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The Determinants Indonesia Composite Index on the Indonesia Stock Exchange

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Abstract

This study aimed to determine and analyze the movement of the composite stock price index by observing the variables of inflation, exchange rates, interest rates, and the amount of money circulating in companies listed on the Indonesia Stock Exchange. The population in this study is all monthly time series data, including the Composite Stock Price Index (CSPI) for the period January 2019 to December 2020, with as many as 24 months of observation for each variable. The sample selection method uses a saturated sample because the Composite Stock Price Index includes the average stock price of all companies listed on the Indonesia Stock Exchange. The data were processed by quantitative descriptive techniques using multiple linear regression statistical tests. The results of this study indicate that inflation and interest rates positively affect the Composite Stock Price Index. Meanwhile, the Exchange Rate and the Money Supply have no effect on the Composite Stock Price Index on the Indonesia Stock Exchange. In the Covid-19 pandemic, economic growth slowed, causing the Indonesian economy to decline.

Keywords: Indonesia Composite Index, Inflation, Exchange Rates, Interest Rates and Money Supply.

How to Cite:

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JEL classification: M1, M3, M5

1. Introduction

The local financial sector performed well at the end of 2018, but 2019 will be a difficult year for the stock market due to high global issues. Throughout the year, the JCI has demonstrated dynamic movement. The JCI reached its peak of 6,500 in February 2019 and fell to its lowest point of 5,826 in mid-May. The stock market experienced a fairly good rally in December, as

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evidenced by an increase in transaction activity in terms of miles, volume, and frequency, which was also accompanied by a very good increase in the JCI, so that the JCI closing has entered the positive zone again, approaching 3 percent growth in 2019.

The global financial market experienced a sharp decline or correction in 2020, caused by the COVID-19 pandemic in all parts of the world and exacerbated by the world oil price dropping sharply to US \$30/barrel in the market, among others, domestic and foreign investors stayed away from risky assets and moved funds into cash or a safe haven in the form of dollars or US Treasury. Foreign investors withdrew their funds, putting pressure on the stock market, which has dropped 26 percent since the start of the year. The JCI sank 37% to its lowest level at the end of March before rebounding 17% to its current level of 4600. Furthermore, foreign investors withdrew significant amounts of money from the bond market, causing bond values to collapse. The total withdrawn foreign portfolio exceeded Rp130 trillion, causing the rupiah exchange rate (exchange rate) to fall 15% to Rp16,300/dollar.

An infectious disease produced by a type of coronavirus is caused by a type of coronavirus. A coronavirus is a type of virus that can infect both animals and humans. The outbreak of the coronavirus, or COVID-19, has shook the country's stock market and financial markets, breaking new records. As a result, the Composite Stock Price Index (JCI) plummeted and reached a rather low level (Nastiti, 2020).

Every day, whether in electronic or print media, they report on the most recent Composite Stock Price Index (JCI) number. JCI is an abbreviation for the Composite Stock Price Index. The Composite Stock Price Index (JCI) is the figure used to calculate the overall performance of all stocks traded on the Indonesia Stock Exchange. The JCI, on the other hand, reflects overall capital market activity. A rise in the JCI suggests that the stock market is on the upswing. If, on the other hand, it falls, it implies a bearish capital market (Manurung, 2016). JCI fluctuations in the stock market offer investors with useful information. Changes in numerous macroeconomic variables will cause capital market swings. Changes in macroeconomic variables are a type of risk in investment.

The Composite Stock Price Index reached a final value of 6,468,755 in March 2019, representing a percentage of 0.39 percent, then fell by -0.21 percent in April 2019 to 6,455,352. Until the end of December 2019, the development of the Composite Stock Price Index (JCI) was quite constant. The JCI then fell significantly again at the end of January 2020, with a final result of 5,940,048 or a -5.71 percent drop. The Composite Stock Price Index (JCI) then fell precipitously again at the end of February 2020, this time by -13.44 percent to a final result of 5,452,704. The fall continued in March 2020, with a final result of 4,538,930, or -22.10 percent.

The capital market's stock price index is extremely subject to changes in macroeconomic conditions both inside and outside the country. Changes in macroeconomic factors such as inflation, interest rates, currency exchange rates, and the money supply will be reacted to by the capital market, potentially influencing the creation of stock values.

2. Literatur Review

2.1. Portfolio Theory

The definition of portfolio according to Hadi (2013: 207) is a collection of investment instruments formed to fulfill a general investment target. According to Sunariyah (2011), a

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portfolio is a series of combinations of several assets invested and held by investors, both individuals and institutions. "Realized returns and expected returns from a portfolio are the weighted average of the returns of all single securities (Jogiyanto, 2014)." The optimal portfolio formed based on a single index model has several inputs. The analysis input includes the following Excess Return to Beta (ERB), Cut Off Point, Proportion of Funds for Each Security.

2.2. Capital market

The capital market is a meeting place between buyers and sellers with the risk of profit and loss, a means for companies to increase long-term funding needs by selling shares or issuing bonds" (Jogiyanto, 2014: 29). Funds obtained from the capital market can be used for business development, expansion, additional working capital and so on. Second, the capital market is a means for people to invest in financial instruments such as shares, bonds, mutual funds, etc. In this way, people can place their funds according to the profit and risk characteristics of each financial instrument (Amin, 2012).

According to Tandelilin (2010) capital market instruments are all securities traded on the stock exchange. These instruments are generally long-term, and consist of various types, including shares, bonds, derivatives and mutual funds.

2.3. Composite Stock Price Index (IHSG)

According to Martalena and Malinda (2011) the stock price index is an indicator that shows stock price movements. The stock price index is an indicator or measure that measures price changes in a stock market or part of the market. When the index moves up, the stocks included in the index move up. According to the IDX, a stock index is a statistical measure that can describe the overall movement of a group of shares that have been selected based on certain criteria and methodology. This stock index continues to be evaluated periodically and the formation of this set of shares can be changed based on the evaluation results. For example, last year XXXX shares were included in the LQ45 index, but this year the shares may no longer be included in the index. On the other hand, stock YYYY, which was not included in the index last year, could be included in one of the stock indexes this year.

Currently, the Indonesian Stock Exchange (BEI) has 37 stock indexes. Each stock index measures the performance of selected stocks on certain criteria. For example, shares with the highest liquidity, highest dividends, most liquid sharia shares, and other criteria. The most famous stock price index is of course the IHSG, namely the Composite Stock Price Index or in English called the Indonesia Composite Index (ICI). This index is a reflection of measuring the performance of all shares listed on the Indonesian Stock Exchange.

According to Sunariyah (2011:140) the Composite Stock Price Index is a value used to measure the combined performance of all shares listed on a stock exchange. This share price index is issued on the relevant stock exchange officially and is also issued by certain institutions such as financial mass media, electronic media and other financial institutions, so the combination of the IHSG depicts the stock performance of all listed companies. The Composite Stock Price Index (IHSG) is divided into two, namely all shares and group share price indexes. The composite stock price index for all shares depicts a series of historical information up to a certain date regarding price movements of all shares. Meanwhile, the group share price index depicts a series of historical information up to a certain date regarding group share price

movements. The composite stock price index for all shares and the composite stock price index are presented every day based on the closing price on that day (Sunariyah, 2011).

The Composite Stock Price Index is a stock price index number that has been compiled and calculated by producing a trend, where the index number is a number that is processed in such a way that it can be used to compare events which can be changes in stock prices from time to time (Jogiyanto, 2014).

2.4. Inflation

According to Bodie Kane Marcus, inflation is the general rate of increase in prices.. An increase in production costs that is greater than an increase in prices will result in investor profits and investment returns decreasing so that investment is less attractive as a result of which share prices will decrease. High inflation is usually associated with overheated economic conditions. This means that economic conditions experience demand for products that exceeds the capacity of product supply, so prices tend to increase. Inflation that is too high will also cause a decrease in the purchasing power of money.

Inflation is the main factor that influences the stock market (Patel, 2012). Inflation will tend to increase the company's production costs, so that the company's profit margin becomes lower. The further impact of this is to cause share prices on the stock exchange to fall. If this is experienced by many companies in the capital market, the JCI performance will also decline. Determining the inflation rate can be seen from the Central Statistics Agency (BPS) which conducts the Cost of Living Survey (SBH) and produces the Consumer Price Index (CPI). The CPI measurement includes general expenditures made by society such as clothing, food, shelter, health, education and transportation.

$$\text{Inflation rate} = (\text{CPI} - \text{CPI}_{-1}) / (\text{CPI}_{-1}) \times 100\%$$

The results of research conducted by Setiawan (2012) and Sangmi (2013) in their research show that inflation has a positive and significant effect on the IHSG, however Appa (2014) in his research shows that inflation does not have a significant effect on the IHSG. The research results of Ria Astuti, Apriatni E.P and Hari Susanta (2013) reveal that inflation has a negative and insignificant effect on the Composite Stock Price Index (IHSG). In contrast to research conducted by Agus Jumadil Akbar, Saadah Yuliana and Taufiq Marwa (2016), inflation does not have a significant influence on the composite stock price index.

2.5. Exchange Rate (Rupiah Exchange Rate)

According to Ilmi (2017) the exchange rate or exchange rate is the price of one currency against another currency or the value of one currency against the value of another currency. The exchange rate (exchange rate) is a macroeconomic factor which has been empirically proven to have an influence on economic development in various countries. The strengthening of the US dollar exchange rate against the rupiah will have a negative impact on issuers who have debt in dollars while the 4 issuers' products are sold locally. This means that the share prices of issuers that are negatively impacted will experience a decline on the Stock Exchange (Apriansyah: 2014).

The exchange rate (exchange rate) can be a picture of economic stability a country. A country that has good economic stability can be expressed by a currency that has stable movements.

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Country with poor economic stability, the currency tends to move erratically and tends to weaken.

The results of research conducted by Ria Astuti, Apriatni E.P and Hari Susanta (2013) revealed that the Rupiah Exchange Rate had a negative and significant effect on the Composite Stock Price Index (IHSG). And research conducted by Suramaya Suci Kewal (2012) revealed that the exchange rate had a significant influence on the IHSG.

2.6. Interest Rate

According to Tendelilil (2010:343), "an interest rate that is too high is a negative signal for shares. Interest rate is the ratio of returns on a number of investments as a form of reward given to investors. The interest rate varies according to the debtor's ability to provide a rate of return to the creditor. This interest rate can be a guide for investors in making investment decisions in the capital market. As an alternative investment vehicle, the capital market offers a rate of return at a certain level of risk.

In Indonesia, the central bank interest rate is proxied by the interest rate on Bank Indonesia Certificates or SBI. Bank Indonesia Certificates (SBI) based on Bank Indonesia Circular Letter No.8/13/DPM concerning the Issuance of Bank Indonesia Certificates through Auction are securities in Rupiah currency issued by Bank Indonesia (BI) as recognition of short-term debt. The purpose of issuing SBI is to maintain monetary stability, namely BI is obliged to maintain the stability of the value of the rupiah.

Interest rates are also a variable that can influence stock prices. An aggressive increase in interest rates could strengthen the rupiah, but the Composite Stock Price Index (IHSG) will fall because investors will choose to save in banks. If interest rates increase, share prices will decrease.

The results of research conducted by Ria Astuti, Apriatni E.P and Hari Susanta (2013) revealed that interest rates have a negative and significant effect on the Composite Stock Price Index (IHSG). This is in line with research conducted by Ahmad Zulfa and Juhono Tan (2009) which states that interest rates have a negative and significant effect.

2.7. Money Supply

The money supply (JUB) is M1 (money in the narrow sense), consisting of currency and demand deposits, and (money in the broad sense) which consisting of plus power of attorney money. According to Prasetyo (2009), size the most commonly used in studying the types of money circulating in almost all countries in the world, including Indonesia, are the M1 and M2 types. The money supply is the entire supply of money in an economy. The development of the money supply reflects or is in line with economic development. Usually when the economy grows and develops, the money supply also increases, while its composition changes. As the economy becomes more advanced, the portion of currency used becomes smaller, replaced by demand deposits. Usually, if the economy improves, the composition of M₁ in money circulation becomes smaller, because the portion of quasi money becomes larger (Rahardja, 2012).

The results of research conducted by Mone Otorima and Ali Kesuma (2016) revealed that the decline in money supply and The global crisis has a negative effect on the IHSG. And research

conducted by Diah Anggadewi Kusharfitri (2016) revealed that the amount of money circulating in the long term and short term it shows positive and significant.

