusahaan.

Kata Kunci: Manajemen Bakat, Kinerja Organisasi, Kota Batam



INTRODUCTION

The global electronics manufacturing market is estimated to be worth \$948.78 billion by 2020, with a combined annual growth rate of 5.4% higher than in 2015. In the era of Covid-19, there was a so-called lockdown condition that created a huge level of demand for electrical products, because whatever activity existed at that time made everyone engage in online mode on a large scale (Silalahi, 2014). Reports obtained from Global News Wire show that the impact of the global Covid-19 pandemic has greatly affected the need for electronics, which makes electronics manufacturing companies have a huge contribution to the world.

The manufacturing sector also contributed the largest contribution to the national gross domestic product (GDP) in the second quarter of 2021, which was 17.34% and 1.57% of the figure is the contribution of the manufacturing industry of electronics, optics, metals, computers, as well as other electrical appliances. It's confirmed in the press release of the Ministry of Industry (Gumiwang, 2021)

Batam City is known for its industrial sector growing very rapidly and it is estimated that the economy in Batam because of its considerable resources will develop well and based on the portrait of the labour force in 2020 according to data from Badan Pusat Statistik Kota Batam (2020) The number of the laborers was 74,545.

There's a great chance that the electronics manufacturing company in Batam has a 70% area that is largely controlled by electronic manufacturers. Electronics manufacturing companies in Batam City have had a huge contribution because in 2018 the world's crude oil prices suffered a decline that at the previous time in Batem City the most developed company was the shipping industry. It's said to have a big contribution because at the time of crude oil prices falling, the big thing that gave a high selling value at that time was electronics manufacturing itself. The contribution of electronics manufacturing in Batam City also played a major role in modeling the application of technology in the era of Industry 4.0 revolution (Yuswardi & Chrisjunianti, 2022).

The contribution of this electronics manufacturing has become a benchmark for Indonesia, especially the city of Batam, to have innovation in order to face the challenges of competition both internally and externally. It must make the electronics manufacturing itself show even better performance in order to be able to face the competition, by having superior and competent human resources (HR) (Faqih A, 2019).

Talent management is the implementation of strategies designed to increase corporate productivity, develop, maintain and utilize human resources (HRMs) that have skill and talent of high value (Kosir, et al 2021). However, according to Ismaila Bolarinwa & A Lukman

(2017) talent management is a change naturally also related to human resources (HR) so refers to expertise and skills marked to improve the performance of companies in competing in the world of business.

According to Syardiansyah, *et al* (2023), said that organization commitment is the competence of the individual in binding himself to the vision of the company's mission and it also reflects the personality of a person in giving his performance to the company. According to Almaaita, *et al* (2020), the human resources (HRM) in companies must have a bond called commitment, both emotionally, identification, and the individual's own involvement. And according to Astuti & Amalia (2021), employee adherence to the company's vision and mission is also part of the organization's commitment.

In a study conducted by Almaaitah, *et al* (2020) defined that transformational leadership is a style of leadership that performs identification, rolling out the latest progressive changes in the company which will improve the performance of the company.

Corporate performance is defined as the end of all forms of business phases with cooperation between companies with working and committed human resources (HRMs) and having leaders who are capable of implementing a good management system (Fidianingrum & Sukarno, 2021). And, performance is meant to be a comparison between the results of work and the standard of the provisions that have been made and this is assessed to influence the contribution of employees to the organization (Putri et al., 2020).

The question raised in this study is whether electronics manufacturing companies in Batam City have strategies in managing human resources management (HRM) that they have to be able to compete and survive globally and nationally. As one of the best initiatives at the moment to attract and maintain human resources (HRM) that have expertise and talent with the best value is to use a talent management system.

And this study aims to analyze the influence of talent management on organizational performance, using mediation of organization commitment and moderated with transformational leadership with the research model in Figure 1 below:

Figure 1. Research Model



- H1 : Talent management has a positive impact on organizational performance
- H2 : Talent management has a positive impact on Organization Commitment
- H2a : Affective Commitment variables have a positive impact on Organization Commitments
- H2b : Normative Variable Commitmen have a positive impact on organization performance
- H2c : Continuation Commitment dimensional variable has a positive impact on the Organization commitment.
- H3 : Variable Organization commitment has a positive impact on organizational performance
- H3a : Transformational leadership variables have a positive impact on organizational performance
- H4 : Talent management has a significant positive impact on organizational performance.
- H4a : Talent management is a positive impact on organizational performance mediated by Affective Commitment
- H4b : Talent management has a positive impact on organizational performance mediated by the Continuance Commitment
- H4c : Talent management has a positive impact on organizational performance mediated by normative commitment
- H5 : Transformational leadership as a moderation variable has a positive impact on organizational performance.

METHOD

If viewed from the point of view, this research can belong to basic research that has the aim of developing a previously existing penetration. This research uses quantitative methods and questionnaire scattering as data collection techniques such as table 1 below:

Table 1. Data questionnaire

Variable	Description
Organizational Performance	In the company's performance, the company improves the operational efficiency of various divisions.
	Companies operate to enhance research and development performance Companies become the right container in dealing with complaints and employee advice
	The company provides moral support to employees in their efforts to improve performance.
Normative Commitment	I'm proud to be an employee in the place I work. I'll give you the best performance in the company I work for.
	The presence at work is an indicator of the competence in the work that I prioritize. Corporate problems are my problems, too.
	The company deserves loyalty from me and other employees. I take the company where I work as a home for me
Talent Management	Companies have salaries and incentives to support talented employees The company has selected a talented career to fill a vacant senior position in the future.
	Perusahaan has a culture of developing talented employees well The company facilitates the mission and expertise of talented employees inside and outside the company.
	Corporate management provides training to enhance the skills and knowledge of talented employees In support of talented employees, the company provides the latest technology to develop employees' creativity and innovation.
Transformational Leadership	Corporate leaders convey a positive and clear vision of the mission Leaders canonize employees and give impetus to the development of employees' skills Leaders support staff empowerment
	Corporate leaders encourage employee involvement, employee confidence and collaboration among employees in organizing Corporate leaders support problem solving with the latest methods with the newest methods
	Leaders very clearly present the practices and values of work that leaders have The presence of presence is the competence of the company's fellow employees.
Continuance Commitment	Choosing to stay in the company because it's considered unethical to move jobs.

	I'm not afraid to leave the job at this company if the company makes me uncomfortable
	I'll move a company if I get a higher wage offer without considering anything else in the company.
	It's not too hard for me to get out of the company even though I'm still comfortable.
	I'm proud to reveal that I work for this company
	I have a pleasant feeling and fit working in this company
Affective	This company makes me know my abilities.
Commitment	Because of the company's treatment of employees I feel bound to this company
	I'll work for this company until I retire.

Source :Primary data processed (2023)

Data testing in this study uses the Smart PLS application, by performing tests based on Hair, *et al* (2018) as follows: Outer Model Test, Avarage Extracted Test (AVE), Path Coefficient Test, Total Indirect Effect Test with a specified value.

The total number of respondents was 352 employees, 114 male and 238 female. And, with positions as 146 operators, 55 as technicians, and 151 as staff officers. In determining the number of unknown populations defined and recommended for the sample number minimum 5-10 indicators so that each indicator is multiplied by 10 ($32 \times 10 = 320$) (Hair et al., 2018).

RESULT AND DISCUSSION

Demographic Analysis

The study received as many as 352 respondents through questionnaires distributed to all employees working in electronics manufacturing companies. Table 2 shows a demographic table of respondents, which includes gender, age, last education, position or position in the company as follows:

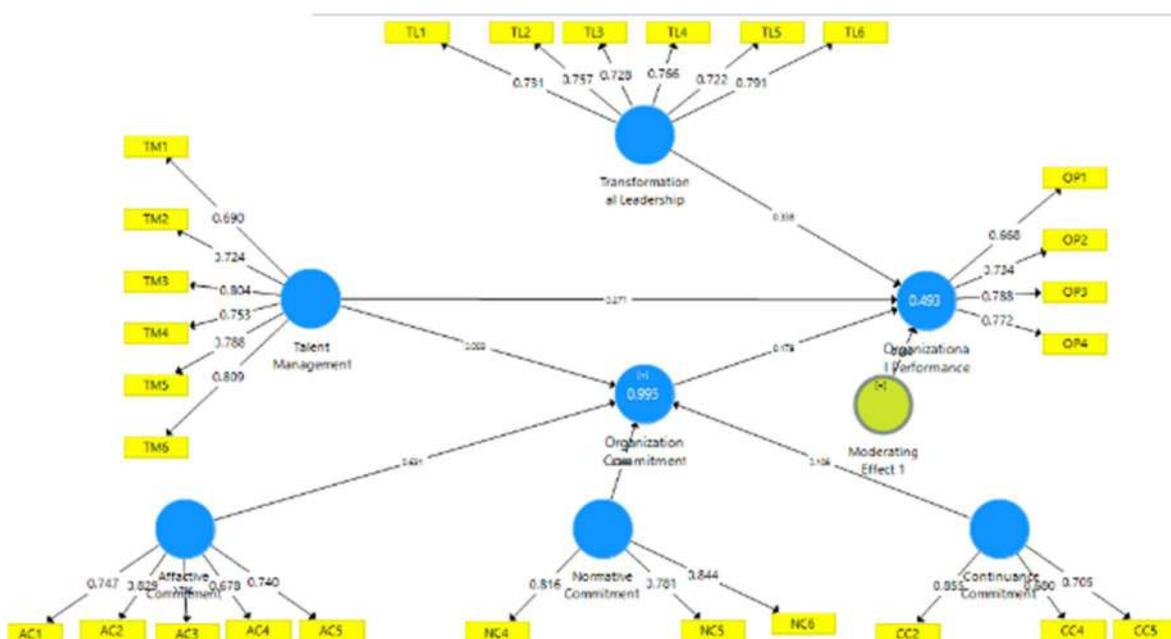
Table 2. Demographic Response

Variable	Kategori	Amount	Percentase
1. Gender Type	Male	114	32,4%
	Female	238	67,6%
	Total	352	100%
2. Age	18-20 Years Old	106	30,1%
	21-23 Years Old	153	43,5%
	24-26 Years Old	68	19,3%
	>26 Years Old	25	7,1%
	Total	352	100%
3. Educational level	High School	233	66,2%
	Diploma 3	12	3,4%
	Bachelor (S1)	101	28,7%
	Postgraduate (S2)	6	1,7%
	Total	352	100%
4. Position	Operator	146	41,5%
	Technician	55	15,6 %
	Staff Officer	151	42,9%
	Total	352	100%

Source: Primary data processed (2023)

Outer Model Testing

Figure 2. Loading Factor Test (Outer loading)



Source: Primary data processed by SmartPLS (2023)

In figure 2 above, the data obtained from the loading factor test test tested using the Smart PLS application there are some valid variables used because the measurement of variables that indicate the validity of each indicator can be said to be valid if the correlation of the determination value above 0.6 (Hair et al., 2018). From the data test above of the 32

questions issued in this study there are 27 questions whose data is declared valid by obtaining a value of more than 0.6.

Avarage Variance Extracted Testing

Table 3. Test Avarage Extracted (AVE)

Indikator	AVE	Description
Affective Commitment	0,576	Valid
Continuance Commitment	0,563	Valid
Moderating Effect 1	1,000	Valid
Normative Commitment	0,663	Valid
Organization Performance	0,486	Invalid
Organizational Performance	0,550	Valid
Talent Management	0,582	Valid
Transformational Leadership	0,562	Valid

Source: Primary data processed by SmartPLS (2023)

The above table 3 shows the overall validity test results, which can be said to be valid if the value of the validity testing results is above 0.005 in drop. And, in the above table also shows that there is 1 variable whose value description is not valid because the value shown on the variable is not more than 0.005.

Inner Model Testing

Table 4. Path Test Coefficient

Path	T-Statistic	P-Value	Conclusion
Affective Commitment -> Organization Commitment	33.176	0.000	Significant
Continuance Commitment -> Organization Commitment	13.167	0.000	Significant
Moderating Effect 1 -> Organizational Performance	0.000	1.000	Not Significant
Normative Commitment -> Organization Commitment	22.845	0.000	Significant
Organization Commitment -> Organizational Performance	2.855	0.004	Significant
Talent Management -> Organization Commitment	0.516	0.606	Not Significant
Talent Management -> Organizational Performance	3.377	0.001	Significant
Transformational Leadership -> Organizational Performance	4.984	0.000	Significant

Source: SmartPLS Processed Primary Data (2023)

The table 4 above is the result of a path coefficient test that has been calculated to determine whether the entire hypothesis has a significant result or not. According to Hair et al., (2018) the stated value is significant if the P-value zero is not more than 0.005. So from the Path Coefficient test results table, then the analysis of the hypothesis that can be explained is as follows:

The impact between Talent management and Organizational Performance, based on the results of research through the Path Coefficient test, shows that H1 has a significant influence by having a P-Value not more than 0.005 which is 0.001. In a study Almaaitah et al., (2020) talent management has a significant influence on organizational performance, in

a study carried out by Barkhuizen, N.E (2021) highlighted that talent management had a strong influence in contributing to company performance..

The impact between Talent management and Organization Commitment, has a P-value of 0.606 which means the value of the relationship between these variables based on the result path coefficient has no significant influence. This is in line with a study by Ilham Safar et al., (2022) that investigated the relationship between talent management and organizational commitment.

The impact between the Affective Commitment variable dimension and the Organization Commitment has a significant influence because it has a P-value of 0,000 or no more than 0.5. This is in line with research by Sandy (2019) which suggests that the well-developed Organizational Commitment dimension is the Affective Commitments dimension.

The impact between the dimensions of the variable Normative Commitment and the performance of the organization, has a P-value of 0,000 which in the sense has a significant influence. This is in line with research by Azka, et al (2020), which explains that most employees at XYZ Regional Jabar have made normative commitment as the basis of their commitment to remain in the XYZ regional Jabar..

The impact between the Continuance Commitment dimension and the Organization Commitment is significant, because it has a P-value of 0,000. It is also supported by research by Azka, *et al* (2020) which suggests that employees tend to bind themselves to their organizations because there is a need that is personal in nature (need to do).

The impact between variable Organization commitment to organizational performance has a significant influence because it has a P-value of 0.004. This is in line with a study by Ismaillah & Prasetyono (2021) on the Impact of Job Satisfaction and Organizational Commitment on Organizational Citizenship Behavior (OCB) on Tiara Supermarket Employees.

The impact between variable transformational leadership and organizational performance gained significant influence based on the path coefficient test results having a value of 0,000 which is not more than 0.005. It is supported by Novitasari & Asbari, (2020) researching the impact of talent management, leadership and employee engagement on employment satisfaction in the automotive industry that exists in Southeast Asia using dependent variables that are job satisfaction, independent variable that is management talent and ownership with having mediation variable employer engagement.

Indirect Effect Testing**Table 5. Total Indirect Effect Test**

Path	T-Statistics	P-Values	Conclusion
Affective Commitment -> Organizational Performance	2.853	0.004	Significant
Continuance Commitment -> Organizational Performance	2.779	0.006	Significant
Normative Commitment -> Organizational Performance	2.830	0.005	Significant
Talent Management -> Organizational Performance	0.486	0.627	Not significant

Source: SmartPLS Processed Primary Data (2023)

The above table 5 is an indirect effect table where the results of this test can be said to be significant or non-significant if the P-value value has a value below 0.005 (Hair et al., 2018). So from the Indirect Effect test results table, then the result of the analysis of the hypothesis that can be explained is as follows:

The impact between talent management and organizational performance based on the results of the indirect effect data test the value obtained is >0.005 which is 0.627 and has no significant description. This is in line with the study Ilham Safar, et al (2022) that investigated the relationship between talents management and organization commitment.

The impact between talent management and organizational performance mediated by affective commitment has a P-value of 0.004 which has a significant influence. This is in line with Sandy (2019) research that suggests that a well-developed dimension of Organizational Commitment is the Affective Commitment dimension.

The impact between talent management and organizational performance mediated by Continuance Performance has a significant influence because it has a P-value of 0.006. This is also supported by research by Azka, et al (2020), which suggests that employees tend to attach themselves to their organizations because there is a need of a personal nature (need to do).

The impact between talent management and organizational performance mediated by normative commitment has a significant value of 0.006. This is in line with the results of the research carried out by Azka, et al (2020). The study states that the majority of employees at XYZ Regional Jabar consider normative commitment as the main factor that makes them want to continue working in the company.

The impact between the transformational leadership variable and the organizational performance is significant because the value of the P-Value is 0,000. This is in line with a study by Windi, et al (2021) that investigated the impact of transformational leadership styles and organizational cultures on employee performance through work motivation as an intervening variable (Case study on PT Empat Angkasa Ekspres).

R Square**Table 6. R Square Test Results**

Variabel Dependen	R Square Adjusted
Organization Commitment	0.995
Organizational Performance	0.487

Source: *SmartPLS Primary Data Processing (2023)*

The above table 6 is a test of the effectiveness of determinas using R Square, and on this data processing there are two variables that come into the calculation of R Square namely; Organization Commitment, Organizational Performance where if the value is 0.75 high, 0.50 moderate, 0.25 low. And on such results organization commitment has a high value of 0.995 or 99.5% where organization commitments have an influence and whereas on the organizational performance value is low. Value 0.487 or 48.7%.

CONCLUSION

The conclusion of this study is that the variable Talent Management has a significant influence on Organizational Performance if seen based on the path coefficient test it can be understood that if in a company that has a good talent management then to get good performance for the company has a much better improvement. Transformational leadership has a significant direct influence and, if drawn into moderation, the resulting influence becomes insignificant, where the leadership style of a leader in a company has an influence on employee performance but this cannot be set as the primary factor affecting employee well-being.

The advice that can be given to the company is that the company can conduct surveys of the performance, desire, and commitment of employees to the firm as well as developments for talent management then this can help the company to know which employees have high potential to improve the company's performance. And, the suggestion for further researchers is that this study can be used as a comparison material for the next study using different objects to get more advanced results than before.

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FACTORS AFFECTING EMPLOYEE PERFORMANCE IN BANK EMPLOYEES BATAM CITY

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ABSTRACT

The study examines the influence of Talent Management, knowledge management, career development, motivation, and competence on employee performance. The object of this research is an employee at a bank in Batam City. The data used was primary data and using Google Forms and collected as many as 233 respondents through the dissemination of questionnaires. The application of SPSS (Statistical Product and Service Solutions) is used as a test tool and the results of research show that talent management and knowledge management have significant and acceptable bets, while on motivation, career development, and competence have insignificant or unacceptable results after the test. This research recommends that this study be developed with the added variables and is expected to support the improvement of employee performance in order to create more potential human resources to create corporate competitiveness.

Keywords: Talent Management, Employee Performance, Banking

ABSTRAK

Penelitian ini menguji pengaruh dari *Talent Management, knowledge management, career development, motivation, dan competence* terhadap *employee performance*. Objek penelitian ini adalah karyawan pada Bank di Kota Batam. Data yang digunakan adalah data primer serta menggunakan Google Form dan mengumpulkan sebanyak 233 responden melalui penyebaran kuesioner. Aplikasi SPSS (*Statistical Product and Service Solutions*) digunakan sebagai alat uji dan hasil penelitian menunjukkan bahwa *talent management* dan *knowledge management* memiliki pengaruh signifikan dan dapat diterima. Sedangkan pada *motivation, career development, dan competence* memiliki hasil tidak signifikan atau tidak dapat diterima setelah di uji. Penelitian ini memberikan rekomendasi agar penelitian ini dikembangkan dengan variabel yang ditambah dan diperkirakan akan mendukung peningkatan kinerja karyawan agar dapat menciptakan sumber daya manusia yang lebih berpotensi untuk menciptakan daya saing perusahaan.

Kata Kunci: Talent Management, Employee Performance Perbankan



INTRODUCTION

Banking is one of the economic centers of every country. Banking plays a very important role in Indonesia, as described in the “UU No.10 Tahun 1998”, namely that “Indonesia has banks that support the implementation of national development, such as improved governance, economic development and national stability”. It's because of the purpose of modernizing the banking that handed over facilities related to the establishment permits of companies moving in banking, also includes the authentication of branch offices. (Simatupang, 2019).

The increase in the number of companies operating in this banking sector will definitely boost the economy in Indonesia. In this case, competition often happens with current circumstances where the driving factor of this competition is how banks have a value that attracts consumers (Sari et al., 2022). The Government of Indonesia has banks whose modality is derived from its own state funds and its establishment is protected by its own laws namely public banks owned by the state such as BRI, BNI, Bank Mandiri and BTN. All of these banks are included in the EIB list that can contribute to APBN as dividends to the state as the owners of the banks (Malika, 2022).

Batam City is one of the cities that has many private banks or state-owned public banks. Banking in Batam City has become one of the business activities that play a role in improving the economy and helping the development of community enterprises. The competition in the banking sector in Batam City is becoming more intense due to consumer demand factors related to ease of access, and the use of the products of the bank itself. Besides, banking services are also competitive in this sector (Yuswardi, 2019).

The demand and the high desire of consumers or the public in Batam City for banking services has become a deterrent of the competition of the banking sector in Batem City. So the performance of employees has become the most influential thing in competition in this sector (Heryenzus & Laia, 2018). Therefore, according to Agustiani (2019) to improve the performance of employees in the banking sector in Batam City, an internal environment management strategy is needed.

The internal environment must include the human resources of the company. The human resources themselves are the groups that will contribute to the company to its vision, mission, and goal (Rintjap et al., 2021). And, the most supportive thing for improvement of internal quality or human resources at the moment is to implement talent management, provide knowledge management, guarantee the existence of career development, competition, motivation that the company guarantees to employees to improve their performance (Khaerana, 2022).

The provision of knowledge related to management, training, and employee talent development provides significant results in improving employee performance in the company. These activities are structured to create effective and efficient competitiveness because it's not just like recruiting but how companies give responsibility to produce employees that have the potential to be profitable and profitable for the company (Setyawan & Nelson, 2020).

Fidianingrum & Sukarno (2021) It defines talent management as a process to ensure that the company has the key sides of talent and the best employees to continue the performance of previous talented employees. So in this case, usually companies not only provide training but also knowledge to cultivate and career development in the presence of talent competition between employees to be more motivated and committed (Karina & Ardana, 2020) .

According to Abdul Hamid, *et al* (2020) strategies in improving employee performance, including by involving employees to acquire knowledge of management and implement it with the aim of enabling employees to deliver their performance to the organization effectively and efficiently. Employee performance can be seen from the quality of knowledge, quantity, to the accuracy of the employee's timing in completing their tasks according to the standards already established by the company.

In addition to the talent management strategy that is one of the strategies in improving employee performance, knowledge management is defined as a system that creates, documents and spreads knowledge in the company. So the human resources are part of the company that will be directly involved in maximizing the purpose. Many companies in the banking sector have implemented knowledge management, but it is necessary to review whether knowledge management can still be a strategy in improving the performance of employees in banking in Batam City (Kardo et al., 2020; Nuridha, 2022).

In a study conducted by Hardjokusumo, *et al* (2022), the range of 2016-2020 performance achievement tends to fluctuate this is stated based on an assessment of employee performance standards. And in his research, employee performance can be influenced by one's career development. He says career development is one of the company's strategies for employees in improving performance.

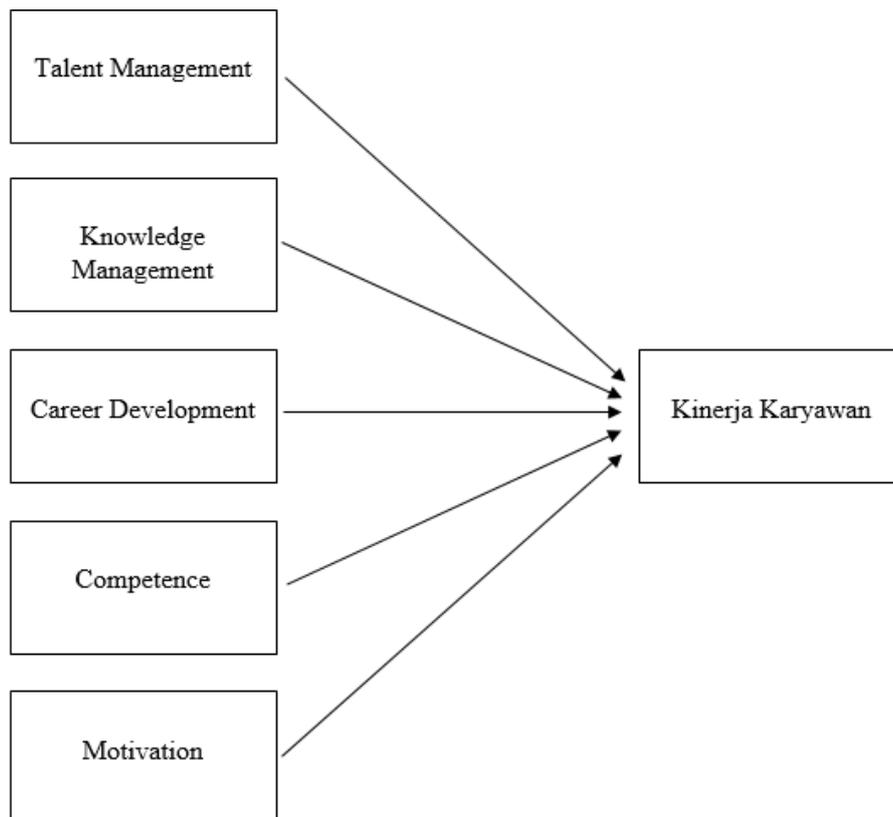
Another startegy in improving the performance of bank employees is motivation and competence. Motivation is defined as the individual's potential strength, whereas competence is the ability of the individual to do something (Dessyarti & Putri, 2022). So, according to Aliando & Noor, (2023), to be able to improve performance is necessary for the company to provide skills training. This is stated because he believes the desire to

compete will grow side by side with the motivation of employees in improving their performance.

In this review, the problem raised in the banking sector in Batam City is the performance of employees that is highlighted on the basis of consumer demand related to the best services and products that banks have. Thus, whether the company is able to develop a strategy to improve the employee performance in order to be able to compete both in terms of development and services in the banks sector.

So whatever the purpose of this research is,:(1) to find out whether there is an influence on managerial talent on employee performance, (2) to know the influence of knowledge management on employees performance, (3) to know whether motivation affects employee's performance, (4) to know if career development can affect employee performance, (5) to see if competence affects employees performance. With a research model like Figure 1 as follows:

Figure 1. Research model



Source :Primary data processed (2023)

METHOD

The object of this research is an employee at a bank in Batam City. Using methods of sampling techniques through the dissemination of questionnaires through Google forms. In

this study there are 5 variables that become independent variables: Talent Management, Career development, Competence, Knowledge management, Motivation and Employee performance as dependent variables. The number of respondents obtained through the dissemination of the questionnaire was 233 respondents consisting of 121 male respondents and 112 female respondents. While, for the last education that graduates of the School of Prevention Top amounted to 114 respondents, diplomas as much as 71 respondents and 48 other respondents graduates. For employee positions as self respondent i.e., as Teller Bank of 77 employees, as Customer Service 85 employees, and 71 employees as Back Office Basic of the determination of the number of respondents is with a number of indicators not specified by counting 23 indicators to $23 \times 10 = 230$ (Hair et al., 2018). Data analysis is carried out using the SPSS (Statistical Product and Service Solutions) program with validity tests, reliability tests, normality tests, T tests.

Result and Discussion

a. Demographic Analysis

This survey gathered as many as 233 respondents obtained through the dissemination of questionnaires and filled in by employees of Bank in Batam City as table 1 below:

Table 1. Demographic Responden

Variable	Description	Amount	Percentage
Gender	Male	121	51,90%
	Female	112	48,10%
Total		233	100%
Last Education	SMA / SMK	114	48,90%
	Diploma	71	30,50%
	Bachelor (S-1)	48	20,60%
Total		233	100%
Department	Teller	77	33%
	Customer Service	85	36,50%
	Back Office	71	30,50%
Total		233	100%

Source :Primary data processed (2023)

b. Validity and Reliability Test

Validity test after outlier data is wasted in the study in the overall indicator is declared valid because it is > 0.6 . Employee Performance (Y), Talent Management (X), Knowledge Management (X), Motivation (X) and Career Development (X).

On the other hand, based on the results of the reliability test in table 2, all variables are reliable values by indicating the resulting alpha value exceeding 0.6 as the limit considered reliable data. (Hair et al., 2018).

Table 2. Reliability Test Results

Variable	Alpha	Conclusion
Employee Performance	0,736	Reliable
Talent Management	0,778	Reliable
Knowledge Management	0,770	Reliable
Motivation	0,735	Reliable
Career Development	0,773	Reliable
Competence	0,865	Reliable

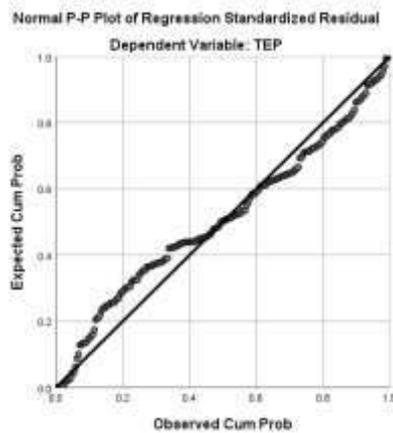
Source :Primary data processed (2023)

c. Classical Assumption Test

Normality Test

In Figure 2, the known normality test this study model meets its assumption because all the points limit diagonal patterns as well as the image shows that independent and dependent variables have a normal distribution, which means the results of the normality test below significant and spread Normal.

Figure 2. Normality Test Result



Source :Primary data processed (2023)

T- Test

This T test is performed to evaluate the influence of an independent variable individually in describing a dependent variable which if its value is less than 0.005 then the dependent is significant (Hair et al., 2018)

Table 3. T Test Results

Variable	Alpha	Conclusion	
Talent Management	0,319	0,000	Significant
Knowledge Management	0,460	0,000	Significant
Motivation	-0,007	0,935	No Significance
Career Development	-0,019	0,829	No Significance
Competence	0,072	0,448	No Significance

Source :Primary data processed (2023)

The Talent Management variable has a significant influence on proven Employee Performance with a sig value being less than 0.005 of 0,000 and a beta value of 0.307 by this H1 being accepted. This statement is supported by research Sumarni (2020) where talent management variables can influence employee performance. and also in the research carried out by Agustiani (2019) said that talent management influenced the performance of employees who performed their tests on the work of PT Bank Rakyat Indonesia (Persero).