3. Research Methods

This is a quantitative descriptive study using a hypothetical deductive procedure. This study's population consists of all monthly time series data, including the Composite Stock Price Index, over the period January 2019 to December 2020, with a 24-month observation period. In this study, a saturated sample technique was used, which means that all individuals of the population were sampled. As a result, the sample in this study is the Jakarta Composite Index's financial statements for the 2019 to 2020 fiscal year, which spans 24 months.

This quantitative research study is utilized to assess the strength of the link between the dependent variable and the independent variable in a population. Multiple regression analysis with panel data was employed as the data analysis technique in this investigation. Before performing multiple linear analysis, the collected data must be checked for the presence of the required classical assumptions. Following the examination of the classical assumptions, testing is carried out to assess the effect of variables on each other simultaneously and partially. Multiple linear equations used are as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots\dots\dots (1)$$

Notes :

- Y = Composite Stock Price Index
- X1 = Inflation
- X2 = Exchange Rate
- X3 = Interest Rate
- X4 = Amount of Money Supply
- α = Constant
- ε = Confounding variable
- $\beta_1 \beta_2 \beta_3 \beta_4$ = Regression coefficient

4. Results And Discussion

4.1. Results

4.1.1. Classic Assumption Test.

The classical assumption test is performed first before starting multiple regression analysis. Normality, multicollinearity, and heteroscedasticity tests are all part of the classical assumption test. The Kolmogorov-Smirnov test was used to determine the normality of the data in this study by examining the significance of the residuals generated.

Table 2. Normality Test Results.

		Inflation	Exchange Rate	Interest Rate	Money Supply	Composite Stock Price Index
N		24	24	24	24	24
Normal Parameters ^{a,b}	Mean	.0253	9988.966	.1125625	6183686.76093	8690
	Std. Deviation	.00710	435.8568	.0654141	392204.8935	12.42273

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Most Extreme Absolute	.160	.110	.191	.157	.169
Differences Positive	.135	.110	.191	.157	.122
Negative	-.160	-.104	-.109	-.119	-.169
Test Statistic	.160	.110	.191	.157	.169
Asymp. Sig. (2-tailed)	.114 ^c	.200 ^{c,d}	.023 ^c	.129 ^c	.074 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Source: Data processed by SPSS (2021)

According to the table above, a significance value of 0.074 is obtained, which is greater than 0.05. It denotes that the residual data is regularly distributed. The multicollinearity test determines whether the model is Regression discovered a correlation between the independent variables. The Variance Inflation Factor (VIF) and the tolerance (T) value represent the regression model. There is no multicollinearity if VIF is 10 and T is 0.10.

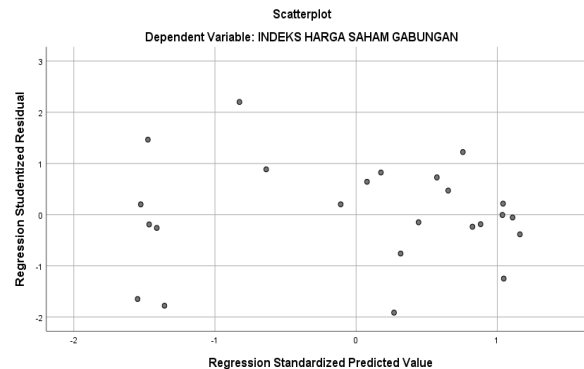
Table 3. Multicollinearity Test Result

Model (Constant)	Collinearity Statistics	
	Tolerance	VIF
Inflation	.214	4.675
Exchange Rate	.322	3.102
Interest Rate	.542	1.844
Money Supply	.680	1.471

Source: Data processed

Based on the tolerance value calculation results, it can be determined that there is no independent variable with a tolerance value of 0.10 and no VIF value of 10. It may be inferred that the regression model in this study does not display multicollinearity and that the regression model is usable.

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another observation. Heteroscedasticity test using graphic analysis, specifically a scatterplot graph, in which the points formed must be randomly distributed, spread both above and below the number 0 on the Y axis. If this condition is met, the regression model can be used. There is no heteroscedasticity, and the model is safe to use.



Source: Data processed

Figure 1. Heteroscedasticity Test Results

The image's heteroscedasticity test results demonstrate that the scatterplot image exhibits a distribution pattern where the points are scattered above and below 0 on the Y axis without clumping or forming a pattern, implying that the data in this study does not have a heteroscedasticity problem.

The test method uses the Durbin-Watson test (DW-Test) (Priyatno, 2018:144). Decision making on the Durbin Watson test is as follows: a) $DU < DW < 4-DU$ Then H_0 is accepted, meaning that there is no autocorrelation. b) $DW < DL$ or $DW > 4-DL$ then H_0 is rejected, meaning an autocorrelation. c) $DL < DW < DU$ or $4-DU < DW < 4-DL$, meaning that there is no certainty or definite conclusion. The autocorrelation test can be seen in Table 8 below:

Table 4. Autocorrelation Test Results.

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	.835 ^a	.697	.633	7.52694	1.983

a. Predictors: (Constant), Amount of Money Supply, Exchange Rate, Interest Rate, Inflation.

b. Dependent Variable: Composite Stock Price Index

Source: Data processed by SPSS, 2021.

The Durbin-Watson (DW) column, it can be seen that the DW value is 1.983. Decision making does not occur autocorrelation can be seen if $du < d < 4-du$. The value of du can be seen in the DW table according to the number of samples and the number of variables. Based on the DW table with a significance value of 5%, the number of samples (n) 24, and the number of independent variables (k) 4, the du value for this study is 1.7753. Thus, the DW value of 1.983 is greater than the upper limit (du) 1.7753 and less than $4 - 1.7753$ ($4-du$) so it can be concluded that there is no autocorrelation.

Coefficient of Determination Test (R^2)

The coefficient of determination (R^2) essentially measures how far the model's ability to explain the dependent variable is. The value of the coefficient of determination is between zero and

one. A smaller (R^2) value means the ability of the independent variables to explain the variance of the dependent variable is very high limited (Ghozali, 2018).

Table 5. Coefficient of Determination Test Results.

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.835 ^a	.697	.633	7.52694

a. Predictors: (Constant), Amount of Money Supply, Exchange Rate, Interest Rate, Inflation.

b. Dependent Variable: Composite Stock Price Index

Source: Data processed.

The known coefficient of determination (R^2) is 0.633 or in percentage it is 63.3%. This shows that the influence of the variable Amount of Money Supply, Exchange Rate, Interest Rate, Inflation on composite stock price index is 63.3% while other variables or other factors influence the remaining 36.7%.

Multiple linear regression analysis was employed in this investigation. The following table shows the results of multiple linear analysis:

Table 6. Multiple Linear Regression Analysis.

Model	Unstandardized Coefficients		Standardized Coefficients	
	B	Std. Error	Beta	t
1 (Constant)	1.906	9.776		.195
Inflation	16.479	7.860	.583	2.097
Exchange Rate	.006	.069	.021	.094
Interest Rate	2.351	1.104	.372	2.129
Money Supply	.002	.001	.179	1.147

a. Dependent Variable: Composite Stock Price Index

Source: Data processed

After doing multiple regression analysis using the table above, the regression coefficient values can be entered into the regression equation, which is set up in the multiple linear regression equation as follows:

$$Y = 1.906 + 16.479(X_1) + 0,006(X_2) + 2.351(X_3) + 0,002(X_4) + e$$

4.2. Discussion

The Impact of Inflation on the Composite Stock Price Index

The findings of the first hypothesis testing demonstrate that the first hypothesis is accepted. The test findings reveal that inflation has a positive effect on the composite stock price index with a significance of 0.050, where 0.05 (= 5%) is the value and the regression coefficient value is 0. It came to 16,479. As a result of the hypothesis's findings, it is stated that inflation has a positive effect on the composite stock price index.

The findings of this study support the hypothesis proposed by Ahmad Zulfa and Juhono Tan (2009), which claims that inflation has a positive and significant effect on the Composite Stock

Price Index. While Agus Jumadil Akbar, Saadah Yuliana, and Taufiq Marwa (2016) found that inflation had no significant effect on the composite stock price index,

This is conceivable because, theoretically, the findings of this study show that the inflation variable has a considerable positive effect on the Indonesia Stock Exchange's Composite Stock Price Index (IHSG). This can demonstrate that with a high inflation rate, the rate of return on investment is likewise predicted to be high. This could be because of the positive association between inflation and real economic activity in many developing nations, as well as the prospect of a close relationship between monetary and real sector policies in these countries. This occurred because inflation had no negative influence on the company, therefore the stock price did not fall, and hence the stock price index did not fall. Based on the existing concept and the results of the testing, inflation appears to have a beneficial effect on the composite stock price index.

The Effect of Exchange Rate on the Composite Stock Price Index

The findings of testing the second hypothesis indicate that it was rejected. The results of the test demonstrate that the exchange rate has no effect on the composite stock price index, with a significance of 0.926, which is greater than 0.05 (= 5%), and the regression coefficient value is 0.006. According to the hypothesis, the exchange rate has no effect on the composite stock price index.

The findings of this study support Srycahyani Subekty's (2019) theory, which argues that the exchange rate has no substantial effect on the Composite Stock Price Index. Mone Otorima and Ali Kesuma's (2016) research had a negative impact on the composite stock price index.

This is feasible because, according to the idea, the exchange rate has no effect on the composite stock price index. The hypothesis that the exchange rate has no effect on the composite stock price index is rejected as a result of these findings. People's purchasing power is still maintained because the Indonesian economy is dependent on international trade and Indonesia's annual economic growth. In addition to people's purchasing power, which is still high, it is caused by the middle and upper classes' rising standard of living. As a result, people's purchasing power and steady economic growth can compensate for exchange rate volatility. It makes no difference what the exchange rate or exchange rate is since there are other factors that influence the Composite Stock Price Index.

The Impact of Interest Rates on the Composite Stock Price Index

The findings of testing the third hypothesis reveal that it is accepted. The test results reveal that interest rates have a positive effect on the composite stock price index, with a significance of 0.047, defined as a value less than 0.05 (= 5%) and a regression coefficient of 2,351. According to the results of the experiment, the composite stock price index performs better when interest rates are higher, which is correct.

The findings of this study support Nina Purnasari (2020) theory that interest rates have a positive and significant effect on the Composite Stock Price Index. Because interest rates have a positive association with the Composite Stock Price Index, changes in interest rates will cause the JCI to move. According to Suramaya Suci Kewal (2012)'s research, interest rates have no effect on the Composite Stock Price Index.

This is feasible because, in theory, an increase in interest rates increases the burden on the company (issuer), which can cause stock values to fall even further. An increase in interest rates will cause a person or investor to move funds to the money market, savings, and time deposits, causing investing on the stock exchange floor to decrease stock prices even lower. In contrast, if the interest rate is low, someone or an investor will withdraw their funds from the bank and divert the cash to invest in the stock market (Mankiw, 2007). Based on the existing concept and the results of the testing, interest rates appear to have a beneficial effect on the composite stock price index.

The Money Supply's Influence on the Composite Stock Price Index

The fourth hypothesis was rejected, according to the results of the tests. The results of the test reveal that the money supply has no effect on the composite stock price index, with a significance of 0.266, where the value is greater than 0.05 (= 5%) and the regression coefficient value is 0.002. According to the hypothesis, when there is a lot of money in the globe, there is no effect on a composite stock price index.

The findings of this study support the idea proposed by Iputu Martaz Edi Kusuma (2016), who found that the money supply has no effect on the Composite Stock Price Index. It is recommended that investors who want to invest in the Indonesian stock exchange do not speculate and instead wait for the community's money supply to stabilize so that losses are not severe. Mone Otorima and Ali Kesuma (2016) conducted research that has a negative impact on the the composite stock price index.

This is feasible because, in theory, the greater the amount of money in circulation, the higher the stock price. This increase indicates that the demand for cash for speculative purposes reflects the quantity of cash demanded for the purpose of financing speculative transactions or expenditures. Purchasing securities (bonds) or stock, for example. Interest rates have a detrimental effect on the amount of cash sought for speculative reasons. This suggests that the higher the interest rate, the less cash is demanded for speculative purposes, and vice versa. Based on the current theory and the results of the experiments, it appears that the money supply has no effect on the composite stock price index.