The Knowledge Management variable brings a significant impact on Employee Performance in proven studies with sig values being less than 0.005 of 0,000 and beta values of 0.550 so H2 is accepted. As well as the research conducted by Nuridha (2022) supports that knowledge management carries a significant influence with a probability value of 0,000 ($p < 0,05$) on his research carried out at PT. Bank Rakyat Indonesia (Persero) Malang.

The motivation variable is not significant to Employee Performance in the study, with a sig value exceeding 0.005 by 0.935 with a beta value of -0,010 so H3 is not acceptable. This statement is inconsistent with the interference carried out by Heryenzus & Laia (2018) ; Yuswardi (2019) which states that motivation has a significant influence on the performance of employees whose objects are employees of Bank Negara Indonesia (BNI) in Batam City and bank employees throughout the City of Batam This is not supported by the research carried out by Aliando & Noor (2023) because in his research motivation has a significant influence in improving the performance of employees tested on employees of PT. Bank Mandiri, Tbk.

The Career Development variable has no significant influence on Employee Performance since the sig value exceeds 0.005 by 0.829 with a beta value of -0,022 so H3 is not acceptable This statement is inconsistent based on research carried out by Hardjokusumo, *et al* (2022) because in his research on Bank BTN Syariah Bekasi career development has a positive impact on employee performance because the application of career development in the case is well applied.

The Competence variable is not signed against Employee Performance after being tested in the study because the sig value exceeds 0.005 by 0.448 with a beta value of 0.045 so H3 is not acceptable. This statement is consistent with the research carried out by (Suhardi, 2019) which states that competence has not significant influence due to the existence of different positions in research. In a study conducted by Fidianingrum & Sukarno, (2021) it was stated that this was inconsistent because competence on his research had a positive influence.

CONCLUSION

This research has results after testing that the research carried out on employees who work in the banking sector of Batam City, the aspects/ variables tested such as Talent Management and Knowledge Management has a significant influence on Employee Performance of bank employees in Batam City but from the Aspects of Motivation, Career Development and Competence have no significant impact on the Employees Performance that work at the Bank.

The suggestion is that this research could be developed and used as an exploration improvement in the future, an emphasis to further investigate any indicator that most affects Employee Performance. More corporate attention will be given to the importance of improving strategies to manage potential human resources so that they are motivated, and provide good career development. This will give a better impact so that companies can create innovation and competitiveness alongside potential human resource.

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DETERMINANTS OF INDONESIA'S TRADE BALANCE: A VECM MODEL APPROACH

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ABSTRACT

Trade Balance is the main indicator in external competitiveness. The condition of the trade balance in Indonesia tends to experience unbalanced conditions every year, so this study aims to see the relationship between the variables of Exchange Rate, FDI and GDP to the Trade Balance in Indonesia. The data used is a time series for 43 years (1980-2022) using the Vector Error Correction Model (VECM) method to analyze the relationship and response between variables in the term short and long term. Short-term results show that the Exchange Rate, Foreign Direct Investment (FDI) and Gross Domestic Product (GDP) do not affect the surplus or deficit of Indonesia's Trade Balance. While in the long run, Exchange Rate appreciation has a negative effect on the Trade Balance, the amount of FDI has a positive impact on the Trade Balance, and the amount of Gross Domestic Product (GDP) affects the deficit in the Trade Balance. The use of monetary policy can help stabilize exchange rates, increase exports through increased foreign investment, maintain the value of exports, and reduce trade deficits. Rephrase

Keywords: Trade Balance, Exchange Rate, FDI, GDP

ABSTRAK

Neraca perdagangan merupakan indikator utama daya saing eksternal. neraca perdagangan Indonesia mengalami ketidakseimbangan selama bertahun-tahun, penelitian ini bertujuan untuk menyelidiki bagaimana variabel nilai tukar, investasi asing langsung, dan PDB berhubungan dengan neraca perdagangan Indonesia. Data yang digunakan adalah time series 43 tahun (1980-2022), dan teknik vector error Correction Model (VECM) digunakan untuk menganalisis hubungan dan respon antara variabel jangka pendek dan jangka panjang. Hasil jangka pendek menunjukkan Nilai Tukar, Foreign Direct Investmen(FDI) dan Gross Domestik Product(GDP) tidak mempengaruhi surplus atau deficit Neraca Perdagangan Indonesia, sedangkan pada jangka panjang, apresiasi Nilai Tukar berpengaruh negative terhadap Neraca Perdagangan, besarnya FDI berdampak positif pada Neraca Perdagangan, dan besarnya Gross Domestik Product(GDP) mempengaruhi deficit pada Neraca Perdagangan. Penggunaan kebijakan moneter dapat membantu menstabilkan nilai tukar, meningkatkan ekspor melalui peningkatan investasi asing, menjaga nilai ekspor, dan mengurangi defisit perdagangan.
Rephrase

Kata Kunci: Neraca Perdagangan, Nilai Tukar, FDI GDP, VECM



INTRODUCTION

Indonesia Becomes the country with the largest economy (Erika, 2022). Today, the development of Indonesia's economic development is increasingly showing very positive changes, with the increasing integration with the outside world economy (Adini, 2023). This has become a consequence where Indonesia adheres to an open economic system, which in its activities cannot be separated from international relations (Semančíková, 2016).

In the theory of "Comparative Advantage" proposed by David Ricardo (1817) explained that the basic concept of international trade is based on the comparative advantage possessed by a country in the form of commodities that have high productivity and are more efficient than other countries (Dinda Anggraini et al, 2022 & Marganus, 2021). International trade activity can be recorded in a trade balance (Abasimi & Salim, 2022). The high trade volume is expected to reduce the gap in trade balance conditions. According to Puri & Ima Amaliah (2021), a country's economy is said to be positive, one of which is if the trade balance is optimistic or surplus and is said to be negative if the trade balance is in deficit.

Figure 1. Value of Indonesia's Trade Balance in 1980-2022



Source : World Bank (Processed), 2024

Figure 1, explains the value of Indonesia's trade balance in 1980-2022 experienced significant fluctuations. In 1980, the trade balance amounted to 6 billion US\$, but in the following year Indonesia's trade balance decreased until 1981 until 1982 to a deficit of 3.5 billion US\$. The level of trade balance began to increase in 2007 by 17 billion US dollars, then in 2008 to 5 billion US \$, although not deficit, but this figure decreased drastically from the previous year. This happened due to the economic crisis in 2008, at which time the economic sector experienced a shock that resulted in recession in all economic lines including the trade balance. The significant decline in the trade balance also occurred consecutively in 2012-2014, starting in 2011 the level of the trade balance was at a value of 22 billion US \$ then fell to a deficit of 6 billion US \$ in 2014. The main cause was the slump in export commodity prices and the soaring imports of fuel oil (BBM) at that time.

Furthermore, the slump also occurred in 2018 which experienced a deficit of 11 billion US \$ until 2019 experienced a deficit of 4 billion US\$. However, in 2018 and 2019, the slump was not due to the slump in export prices or soaring imports, but more because at that time there was an oil and gas and non-oil and gas deficit. In addition, in 2020 it diminished to US\$ 17 billion, due to the effect of the COVID-19 widespread, hence hampering financial exercises and affecting the decrease within the Trade Balance.

From the point of view of Exchange Rate theory, there is a Marshall-Lerner theory which states "A depreciating Exchange Rate can help increase the Trade Balance surplus if the amount of price elasticity is more than one (Jiang & Liu, 2023 & Soelistyo, 2022) In previous studies there have been studies that prove the existence of the Marshall-Lerner effect or J-Curve and there have been previous studies that have argued otherwise. As a study conducted by Tarawalie & Kpana (2022) using the Autoregressive Distribution Lag (ARDL) method found that the Exchange Rate had a negative impact on determining the Trade Balance in Sierra Leone for the period 1980-2020, According to Kaya research (2020), the Exchange Rate had a significant influence on the Trade Balance in the long run, but had no effect in the short term in Turkey during the period 1996-2015.

Cristanto & Bowo (2021) research with the Vector Error Correction Model (VECM) analysis tool, proving that FDI has a significant positive impact on Indonesia's Trade Balance in 2010-2019. Meanwhile, Nepal & Thapa (2021) in South Asian countries: Bangladesh, Bhutan, India, Nepal, Pakistan, and Sri Lanka, using the Panel, it shows that FDI does not have an impact on the Trade Balance in the long and short term. Followed by Purnamasari et al (2022), Nguyen et al. (2020) & Maolana Hidayat et al. (2021) investigated uncovered that GDP features a positive and significant affect on the Trade Balance. Another opinion is Keho (2020) & Manual & San (2019) examining the negative but significant relationship between GDP and Trade Balance in the long run, where an increment in household GDP will decrease the Trade Balance. On the other hand, the opinion of Ektiarnanti et al, (2023) explores that GDP does not have a noteworthy impact on the Trade Balance in Indonesia utilizing Multiple Linear Multiple and Path Analysis in the 2014-2019 period.

From several arguments in previous studies, Exchange Rate, FDI, and GDP provide results that are not always consistent, so in this study further research is carried out to understand more deeply the dynamics of the relationship between these variables to the Trade Balance, especially in the long and short term. This study aims to analyze the relationship between Exchange Rate, FDI and GDP on Indonesia's Trade Balance in the long and short term in 1980-2022.

METHOD

This study uses annual time series data with a vulnerable time of 43 years from 1980 to 2022 in Indonesia from the world bank. The variables used in this study are Trade Balance, Exchange Rate, Foreign Direct Investment (FDI) and Gross Domestic Product (GDP) using E-Views 12 software. To use the VECM method, stationary tests must be performed first to see if the data occurs stationary at the level or stationary at the first difference (Gujarati, 2003). After conducting a stationary test, the next step is to test the optimal lag length (Khurshid, 2023). In the VECM test, the cointegration test is the main determinant in determining the long-term relationship and balance (Apostu et al., 2022). VECM considers all variables as endogenous variables (Nkalu et al., 2020). In this analysis, it focuses on analyzing the relationship caused by Exchange Rates, FDI, and GDP to the Trade Balance. The equation of the VECM model as follows:

$$\Delta TB_{it} = \alpha_i - \sum_{k=1}^p B_1 \log \Delta EXR_{i,t-k} + \sum_{k=1}^p B_2 \log \Delta FDI_{i,t-k} - \sum_{k=1}^p B_3 \log \Delta GDP_{i,t-k} + \varepsilon_{it} \dots \dots \dots (1)$$

Where, Δ shows the first difference, \log shows the logarithm, k represents the length of lag, t indicates the time period covered 1980-2022, i indicates the country covered (Indonesia,), Y_{it} shows the Trade Balance in Indonesia, $\beta_1, \beta_2, \beta_3$ explain the matrix of variable coefficients, EXT_{it} indicates Exchange Rate, GDP_{it} indicates Gross Domestic Product, FDI_{it} indicates Foreign Direct Investment, and ε_{it} shows residual vector.

In its analysis, VECM has a special instrument that has a function in describing the relationship between variables. IRF aims to determine the dynamics in the form of shock or shock in the variable under study. While Variance decomposition (VD) aims to see how much influence is exerted on each variable (Fuddin & Anindynta, 2023).

RESULT AND DISCUSSION

The stationary test in this study used the stationary test categories Augmented Dickey Fuller (ADF test) and Philips – Perron (PP) based on the condition that each variable has a probability value of less than 0.05 or 5%

Table 1. Level and First Difference Panel (Root Unit) Stationary Test

Variable	Critical Value	Level		First Difference	
		ADF-Fisher Chi-square Probality	PP - Fisher Chi-square Probality	ADF-Fisher Chi-square Probality	PP-Fisher Chi-square Probality
logTB	5%	0.6157	0.5611	0.0000	0.0001
logEXR	5%	0.9057	0.9057	0.0000	0.0000
logFDI	5%	0.7150	0.7149	0.0000	0.0000
logGDP	5%	0.9999	0.9835	0.9999	0.0014

Source : Output E-Views 12

From table 1, it is known that at the level in the ADF-Fisher and PP-Fisher tests, each variable does not experience stationary because it has a probability value of 0.05. Then at the first different level, each variable has been stationary with a value below 0.05, so that in this study the data occurred stationary at the first different level.

Furthermore, conducting a lag length test with several choice tests, namely Likelihood Ratio (LR), Final Prediction (FPE), Akaike Information Critic (AIC), Schwarz Information Criterion (SC), and Hannan-Quin Criterion (HQ). This study used the smallest value from the Akaike Information Criterion (AIC) as the best lag length value (Danish et al., 2018). Based on the smallest AIC value, it is found in the first lag of 1.35604*, so the first lag was chosen in this study.

Table 2. Optimum Lag Length Test

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-165.1508	NA	0.109902	9.143288	9.317441	9.204685
1	-5.263681	276.5615*	4.64e-05*	1.365604*	2.236371*	1.672590*
2	3.587709	13.39670	7.05e-05	1.752016	3.319395	2.304590
3	12.70226	11.82428	0.000111	2.124202	4.388195	2.922366
4	26.18350	14.57432	0.000152	2.260351	5.220957	3.304104
5	41.14526	12.93990	0.000219	2.316472	5.973691	3.605813
6	64.00547	14.82824	0.000263	1.945650	6.299482	3.480580

Source : Output E-Views 12

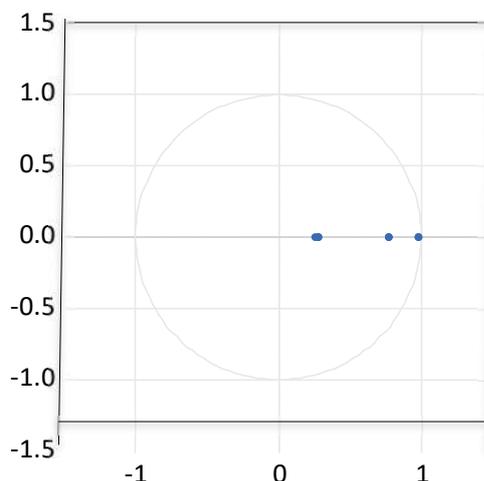
After finding the best lag length, you must check whether the selected lag is stable or not based on the indigo modulus < 1 . In table 3, based on the first lag there is a modulus value of less than 1 in each root. Thus, the first lag has stabilized and is suitable for use in subsequent tests.

Table 3. Optimal Lag Stability Test

Root	Modulus
0.982908	0.982908
0.775104	0.775104
0.281649	0.281649
0.259237	0.259237

Source : Output E-Views 12

Figure. 2 Inverse Roots of AR Characteristic Polynomial



Source : Output E-Views 12

In this study there has been a stationary level of first different, so cointegration needs to be done to analyze the variables in the long term and find out the balance with the provisions of the Statistical Trace value > Critical Value (0.05). In this study using a cointegration test from In this study using a cointegration test from Maximum Eigenvalue Test and Trace Test(Shao et al., 2019). Table 4, describes that in the Johansen Trace and Max-Eignvalue tests there are all Statistical Trace values > Critical Values of 0.05 supported by a sign (*). With this study, all variables have been cointegrated and can be continued on the VECM test.

Table 4. Johansen Trace and Maximum Eignvalue Cointegration Test

Hypothesized No. of CE(s)	Johansen Trace			Max-Eignvalue		
	Trace Statistic	0.05 Critical Value	Prob.**	Trace Statistic	0.05 Critical Value	Prob.**
None*	106.0503	47.85613	0.0000	49.32001	27.58434	0.0000
At Most 1*	56.73033	29.79707	0.0000	30.80815	21.13162	0.0016
At Most 2*	25.92218	15.49471	0.0000	20.24784	14.26460	0.0050
At Most 3*	5.674348	3.841465	0.0172	5.674348	3.841465	0.0172

Source : Output E-views 12

After doing some tests done before, as the data has been stationary on the first difference and there was a cointegration that symbolized a long-term relationship, the VECM method was used in this study with the applicable provisions being t-Statistical values > t-table values [2.01670]. Presented VECM results in table 5.

Table 5. VECM Output in the Short and Long Term

Cointegrating Eq: Variable	CointEq1 Coefficient	Std. Error	t-Statistic
Short Run			
CointEq1	-0.682155	(0.22137)	[-3.08150]
D(logTB(-1))	-0.156530	(0.16800)	[-0.93171]
D(logEXR(-1))	6.542144	(3.36081)	[1.94660]
D(logFDI(-1))	0.253569	(0.25024)	[1.01331]
D(logGDP(-1))	6.771388	(4.12770)	[1.64048]
C	-0.953072	(0.48227)	[-1.97623]
Long Run			
logEXR(-1)	-0.573803	(0.22775)	[-2.51943]
logFDI(-1)	1.115220	(0.56554)	[5.45377]
logGDP(-1)	-2.184709	(0.43419)	[-5.03171]
C	6.065241		

Source : Output E-Views 12

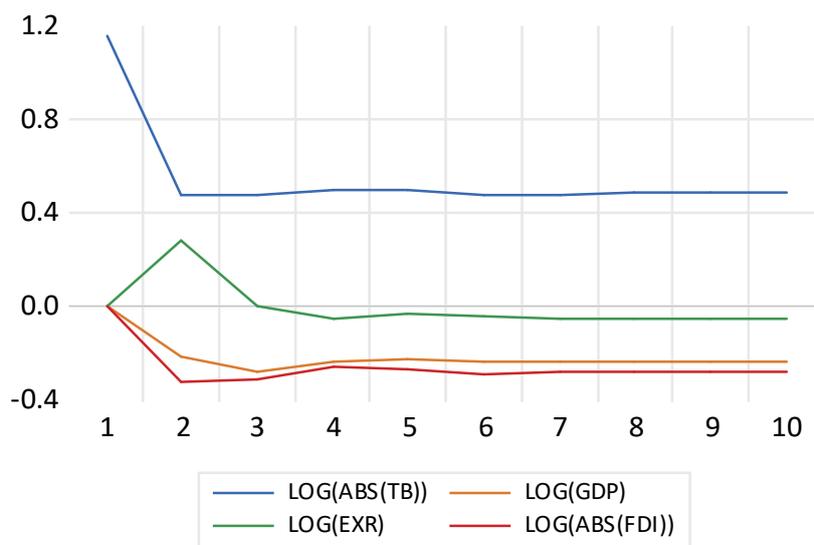
The results of VECM explain that in the short term, the Exchange Rate (EXR) has no significant effect on the Trade Balance (TB) as evidenced by the lag value with the value of t-Statistic [1.94660] less than t-Table [2.01670]. This explains that the decline and increase in the rupiah exchange rate has no impact on changes in Indonesia's trade balance in the present. Cheaper prices in Indonesia and abroad do not affect the increase in exports and imports in international trade activities in Indonesia. Supported by research found by (Nepal & Thapa, 2021), in their research Exchange Rate in the short term has no impact on the Trade Balance. While in the long run, the Exchange Rate (EXR) has a significant and negative effect in determining the Trade Balance as evidenced by the value of t-Statistic [-2.51943] more than t-Table [2.01670]. This explains that when the rupiah exchange rate decreases, it will help improve the deficit in the long run and lead to a surplus in Indonesia's Trade Balance. Long-term results, in accordance with the Marshall-Lerner theory or J-curve work in this analysis and supported by Genemo (2017) study, which found facts related to negative relationships between the two in East Africa.

In the short term, the FDI does not have a significant impact on Indonesia's Trade Balance with the t-Statistic value at lag-1 of [1.01331] smaller than the t-Table of 5% [2.01670], meaning that in the past period, large or small foreign direct investment entering each country, did not affect the good or bad condition of the Trade Balance in Indonesia today. This result is supported by research by Ousseini et al. (2017) that FDI has no significant effect on the Trade Balance. Meanwhile, in the long run, FDI has a significant positive impact on the Trade Balance with a t-Statistic value of [5.45377] greater than t-Table 5% [2.01670]. This is supported by research (Cristanto & Bowo, 2021; Nguyen et al., 2020; Tarawalie & Kpana, 2022). The study found the FDI significant positive impact on the Trade Balance In this case, when a lot of foreign investment value enters domestic companies, it

can be used to increase production which will later be able to improve the condition of the Trade Balance in Indonesia.

In Short term, explaining that the size or size of GDP in the past period did not have a significant impact on Indonesia's current Trade Balance, as evidenced by the value of t-Statistics GDP lag 1 of [1.64048] less than t-Table (2.01670). This research is supported by Ektiarnanti et al (2023) who investigated the relationship between GDP and has no impact on the Trade Balance in Indonesia. In the long run, GDP has a significant negative impact on the Trade Balance in Indonesia with the value of t-Statistic [-5.03171] greater than t-Table (2.01670). When the community of income owned will stimulate the demand for imported goods, which in turn supports import activity and may contribute to Indonesia's trade deficit. According to Keynes's theory of expenditure approach, "domestic income increases, consumption power increases, and imports increase" resulting in a trade deficit. This is supported by Keho (2020) research which found a negative and significant relationship with the Trade Balance in Côte d'Ivoire from 1980 to 2017.

Figure 3. IRF (Impulse Response Function) Test



Source : Output E-views 12

Based on figure 3, in the 10-period period have significant changes, due to the response given by the Exchange Rate, FDI and GDP to Indonesia's Trade Balance. Fluctuations that occur until the fourth period, the next period in the long term fluctuations begin to decrease, meaning that the IRF chart is said to be stable. In this study, the analysis of Decomposition Variance (VD) aims to see the magnitude of the composition or contribution of the influence of Exchange Rate variables, GDP and FDI in influencing Indonesia's Trade Balance. The following presents the variance of decomposition over 10 years in table 9.

Table 6. Variance Decomposition

Variance Decomposition of TB :					
Period	S.E	TB	EXR	GDP	FDI
1	1.149263	100.0000	0.000000	0.000000	0.000000
2	1.334092	86.70533	4.392597	2.858597	6.043477
3	1.476808	80.71680	3.589416	5.992271	9.701517
4	1.598224	78.45324	3.193506	7.423803	10.92946
5	1.712886	76.63987	2.838975	8.316558	12.20460
6	1.819363	74.76403	2.583542	9.195547	13.45688
7	1.919586	73.29625	2.414952	9.907698	14.38110
8	2.014843	72.15683	2.279044	10.45620	15.10792
9	2.105813	71.18723	2.163288	10.91519	15.73429
10	2.192980	70.35576	2.067493	11.30911	16.26763

Source : Output E-Views 12

In table 6, it explains that in the first period of the Exchange Rate variable, Gross Domestic Product (GDP) and Foreign Direct Investment (FDI) did not contribute 0% to Indonesia's Trade Balance. In the future period, the Trade Balance is influenced by the Exchange Rate, FDI, and GDP with an increasing value and varying every period up to a period of up to 70%.

CONCLUSION

This study is to analyze the Exchange Rate, FDI and GDP variables to Indonesia's Trade Balance period 1980-2022. In the short term, there is no influence of exchange rate, FDI and GDP on Indonesia's Trade Balance. In the long run, Exchange Rate variables negatively affect the trade balance, the J-curve works on this study. FDI variables have a positive impact on the Trade Balance in Indonesia. GDP variables have a negative but significant impact on Indonesia's Trade Balance. These results support Keynes's contention that when incomes increase will be followed by increased consumption, and imports will increase.

The monetary policy transmission mechanism can strive for to stimulate trade balance growth. In addition, monetary policy is pursued in order to maintain exchange rate stability, where appropriate exchange rate policy can affect the production plan, increasing the effectiveness of the Trade Balance. Policy encourages domestic GDP by determining leading sectors or commodities that are oriented, but still increases export activities that have comparative advantages and emphasizes excess import activities in order to maintain a surplus Trade Balance value. Monetary policy is needed as a reference in maintaining exchange rate stability. This study has not seen the response of broader macroeconomic variables to the performance of a trade balance, so further research is recommended to include other macroeconomic variables to investigate further what variables have a relationship and affect performance on a country's trade balance. In addition, future studies can use longer time series to better see the long and short term effects and responses of

each variable

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EASE TRANSACTIONS AND PRIVACY SECURITY ON THE DECISION TO REUSE QRIS AS A TOOL OF PAYMENT THROUGH USER EXPERIENCE IN MADIUN CITY

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ABSTRACT

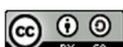
This research aims to analyze the use of e-wallets by involving 384 sample respondents. Quantitative methods were used in this research with purposive sampling techniques. Analysis uses Structural Equation Model (SEM) via SmartPLS software version 4.0.0. The research results show that ease of transactions and partial privacy security have a positive and significant influence on user experience. Furthermore, user experience has a strong, positive, and significant influence on reuse decisions. In addition, ease of transaction and privacy security also have a positive and significant influence on reuse decisions through user experience as an intervening variable. This research provides important insight into the factors that influence the decision to reuse the QRIS Mobile Banking feature in Madiun City, as well as observing the importance of user experience in mediating the relationship between ease of transaction and privacy security with the decision to reuse e-wallets.

Keywords: Ease of Transactions, Transaction Security, Reuse Decisions, User Experience Words, Qris.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis penggunaan e-wallet dengan melibatkan 384 responden sampel. Metode kuantitatif digunakan dalam penelitian ini dengan teknik purposive sampling. Analisis menggunakan Structural Equation Model (SEM) melalui perangkat lunak SmartPLS versi 4.0.0. Hasil penelitian menunjukkan bahwa kemudahan transaksi dan keamanan privasi secara parsial memiliki pengaruh yang positif dan signifikan terhadap pengalaman pengguna. Selanjutnya, pengalaman pengguna memiliki pengaruh yang kuat, positif, dan signifikan terhadap keputusan penggunaan kembali. Selain itu, kemudahan transaksi dan keamanan privasi juga memiliki pengaruh yang positif dan signifikan terhadap keputusan penggunaan kembali melalui pengalaman pengguna sebagai variabel intervening. Penelitian ini memberikan wawasan penting mengenai faktor-faktor yang mempengaruhi keputusan penggunaan kembali Fitur QRIS Mobile Banking di Kota Madiun, serta mengamati pentingnya pengalaman pengguna dalam memediasi hubungan antara kemudahan transaksi dan keamanan privasi dengan keputusan penggunaan kembali e-wallet

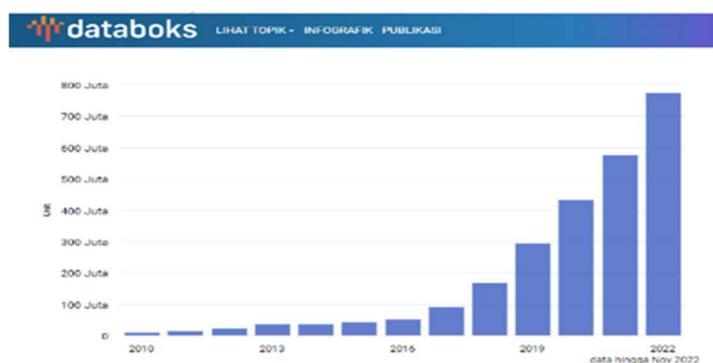
Kata Kunci: Kemudahan Transaksi, Keamanan Transaksi, Keputusan Penggunaan Kembali, Kata Pengalaman Pengguna, Qris.



INTRODUCTION

Electronic payment systems are mobile money transfer applications that use the Internet as an intermediary. A digital wallet is a type of payment mechanism that can be used for online purchases, bill payments, credit purchases, internet data bundles, cable TV, and investments. The circulation of electronic money in Indonesia has increased drastically since 2010, as can be seen in the graph below. More than 7.9 million new electronic banknotes were issued in 2010. This statistic is expected to increase by more than 9,000% by November 2022 (Rizaty, 2022).

Figure 1. Electronic Payment Systems



Credit cards, E-Wallets or Digital Wallets, QRIS, Mobile Banking, Micro ATMs and PoS Terminals are six digital payment methods that have been officially registered by the Financial Services Authority in Indonesia. The object of this research is QRIS on the mobile banking feature. Quick Response Indonesian Code Standard, abbreviated as QRIS (pronounced KRIS), is a collection of QR Code-based digital transmitters from various QR versions of payment system providers. QRIS was present and developed by the payment system industry together with Bank Indonesia so that the transaction process is easy and fast. For consumers, the existence of QRIS allows them to make payments using any application with the same QR. All Payment System Operators (SPSP) that will use QR Code-based transactions are required to use QRIS. QRIS is here to help the Indonesian people, especially business people, in payment transactions. QRIS frees company owners from the need to use an EDC (Electronic Data Capture) system to carry out transactions. They only scan the QR code provided by QRIS. The data presented above shows that the number of QRIS users continues to increase. This is supported by DATABOKS website data which shows an increase in the number of QRIS user transactions (Ahdiat, 2022).