5. Conclusions

From the results of the analysis and discussion, the following conclusions are drawn Composite Stock Price Index. Influenced by Inflation and interest rates have an effect The Composite Stock Price is not influenced by the exchange rate and the Money Supply. Investors on the Indonesia Stock Exchange (IDX) need to pay attention to the factors that affect the Composite Stock Price Index in investing in the capital market, namely inflation rates and interest rates. Inflation that is too high will cause a decrease in the purchasing power of money. Inflation will tend to increase the company's production costs, so that the company's profit margin will be lower. The further impact of this is that the stock price in the stock exchange will decrease. If this is experienced by many companies in the capital market, the JCI's performance will also decline and vice versa. The Interest Rate has a positive correlation with the Composite Stock Price Index, which means that when interest rates change, the JCI will move. An increase in interest rates will increase the burden on the company (issuer) which can further reduce stock prices. if the interest rate is low it will make a person or investor withdraw their funds in the bank and will be diverted to invest in the stock market. interest rates affect stock prices in reverse (cateris

paribus). From the results of this study, inflation, exchange rates, interest rates and the money supply have a positive direction on the JCI.

Companies listed on the Indonesia Stock Exchange (IDX) that wish to invest should consider fundamental factors, especially Inflation and Interest Rates because these factors are proven to have an influence on the Composite Stock Price Index on the Indonesia Stock Exchange. For further researchers, it is hoped that they can increase the research period and add other independent variables, such as gross domestic product, unemployment rate, foreign exchange reserves, as well as external factors originating from abroad such as world economic growth and world oil prices so that they will find new research results. which is suspected to affect the movement of the composite stock price index.

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The Influence of Principal Leadership, Discipline and Motivation on the Performance of Private Mts Teachers In Banyuasin Regency

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Abstract

This research aims to describe the influence of school principal leadership, discipline, and motivation on the performance of private MT teachers in Banyuasin Regency in detail. The data testing method for measuring the variables in this research uses Multiple Linear Regression Analysis—an associative research type. The total respondents were 154 teachers from 20 private MTs in Banyuasin Regency. The research results show that (1) Leadership, discipline, and motivation simultaneously influence the performance of private MTs teachers in Banyuasin Regency. (2) In particular, leadership, discipline, and motivation positively affect the performance of private MT teachers in Banyuasin Regency.

Keywords: Leadership, Discipline, Motivation and Performance

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JEL classification: M1, M3, M5

1. Introduction

Every educational institution always has a goal to be realized. To make this happen, educational management is needed so that every activity and part of the world of education can run and work well. It also is a process of planning, organizing, directing, and controlling educational resources to achieve educational goals effectively, efficiently, independently, and accountable.

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Education management is a series of activities ranging from planning to evaluation and systematic reporting of educational activities to achieve quality education goals. The process of planning, organizing, leading, and controlling educational personnel and educational resources to achieve educational goals and all school activities, which include large businesses, such as regarding policy formulation, directing large businesses, coordination, consultation, correspondence, equipment control, and so on down to small and simple businesses, such as looking after schools and so on (Engkoswara 2018, p.10).

In educational management, it is important to evaluate teacher performance. Teacher performance assessment is very useful for evaluating the work results obtained. The results of this assessment can be used as a reference for determining further actions to achieve the predetermined goals that are carried out for all teachers in an educational organization at the final stage after going through the research, planning, and activation stages.

Teacher performance is the result obtained by an organization, whether the organization is profit-oriented or non-profit-oriented, which is produced over a period of time and is a condition that shows a teacher's ability to carry out his duties at school and describes the actions displayed by the teacher during learning activities. Real work results in quality and quantity achieved by a teacher in carrying out his duties in accordance with the responsibilities given to him, which include compiling learning programs, implementing learning, carrying out evaluations, and evaluation analysis (Fahmi 2018, p.2).

Sedarmayanti (2001, p.89). Performance is the teacher's ability and success in carrying out learning tasks. Various factors influence teacher performance. Factors that influence teacher performance include Mental attitude (work motivation, work discipline, and work ethics), education, skills, leadership, income level, salary and health, social security, work climate, facilities, technology, and opportunities for achievement.

2. Literature Review

The influence of principal leadership, discipline and motivation on the performance of private MTs teachers in Banyuasin Regency. Sedarmayanti (2017, p.89) says that leadership is one of the factors that influences teacher performance. According to Mulyasa in Nurrochmah and Sontani (2020, p.22), mental attitude (Motivation and Discipline) influences teacher performance.

This is supported by research by Riyadi (2011), showing that leadership, discipline, and motivation significantly affect teacher performance. Arsyenda (2013) stated that leadership, discipline, and motivation greatly influence teacher performance. This research also supports Mangkunegara (2015), who stated that leadership, discipline, and motivation positively and significantly affect performance. Rachmawati (2006), Riyadi (2011), Jaya (2012), and Saputra (2012) stated that leadership, discipline, and motivation have a significant influence on teacher performance.

The quality of teacher work is seen from internal factors, namely quarrels between teachers, incompatibility of income with the workload received by teachers, inadequate facilities, and minimal appreciation. External factors include family problems, minimal motivation, and basic characteristics. Teachers' work abilities sometimes do not complete the work well and do not complete the work according to the leadership's directions. Lack of initiative, such as teachers not doing anything helpful unless waiting for orders from superiors first, not carrying out their

role unless there is supervision from superiors, not taking initiative to help solve problems, no initiative to reduce conflict in the team, not wanting to try new things.

The influence of school principal leadership on the performance of private MTs teachers in Banyuasin Regency. Sedarmayanti (2017, p.89) says that leadership is one of the factors that influences teacher performance. This is supported by research by Riyadi (2011) which states that leadership has a significant influence on teacher performance. Yuria Rahmawati (2013) stated that leadership has a significant influence on teacher performance.

However, based on the results of pre-research conducted by researchers, there are still many school principals who do not tell the truth in carrying out their school duties and the principal cannot be a role model for teachers, employees and students. Communication School principals rarely share information about organizational goals, teaching schedules, applicable rules and procedures. Lack of ability to build good relationships in a personal context and in the work environment. Decision-Making Ability: The principal does not listen to the opinions of his subordinates, and the principal does not involve subordinates (teachers & staff) in decision-making.

The influence of discipline on the performance of private MTs teachers in Banyuasin Regency. According to Mulyasa in Nurrochmah and Sontani (2020, p.22), mental attitude (Discipline) is one of the factors that influences teacher performance. This is supported by research by Arsyenda (2013), which states that work discipline influences teacher performance. This research also supports Mangkunegara (2015), who stated that work discipline has a positive and significant effect on teacher performance.

Pre-research results show that several teachers have not carried out their duties well, such as teachers are rarely present when there is a teaching schedule, teachers are not disciplined when they come to school, there are still some teachers who are late for school, and they don't get permission if they don't come to school. When providing learning to students, teachers do not make Learning Implementation Plans (RPP). Teachers do not make use of the teaching aids that have been provided, so learning looks very monotonous, and students feel bored.

Teachers' ethical work regarding behavior and actions that do not comply with professional, ethical standards in carrying out their duties and responsibilities as educators, such as not maintaining academic integrity, not being professional in teacher-student relationships, not maintaining the confidentiality of information, not complying with the professional code of ethics. Obedience to regulations, namely where the attitudes and behavior of teachers who are not obedient in following the rules and regulations set by the madrasah causes them to be ineffective and inefficient; teachers who do not obey the regulations tend not to manage the class well and their learning time becomes not optimal.

The influence of discipline on the performance of private MTs teachers in Banyuasin Regency. According to Mulyasa in Nurrochmah and Sontani (2020, p.22), mental attitude (Discipline) is one of the factors that influences teacher performance. This is supported by research by Arsyenda (2013), which states that work discipline influences teacher performance. This research also supports Mangkunegara (2015), who stated that work discipline positively and significantly affects teacher performance.

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Obedience to regulations, namely where the attitudes and behavior of teachers who are not obedient in following the rules and regulations set by the madrasah, this causes them to be ineffective and inefficient, teachers who do not obey the regulations tend not to manage the class well and their learning time becomes not optimal.

The influence of motivation on the performance of private MTs teachers in Banyuasin Regency. According to Mulyasa in Nurrochmah and Sontani (2020, p.22) mental attitude: (Motivation) is one of the factors that influences teacher performance. This is supported by research by Rachmawati (2006), Riyadi (2011), Jaya (2012), Saputra (2012) stating that motivation has a significant influence on teacher performance.

The results of pre-research at Banyuasin Regency Private MTs show that there are several teachers with decreased work motivation, such as: Responsibility in carrying out work seen from teachers not carrying out assignments if not supervised by the principal, not completing and submitting assignments on time, there are several teachers who not responsible for the tasks given by superiors. The achievements achieved can be seen from the teacher not being able to do the assignment without asking other teachers for help, the teacher not being able to solve problems in the assignment well. Self-development, teachers do not take part in training provided by the madrasah to develop themselves to be better. Madrasahs do not carry out activities to improve the quality of teachers.

3. Research Methods

The research object is private MTs in Banyuasin Regency, South Sumatra. Private MTs in Banyuasin Regency. Performance is the dependent variable; The principal's leadership, discipline and motivation are independent variables. The population used in this research were all private MTs teachers in Banyuasin District, Banyuasin Regency, totaling 20 schools & 250 teachers. The sample used in the research was 154 private MTs teachers in Banyuasin District, Banyuasin Regency. The sampling technique above uses a probability sampling technique with a cluster sampling technique, sampling using a cluster method (Cluster Random Sampling).

Data Collection Method The data used in this research are interviews & questionnaires, namely respondents' answers to a series of questions related to The influence of principal leadership, discipline and motivation on the performance of private MTs teachers in Banyuasin district.

Operational Variables The variables in this research discuss four variables, namely consisting of the independent variable Leadership (X1), Discipline (X2), Motivation (X3) and the dependent variable Performance (Y). It can be explained in the explanation below: Table III.1

Operational Definition of Variables Research Variables Definition of Operational Indicators
Teacher Performance (Y) Teacher performance is a description of the results of work carried out by educators related to the tasks carried out by teachers and is the responsibility of Private MTs teachers in Banyuasin Regency a) Quality of work b) Work ability c) Initiative Principal

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Leadership (X1) Principal leadership is a process of directing and influencing activities related to the duties of private MTs teachers in Banyuasin Regency. a) Personality b) Communication c) Ability to make decisions Discipline (X2) Work discipline is a shift policy for individuals to become self-responsible for complying with environmental regulations (organizations) of Private MTs in Banyuasin Regency. a) Presence b) Work ethically c) Comply with regulations Motivation (X3) Motivation is a factor that encourages teachers to carry out certain activities, therefore motivation is often also interpreted as a factor driving the behavior of a private MTs teacher in Banyuasin Regency. a) Responsibility in carrying out work b) Achievements achieved c) Self-development

The data collection tool used was a questionnaire. So in this study, in order to avoid passive respondents, hesitant or neutral answer choices were not included as one of the answer choices. On the Likert scale, if the statement is positive then the score is given for SS (Strongly agree) = 5, S (Agree) = 4, N (neutral) = 3, TS (Disagree) = 2, and STS (Strongly disagree) = 1 If the statement is negative, give a score for SS (Strongly agree) = 1, S (Agree) = 2, N (Neutral) = 3, TS (Disagree) = 3, STS (Strongly disagree) = 4. Each score is obtained and then multiplied by the number of respondents who expressed a certain attitude.

The analytical method used is multiple linear regression analysis. According to Sekaran (2017: 314), generally, multiple linear regression analysis is similar to multiple regression analysis, except that this analysis is carried out to measure the magnitude of the influence between two or more independent variables on one dependent variable and to predict the dependent variable using the independent variables.

4. Result and Discussion

4.1. Normality test

Normality testing is carried out with the aim of finding out whether the data is normally or not normally distributed. The results of normality testing using the QQ Plots graph can be seen in the following image.

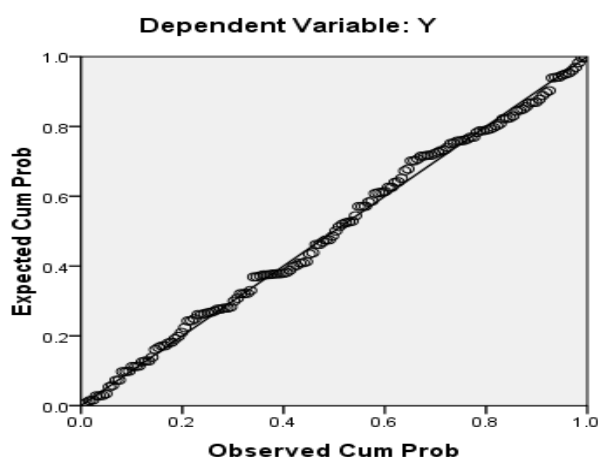


Figure 1. Normality test results

Based on the picture above, it can be seen that the statement items for all variables are along the diagonal line. So it can be concluded that all variables are normally distributed and can be continued for data analysis.