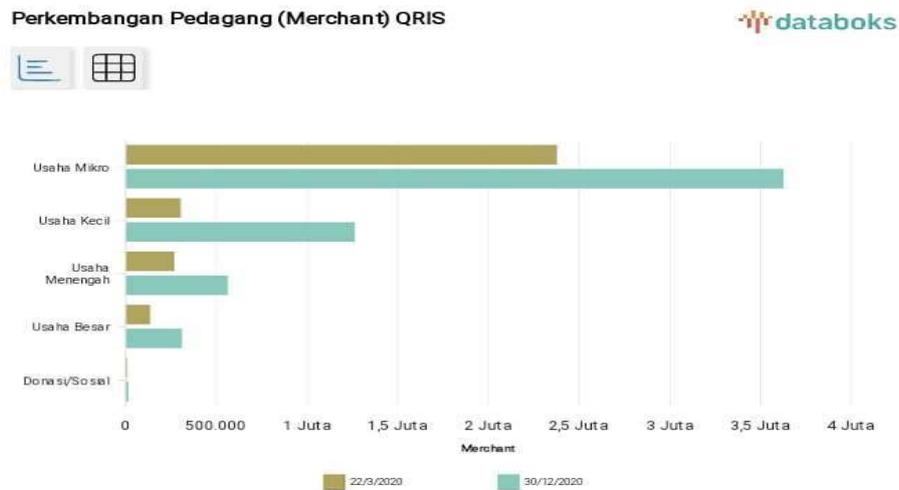
Table 1 Volume and Value of QRIS Transactions in Indonesia

Date	Transaction Volume (Times)	Transaction Value (Rp)
2020-01	5.000.000	Rp 365.000.000.000,00
2020-02	10.000.000	Rp 604.000.000.000,00
2020-03	12.000.000	Rp 581.000.000.000,00
2020-04	7.000.000	Rp 397.000.000.000,00
2020-05	9.000.000	Rp 434.000.000.000,00
2020-06	8.000.000	Rp 450.000.000.000,00
2020-07	10.000.000	Rp 719.000.000.000,00
2020-08	11.000.000	Rp 809.000.000.000,00
2020-09	11.000.000	Rp 838.000.000.000,00
2020-10	12.000.000	Rp 926.000.000.000,00
2020-11	13.000.000	Rp 883.000.000.000,00
2020-12	17.000.000	Rp 1.201.000.000.000,00
2021-01	14.000.000	Rp 1.037.000.000.000,00
2021-02	15.000.000	Rp 1.113.000.000.000,00
2021-03	18.000.000	Rp 1.266.000.000.000,00
2021-04	21.000.000	Rp 1.582.000.000.000,00
2021-05	27.000.000	Rp 1.771.000.000.000,00
2021-06	35.000.000	Rp 2.145.000.000.000,00
2021-07	43.000.000	Rp 2.557.000.000.000,00
2021-08	51.000.000	Rp 2.131.000.000.000,00
2021-09	59.000.000	Rp 2.916.000.000.000,00
2021-10	59.000.000	Rp 3.021.000.000.000,00
2021-11	59.000.000	Rp 3.362.000.000.000,00
2021-12	59.000.000	Rp 4.732.000.000.000,00
2022-01	54.000.000	Rp 4.469.000.000.000,00
2022-02	55.000.000	Rp 4.515.000.000.000,00
2022-03	66.000.000	Rp 5.812.000.000.000,00
2022-04	68.000.000	Rp 7.517.000.000.000,00
2022-05	67.000.000	Rp 7.171.000.000.000,00
2022-06	80.000.000	Rp 9.571.000.000.000,00
2022-07	81.460.000	Rp 9.750.000.000.000,00
2022-08	91.730.000	Rp 9.660.000.000.000,00

Source: Indonesian Economic and Business Data Center

According to a Dailysocial survey in August 2021, there are several reasons why QRIS is still having problems in its use. As many as 65.5% of respondents said that most merchants or MSMEs still had not implemented QRIS as a payment method (Wahyudi, 2023). In collaboration with Bank Indonesia, the payment system industry presents and updates QRIS to simplify and speed up the transaction process. QRIS can be used to make payments with any application that uses the same QR code. According to Andi Haswidi, Head of ASEAN Research Deal Street Asia, 48% of MSMEs have utilized digital wallet-based payment solutions. Furthermore, QRIS will be placed strategically under the cash register to assist consumers or customers in completing payments. QR codes are now used by 63% of MSMEs in Tier 1 cities. Only 6% of merchants are not familiar with QR codes or their benefits (Wicaksono, 2023).

Figure 2. Development of Merchant Users of QRIS



Source: Indonesian Economic and Business Data Center

Based on previous research by Akmal Nashren Abd Malik and Sharifah Nurafizah Syed Annuar entitled "The Influence of Perceived Usefulness, Perceived Ease of Use, Trust and Perceived Risk on E-Wallet Use" contains these findings. Perceived risk and intention to use e-wallet have a negative relationship. ((Nashren Abd Malik, Akmal; Nurafizah Syed Annuar, 2019). And in previous research from Dewi Pertiwi and Widjojo Suprpto in their research entitled "Perceptions of E-Wallet Use Among Generation Y in Surabaya Based on the Technology Acceptance Model". Perceived benefits has a negative and small impact on perceived use (Pertiwi et al., 2021) In the latest research by Galang Prasetyatama "E-Wallet: Determining Interest in Use During the Covid-19 Pandemic with Experience as a Moderating Variable" In this research, the results of perception risk, reputation, service features, and promotions do not influence intentions to use e-wallets. And experience does not strengthen the impact of perceived risk, reputation, service features, and promotions on intentions to use e-wallets (Prasetyatama, 2021). Researchers conducted research on the research object of the QRIS digital payment feature with the independent variables ease of transaction (X1) and privacy security (X2) which are thought to influence the dependent variable of reuse decisions (Y) in society through user experience (Z) as an intervening variable.

METHOD

This study uses a quantitative approach. The data used are primary and secondary data obtained from the field. The population and sample of this research are users of the QRIS Mobile banking feature in Madiun City. Samples are taken if the population to be studied is very large and it is impractical to research the entire population due to time, budget and energy constraints. Lemeshow's (1990) formula determines the possible samples obtained

if the population is unknown. Purposive sampling was used to collect data for this research. Purposive sampling is a sampling approach that takes into account certain factors (Sugiyono, 2016). Component or variant-based Structural Equation Model (SEM) techniques were used in this research. Structural Equation Model (SEM) is an effective statistical study for testing a series of correlations between variables that are assessed simultaneously. Data analysis is used to determine the influence of ease of transaction and privacy security on reuse decisions through user experience as an intervening variable.

SmartPLS (Partial Least Squares) software was used to analyze the data in this research. SmartPLS is more suitable for processing or analyzing data and can also analyze constructs formed through reflective and formulative indicators because it is not based on many assumptions, the analysis method is quite strong, the data used does not have to have a multivariate normal distribution, and the sample used does not have to be large. This research uses four latent variables: ease of transaction (X1), privacy security (X2), decision to use (Y), and user experience (Z). This latent variable is then generated using indicators that reflect and measure the variables using reflective second order factors, so the PLS (Partial Least Squares) method is used in this research.

RESULT AND DISCUSSION

In substantive theory or structural models, the concept of inner model refers to the internal relationships between unobserved or hidden variables. It includes the relationships that emerge between these variables. The concepts of R-squared, t-test, and path coefficient are used in structural analysis to understand the relationship between variables. R-squared measures how much influence the independent variable has on the dependent variable. The t-test is used to test the statistical significance of the path coefficient, which reflects the strength and direction of the relationship between variables. R-squared is a number between 0 and 1 that indicates the extent to which variation in the dependent variable can be explained by the independent variables in the model. The higher the R-squared value, the greater the proportion of variation that can be explained by the model. In the context of structural analysis, R-squared and t-tests help measure the extent to which a model represents empirical data and whether the relationships between variables have statistical significance. (Ghozali, 2020)

This research relies on primary data collected directly from users of the QRIS feature on Mobile Banking in Madiun City through a questionnaire. Bank Indonesia first introduced the QRIS feature on 17 August 2019. The QRIS feature was developed by Bank Indonesia and the Indonesian Payment System Association (ASPI) using the international standard EMV Co.1 to facilitate interoperability between operators, instruments and countries. The

population of this study consisted of 384 respondents who were all consumers of QRIS feature products in mobile banking in Madiun City.

The available questionnaire data was then processed with the help of SmartPLS (Partial Least Square) software version 4.0.0, which aims to determine the relationship between latent variables in the research. The latent variables are ease of transaction (X1) and privacy security (X2) in influencing reuse decisions (Y) with user experience (Z) as an intervening variable.

SRMR is a measure of the difference between the empirical correlation matrix and the correlation matrix generated from the model. A low SRMR value indicates that the model has a good fit with the empirical data, because it shows that the difference between the empirical data and the resulting model is low. The criterion used in the fit model is the SRMR or Standardized Root Mean Square value <0.10 . (Ghozali & Latan, 2015). The following are the results of the model fit calculations in the research:

Table 2 SRMR Value

	<i>Saturated</i>	<i>Estimated Model</i>
SRMR	0,076	0,087

Source: Output SmartPLS

In this study, because the SRMR value is smaller than 0.10, it can be interpreted that the model fit is considered quite good or acceptable. Even though it is referred to as "low GoF" (Goodness of Fit), this actually shows that the model is quite close to the empirical data and does not have large deviations between the resulting model and the actual data.

Table 3 Path Coefficient Result Value

Model	Sampel Asli (O)	Mean Sampel	STDEV	T-Statistik	P-Value
(X1) → (Z)	0,527	0,515	0,107	4.949	0,000
(X2) → (Z)	0,380	0,384	0,104	3.645	0,000
(Z) → (Y)	0,915	0,907	0,023	39,16 2	0,000

Source: Output SmartPLS

Table 4 Value of Specific Indirect Effect Results

Model	Sampel Asli (O)	Sampel Mean	STDEV	T-Statistik	P-Value
(X1) → (Z) → (Y)	0,482	0,468	0,101	4,788	0,000
(X2) → (Z) → (Y)	0,348	0,348	0,095	3,671	0,000

Source: Output SmartPLS

In statistical analysis, the significance of the hypothesis is measured based on the t-statistic value and p value. If the p value is less than 0.05 (general significance threshold), and the t-statistic is greater than 1.96 (threshold value in the t distribution), then the research hypothesis is considered accepted. This shows that the independent variable has a significant influence on the dependent variable. Hair (2017) to explain indirect and mediator

effects. Specific indirect effects refer to the influence of an independent variable on a dependent variable through a specific mediator in the model.

CONCLUSION

The findings in this study show that user experience has a positive and significant impact on users' choice to reuse QRIS features, indicating that providing a pleasant and efficient experience for users is key to supporting the adoption of QRIS by society. According to the study, the better the user's experience with the QRIS feature, the more likely the user will use the feature again. This emphasizes the need to provide a good and efficient experience to consumers so that they are comfortable and interested in continuing to use QRIS. The findings of this research are useful for QRIS developers in improving current privacy security measures. Efforts to improve data security and confidentiality, as well as user experience, can encourage public adoption and use of QRIS features. To create a better user experience, QRIS feature developers must ensure interactions with the service are smooth and intuitive, while also paying attention to usability issues.

Suggestions for future researchers include adding more samples or increasing the number of research variables used. So that it can prove the decision to reuse a product by the community.

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BRAND LOYALTY MODEL BASED ON BRAND LOVE AND BRAND TRUST

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ABSTRACT

This research aims to examine the relationship between brand love and brand loyalty through brand trust in BHS brand sarongs. The sample in this study was 100 respondents, with a sampling technique using a non-probability sampling technique, with a purposive sampling technique, namely a technique for determining samples with certain considerations. The analysis method used is the SEM method with SmartPLS. The findings of this research are that brand love has a direct effect on brand loyalty and brand trust, while brand trust has no direct effect on brand loyalty. And brand trust is unable to mediate the relationship between brand love and brand loyalty. The conclusion in this research is that brand trust has no effect on brand loyalty, indicating that even though a brand has high trust, if it is not accompanied by the ability to buy, it is impossible to give birth to brand loyalty. The next finding is that high brand love will give birth to brand loyalty to a brand.

Keywords: Brand love, Brand trust, Brand Loyalty, BHS brand sarongs

ABSTRAK

Penelitian ini bertujuan untuk menguji hubungan brand love dan brand loyalty melalui brand trust pada sarung merek BHS. Sampel dalam penelitian ini berjumlah 100 responden, dengan teknik pengambilan sampel menggunakan teknik non-probability sampling, dengan teknik purposive sampling yaitu teknik penentuan sampel dengan pertimbangan tertentu. Metode analisis yang digunakan adalah metode SEM dengan SmartPLS. Temuan penelitian ini adalah kecintaan merek berpengaruh langsung terhadap loyalitas merek dan kepercayaan merek, sedangkan kepercayaan merek tidak berpengaruh langsung terhadap loyalitas merek. Dan kepercayaan merek tidak mampu memediasi hubungan antara kecintaan terhadap merek dan loyalitas merek. Kesimpulan dalam penelitian ini adalah kepercayaan merek tidak berpengaruh terhadap loyalitas merek, hal ini menunjukkan bahwa meskipun suatu merek mempunyai kepercayaan yang tinggi, namun jika tidak dibarengi dengan kemampuan membeli maka mustahil akan melahirkan loyalitas merek. Temuan selanjutnya adalah brand love yang tinggi akan melahirkan loyalitas merek terhadap suatu merek.

Kata Kunci: Brand Love, Brand Trust, Brand Loyalty, Sarung Brand BHS



INTRODUCTION

In recent years, much research has focused on *brand love*. Research results (Carroll & Ahuvia, 2006), explain that there is agreement that brand love develops when consumers form bonds with self-expressive, hedonic and symbolic brands, such as luxury brands. This implies that when using *the brand love variable* in research, it is more appropriate to use luxury products or those that are identical to products that have expensive prices. Furthermore, research on luxury goods is mostly conducted on world-famous brands, while research using local brands is still rarely conducted. For this reason, researchers want to examine the role of *brand love* in building *brand trust* and *brand loyalty*, using the local brand BHS sarongs. BHS sarongs are one of the well-known sarong brands in Indonesia, which have a premium price, so the BHS brand is predicted to be able to create love for the brand.

This marketing study explains the importance of the relationship between *brand love* and *brand loyalty*. In building *brand loyalty*, *brand love from consumers* is needed for the product. *Brand loyalty* reflects aspects of behavior and attitudes. This aspect refers to the intention to buy and repurchase the brand, willingness to pay a higher price, reluctance to switch to another brand and willingness to recommend the brand to others (Oliver, 1999). Brand loyalty is one of the main consequences of brand love (Albert and Merunka, 2013; Aro *et al.*, 2018; Bergkvist and Bech-Larsen, 2010; Carroll and Ahuvia, 2006).

Research (Robertson, *et al.*, 2022) investigates the interaction between brand love and brand loyalty, and their impact on brand equity. Contrary to current literature, the findings suggest that consumers can develop brand love without becoming loyal to the brand and can demonstrate high brand love without purchasing from the brand. Brand love has a greater impact on brand equity than brand loyalty, brand love and brand equity will decrease when consumers experience brand betrayal. These results are in contrast to research results from (Wardhana and Yulia, 2021) which show that brand loyalty to coffee drinks, especially to the Kopi Kenangan brand, can be built well by brand love and brand trust. However, if we look more specifically, this research finds

that brand love has more impact on brand trust. The greater impact of *brand love* is expected to be something positive for start-ups.

Minh TH Le (2020) conducted research on the influence of *brand love* on *brand loyalty*, which was mediated by self-esteem (SE) and social influence (SNI). Minh (2020) conducted research on several product brands in Vietnam, this research focused more on the mediation of self-esteem and social influence.

Brand love is the key to success in gaining *brand loyalty* (Fournier, 1998), positive word of mouth (Carroll & Ahuvia, 2006), and increasing consumers' willingness to pay premium

prices (Batra *et al.*, 2012; Granot *et al.*, 2013). Rossmann and Wilke (2017) describe brand love as the level of emotionality that consumers have with a brand, while Bagozzi *et al.* (2017) consider brand love to be the most emotionally powerful consumer relationship with a brand.

Marliawatiy and Cahyaningdyah (2020) conducted research on the influence of *brand experience* and *brand image* on *loyalty* with *brand trust* as mediation, with the research object being the Ijjah Collection. This research is able to explain that *brand trust* is able to mediate the relationship between *brand experience* and *brand image* on *brand loyalty*, while research currently being conducted uses *brand love* as a mediating variable.

Wardhana and Yulia (2021), conducted research on the influence of *brand image*, *brand love* and *brand trust* on *brand loyalty*, a case study on memorable coffee. What differentiates this research from the research currently being researched lies in the role of *brand love*. *Brand love* in Wardhana and Yulia's (2021) research did not examine the influence of *brand love* on *brand trust*, whereas the research currently being conducted examines the influence of *brand love* on *brand trust*. Wardhana and Yulia's research results (2021) show that brand loyalty for memorable coffee drinks can be built well by *brand love* and *brand trust*. However, it was found that *brand love* has more impact on *brand loyalty* than *brand trust*. It is hoped that the greater impact of *brand love* will be something positive for coffee industry start-ups, especially memorable coffee brands, because *brand love* is able to build long-term relationships between brands and consumers.

Alhadaddad (2015) conducted research on the relationship between perceived quality, brand image and brand trust in building brand loyalty, which was conducted with 473 students from the College of Business Administration (HIBA) with the object of sports clothing. Based on the results obtained in this research, perceived quality has a significant positive effect on brand image and brand loyalty. Brand image also has a significant positive effect on brand trust and brand loyalty. Finally, brand trust was found to have a significant positive influence on brand loyalty.

Perceived quality has a greater impact on brand loyalty ($\beta = 0.25$) when compared to both dimensions, brand image ($\beta = 0.21$) and brand trust ($\beta = 0.19$). The results are based on a brand loyalty model which consists of three dimensions, namely perceived quality, brand image and brand trust.

Several conceptual studies on *brand love* have been carried out, but they have not placed *brand love* as the main focus of research, especially as a mediating variable. This indicates insufficient clarification of the factors that influence *brand loyalty*. So far, *brand love* may still be considered complex, inconsistent and subjective. This situation fails to build on previous studies and bridge the gap between theory and practice. To make the research

direction clearer, this research tries to close this knowledge gap and analyze *brand love* in the fashion industry, especially BHS brand sarongs.

The description above is the basis for this research, so the aim of this research is to test and analyze the direct and indirect influence between the *Brand Image* and *Brand love variables* on *Brand trust* and *Brand Loyalty*.

METHOD

Types of research

This research is research using the explanatory research method. Namely research that connects one research with other research. This research is quantitative research which aims to develop knowledge through testing the proposed hypothesis, carrying out measurements and testing a theory.

How to Determine and Sample Size

The population of this research is all customers who have purchased BHS brand sarongs, at least twice, in the East Java region, spread across several areas such as Malang, Surabaya, Gresik and Pasuruan. As for the population size, it is assumed that it is not known with certainty. Because the population is not known with certainty, the sampling technique used was a *non-probability sampling technique*, using purposive sampling. According to Hair *et.al* (2013) the appropriate minimum sample size in research is 100. Referring to this opinion, the sample size in this study was set at 100 people.

Data analysis method

Questionnaires that are filled in completely are then selected and analyzed Structural Equation Modeling (SEM) or Structural Equation Model. This is SEM can complete the analysis with one estimate while the others are completed with several regression equations. SEM can perform factor, regression and path analysis simultaneously (Hair *et al.*, 2013). Apart from that, SEM is widely used in research in education, marketing, psychology, sociology, management, testing and measurement, health, demography, organizational behavior, and biology (Hair *et al.*, 2013).

To provide a description of the character of the variable, a frequency table is used which shows the average number (mean). This analysis uses SmartPLS software to verify several paths or relationships between constructs.

RESULTS AND DISCUSSION

Direct Influence

H1: The influence of *Brand Love* on *Brand Loyalty*

From the PLS test results it is known that the first hypothesis is proven or significant. These

results show that when consumers have a high sense of love for a product brand, it will give rise to loyalty to that product brand. This is in line with the theory of (Song, et al., 2019) which explains that love for a brand brings an emotional attitude towards the brand which is a key factor that influences consumer brand choice and brand loyalty. This opinion concludes that *brand love* has a big contribution in forming *brand loyalty*, this shows that a product brand will be in great demand by consumers, when the product is able to create a sense of pride in consumers. So when consumers are proud to use the product, it creates high trust in the brand, because the brand is considered not to disappoint consumers. Research conducted by Chao-Chin Huang (2017) shows that *brand love* has a significant direct influence on *brand loyalty*. This research states that *brand love* is the main mechanism in growing brand loyalty for customers. Brand love is the main mechanism in developing customer behavioral loyalty, as is brand trust in forming their attitudinal loyalty.

H2: The influence of *Brand Love* on *Brand Trust*

From the results of statistical tests it is known that the second hypothesis has proven to be significant. These results explain that the higher *the brand love* that consumers have, the more trust they will create in a product brand. These results show that *brand love* has a direct effect on *brand trust*, see table 1. This proves that love for a brand can increase consumer confidence in a product, because the product is able to give consumers pride. By using BHS brand sarongs, consumers feel proud and happy, because apart from providing comfort when worn and high quality, BHS brand sarongs also provide a high social impression and prestige. Furthermore (Song, et al., 2019) explained that love for a brand brings an emotional attitude towards the brand which is a key factor that influences consumer brand choice and brand loyalty.

By looking at the relationship between brand and consumer loyalty, brand love can be considered as a construct that indicates the level of relationship between the brand and consumers as well as the quality of the brand relationship (Pandir and Yasin, 2017). In other research, *brand love* refers to the long-term relationship of a brand with consumers and *brand love* also has an impact on creating strong satisfaction when consumer satisfaction with a *brand* or product turns into love (Unal and Aydin, 2013). This explains that the higher *the brand love* a consumer has, the more trust will be created in the brand (*brand trust*), because the brand love that arises in the consumer's heart is a manifestation of satisfaction or satisfaction when using the product (BHS brand cover).

Hasugian (2015) also found something similar in his research which concluded that customers place trust in the brand as a key in showing a willingness to rely on the brand, and can also form positive purchasing intentions towards the brand or brand loyalty. As

explained by Tjahyadi (2006), consumer trust in a brand contributes to customers' intention to repurchase the same brand in the future, and their intention to recommend the brand to other people. Therefore, marketers need to build consumer trust in the brands they offer. Brand love is the main mechanism in developing customer behavioral loyalty, as is brand trust in forming their attitudinal loyalty.

H3: The influence of *Brand Trust* on *Brand Loyalty*

The results of the third hypothesis test were not proven or were not significant. This is not in line with the theory which explains that *brand trust* influences *brand loyalty*. The results of this research are not in line with the findings of (Tussyadiah et al., 2018), which states that brands with high *brand community* and *brand prestige* support consumers in making final decisions, which in turn increases loyalty and recommends positive remarks about the brand to friends. These findings explain that the high level of consumer trust in the BHS sarong brand has not yet given rise to loyalty to the BHS sarong brand. This explains that even though the quality of BHS sarongs is very good and does not disappoint consumers, because BHS sarongs have a high price (premium), only consumers with money (rich people) can afford them. Meanwhile, consumers who are less well-off or in the lower middle consumer group only admire, but cannot afford to buy.

Direct Hypothesis Testing

Table 1. Hypothesis Testing

Connection	Path Coefficient	P value	t statistics	Conclusion
Brand Love → Brand Loyalty	0.713	0,000	5,924	Significant
Brand Love → Brand Trust	0.360	0,000	5,419	Significant
Brand Trust → Brand Loyalty	0.118	0.516	0.651	Not significant

Indirect Influence

H4: The influence of *Brand Love* on *Brand Loyalty* through *Brand Trust*

From the results of the indirect influence test, it is known that *brand trust* is unable to act as a mediating variable, namely the variable that connects *brand love* with *brand loyalty*. This proves that consumers who already have a high love for a brand, this *brand love* is able to encourage the birth of *brand loyalty* among customers of BHS brand sarong products. This happens because the brand love for BHS sarongs creates pride for BHS consumers, so that the feeling of love for the BHS brand is able to give birth to loyalty to the BHS brand. This phenomenon proves that high brand love can make consumers loyal. This is in line with research from (Pawle & Cooper, 2006) which explains that love for a brand is thought to inspire loyalty that goes beyond reason (Pawle & Cooper, 2006), because satisfied consumers are believed to become loyal consumers (Anderson et al., 1994).

This reality shows that consumers of BHS brand sarongs have a unique reason, because they use BHS sarongs, most of them are motivated because the ability to buy BHS sarongs creates a sense of pride. Because when consumers are able to buy BHS sarongs, this creates high self-confidence and prestige in the eyes of the public. This is in line with (Joshi & Garg, 2021) who explain that from a brand perspective, love for a brand includes more than just the promise of quality and durability. It takes a holistic branding effort to generate positive feelings towards a brand. Brand promotion, consumption experiences, and enhanced consumer-brand relationships contribute to building brand love, with rewards in the form of high-level emotions such as loyalty, positive word of mouth, and willingness to pay a premium. Brand loyalty, however, is considered a major consequence of brand love (Albert and Merunka, 2013 , Carroll and Ahuvia, 2006).

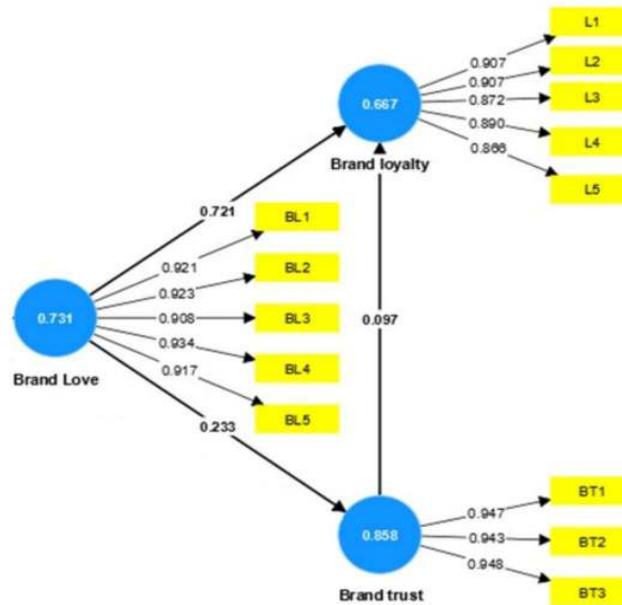
Brand love has been shown to influence behavioral and attitudinal loyalty (Albert and Merunka, 2013, Le, 2021), with research stating that brand loyalty increases when consumers fall in love with a particular brand (Carroll & Ahuvia, 2006). Consumers' love for certain brands also has an impact on their brand commitment (Albert & Merunka, 2013). The research results explain that feelings of pride have a stronger relationship to *brand loyalty* than to *brand trust* . This fact indicates that the BHS sarong brand has good quality, a strong image, so that consumers feel proud if they are able to buy or own this sarong. And these results are not in line with research from (Le, 2021), which says that consumers usually buy product brands because they are encouraged by their friends or community. Thus, through *brand trust* , consumers search for product brands that have social benefits, and then make purchasing decisions (Le, 2021). However, the results of this research prove that love of a brand is able to create loyalty and loyalty to the brand, especially to the BHS sarong brand.

Indirect Hypothesis Testing

Table 2. t Test

Connection	P value	T statistics	Conclusion	Mediation Status
B.Love- →B.Loyalty	0,000	0.713	Significant	Predictor
B. Love- →BT →B. Lyt	0.525	0.636	Not significant	mediation

Figure 1. PLS Processing Results



CONCLUSION

Based on the research results, it was found that *brand trust* has no effect on *brand loyalty*. These results indicate that high consumer trust in the BHS sarong brand does not necessarily give rise to loyalty to that brand. This is due to the high price of BHS brand sarongs, only people with deep pockets (rich people) can afford BHS sarongs. Furthermore, from the results of this research it was found that *brand trust* was unable to mediate the relationship between *brand love* and *brand loyalty*. This is due to the high love of consumers for BHS brand sarongs, which can give rise to a high sense of pride, self-confidence and prestige in the eyes of the public. Consumers' love for a particular brand also impacts their brand commitment. So when consumers fall in love with BHS sarongs, it will give birth to consumer loyalty to BHS brand sarongs.

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THE ROLE OF MOTIVATIONAL LANGUAGE AS A MODERATION BETWEEN VARIOUS BEHAVIOR KNOWLEDGE OF WORK BEHAVIOR INNOVATIVE AND JOB SATISFACTION

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ABSTRACT

The purpose of this study was to explore the extent to which the influence of knowledge sharing behavior on innovative work behavior and employee job satisfaction with motivational language as a moderating variable. Hypothesis testing was tested using STATA analysis. The tests used include validity analysis, reliability analysis and regression hypothesis testing. Data collection was carried out by distributing questionnaires to 45 employees at PT Serumpun Indah Perkasa. The results of the study found that knowledge-sharing behavior has a positive effect on innovative work behavior, while knowledge-sharing behavior has a negative effect on employee job satisfaction. Furthermore, motivational language is a moderating variable of the relationship between knowledge sharing behavior and innovative work behavior.

Keywords: Knowledge Sharing Behavior, Innovative Work Behavior, Motivational Language, Job Satisfaction.

ABSTRAK

Tujuan dari penelitian ini adalah untuk mengeksplorasi sejauh mana pengaruh perilaku berbagi pengetahuan terhadap perilaku kerja inovatif dan kepuasan kerja karyawan dengan bahasa motivasi sebagai variabel pemoderasi. Pengujian hipotesis diuji dengan menggunakan analisis STATA. Adapun uji yang digunakan antara lain analisis validitas, analisis reliabilitas dan pengujian hipotesis regresi. Pengumpulan data dilakukan dengan penyebaran kuesioner kepada sebanyak 45 orang karyawan di PT Serumpun Indah Perkasa. Hasil penelitian menemukan bahwa perilaku berbagi pengetahuan berpengaruh positif terhadap perilaku kerja inovatif, sedangkan perilaku berbagi pengetahuan berpengaruh negatif terhadap kepuasan kerja karyawan. Selanjutnya, bahasa motivasi merupakan variabel pemoderasi hubungan antara perilaku berbagi pengetahuan dan perilaku kerja inovatif.

Kata Kunci: Perilaku berbagi pengetahuan, perilaku kerja inovatif, Bahasa motivasi, kepuasan kerja.



INTRODUCTION

Globalization causes an increase in competition between companies. Therefore, when companies want to lead and success at the global market, they must achieve the significant innovative results not only in products but also services (Chowhan et al., 2017). To compete the challenges faced by a diverse workforce in organizations, this research focuses on companies with local employees working together, while multicultural experience enhances creative personal identity (Puente-Diaz et al., 2019) which is closely related to innovative work behavior.