4.2. Linearity Test

Table 1. Linearity Test Results

Variable	Sig	Note.
Principal Leadership	,000	Linear
Discipline	,000	Linear
Motivation	,000	Linear

Source: data analysis results, 2023

Based on the table above, the linearity value 0.000 is smaller than the alpha value 0.05. So, it can be concluded that the principal's leadership, discipline, and motivation are linearly related to performance.

4.3. Multicollinearity Test

Table 2. Multicollinearity test results

Model	Collinearity Statistics	
	Tolerance	VIF
Leadership	,888	1,126
Discipline	,830	1,205
Motivation	,782	1,279

Source: data analysis results, 2023

Based on the test results in the table above, it can be seen that the variable tolerance value for each variable, namely the leadership variable, is 0.888; discipline variable of 0.830; and the motivation variable is 0.782. Meanwhile, the VIF value of each variable, namely the leadership variable, is 1.126; discipline variable of 1.205; and the motivation variable is 1.279. The tolerance value above is greater than zero and the VIF value is smaller than 10. So it can be concluded that there is no multicollinearity in the distribution of all variables.

4.4. Heteroscedasticity Test

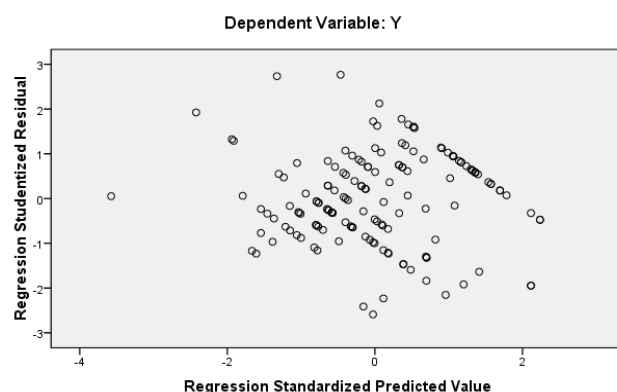


Figure 2. Heteroscedasticity test results

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To determine whether there is heteroscedasticity, a test is carried out using a scatterplot. The test results show that there is no heteroscedasticity, which can be seen from these points not forming a particular pattern.

4.5. Multiple linear regression analysis test

Table 3. Results of multiple linear regression analysis

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	-1,550	1,923	
Leadership	,337	,061	,307
Discipline	,469	,058	,462
Motivation	,274	,062	,263

Source: data analysis results, 2023

The following equation model is obtained based on the analysis results in Table 3.

$$Y = -1,550 + 0,337X_1 + 0,469X_2 + 0,274X_3$$

The model can be explained as follows:

The constant value (a) is - 1.550. This means that if the value of leadership, discipline and motivation is 0, then the value of MTs teacher performance is negative, namely - 1.550. The leadership regression coefficient (b1) is 0.337, meaning that if leadership (X1) increases by 1% it will increase employee performance of 0.337. The greater the influence of leadership, the greater the performance of MTs teachers. The regression coefficient for the discipline variable (b2) is 0.469, meaning that if work discipline (X2) increases by 1% it will result in an increase in the performance of MTs teachers by 0.469. The motivation regression coefficient (b3) is 0.274, meaning that if motivation (X3) increases by 1% it will result in an increase in employee performance of 0.274.

4.6. F test

The results of the F test were carried out to test the hypothesis of the influence of leadership, discipline and motivation on the performance of Banyuasin Regency Private MTs teachers together. The test results can be seen in the following table.

Table 4. Simultaneous test results (F test)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	761,975	3	253,992	71,356	,000a
Residual	533,921	150	3,559		
Total	1295,896	153			

Source: data analysis results, 2023

Based on the above analysis, the data shows that the calculated F value is 71.356 and the F table value is 2.67. The calculated F value is greater than the table F value. The significance value is 0.000, which is smaller than the alpha value (α) = 0.05. From these results, it can be said that simultaneously the influence of leadership, discipline, and motivation on the performance of Banyuasin Regency Private MTs teachers.

4.7. *t* test

The results of the *t* test were carried out to partially test the hypothesis of the influence of leadership, discipline and motivation on the performance of Banyuasin Regency Private MTs teachers. The test results can be seen in the following table.

Table 5. partial test results (*t* test)

	Model	t	Sig.
1	(Constant)	-.806	,421
	Leadership	5,521	,000
	Discipline	8,033	,000
	Motivation	4,436	,000

Source: data analysis results, 2023

Based on the results of partial testing (*t*-test) it can be explained as follows:

4.7.1.1. The influence of leadership on the performance of Banyuasin Regency Private MTs teachers.

Based on the test results, the calculated *t* value for the leadership variable was 5.521, while the *t* table with a 95% confidence level (α = 5%) was 1.645. It can be seen that the calculated *t* value is greater than the *t* table. Apart from that, the significance value of 0.000 is smaller than the value α = 0.05, so H_0 is rejected, and H_a is accepted, which means that there is an influence leadership on the performance of Banyuasin Regency Private MTs teachers. The magnitude of the influence of leadership on the performance of Banyuasin Regency Private MTs teachers is 0.337 (33.7 percent).

4.7.2. The influence of discipline on the performance of Banyuasin Regency Private MTs teachers.

Based on the test results, the calculated *t* value for the discipline variable was 8.033, while the *t* table with a 95% confidence level (α = 5%) was 1.645. It can be seen that the calculated *t* value is greater than the *t* table. Apart from that, the significance value of 0.000 is smaller than the value α = 0.05, so H_0 is rejected, and H_a is accepted, which means that there is an influence discipline on the performance of Banyuasin Regency Private MTs teachers. The magnitude of the influence of discipline on the performance of Banyuasin Regency Private MTs teachers is 0.469 (46.9 percent).

4.7.3. The influence of motivation on the performance of Banyuasin Regency Private MTs teachers.

Based on the test results, the calculated *t* value for the motivation variable was 4.436, while the *t* table with a 95% confidence level (α = 5%) was 1.645. It can be seen that the calculated *t* value is greater than the *t* table. Apart from that, the significance value of 0.029 is smaller than the value α = 0.05, so H_0 is rejected, and H_a is accepted, which means that there is an influence

motivation on the performance of Banyuasin Regency Private MTs teachers. The magnitude of the influence of motivation on the performance of Banyuasin Regency Private MTs teachers is 0.274 (27.4 percent).

4.8. Coefficient of Determination

Table 6. coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767a	.588	.580	1.88666

Source: data analysis results, 2023

From the analysis above, it can be seen that the magnitude of the influence of leadership, discipline, and motivation on the performance of Banyuasin Regency Private MTs teachers is 0.767. Meanwhile, the adjusted R square (r^2) figure is 0.580, which is used to see the contribution of leadership, discipline and motivation to the performance of private MTs teachers.

This figure means that the influence of leadership, discipline, and motivation on the performance of Banyuasin Regency Private MTs teachers is 58.0 percent simultaneously, while other factors influence the remaining 42.0 percent (100 percent – 58.0 percent). In other words, performance variability that can be explained using leadership, discipline and motivation variables is 58.0 percent. In comparison, the influence caused by other variables outside this model is 42.0 percent, including: Education, skills, income level, salary and health, social security, work climate, facilities, technology, opportunities for achievement.

4.9. Discussion

4.9.1. The Influence of Leadership, Discipline and Motivation on the Performance of Private MTs Teachers in Banyuasin Regency.

The results of the simultaneous analysis show that the confidence level is 95% which proves that the hypothesis is accepted, meaning that there is a significant influence of leadership, discipline and motivation on the performance of MTs teachers. This means that leadership, discipline and motivation are interrelated and can jointly influence the performance of MTs teachers. This is also proven by the results of the coefficient of determination which shows the contribution of the leadership, discipline and motivation variables is 0.580 or 58.0%.

This research is in line with Sedarmayanti's theory (2017:89) which states that leadership is one of the factors that influences performance. According to Mulyasa in Nurrochmah and Sontani (2020:22), Mental Attitude: (Motivation and Discipline) is one of the factors that influences teacher performance.

The results of this research are in line with research conducted by Riyadi (2011) showing the results that leadership, discipline and motivation have a significant effect on teacher performance. Arsyenda (2013) stated that leadership, discipline and motivation greatly influence teacher performance. This research is also in accordance with Mangkunegara (2015) who stated that leadership, discipline and motivation have a positive and significant effect on performance. Rachmawati (2006), Riyadi (2011), Jaya (2012), and Saputra (2012) stated that leadership, discipline and motivation have a significant influence on teacher performance.

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The research findings showed that as many as 2 respondents (1.229%) stated they disagreed and 24 respondents (16.23%) stated they were neutral regarding the statement that teachers' work results were in accordance with the quality of madrasah work standards, then 1 respondent (0.649%) stated they disagreed and 25 respondents (16.23%) stated they were neutral regarding the statement that teachers were able to complete their work very well.

The results of this analysis are in line with the distribution of respondents' answers who answered most of the statements agreeing and strongly agreeing. Although there are several teachers who have different answers, stating they disagree or even strongly disagree. Several other people did not agree or disagree by answering neutrally.

With the problems that occur at private MTs in Banyuasin Regency, it can be explained as follows:

Work quality

There are still many arguments between teachers, income does not match the workload received by teachers, inadequate facilities, minimal appreciation.

The solution: It is best for teachers to be professional with good quality of work, appropriate income and workload received by the teacher, adequate teacher facilities and high appreciation from the school principal.

Work ability

Sometimes teachers do not complete their work well and do not complete the work according to the leadership's directions.

The solution: Work skills require teachers who have knowledge about teaching and their duties as teachers in order to complete the work according to the leadership's directions.

Lack of initiative

Such as teachers not doing anything helpful unless waiting for orders from superiors first, not carrying out their role unless there is supervision from superiors, not taking the initiative to help solve problems, no initiative to reduce conflict in the team, not wanting to try new things.

The solution: A leader must pay attention to his subordinates and interact with each other to make teachers work with enthusiasm and have high initiative so that later the teacher's performance will improve in carrying out their duties.

4.9.2. The Influence of Leadership on the Performance of Private MTs Teachers in Banyuasin Regency.

From the results of hypothesis testing with a confidence level of 95%, it proves that the results of this research are that there is a positive and significant influence of leadership on the performance of private MTs teachers in Banyuasin Regency. So this proves that leadership has an impact in influencing employee performance.

This research is in line with Sedarmayanti's theory (2017:89) which states that leadership is one of the factors that influences teacher performance. The results of this research are in line with research conducted by Riyadi (2011) which states that leadership has a significant influence on teacher performance. Yuria Rahmawati (2013) stated that leadership has a significant influence on teacher performance. Suzanna and Fauzan (2022) in research found

that the leadership of school principals influences the performance of high school teachers in Sintang Regency.

The research findings showed that 2 respondents (1.229%) stated they disagreed and 19 respondents (12.34%) stated they were neutral regarding the statement that the principal always listened to the opinions of his subordinates, then 1 respondent (0.649%) stated they disagreed and 20 respondents (12.99%) stated they were neutral regarding the principal's statement involving subordinates (teachers & staff) in making decisions.

The results of this analysis are in line with the distribution of respondents' answers who answered most of the statements agreeing and strongly agreeing. Although there are several teachers who have different answers, stating they disagree or even strongly disagree. Several other people did not agree or disagree by answering neutrally.

With the problems that occur at private MTs in Banyuasin Regency, it can be explained as follows:

Personality

The principal does not tell the truth in carrying out his school duties nor can he be a role model for teachers, employees and students.

The solution: Leaders should tell the truth in order to be role models for teachers, employees and students.

Communication

School principals rarely share information about organizational goals, teaching schedules, applicable rules and procedures. Less able to build good relationships in a personal context and in the work environment.

The solution: Leaders should provide examples and direction to their teachers. So that teachers can understand and work can be completed on time.

Decision Making Ability

The principal does not listen to the opinions of his subordinates and the principal does not involve subordinates (teachers & staff) in decision making.

The solution: Leaders should be firm in making decisions, so that teachers do not appear relaxed when working and the target of completing assignments is quickly completed. Leaders must accept suggestions or input from other teachers so that there are no misunderstandings when working.