Employee knowledge sharing behavior plays an important role in making them satisfied with their work (Dalati and Alchach, 2018). The effect of employee knowledge sharing on their co-workers is not always same. It relies on many factors that can provide a moderating effect on the relationship between knowledge sharing behavior and innovation (Li-Ying et al., 2016). Some research shows that knowledge-sharing behavior is important, but little is related to innovative work behavior (Afsar, 2016; Radaelli et al., 2014) and job satisfaction (Kianto et al., 2014); Malik and Kanwal (2018); Dalati and Alchach, (2018). Therefore, this study explores the impact of knowledge sharing behavior on improvement of innovative work behavior and job satisfaction. This study will examine the moderating role of motivational language in the relationship between knowledge sharing behavior on innovative work behavior and job satisfaction.

Social Cognitive Theory

Individual behavior is represented by their social environment (Salancik and Pfeffer, 1978). Social cognitive theory (SCT) or social learning theory (Bandura and Walters, 1977) analyzes behavior from a shared perspective, where environmental factors influence people, but people can also influence their environment and control their performance (Bandura, 1978). Likewise, the behavior of colleagues in sharing knowledge with employees makes employees learn from the sharer and share knowledge with others. This process, in turn, influences individual work outcomes, so that the concept of SCT outcome expectation is mentioned in individual health behavior studies. Furthermore, environmental factors important for commitment to physical activity include social support such as modeling by family and friends, support from exercise partners and feedback from exercise leader (Bandura, 1997). The supervisor's motivational language and co-workers' knowledge-sharing behavior will increase workers' confidence to behave as expected through four techniques: verbal persuasion (e.g. feedback from the leader), mastery experiences (eg successful self-employment), emotional arousal (eg reduced stress) and vicarious experiences (eg successful behavior from role models such as sharing information from

experienced co-workers). Therefore, employees in the workplace learn by observing colleagues and superiors, then develop their own innovative work behavior thereby increasing job satisfaction.

Hypothesis Development

The Effect of Knowledge Sharing Behavior on Job Satisfaction

Researchers have suggested different definitions of JS over the years that demonstrate its value in the workplace. For example, Locke (1976) defines job satisfaction as an individual's positive or negative attitude toward work. It reflects how people feel about their work in different ways and is an indicator of emotional well-being (Spector, 1997). Denmark et al. (2014) suggest knowledge sharing as an opportunity for workers to learn from each other and stimulate organizational learning and are strongly influenced by the right organizational leadership style (Alshamsi and Ajmal, 2018). Therefore, based on SCT (Bandura, 1977), the current research argues that sharing knowledge from experienced co-workers will motivate other employees' trust to share knowledge together through experience of these representatives, thereby increasing their job satisfaction. The results of the study by Kianto et al. (2016) described that knowledge management, including knowledge sharing, has a positive impact on JS employees. Third, Malik and Kanwal (2018) realize that organizational practices share knowledge play a positive role in employee job satisfaction. Finally, Dalati and Alchach (2018) found that knowledge sharing behavior is positively related to employee job satisfaction.

H1: Knowledge Sharing Behavior has a positive effect on Employee Job Satisfaction.

The Effect of Knowledge Sharing Behavior on Innovative Work Behavior

Innovative Work Behavior (IWB) in the workplace, known as "Deliberate Creativity, Recognition and Application of New Ideas" to meet new challenges in complex environments (Javed et al., 2017). Hameed et al. (2019) found that knowledge sharing behavior (KSB) is the result of organizational justice which is influenced by the psychological ownership mechanism of employees. Afsar (2016) studied KSB as a moderator between IWB and organizational resilience of people. Employee KSB is positively related to their own IWB (Radaelli et al., 2014). The findings of Hussain et al. (2016) showed a significant effect of KSB on employee service innovation performance.

This brings need for further attention in studying the relationship between knowledge sharing and innovation settings. Therefore, KSB will influence individual IWB: Human resource management can promote knowledge-sharing behavior and innovative work behavior consistently by providing space specifically that there is recognition of the role of individuals in the process of sharing knowledge and growing interest in organizations (Kim

and Lee, 2013). It accelerates the knowledge-sharing behavior that links knowledge management and human resource management. By cultivating willingness employees to collect and contribute knowledge to colleagues, managers must encourage learning strategies or mechanisms or be goal oriented and job performance. Furthermore, Mura et al. (2015) knowledge sharing is directly connected with the tendency to implement new ideas resulting in higher innovative behavior. Aulawi et al. (2009) argues that knowledge sharing behavior can stimulate individuals to think more critically and more creatively. So from sharing previous research sources, it can be analogized, the higher the level of knowledge sharing behavior, whether between individuals or groups, the higher the level of innovative work behavior.

H2: Knowledge sharing behavior has a positive effect on innovative work behavior

The Language of Motivation Moderates the Relationship Between Knowledge Sharing Behavior and Innovative Work Behavior

Some scholars study the relationship between knowledge sharing and innovation with moderators such as quality control of care (Li-Ying et al., 2016) and social capital (Mura et al., 2013), where findings regarding the moderating effect are mixed. Thus, there is a need for further research on other boundary conditions that influence knowledge sharing and innovation relationships. Since creative and innovative behavior is a risky endeavor, workers face many risks and disappointments in the innovation procedure. In such uncertain and risky situations, the language of motivation as the power of the spoken word and emotional support on the part of the leader play an effective role in the willingness of subordinates to appear innovative (Gutierrez-Wirsching et al., 2015). It reflects verbal persuasion positive supervisor to attempt a task, according to SCT (Bandura, 1977), thus, workers are more confident to make greater efforts and to sustain difficult tasks.

In addition, motivational language briefing speeches provide clear instructions on solving work-related problems and support workers to achieve mastery in risky tasks. Wirsching et al. (2015) have implied a relationship of language innovation to worker motivation. In addition, leadership-related variables were tested as moderators to enhance the relationship between certain influencers and the outcomes of creativity or innovation (Montani et al., 2015; Amjed and Tirmzi, 2016).

The relationship between knowledge sharing and innovation is moderated by such factors as quality of care control (Li-Ying et al. 2016) and social capital (Mura et al. 2013), where findings regarding the moderating effect are mixed. In such uncertain and risky circumstances, the importance of motivational language is a factor that can become emotional support from the leader and plays an active role in the willingness of subordinates

to appear innovative (Gutierrez-Wirsching et al., 2015). Workers are more confident to make greater efforts in even difficult jobs. (Bandura, 1977)

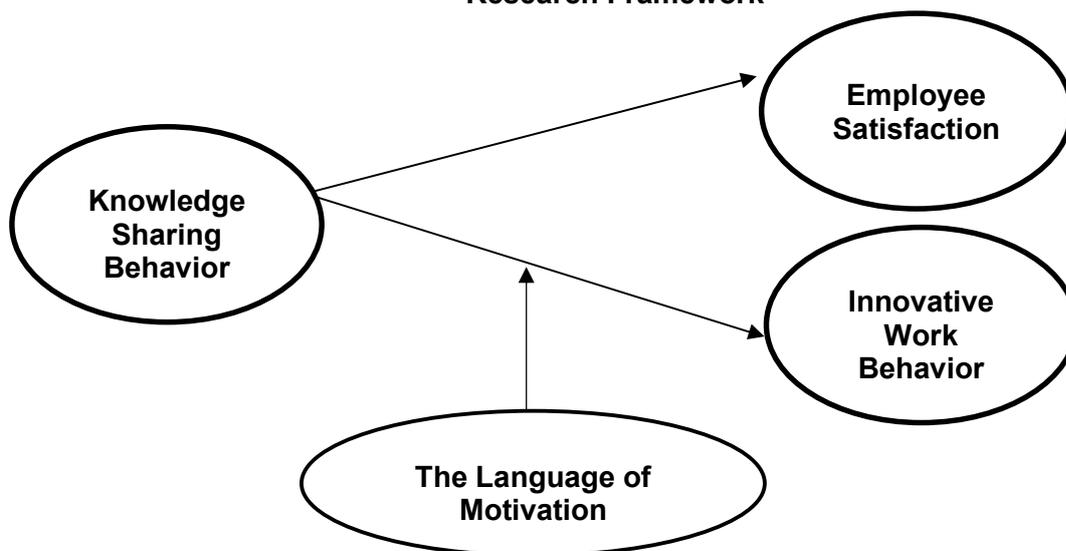
Directioners who use good motivational language provide clear instructions and can solve work-related problems and support workers to achieve mastery in risky tasks. Gutierrez-Wirsching et al., (2015) have implied a relationship of language innovation worker motivation. In addition, variables related to leadership were tested as moderators to increase connections between certain clients based on the results of creativity and innovation carried out (Montani et al., 2015; Amjed and Tirmzi, 2016). So from previous research, it can be analogized, that the higher the motivational language, the stronger the relationship between knowledge sharing behavior and innovative work behavior.

H3 : The Language of Motivation Moderates the Relationship Between Knowledge Sharing Behavior and Innovative Work Behavior

Research Framework

Figure 1

Research Framework



METHOD

The object of research in this study is PT. Serumpun Indah Perkasa which is located in Lubuk Alung Padang Pariaman and is engaged in heavy equipment rental services, processing and producing mineral stone or crusher and energy and mining stands. The data used in this study is primary data by using a questionnaire or the only one in data collection. The sample in this study were all employees of PT. Serumpun Indah Perkasa totaled 45 people, meaning that the entire population was sampled

Spector (1985) describes indicators of job satisfaction consisting of salary, promotion, supervision, additional benefits, awards, work procedures and regulations, co-workers, the work itself and communication and is measured by five Likert scales with 8 statement items. De Jong & Hartog (2008) state that innovative work behavior is behavior that includes exploring opportunities and new ideas, can also include behavior to implement new ideas, apply new knowledge and to achieve increased personal or business performance. The dimension of innovative work behavior is Idea Generation, Idea Championing & Idea Implementation. And measured by five Likert scale with 12 question items. Ho & Ganesan (2013) define knowledge sharing behavior as the intensity of a valuable knowledge exchange system for partners, for example in terms of technical skills, product knowledge, manufacturing processes in cooperative partnerships. The dimensions of knowledge-sharing behavior include knowledge of technological innovation, new product introduction and capability development and are measured by five Likert scales with 7 statement items. Mayfield, (2015) the language of motivation is the creation of a model of how leaders can transfer internal and external organizational vision and values to stakeholders to maintain organizational performance and stakeholder welfare.

Validity testing uses confirmatory factor analysis (CFA). According to Hair et al. (2010) the requirements for checking the loading factor are: a loading of 0.30 is considered to have met the minimum level; loading 0.40 is considered better; and for loading ≥ 0.50 is considered practically significant. After conducting the validity test, the next test is carried out, namely the reliability test which aims to determine the consistency of the measurement items carried out. Reliability test by looking at Cronbach's Alpha value to measure whether the concepts used are positively correlated between one and the other (Sekaran, 2010). While the data analysis method used is Moderating Regression Analysis (MRA) with SEM STATA.

RESULT AND DISCUSSION

Instrument Test Results Validity test Job Satisfaction

Tabel 1. Factor Loading

Variable	Factor1	Uniqueness
JS1	0,56	0,68
JS2	0,23	0,95
JS3	-0,61	0,63
JS4	0,55	0,63
JS5	0,48	0,77
JS6	-0,66	0,57
JS7	-0,49	0,76
JS8	0,43	0,81

Source : Data Processed with STATA (2023)

From the job satisfaction validity test table above, there are eight question items and those above the number 0.40 there are four items, namely JS1, JS4, JS5, JS8 so that it can be continued for the next analysis. While items that are below 0.40 are discarded and not included in the next test.

Innovative Work Behavior

Tabel 2. Factor Loading

Variable	Factor1	Uniqueness
IWB1	0,31	0,91
IWB2	0,21	0,96
IWB3	-0,30	0,91
IWB4	0,13	0,98
IWB5	0,22	0,95
IWB6	-0,35	0,88
IWB7	0,79	0,37
IWB8	0,82	0,33
IWB9	0,77	0,41
IWB10	0,29	0,92
IWB11	0,26	0,93
IWB12	0,70	0,51

Source : Data Processed with STATA (2023)

From the table of validity testing of innovative work behavior above, there are twelve question items and those above 0.40 have four question items, namely PK7, PK8, PK9 and PK12 so that they can be continued for the next analysis. While items that are below 0.40 are discarded and not included in the next test.

Tabel 3. Knowledge Sharing Behavior

Variable	Factor1	Uniqueness
KSB1	0,72	0,49
KSB2	0,82	0,32
KSB3	0,54	0,71
KSB4	0,12	0,98
KSB5	0,52	0,72
KSB6	0,62	0,62
KSB7	0,59	0,65

Source : Data Processed with STATA (2023)

From the table of validity testing of knowledge sharing behavior above, there are seven question items and those above 0.40 have six question items, namely PBP1, PBP2, PBP3, PBP5, PBP6 and PBP7 so that they can be continued for the next analysis. While items that are below 0.40 are discarded and not included in the next test.

Tabel 4. The Language of Motivation

Variable	Factor1	Uniqueness
LM1	0,57	0,68
LM2	0,60	0,65
LM3	0,37	0,86
LM4	0,60	0,64
LM5	0,64	0,59
LM6	0,53	0,72
LM7	0,46	0,78
LM8	0,39	0,85
LM9	0,59	0,66
LM10	0,70	0,50
LM11	0,76	0,42
LM12	0,79	0,38
LM13	0,64	0,59
LM14	0,71	0,49
LM15	0,81	0,34
LM16	0,60	0,64

Source : Data Processed with STATA (2023)

From the table of validity testing of language of motivation above, there are sixteen question items and those above 0.40 have fourteen question items that they can be continued for the next analysis. While items that are below 0.40 are discarded and not included in the next test.

Reliability Test Results

After conducting the validity test, the next test is carried out, namely the reliability test which aims to determine the consistency of the measurement items carried out. Reliability test by looking at Cronbach's Alpha value to measure whether the concepts used have a positive correlation between one and the other (Sekaran, 2010).

Table 5. Reliability Test

Variable	Original Item	Validity	Alpha	Result
Job Satisfaction	8	4	0,6151	Very Good
Innovative Work Behavior	12	4	0,8875	Very Good
Knowledge Sharing Behavior	7	6	0,7835	Very Good
The Language of Motivation	16	14	0,8906	Very Good

Source : Data Processed with STATA (2023)

Table 6. Summary of Hypothesize Testing

NO	Hypothesis	P > t	Result
H1	Knowledge Sharing Behavior has a positive effect on Employee Job Satisfaction.	0,870	Rejected
H2	Knowledge sharing behavior has a positive effect on innovative work behavior	0,022	Accepted
H3	The Language of Motivation Moderates the Relationship Between Knowledge Sharing Behavior and Innovative Work Behavior	0,021	Accepted

Source : Data Processed with STATA (2023)

DISCUSSION

Sharing Knowledge has a positive effect on Employee Job Satisfaction

From the research results obtained results $P > |t|$ the knowledge sharing variable on employee job satisfaction is 0.870 where the P value $> |t| > 0.05$ so that it can be concluded that the first hypothesis is rejected. This is not in line with previous research, such as knowledge sharing is a culture of social interaction that involves sharing knowledge, experience and skills of staff across departments or organizations (Lin, 2007). Cummings (2004) implied knowledge sharing as "providing valuable information and knowledge to help others, working with them, solving questions, developing new ideas, and implementing actions." Furthermore, Denmark et al. (2014) suggest knowledge sharing as an opportunity for workers to learn from each other and stimulate organizational learning and are strongly influenced by the right organizational leadership style (Alshamsi and Ajmal, 2018). This research is not supported, this can occur due to lack of time, opportunity and cooperation that exists between employees so that the opportunity to share knowledge is also small and results in decreased job satisfaction.