4.9.3. The Influence of Discipline on the Performance of Private MTs Teachers in Banyuasin Regency.

From the results of hypothesis testing with a confidence level of 95%, it proves that the research results show that there is a positive and significant influence of discipline on the performance of private MTs teachers in Banyuasin Regency. So this proves that work discipline has an impact in influencing the performance of MTs teachers.

This research is in line with Mulyasa's theory in Nurrochmah and Sontani (2020:22) that mental attitude: (Discipline) is one of the factors that influences teacher performance. The results of this research are in line with research conducted by Arsyenda (2013) which states that work discipline has an influence on teacher performance. This research is also in accordance with

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Mangkunegara (2015) who stated that work discipline has a positive and significant effect on teacher performance.

The research findings showed that as many as 4 respondents (2.597%) stated they disagreed and 31 respondents (20.13%) stated they were neutral regarding the statement that teachers are always present in teaching according to schedule, then 1 respondent (0.649%) stated they strongly disagreed, and 2 respondents (1.299%) stated they disagreed and 33 respondents (21.43%) stated they were neutral regarding the statement that teachers always arrive on time.

This analysis's results align with the distribution of respondents' answers who answered most of the statements agreeing and strongly agreeing. Although several teachers have different answers, stating they disagree or even strongly disagree. Several other people did not agree or disagree by answering neutrally.

With the problems that occur at private MTs in Banyuasin Regency, it can be explained as follows:

Presence

There are still employees who are late coming to work, where the work time is 08.30 WIB while employees often come later than that time.

The solution: Leaders must give a warning if employees often arrive late.

Working Ethically

Teacher behavior and actions are not in accordance with professional ethical standards in carrying out their duties and responsibilities as educators, such as not maintaining academic integrity, not being professional in teacher-student relationships, not maintaining the confidentiality of information, not complying with the professional code of ethics.

The solution: Teachers should be able to establish good relationships with other teachers so that interaction and communication can be created so that the teacher's work can be completed quickly, while senior teachers often order teachers who are more junior or younger than them to carry out their duties and immediately report them to the leader so that teachers can carry out their duties in accordance with his abilities.

Comply with Regulations

Where teachers' attitudes and behavior are not compliant in following the rules and regulations set by the madrasah, this causes them to be ineffective and inefficient, teachers who do not obey the rules tend not to manage the class well and their learning time is not optimal.

The solution: Leaders must supervise their teachers and impose sanctions on teachers who leave work without a reason, so that teachers are able to comply with all existing regulations in the madrasah.

4.9.4. The Influence of Motivation on the Performance of Private MTs Teachers in Banyuasin Regency.

From the results of hypothesis testing with a confidence level of 95%, it is proven that the results of the research are that there is a positive and significant influence of motivation on the performance of private MTs teachers in Banyuasin Regency. So this proves that motivation has an impact in influencing the performance of MTs teachers.

This research is in line with the theory according to Mulyasa in Nurrochmah and Sontani (2020:22) that mental attitude: (Motivation) is one of the factors that influences teacher performance. The results of this research are in line with research conducted by Rachmawati (2006), Riyadi (2011), Jaya (2012), Saputra (2012) stating that motivation has a significant influence on teacher performance.

The research findings showed that 1 respondent (0.649%) disagreed and 39 respondents (25.32%) stated they were neutral regarding the statement that teachers can do assignments without asking for help from other teachers, then 2 respondents (1.299%) stated they disagreed and 31 respondents (20.13%) stated they were neutral regarding the statement that teachers were able to solve problems in their assignments well and as many as 3 respondents (1.984%) stated they disagreed and 28 respondents (18.18%) stated neutral regarding the statement that teachers always take part in training. given by the madrasah to develop oneself to be better.

The results of this analysis are in line with the distribution of respondents' answers who answered most of the statements agreeing and strongly agreeing. Although there are several teachers who have different answers, stating they disagree or even strongly disagree. Several other people did not agree or disagree by answering neutrally.

With the problems that occur at private MTs in Banyuasin Regency, it can be explained as follows:

Responsibility in doing work

Responsibility in carrying out work is seen from teachers not carrying out assignments if they are not supervised by the principal, not completing and submitting assignments on time, there are some teachers who are not responsible for the assignments given by their superiors.

The solution: A leader can build good working relationships, can form a sense of caring and empathy for co-workers, can find the best way to complete many tasks, can build consistency in every action.

Achievements achieved

The achievements achieved can be seen from the teacher not being able to do the assignment without asking other teachers for help, the teacher not being able to solve problems in the assignment well.

The solution: By establishing a good communication process between the principal and teachers, as well as teachers and students in the learning process, students' understanding of the material presented by the teacher can be accelerated.

Self-development

Self-development teachers do not take part in training provided by madrasahs to develop themselves to be better. Madrasahs do not carry out activities to improve teacher quality.

The solution: A teacher never stops continuing to innovate in his learning. Because the industrial revolution requires teachers to constantly innovate.

5. Conclusion

Based on the results of the discussion, it can be concluded that:

1. There is a positive and significant influence of leadership, discipline and motivation on the performance of private MTs teachers in Banyuasin Regency.
2. Leadership has a positive and significant influence on the performance of private MTs teachers in Banyuasin Regency.
3. There is a positive and significant influence of discipline on the performance of private MTs teachers in Banyuasin Regency.
4. Motivation has a positive and significant influence on the performance of private MTs teachers in Banyuasin Regency.

To improve employee performance, teachers should be professional, the income and workload received by teachers should be appropriate, teacher facilities should be adequate and high appreciation from the school principal. Teachers who know teaching and their duties as teachers can complete their work according to the leadership's directions. Always pay attention to subordinates and interact with each other to make teachers work with enthusiasm and have high initiative.

Leaders should be firm in making decisions and accept suggestions or input from other teachers to avoid misunderstandings when working. Provide examples and directions so the teacher can understand and complete the work on time.

Leaders must give warnings if employees often arrive late. Teachers must establish good relationships with other teachers so that interaction and communication can be created and the teacher's work can be completed quickly. Leaders must supervise their teachers and impose sanctions on teachers who leave work without a reason so that teachers are able to comply with all existing regulations in the madrasa.

A leader must build good working relationships, form a sense of caring and empathy for co-workers, and build consistency in every action. A teacher never stops continuing to innovate in his learning.

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Analysis of Good Governance Implementation on Village Financial Management

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Abstract

The principle of good governance also controls the village government to carry out good governance and avoid fraud during the village financial management process. This type of research is a quantitative descriptive study using primary data and data collection techniques using questionnaires. This study uses the analysis of the validity test, reliability test, simple linear regression test, coefficient of determination, and hypothesis test. The study concluded that implementing good governance positively and significantly affected village financial management. In this study, it is hoped that the village government will be able to provide the community with correct information about village financial management and easy access for people who need information.

Keywords: Good Governance, Village Governance, Village Financial Management

JEL Codes: G00, G1, G2

How to Cite:

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JEL classification: M1, M3, M5

1. Introduction

The progress of a country is determined by the progress of its villages because there is no developed country without developed provinces, no developed provinces without developed regencies and cities, and no developed regencies and cities without developed villages and sub-villages. This means that the progress of its villages determines the basis of a country's progress. Law No. 6/2014 explains that a village is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local

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community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected in the Indonesian government system. This law regulates a village to be able to manage and organize its government. Politically, this law provides a delegation of central government authority to the village government; then the village government has the authority called village autonomy. Village autonomy refers to the authority of the village to manage and organize all the interests of the community it needs.

The village governance policy contained in the Village Law is considered a policy that brings hope to improve the welfare of the village community. Some of these policies include a large budget allocation to the village, which is intended to increase the village budget for the village community's service, guidance, development, and empowerment. The provision of fixed income and allowances to the village head and his/her apparatus is expected to improve services to the entire village community (Astika, 2019).

Village autonomy is the right and power distributed to villages to create and innovate so that villages can run the government and organize and manage their households based on citizens' needs, culture, and aspirations to develop following the times. Historically, village autonomy was formed by itself based on customary law and rights of origin, not a grant of authority from the government (Lenny Marit et al, 2021).

In the governance and village autonomy process, the village government requires financial resources and rural income managed through (APBdesa - Village Budgeting) budget and village expenditure. Village revenues include all receipts of money through village accounts which are the rights of the village in one fiscal year and do not need to be paid back by the village, while village expenditures are all expenditures from village accounts which are village obligations in 1 fiscal year which will not be repaid by the village (Zaini & Ningsih, 2018).

The Village Revenue and Expenditure Budget is a village regulation that contains sources of revenue and allocation of village expenditures within one year. The Village Budget consists of Village revenue, Village expenditure, and financing. The draft of the Village APBDes is discussed in the village development planning meeting. The village head and the BPD determine the village budget each year by village regulations. The Village Budget is an important instrument that determines the realization of good governance in the village. Good governance, among others, is measured through the process of preparing and accountability of the Village Budget (Liunsanda et al, 2017).

APBDes must be designed seriously and on target in accordance with the conditions and capabilities of each village so that the results can be optimized. Based on existing regulations in Indonesia, it is stated that the village APBDes consists of village revenues, expenditures and financing. Village revenues are classified by group, type, and object of revenue. Village expenditures are classified according to fields, subfields, activities, types of expenditure, objects of expenditure, and details of objects of expenditure (Raharjo, 2020).

Along with village officials who are still considered low, the community has not been critical of the management of the Village Budget and Expenditure (APBDes) so the form of supervision carried out by the community cannot be maximized. The government encourages the development of an area through government policies, government programs, government projects, and even industry, and the most important role of budget planning. The principles of *good governance* in the management and utilization of village finances are outlined in the Minister of Home Affairs Regulation No. 20/2018. The guidelines for good village financial

management based on the Permendagri are formulated in five indicators, namely planning, implementation, administration, reporting and accountability. Candra, et al (2019) state that the principles of *good governance* can be realized through community participation, legal certainty, transparency, accountability, *responsiveness*, consensus-oriented, fairness, effectiveness, and efficiency.

Several previous studies have been conducted, showing the diversity of analysis of the implementation of *good governance* in village financial management. Analysis of similar previous research can be used as input on existing findings by trying to compare the research that will be carried out. Research conducted by Lomiga and Garung (2020), the results of this study state that transparency has a positive and significant effect on the management of village fund allocations in achieving *good governance*. Evidenced by the existence of accountability in the accountability report presented with supporting evidence. However, this research is not in line with research conducted by Sarjono (2021) which shows that transparency has no positive and significant effect on the management of the Village Fund Allocation. This illustrates that the village government has not maximally provided sufficient, accurate and timely information and announced it openly. Meanwhile, research conducted by Wibowo (2018) states that the implementation of *good governance* has a positive effect on the performance of village financial management.

The application of *good governance* principles is very important in running good governance. The principles of *good governance* also act as a controller for the village government to run good governance and to avoid fraud during the village financial management process.

2. Literature Review

2.1. Good Governance

According to Mardiasmo (2018) quoted by the World Bank, Good Governance is an implementation of management in a solid and responsible development that is in line with the principles of democracy and efficient markets. Avoiding mistakes in allocation and investment, and preventing political and administrative corruption. Running budget discipline to create a legal and *political framework* for the growth of activities in the business world. Meanwhile, according to Nofianti (2015), *Good governance* is good government in carrying out its duties and being accountable to the public in a professional, transparent, responsible, and fair manner. To realize this, the path taken is to eradicate KKN and improve government performance.

The indicators of *good governance* in Mahsun et al (2018), namely: *transparency*, *accountability*, and *participation*. The following explanation of the indicators of *good governance* is as follows:

- 1) *Transparency* is the principle that the equation should provide material and relevant information in a way that is easily accessible and understandable to interested people, this is to maintain objectivity in a government.
- 2) *Accountability* Accountability is the principle by which a company/government must be able to account for its performance transparently and fairly. Therefore, the government must be managed properly and under established regulations.
- 3) *Participation* is the involvement of a person in decision-making either directly or indirectly through representative institutions that can channel their aspirations. Such

participation is built based on freedom of association and speech and constructive participation.

2.2. Village Financial Management

According to Permendagri Number 113 of 2014 concerning Village Financial Management, village finances are all village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of village rights and obligations. The village head is the holder of village financial management power and represents the village government in the ownership of separated village assets. Village Financial Management is an overall activity that includes Planning, Implementation, Administration, Reporting, and Accountability of Village Finances. Village financial management is a series of cycles that are integrated and integrated between one stage and another. Village finances are managed based on the principles of transparency, accountability, and participation and are carried out in an orderly and disciplined manner.

According to Chabib and Heru (2015) related to village financial management are as follows:

- 1) Financial planning is an activity to predict the amount of income and expenditure in a certain time in the future. Village financial planning is carried out after the preparation of the RPJMDes and RKPDes, which form the basis for preparing the APBDes, which is the result of village planning.
- 2) The implementation of Village Finance is an activity related to expenditures and activities in the field. Activities carried out following village authority are processed through village accounts. This means that all village revenues and expenditures must be managed in village accounts supported by complete and valid books.
- 3) Village financial administration is an activity that is specifically carried out by the village treasurer. Village financial administration is carried out in a simple way, namely in the form of bookkeeping that does not use accounting journals.
- 4) Reporting is an activity carried out to inform matters relating to the results of work that has been carried out during one period as accountability for the duties and authority given.
- 5) The realization report and accountability report of the APBDes are submitted to the community in writing with information media that is easily accessible to the community.

2.3. Previous Research

Rohmah (2022) conducted a study entitled The Effect of the Application of Good Governance Principles on Village Financial Management (APBDesa) in the Rowo Tengah Village Government, Sumberbaru District, Jember Regency, the results of his research The application of accountability, transparency, and participation has a positive effect on APBDesa management in the Rowo Tengah Village Government, thereby increasing Village Financial Management. Sarjono (2021) conducted a study entitled The Effect of *Good Governance* on the Management of Village Fund Allocation in Wawangriu Village, Malili District, East Luwu Regency, the results of his research. The application of accountability has a positive and significant effect on the management of village fund allocations, this means that the budgeting and reporting process in the management of village fund allocations, while transparency and participation have no positive and significant effect on the management of village fund

allocations, this means that the village government has not maximally provided sufficient, accurate and precise information to the community and the lack of involvement from the community in decision making on village programs.

Lomiga and Garung conducted research on the Effect of Accountability and Transparency on the Management of Village Fund Allocation (ADD) in Achieving Good Governance in Manulea Village, Sasitamea District, Malaka Regency, the results of their research The implementation of accountability, transparency and participation has an effect on the management of Village Fund Allocation (ADD) this means that Manulea Village, Sasitamean District, Malaka Regency has shown accountable implementation in Manulea Village, Sasitamean District, Malaka Regency from the results of the Manulea Village research has shown accountable and transparent implementation seen from transparent accountability reporting seen from accountability reporting.

2.4. Kerangka Konseptual

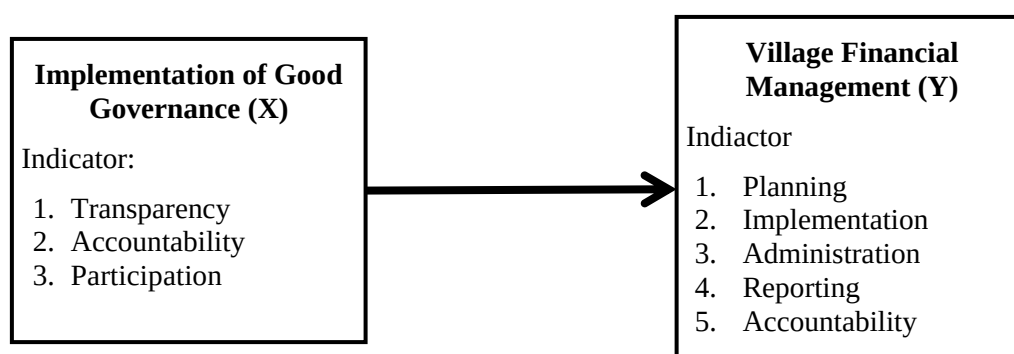


Figure 1. Conceptual Framework

Source: Mahsun et al (2018); Chabib (2015)

2.5. Hypothesis

This research formed the following hypothesis:

H_0 = *Good Governance* Implementation (X) has no positive and significant effect on village financial management (Y).

$H_1 \neq$ *Good Governance* Implementation (X) has a positive and significant effect on village financial management (Y).

3. Research Methodology

3.1. Research Design

In this study using simple linear regression where simple linear regression to measure the effect of one variable on one variable.

3.2. Operational Variables

This study uses two types of variables, namely independent variables and dependent variables. The independent variable is the independent variable used as a predictor of the movement of the dependent variable. In this study, the independent variable is the implementation of good governance which is operationalized with several indicators. The independent variable used in this study is the implementation of good governance has 3 indicators, namely Transparency, Accountability, and Participation. The dependent or bound variable in this study is village financial management which is measured by 5 indicators, namely planning, implementation, administration, reporting, and accountability.

3.3. Population and Sample

Population determination is an important stage in research. The population can provide information or data that is useful for a study. The population in this study were all heads of families in Toy Village, Sembawa Subdistrict, Banyuasin Regency, totaling 1,360 families. The sampling method in this study uses Accidental sampling, which is a way of determining the sample by providing equal opportunities for all members of the population as sample members. In this study, the sample used amounted to 100 people where the confidence level was 90% the sample calculated using the Slovin formula amounted to 93.1 and the researcher fulfilled it to 100 samples.

3.4. Techniques and Data Collection

The data collection technique in this study is the primary data source. The tool used in data collection in this study is a list of questions or statements (questionnaire), namely distributing the list of questions (questionnaire) to respondents.

3.5. Data Analysis Method

3.5.1. Data Quality Test

a. Validity Test

The validity test is the equation of data reported by researchers with data obtained directly that occurs in research subjects (Sugiyono, 2018). The validity test is carried out by comparing the calculated r value with the r table value for *degree of freedom* (df) = $n-2$ with α 0.05. If the r count is greater than the r table and the r value is positive, then the item or question is said to be valid. For the analysis results can be seen in the reliability test output in the *corrected item-total correlation* section. In making decisions to test the validity of the indicator, if r count is positive and r count > r table, then the item or variable is valid. If r count is not positive and r count < r table then the item or variable is invalid (Sugiyono, 2018).

b. Reliability Test

A reliability test is a tool for measuring a questionnaire which is an indicator of a variable or construct (Ghozali, 2013). A questionnaire is said to be *reliable* or reliable if someone's answer to a statement is consistent or stable over time. The method used to test the reliability of the questionnaire in this study is to measure reliability with the *Cronbach Alpha* statistical test. To find out that the questionnaire is *reliable*, the reliability of the questionnaire will be tested. The reliability test assessment criteria are (Ghozali, 2013):

If the *Alpha* coefficient result is greater than the 60% significance level or 0.6, the questionnaire is *reliable*.

If the *Alpha* coefficient result is smaller than the 60% significance level or 0.6, the questionnaire is not *reliable*.

3.6. Simple Linear Regression Analysis

Simple linear regression analysis is used to determine the effect between the independent variable and the dependent variable, namely between the implementation of *good governance* on village financial management.

The simple regression equation can be written as follows:

$$Y = a + bX + e$$

Description:

Y = Village Financial Management

a = Constant value

X = Implementation of *Good Governance*

b = Regression Coefficient

e = Error

3.7. Hypothesis t-test

Partial test (t) is a test used to test the meaning of the partial coefficient. If t count > (greater) t table then H_0 is rejected, thus the independent variable explains the next variable. Conversely, if t count < (smaller) t table then H_0 is accepted so that it can be said that the independent variable cannot explain the next variable, in other words, there is no influence between the two variables tested.

3.8. Coefficient of Determination Test (R^2)

In addition to proving with the T-test, in this simple linear regression test, the coefficient of determination R^2 is also analyzed. The entire variable magnitude r^2 is used to determine the extent of the contribution of each independent variable. The greater the determinant value, the greater the variation in contribution to the next variable (Ghozali, 2017)

4. Results and Discussion

4.1. Data Quality Test

Validity Test

Table 1. Validity Value of *Good Governance* Implementation (X)

Indicator	r-Count	r-Table	Significance	Description
Item_1	0.617	0.361	0.00	Valid
Item_2	0.678	0.361	0.00	Valid
Item_3	0.613	0.361	0.00	Valid
Item_4	0.693	0.361	0.00	Valid

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Indicator	r-Count	r-Table	Significance	Description
Item_5	0.677	0.361	0.00	Valid
Item_6	0.811	0.361	0.00	Valid
Item_7	0.836	0.361	0.00	Valid
Item_8	0.710	0.361	0.00	Valid
Item_9	0.774	0.361	0.00	Valid

Source: processed data (2023)

It can be seen that all question items have an *r-count* value greater than the *r-table* (0.361) and this value is less than the minimum significance of 0.05. So it can be concluded that all question items for the *Good Governance* (X) variable are valid.

Table 2. Validity Value of Village Financial Management

Indicator	r-Count	r-Table	Significance	Description
Item_1	0.788	0.361	0.00	Valid
Item_2	0.792	0.361	0.00	Valid
Item_3	0.720	0.361	0.00	Valid
Item_4	0.786	0.361	0.00	Valid
Item_5	0.711	0.361	0.00	Valid
Item_6	0.808	0.361	0.00	Valid
Item_7	0.687	0.361	0.00	Valid
Item_8	0.704	0.361	0.00	Valid
Item_9	0.731	0.361	0.00	Valid
Item_10	0.782	0.361	0.00	Valid
Item_11	0.766	0.361	0.00	Valid
Item_12	0.786	0.361	0.00	Valid
Item_13	0.783	0.361	0.00	Valid
Item_14	0.814	0.361	0.00	Valid
Item_15	0.717	0.361	0.00	Valid

Source: processed data (2023)

It can be seen that all question items have an *r-count* value greater than *r table* (0.361) and this value is smaller than the minimum significance of 0.05. So it can be concluded that all question items for the Village Financial Management variable are valid.

From the results of the validity test on the *Good Governance* Implementation Variable (X), and the Village Financial Management Variable (Y), it can be seen that all item scores from each statement are correlation > *r table*. From the test results, the statement with the *corrected item-total correlation* is above 0.361, thus the statement items from the *Good Governance* Implementation (X) and Village Financial Management (Y) variables are declared valid.

Reliability Test

Table 3 Reliability Test

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Variable	Cronbach's Alpha	Status
Implementation of Good Governance	0.873	Reliable
Village Financial Management	0.945	Reliable

Source: processed data, 2023

It can be concluded that all statements related to the independent variable (Implementation of Good Governance) and the dependent variable (Village Financial Management) in the questionnaire are said to be reliable because Cronbach Alpha > 0.60.

Descriptive Analysis

Table 4. Component Descriptive Statistic Values

	N	Minimum	Maximum	Mean	Std. Deviation
Implementation of Good Governance	100	32.00	45.00	39.72	4.6299
Village Financial Management	100	51.00	75.00	66.70	7.38617
Valid N (listwise)	100				

Source: processed data (2023)

Based on the results of the Descriptive Statistics test above, it shows that of the 100 respondents, the lowest Good Governance Implementation value is 32.00, and the highest Good Governance Implementation value is 45.00, and the average value of Good Governance Implementation of the respondents is 39.7200 with a standard deviation of 4.62990.

The lowest Village Financial Management score is 51.00 and the highest score is 75.00, the average value of Village Financial Management from respondents is 66.7000 with a standard deviation value of 7.38617.

Regression Coefficient

Table 5. Relationship between Good Governance Implementation and Village Financial Management

Predictor	Unstandardized Coefficients	Standardized Coefficients Beta (β)	T	Sig-Value
(Constant)	0.922		3.877	0.00
Implementation of Good Governance	0.799	0.833	14.927	0.00

Source: processed data (2023)

Based on the results of data analysis as presented in the table above, the regression equation model that can be written from this in the form of a regression equation is:

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$$Y \text{ (Financial Management)} = a + b_1 X \text{ (Good Governance Implementation)} + e$$

$$Y = 0.922 + 0.799X$$

From this equation, it is obtained that the *Good Governance* Implementation variable is obtained a value of + 0.799, which has a positive regression coefficient value. These results indicate that an increase in the Village Financial Management variable will accompany an increase in the Good Governance Implementation variable.

The constant value $\alpha = 0.922$ indicates that without the Good Governance Implementation variable, the value of the Village Financial Management variable is 0.922.

The coefficient value $b_1 = 0.799$, this means that the *Good Governance* Implementation Variable (X) has a positive effect on the Village Financial Management variable (Y), in other words, if the *Good Governance* Implementation Variable (X) is increased by one unit, the Village Financial Management variable (Y) will increase by 0.799 or 79.9%.

Based on the partial test results, it can be seen that the obtained t count $14.927 > t$ table 1.66 and with a significance value of $0.00 < 0.05$, the proposed hypothesis is accepted. The results showed that there was an influence between the implementation of *good governance* (X) on the dependent variable, namely the Village Financial Management Variable (Y).