Knowledge Sharing Behavior has a positive effect on Innovative Work Behavior

From the research results obtained results $P > |t|$ the knowledge sharing variable on innovative work behavior is 0.022 where the P value $> |t| > 0.05$ so it can be concluded that the second hypothesis is supported. This is in line with research conducted by Holub (2003) emphasizing that the rapid transfer of knowledge through participation helps develop thinking and creativity and these conditions encourage employee innovation behavior. This is in line with research by Woodman et al. (1993), which states that personal innovation is influenced by cognitive abilities, personality, knowledge, internal motivation and social networks. Employees observe and learn from knowledge with co-workers.

Furthermore, Mura et al. (2015) knowledge sharing is directly connected with the tendency to implement new ideas resulting in higher innovative behavior. Aulawi et al. (2009) argues that knowledge sharing behavior can stimulate individuals to think more critically and more creatively. Likewise, Hameed et al. (2019) found that knowledge sharing behavior is the result of organizational justice which is influenced by the psychological ownership mechanism of employees. It refers to future generations with useful and original ideas related to innovative work behavior (Amabile, 1988, 1996).

The Language of Motivation Moderates the Relationship Between Knowledge Sharing Behavior and Innovative Work Behavior

From the research results obtained results $P > |t|$ the variable perception of transformational leadership on performance is 0.021 where the P value $> |t| < 0.05$ so it can be concluded that the third hypothesis is supported. This is in line with previous research that has been carried

out, among others, directives who use good motivational language provide clear instructions and can solve work-related problems and support workers to achieve mastery in risky tasks. The findings of Mayfield and Mayfield (2004) show a strong and important relationship between the motivational language of leaders and employee innovation.

CONCLUSION

The conclusion answers the objectives of research or study based on a more comprehensive meaning of results and discussion of research. Suggestions are addressed for practical action (to the participating institution), for the development of new theories, and further research.

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HR STRATEGY IMPLEMENTATION IN A RAPID CHANGING ENVIRONMENT

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ABSTRACT

This study aims to analyze the application of human resource management strategies at the Bintan Regency Environmental Office. This research is a study that uses qualitative research. The results showed that the implementation of human resource strategies at the Bintan Regency Environmental Office has been implemented but must be developed again because basically human resources have many differences for each individual. Planning at the Bintan Regency Environmental Office has been done well through planning, implementation, organizing. In terms of organizing, human resources owned by the Bintan Regency Environmental Office are still developing and training in order to implement the policies contained in the Bintan Regency regional regulations because the Bintan Regency Environmental Office is engaged in the government sector that regulates government regulations through policies that have been regulated in law. The actuation carried out has been carried out but has not been maximized because the human resources owned by the Bintan Regency Environmental Office must continue to be skilled in dealing with regulations made by the local government of Bintan Regency and regulate policies related to the environment Policies or regulations from local governments that like to change must make human resources have planning, organizing, implementing, directing, and control so that in dealing with and issuing licenses and regulations can be carried out properly effectively and efficientl.

Keywords: Strategy, Human Resource Management, Government

ABSTRAK

Penelitian ini bertujuan untuk menganalisis penerapan strategi manajemen sumber daya manusia pada Dinas Lingkungan Hidup Kabupaten Bintan. Penelitian ini merupakan penelitian yang menggunakan penelitian kualitatif. Hasil penelitian menunjukkan bahwa penerapan strategi sumber daya manusia pada Dinas Lingkungan Hidup Kabupaten Bintan sudah dilaksanakan namun harus dikembangkan lagi karena pada dasarnya sumber daya manusia memiliki banyak perbedaan setiap individunya. Perencanaan (Planning) pada Dinas Lingkungan Hidup Kabupaten Bintan telah dilakukan dengan baik melalui perencanaan, pelaksanaan, pengorganisasian. Secara pengorganisasian sumber daya manusia yang dimiliki oleh Dinas Lingkungan Hidup Kabupaten Bintan masih melakukan pengembangan dan pelatihan agar dalam melaksanakan kebijakan yang terdapat di peraturan daerah Kabupaten Bintan karena Dinas Lingkungan Hidup Kabupaten Bintan bergerak pada bidang pemerintah yang mengatur regulasi pemerintah melalui kebijakan yang sudah di atur dalam undang-undang. Aktuasi yang dilakukan sudah terlaksana namun belum maksimal karena sumber daya manusia yang dimiliki Dinas Lingkungan Hidup Kabupaten Bintan harus terus terampil dalam menghadapi peraturan yang dibikin oleh pemerintah daerah Kabupaten Bintan dan mengatur kebijakan terkait lingkungan Kebijakan atau regulasi dari pemerintah daerah yang suka berubah-ubah harus menjadikan sumber daya manusia memiliki perencanaan, pengorganisasian, pelaksanaan, mengarahkan, dan mengendalikan sehingga dalam menghadapi dan mengeluarkan kenijakan serta regulasi dapat terlaksana dengan baik secara efektif dan efisien.

Kata Kunci: Strategi, Manajemen Sumber Daya Manusia, Pemerintah

INTRODUCTION

The era of globalization from time to time brings important changes related to HR management systems and concepts in controlling significantly different organizations. To achieve an effective competitive advantage for a company or an organization, everything must be adjusted to the times. Currently, the environmental sector is still controlled or regulated by the environmental agency which is mandated by the local government of Bintan Regency. Good and creative human resources can provide innovation and creativity in presenting ideas that increase the productivity of the Environmental Agency.

Although the role of human resources determines the flow of the regulatory policy process in carrying out the activities of the Environmental Agency, there are still many people who do not understand the role of HR management. With HR management, the performance carried out will run well efficiently and effectively. Human Resources Is capital or assets that can survive by adapting to the problems of the business environment and enabling human resources to be able to respond to advances in science and technology. Human resources contribute to competitive strategies that are in accordance with future policies or regulations. This includes innovation and entrepreneurial skills, unique qualities, specific skills, more differentiated services, and productivity skills that can be developed over time depending on needs and knowledge.

Human resource management is a process that involves handling various problems related to civil servants, employees, labor managers, service heads, and other workers. According to Hasibuan (2019), human resource management is a combination of science and art in managing the interaction and role of the workforce effectively and efficiently to help achieve the goals desired by the company, employees, and society as a whole. According to Bintoro and Daryanto (2017) stated that "Human resource management, abbreviated as HRM, is a science or way of how to manage the relationship and role of resources (labor) owned by individuals efficiently and effectively and can be used optimally so that goals are achieved. There are 4 main functions of HRM, namely planning, organizing, directing, controlling. Civil servants (PNS) are part of the State Civil Apparatus (ASN), which has been appointed permanently and is entitled to certain positions in its task force. As a support for the government of a country, it plays a role in creating a system in a country with the aim of improving the standard of living of the people.

According to Mutiara S. Panggabean (2020), human resources (HR) is a process that includes management, planning, leadership, and control of related activities such as job analysis, recruitment, performance evaluation, development, promotion, compensation, and termination of employment. All this is done to achieve the goals that have been set.

The management of civil servants includes the preparation and determination of needs, procurement, rank and position, career development, career patterns, promotion, mutation, performance appraisal, payroll and benefits, awards, discipline, dismissal, pension and old age security, and protection. Meanwhile, PPPK Management includes determination of needs, procurement, performance appraisal, salary and benefits, competency development, awarding, discipline, termination of employment agreements, and protection.

Improving Human Resource Management in the organization is very important to run and improve the way employees work in the Bintan Regency Environmental Office. The lack of human resources for civil servants often results in losses to the profile of the Environmental Agency because it is stigmatized by the community and from local governments. Therefore, improving human resources, namely planning, organizing, directing, and controlling must be done in order to create good performance as well as efficiently and effectively. The purpose of this study is expected to explain or explain human resource management strategies to the government, especially in the Bintan Regency Environmental Office, especially in carrying out orders from local governments and applying them to the community.

According to Simamora (Sutrisno, 2015) human resource management is the utilization, development, review, remuneration and management of individual members of organizations or groups of workers. Human Resource Management is one of the efforts made by companies to regulate their human resources. These resources are directed towards achieving the company's pre-set goals. Human resource management refers to planning, organizing, directing, and controlling. The components of human resource management have different objectives and functions and the underlying management components are:

1. Human Resource Planning

Strategic planning is the process of determining the goals of the enterprise and the overall program of actions to achieve the designed goals. Strategic planning is generally long-term. Human resource planning is a liaison between an organization and human resource management, and the function of human resource planning has an unavoidable and important role because it can integrate human resource decisions towards goals.

Planning and functions of HR Management in companies or organizations are generally defined as tools to find out the number of employees (demand) and the need or amount of labor supply (supply) needed, as well as how to find out the right position or position in accordance with the competencies possessed by employees (Utomo, 2022).

2. Human Resource Organizing

Organizing is the process of identifying, grouping, organizing, and building models of people's working relationships to achieve organizational goals. Organizing is a function of management, namely the process of managing people, tasks, authorities and responsibilities in achieving predetermined goals. Human resource policy to determine a person's position or position in the implementation of work in accordance with the criteria in employee recruitment based on the abilities, abilities and expertise possessed by the prospective employee. In organizations, the preparation of an organizational structure is very important so that everyone in the organization knows their duties and responsibilities, duties, rights and authorities precisely.

3. Human Resources Briefing

Direction is an action or thing to carry out or strive for all group members in the organization to strive to achieve goals according to goals with managerial planning and organizational efforts. According to Triwibowo (2013) briefing is to include responsibilities in managing human resources such as for morale, conflict management, delegation, communication and facilitating collaboration. Briefing is a managerial function of influencing others to follow the briefing. Direction serves to organize what is already in the planning so that it is organized and human resources who have competence are located in accordance with the existing capabilities in the organization so that it runs efficiently and effectively and runs in accordance with the planning that has been implemented.

4. Human Resource Control

Management control as a system used to plan various activities in order to achieve the organization's vision through the selected mission and to implement and monitor the implementation of the activity plan. Robert J. Mockler defines Management Supervision as a systematic effort to establish implementation standards with planning objectives, design feedback information systems, compare real activities with predetermined standards, determine and measure deviations, The function of control itself is useful for carrying out implementation that has been set regularly so that the organization can run to the goal.

METHOD

In this study, the author applied a qualitative approach with data analysis techniques carried out throughout the data collection process and some time afterwards. According to Auerbach and Silverstein, qualitative research is a type of study that interprets text and interview results to understand the meaning of a phenomenon. In this study, there are two types of data used, namely primary data and secondary data. The sample used was the result of an interview with the head of the general subdivision of the Bintan Regency Environmental Office. During the analysis in the field, researchers relied on interview and observation techniques. The data analysis technique used is descriptive analysis and triangulation.

RESULT AND DISCUSSION

Planning

Planning is carried out to design a competitive and changing future due to changing situations and conditions. The purpose of planning is to establish targets, procedures, programs, policies and work plans to provide or design efficient and effective implementation to achieve objectives. In addition, the purpose of planning is to carry out customer-related activities in an orderly and goal-oriented manner. The existence of good planning in a good DLH is expected that civil servants and staff can carry out the goals outlined in the regional medium-term development plan so that what is expected to be carried out well by the Biintan Regency Environmental Office. With regard to planning in management, the management of the Bintan Regency Environmental Office uses the rules contained in the regional medium-term development plan. The impact that occurs on the Environmental Agency if it does not use human resource planning, namely :

1. Activities that have been arranged in the regional medium-term development plan if not carried out can result in the cessation of programs that have been well designed every year and do not run well.
2. The completion of the draft that has been arranged will experience problems because each civil servant and staff has their own work letter.
3. Musrempang, which will be held the following year, experienced problems.

Organizing

Organizing has a very important role and greatly determines the next step in management. The success or failure of an organization is definitely related to the role of its members. A success can be achieved if there is good cooperation between its members. Good organization will create and maintain relationships between all organizational resources by

indicating which resources should be used for a particular activity, when they should be used, where, and how to use them. Meanwhile, failure can be caused by internal factors in the organization which are negative in nature. The organization carried out by DLH is stated based on the Bintan Regent Regulation Number 54 of 2022 concerning the position, organizational structure, duties and functions and work procedures of regional offices. The impact that occurs on the Environmental Agency if it does not use human resource organization, namely :

1. One of the functions of use as a basis for the division of labor will not run smoothly or will not be carried out
2. Unable to realize planning to achieve a goal that has been set in the regional medium-term development plan.
3. Governance or management of human resources is not effective and efficient.

Direction

Management arranges to plan so that civil servants and talented staff are aligned with the capabilities in the planning structure and function efficiently and effectively in accordance with the implemented plan. The process carried out in the briefing aims to guide, instruct, and instruct according to the work program that has been implemented in accordance with the predetermined plan so that it runs well. The Head of the Environmental Agency provides guidance, guidance and instructions such as providing training such as evaluation meetings so that the directions carried out can run well. The impact that occurs if the Environmental Agency does not conduct a briefing on the organizational structure, namely ;

1. Planning contingency will not be well directed with what is expected in planning.
2. The arrival of unexpected absenteeism in planning and control so that it is not effective against the objectives.

Control

Control is carried out by an organization to carry out the planned or structured effective work of subordinates. Control requires that the activities in the planning run well in accordance with the objectives. Control also ensures that human resources in the organization are carried out according to plan. The control carried out by the Environmental Office is regulated in the regent regulation which is transferred to the head of the DLH service to be carried out by controlling subordinates such as the secretary to the head of the finance subdivision and the head of the general subdivision, as well as to the head of the field and his staff who already have their respective work letter assignments. With the control of

planning that is carried out more structured organizationally. The impact that occurs if the Environmental Agency does not control the organizational structure, namely :

1. Not getting achievement for the next step that has been set out in the planning can not achieve the goal and show corrective action.
2. Activities carried out in such a way do not occupy the standards and norms that have been established to ensure that existing human resources, namely civil servants and their ranks, are not efficient and effective.
3. Civil servants and staff who have been organized according to standards and objectives cannot be properly understood and coordinated.

Human resource management (HRM) is a combination of practical skills and theoretical knowledge to manage the relationships and responsibilities of civil servants working in the environmental service, ensuring that civil servants follow procedures and work efficiently and effectively to achieve organizational goals. This additional effort is necessary to achieve a key element of organizational success, which requires effective control and management of employee performance. From the point of view of leadership and coaching to improve well-being. Measuring the performance of employees and staff is an evaluation of improvements provided with the work done. Consumers as service users have a very important role in employee welfare and improve a positive image for the Environmental Agency in terms of improving performance regulated in the regent regulation.

CONCLUSION

The implementation of the human resource strategy at the Bintan Regency Environmental Office has been carried out, but still requires further development. This research highlights the importance of planning, organizing, training, and controlling human resources in the face of changing regulations and policies related to the environment. The role of human resources in carrying out the activities of the Environmental Agency is very important. Good human resource management can contribute to increasing productivity and innovation in the provision of environmental services.

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