Hypothesis Test (t)

Table 6. Hypothesis Test (t)

Predictor	Unstandardize d Coefficients	Standardized Coefficients Beta (β)	T	Sig-Value
(Constant)	0.922		3.877	0.00
Implementation of Good Governance	0.799	0.833	14.927	0.00

Source: processed data (2023)

To determine the effect of the independent variable, Good Governance, on the dependent variable, namely the Village Financial Management Variable, it is necessary to conduct a t-test. Partial testing can be seen from the t-test; if the probability value is < 0.05 , H_0 is rejected, which means there is a significant effect.

Based on the results of the Partial test, it can be seen that the obtained t count $14.927 > t$ table 1.66 and with a significance value of $0.00 < 0.05$, the proposed hypothesis is accepted.

The results showed that there was an influence between Good Governance on the dependent variable, namely the Village Financial Management Variable. This means that the hypothesis proposed, namely "it is suspected that there is *Good Governance* on the dependent variable, namely the Village Financial Management Variable" is accepted with a high level of influence.

As stated by Ghazali (2016) that if the significance value of the t-test > 0.05 then H_0 is accepted and H_a is rejected. This means that there is no influence between the independent variable on the dependent variable. and if the significance value of the t-test < 0.05 , then

H₀ is rejected, and H_a is accepted. This means there is an influence between the independent and dependent variables.

Coefficient of Determination Test (R)²

Table 7 Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833 ^a	.695	.691	.27359

Source: Processed Data, 2023

a. Predictors: (Constant), Implementation of *Good Governance*

b. Dependent Variable: Village Financial Management

Based on the table above, it shows that the R-value (correlation coefficient number) is positive. This shows the closeness of the direct relationship between the *Good Governance variable* and the dependent variable, namely the Village Financial Management Variable (Y). This relationship is statistically classified as strong, as stated by Sugiyono (2017) that the relationship classified as not strong is 0.60 - 0.79 while that classified as very strong is 0.80 - 1.00.

²The R-value (R-Square) of 0.695 indicates that the amount of direct influence of *Good Governance* on the dependent variable, namely the Village Financial Management Variable, is 69.5% so the remaining 30.5% is influenced by other variables not included in this study. This shows that this variable has a fairly weak role.

4. Conclusion

Based on the results of the analysis that has been carried out in this study, it can be concluded that the implementation of *good governance* has a positive and significant effect on village financial management, this is in accordance with the analysis below:

Based on the significance value of the Coefficients table, a significance value of 0.000 is obtained. <0.05, so it can be concluded that the *Good Governance* Implementation variable (X) has an effect on the Village Financial Management variable (Y). Based on the t value, it is known that the t value is 14.927 > t table 1.6605, so it can be concluded that the *Good Governance* Implementation variable (X) has an effect on the Village Financial Management variable (Y).

The limitations or weaknesses in the research lie in the research process. Researchers realize that in a study, there must be many obstacles. One of the factors that became obstacles and obstacles in this study was the time and research respondents. Where the researcher is not only a student but also a Village Official, this makes it a little difficult for researchers to manage time and find respondents for thesis completion. However, with determination and willingness, researchers can complete this on time. Further studies should add more varied variables to develop this research, using the latest methods and data processing tools, so that this research can be useful for future generations.

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Impact of Work Motivation, Physical Work Environment, and Compensation on Job Satisfaction on Employees of PT. Kiandra Alam Semesta

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Abstract

Job satisfaction for employees in a company is very important because it will directly or indirectly affect the continuity of employees' work. If employees are dissatisfied with their work, negative attitudes towards work will emerge, such as a lack of employee motivation, the employee's desire to look for another more unbalanced job or a new one, and other complaints. The impetus for conducting this research was to know how work motivation, physical work environment, and encouragement influence employee job satisfaction. Participants in this research survey were employees of PT. Kiandra Alam Semesta, numbering 30 people. Sampling in this study used a saturated sampling technique. Questionnaires were sent to research participants as part of the quantitation methodology. Data analysis procedures include validity and reliability tests. Statistical studies using various regression formulas, partial tests, simultaneous tests, and coefficients of determination are used for descriptive and verification purposes. Based on findings at PT. Kiandra Alam Semesta, together Work Motivation (X_1), Physical Work Environment (X_2), and Compensation (X_3) have a significant influence on the Level of Job Satisfaction (Y)

Keywords: Job Satisfaction, Work Motivation, Physical Work Environment and Compensation

JEL Codes: G00, G1, G2

How to Cite:

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1. Introduction

The management of the Human Resources plans, organizes, coordinates, and controls the acquisition, development, maintenance, integration, maintenance, and allocation of Human Resources to the organization's goals. (Mangkunegara 2017) explains that the effective and efficient regulation of the functions and interactions of each Human resource is the main goal

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of Human Resources management. An increasing era of globalization and technological advances is driving companies to improve their corporate strategy through internal Human Resources. Human capital is the most valuable Human Resource for business growth amidst the world's many demands today. The Human Resources capacity of an organization or company can be used to determine its success; if the company has Human Resources with good competence, then it will proliferate. Building employee satisfaction in an organization is crucial, directly and indirectly affecting employee survival in an organization or company.

Suppose an employee is dissatisfied with his or her job. In that case, it will lead to a negative attitude toward the job, i.e., a decrease in interest in the work, an increase in the desire to find another job that offers a higher salary or a new job, and other complaints. According to (Afandi 2018) job satisfaction is a positive employee attitude, including the behavior and feelings seen by the workplace as gratitude for achieving one of the key principles of work. Basically, the level of job satisfaction of each person is unique. The values relevant to each individual determine the degree of satisfaction each person experiences. Improving job happiness can also help a business produce its best job and improve its reputation.

Based on data obtained from PT. Kiandra Alam Semesta, it is known that employee satisfaction has declined. The indicators that affect job satisfaction are job motivation, physical work environment, and compensation. According to (Afandi 2018) work motivation is becoming increasingly important because it can potentially affect employee satisfaction levels. Motivation comes from one's internal urge to perform tasks with integrity, inspired, driven, and motivated by oneself. It turns out that the motivation of PT Kiandra Alam Semesta employees is not perfect; that is, staff motivation is still far from optimal. Questions about motivation tend to trigger more "no" answers than "yes".

The decline in employee satisfaction at PT. Kiandra Alam Semesta is also due to several factors. It probably affects the employee's job satisfaction, that is, the work environment. (Afandi 2018) claims that because the workplace impacts how well employees produce their jobs, organization management is also expected to take responsibility for it. Employees' ability to do their work is directly influenced by their working environment, which is expected to increase employee satisfaction. Based on the results of direct observations and the dissemination of questionnaires to employees, the working environment in PT is known. Kiandra Alam Semesta is still not the maximum of poor.

Compensation is the rights and expectations of employees who depend on their services to the organization or company during their working time. The authorities should provide adequate and fair compensation so that the staff remain motivated or motivated to work well. According to (Afandi, 2018) Wages directly and indirectly affect employee satisfaction. An employee receives a reward for services to the company to guarantee employee satisfaction called compensation. (Priansa 2016) said that employee satisfaction could be improved by implementing a fair-looking reward system, considering the resources donated by the business and processes to ensure compensation. Job dissatisfaction occurs when the remuneration received is less than the value of the perceived income. Based on the results of observations and the dissemination of questionnaires to employees, it is known that the company provides salaries to all employees but are not equal and are still below the UMR. Then, the company only gives overtime salaries and incentives/bonuses when circumstances are specific and uneven. Then facilities are provided only to employees with certain circumstances. For the allowance that the BPJS was supposed to give, the employee of PT Kiandra Alam Semesta did not get it.

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From the background, with this , the author is interested in conducting a research entitled “Impact of Work Motivation, Physical Work Environment, and Compensation on Job Satisfaction On Employees of PT. Kiandra Alam Semesta.”

2. Literature Review

2.1 Understanding Human Resource Management

Human Resource Management is the planning, organization, implementation, coordination, and supervision of the acquisition, development, maintenance, integration, maintenance, and allocation of Human Resources to the organization's goals. (Mangkunegara 2017), Human Resource Management is the management and use of resources available to employees. (Hasibuan 2020), explains that human resource management is the science and art of managing workforce role relationships to help companies and employees achieve goals efficiently and effectively. (Sedarmayanti 2017) Human Resources is said to be the most important factor in achieving the effectiveness of an organization.

2.2 Understanding Job Satisfaction

An employee's feelings about his job are reflected in his level of job satisfaction. Employees' attitudes to work and the environment are clear. Unhappy workers will hurt their jobs in a variety of ways. (Afandi 2018) defines job satisfaction as an effective or effective reaction to some work component. Workers' opinion group about having fun or not working. The general attitude toward work reflects the difference between the rewards employees believe they should receive and their actual rewards. (Handoko 2020) Job satisfaction is the satisfaction or dissatisfaction of an employee with his or her job. That feeling is reflected in the employee's good attitude toward the job and everything he experiences in the workplace.

2.3 Work Motivation Understanding

Motivation is important because it promotes human behavior, enabling us to perform at our highest level with stubbornness and effort. (Afandi 2018) stated that motivation is the inner urge arising from someone who gives inspiration, urge and motivation to do something with respect, love and seriousness to quality results. (Fahmi 2022) Motivation is the act of acting to satisfy a desire.

2.4 Understanding the Working Environment

Corporate management should pay attention to the working environment. The work environment directly affects the personnel performing production processes or activities within the organization, even when the work environment itself does not. (Afandi 2018) The working environment is something around an employee that can influence how well they perform the activities assigned to them, such as the availability of air conditioning or adequate lighting.

2.5 Understanding Compensation

Compensation is something given to an employee in return for work. The purpose of remuneration is to increase the employee's motivation to carry out assigned activities and help meet needs that go beyond the need for justice. (Afandi 2018) defines compensation as any income an employee receives in return for the services they do for the company, whether it is money, non-cash, or indirect goods.

2.6 Framework of Thought

It's important because it directly and indirectly affects employee safety in the company. When

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employees are dissatisfied with their jobs, there are negative attitudes toward the job, such as lack of passion for the work, a desire to find another job that is more unbalanced, a willingness to find a new job, and other dissatisfaction.

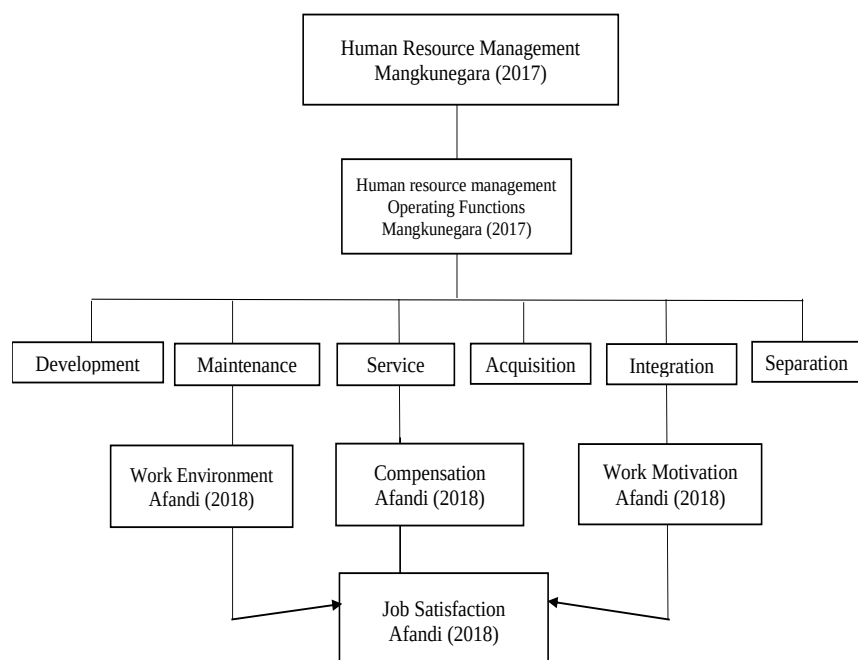


Figure 1. Framework of Thought

Source: Mangkunegara, 2017

From the description of the framework of thought, the author obtained the research model:

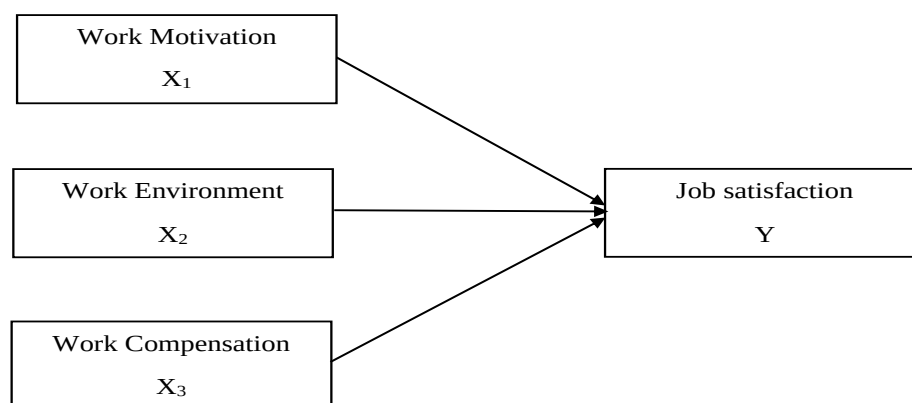


Figure 2. Research Model

2.7 Previous research

Table 1. Previous research

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No	Log Title	Author Name/Journal Name	Equation	Difference	Research Results
1	Impact of Motivation, Communication, and Working Stress on Employee Satisfaction Bravo Engineering	(Dyanto, & Sitorus 2023)	There's a similarity on the job satisfaction variable Y and the job motivation variable X	No Work Environment and Work Compensation on variables	Work motivation has a positive influence and significant on employee job satisfaction
2	Impact of Work Motivation, Compensation and Work Environment on Job Satisfaction of Officers of Regional Development Planning Agency (Bappeda) Kab. Lamongan	(Riya and Noerchoidah, 2023)	There are equations on all variables X and Y	There is a difference in where the object is being investigated.	Work Motivation, Compensation, and Work Environment positively and negatively impact employee job satisfaction.
3	Impact of Compensation, Motivation, Working Discipline and Working Environment on Employee Performance in PT. Alusteel Engineering Indonesia	(Ningsih, Ferry, and Dhenny 2021)	There are similarities in the variables X: Compensation, Motivation, and Working Environment.	There is no variable Y that is Job Satisfaction	Simultaneously variable compensation, motivation, work discipline, positive working environment and significant to employee performance.
4	Impact of Work Motivation, Compensation and Work Environment on Employee	(Febry, Nurul, and Yohanes 2018)	There is a similarity between the Y variable of job satisfaction and the X	There is a difference between different variable placement	Work Motivation, Compensation, and Work Environment have a positive and positive impact on

No	Log Title	Author Name/Journal Name	Equation	Difference	Research Results
	Job Satisfaction (Studi Kasus Pada PT. Sumber Alam Santoso Pratama Karangsari Banyuwangi)		variable in job motivation, work environment, and work compensation.		employee job satisfaction

3. Research Method

3.1 Population and Samples

(Sugiyono 2022) find Population is a general area consisting of objects/subjects number and specific characteristics determined by the researcher, then taken conclusions. People are not just people, but things. So from that, the population of this study is determined is the employee of PT. PT. Kiandra Alam Semesta population 30 population, (Sugiyono 2022) sample part of the number and characteristics of the population. The sample of PT.Kiandra Alam Semesta employees was 30 respondents. The research was carried out at PT. Kiandra Alam Semesta in 2023 with the research topic: "The Impact of Work Motivation, Physical Work Environment, Compensation Against Work Satisfaction On Employees of PT.

3.2 Data collection techniques

According to (Sugiyono 2022) the method or technique of data collection is carried out through interviews, angket, observation combination of three of them. This research uses the method:

1. Observation (Sugiyono 2022) when doing research on human behavior, work processes, or natural collection approaches that involve observation are employed, provided that the number of respondents observed is not excessive.
2. Quesioner or Angket (Sugiyono 2022) submitting a questionnaire is the method of collecting data, asking respondents to give a series of questions and written statements as their answers.

3.3 Operational Variable

Table 2. Operasional Variable

Variable	Dimensions	Indicator	Scale
Job Satisfaction (Y)	Job	1. The contents of the work done by someone, whether it has a satisfactory element.	Ordinal

Variable	Dimensions	Indicator	Scale
Source: (Afandi 2018)	Wages and salary	2. The reward a person receives as a result of completing a task per the reasonable demands perceived.	
	Promotion	3. The likelihood that someone can thrive through a raise in office.	
	Surveillance	4. Someone who always gives instructions or orders when working.	
	Co-workers	5. Somebody is constantly interacting on the execution of the job.	
Work Motivation (X ₁) Source: (Afandi 2018)	Service Response	1. The employee's reward for his work in an organization is goods, services, and money.	Ordinal
	Working Conditions	2. Good working conditions are comfortable and support workers in their activities.	
	Work Facilities	3. Everything is in the organization occupied and rich, both in the direct relationship with the job and the smoothness of the work	
	Work Performance	4. Results achieved and wanted everyone to work.	
	Confession from the superior	5. A statement was given by the supervisor about whether the employee has applied the motivation given or rejected it.	
	It's the job of itself.	6. Officers do their own work whether their work can motivate other officers.	
Physical Work Environment (X ₂) Source: (Afandi 2018)	Lighting	1. Workplace lighting and work window	Ordinal
	Color	2. Color scheme and decoration	
	Voice	3. Sound music, factory machinery, workshop	
	Air	4. Air temperature, humidity	
Compensation (X ₃) Source: (Afandi 2018)	Wages and salary	1. Wage is the basis of regular pay times for the production and maintenance workers.	Ordinal
	Incentive	2. Additional incentives for compensation outside the salary or wages granted by the organization.	
	Remuneration	3. Health and life insurance benefits, corporate holidays, pension programs, and other benefits related to and related to employment.	
	Facilities	4. Facilities represent a substantial amount of compensation, especially for executives who are paid high.	

3.4 Data Analysis

(Sugiyono 2022) Explaining data collection from all respondents, data analysis can be done. This research includes descriptive and verification methodologies. This research uses a questionnaire to measure variables, analyzing each answer with the Likert Scale. (Sugiyono 2022) explains that the Likert scale measures the attitudes, opinions, and perceptions of a person/group of people about social phenomena or symptoms, As Sugiyono said (Gunawan, 2017). By comparing the measurement findings of the studied variable with the accepted theory, validity tests are carried out to assess the accuracy of the measuring results. The research conclusions are considered valid when the data collected and the actual data occurred on similar objects under investigation. The validity of this study was tested using validity (Content validity). The minimum requirement to be considered valid when the significance level is ≥ 0.03 .

The reality, according to (Sugiyono, 2022), means that the instrument used several times to measure the same object obtains the same data. The reliability calculation technique on the questionnaire in this study uses Spearman-Brown's Alpha technique.

The problems associated with variables were found through descriptive analysis. In descriptive analysis, information about the data collected, processed, and evaluated to conclude is determined by creating a frequency distribution table.

Verifying analysis is a useful model analysis and supporting data to determine whether a proposed hypothesis is correct. Verifying analysis in this study refers to the determination of findings from research on the impact of Work Motivation, Physical Work Environment, Compensation, and Work Satisfaction.

3.5 Double Regression Analysis

(Riduwan 2015) defines this analysis as an analysis method to predict the level of influence of 2 or more X variables on the variable Y. With the following formula, structural equations in double regression analysis determine the extent to which work motivation, physical work environment, and compensation affect job satisfaction:

$$Y = \alpha + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

Description:

Y = Job Satisfaction

A = Constant

X₁ = Work Motivation

X₂ = Physical Work Environment

X₃ = Compensation

b₁, b₂, b₃ = Regression Coefficient

e = error term

4. Results And Discussions

4.1 Classical Assumption Test

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4.1.1 Normality Test

According to (Widodo (2017), the normality test aims to ensure the distribution of residues. Residues from a qualifying model will follow the normal distribution. The Kolmogorov-Smirnov normal test (K-S) is used to assess normality.

Table 3. Normality Test Results

		Unstandardize d Residual
N		30
Normal Parameters ^{a,b}	Mean	.0000000
	Std.	4.55360853
	Deviation	
Most Extreme Differences	Absolute	.094
	Positive	.094
	Negative	-.061
Test Statistic		.094
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: Datasheet, 2024

The results of the normality test show that the residual distribution of this study has a statistical test value of 0.094 asymp. Sig. (2-tailed) 0.200. These results indicate that the residue distribution follows the normal distribution, while the sig value > the confidence level of 0.05. This validates the use of statistical methods that require the assumption of normal distribution in regression analysis so that the results of the tests of influence of work motivation, physical work environment, and compensation for job satisfaction in employees of PT. Kiandra Alam Semesta can be interpreted more accurately and reliably.

4.1.2 heteroscedasticity test

According to (Widodo, 2017), to find out if there is a variance disparity between the residues of two observations in the regression model.

Table 4. heteroscedasticity test results

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	-.113	.658		-.171	.865
	Work Motivation (X ₁)	.021	.010	.398	2.161	.040
	Physical Work Environment (X ₂)	-.010	.015	-.122	-.678	.504
	Compensation (X ₃)	-.004	.012	-.055	-.298	.768

a. Dependent Variable: Abs_RES

Source: Datasheet, 2024

The result of this test is to evaluate whether there are uneven patterns or heteroscedasticity on the residues of the regression model. The conclusion was that there was no indication of heteroscedasticity on the variable.

4.1.3 Multicollinearity test

(Ghozali 2018) explains this test to determine whether or not a free variable is correlated in a regression model.

Table 5. Multicollinearity test results

Model		Unstandardized Coefficients		Collinearity Statistics	
		B	Std. Error	Tolerance	VIF
1	(Constant)	35.125	8.937		
	Work Motivation (X ₁)	-.220	.133	.947	1.056
	Physical Work Environment (X ₂)	.366	.202	1.000	1.000
	Compensation (X ₃)	.022	.167	.947	1.056

Source: Datasheet, 2024

The test results on the regression model are on the result table. The VIF value on variable X is 1.056. Work Motivation (X₁), 1,000 for Physical Work Environment (X₂), and 1.056 for Compensation (X₃). The tolerance levels obtained for the three variables are 0.947, 1,000, and 0.947 in succession. Tolerance > lower multicollinearity rate. In this case, a tolerance value close to 1,000 in a physical work environment indicates a low multicollinearity level in the variable.

Thus, it can be concluded that although there are indications that the Work Motivation (X₁) and Physical Work Environment (X₂) variables have strong correlations, there is no serious problem with multicollinearity in this regression model. Therefore, the results of this analysis provide additional confidence in the validity and interpretation of the regression coefficients obtained from the model.

4.2 Double Regression Analysis

Table 6. Double Linear Regressions Analysis Results

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	35.125	8.937
	Work Motivation (X ₁)	-.220	.133
	Physical Work Environment (X ₂)	.366	.202
	Compensation (X ₃)	.022	.167

a. Dependent Variable: Job Satisfaction (Y)

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Source: Datasheet, 2024

The results of the double linear regression analysis test showed the influence of work motivation (X₁), physical work environment (X₂), and compensation (X₃) on work satisfaction (Y) of employees of PT. Kiandra Alam Semesta.

The regression model applied is

$$Y = 35.125 - 0.220X_1 + 0.366X_2 + 0.022X_3 + e$$

4.3 Test Hypothesis

4.3.1 Partial Test (Test t)

(Ghozali 2018) stated that partial testing, often known as a t-test, is to specify to what extent the Y variable can explain the impact of a single X variable. The result of the partial inspection is shown in the Table below:

Table 7. Partial test results (Test t)

		t	sig
1	(Constant)	3.930	.001
	Work Motivation (X ₁)	-1.657	.109
	PhysicalWorking Environment (X ₂)	1.813	.081
	Compensation (X ₃)	.133	.895

a. Dependent Variable: Job Satisfaction (Y)

Source: Datasheet, 2024

The results of the y test showed that the Work Motivation variable (X₁) influences the job satisfaction rate (Y) in PT employees. Kiandra Alam Semesta, with a value of t -1.657 and sig 0.109. Although the value of sig > level sig is generally used (0.05), if applied with a higher level of confidence, the result still indicates that job motivation contributes negatively to job content. The physical working environment (X₂) also influences the working satisfaction value t 1.813 and has a significance of 0.081. Although the significance level is slightly above 0.05, these results indicate that improved physical working environment conditions can positively affect employee job satisfaction levels. On the other hand, the Compensation variable (X₃) does not show a sig influence on Job Satisfaction, a t value of 0.133 and a sig of 0.895. This indicates that changes in the compensation rate significantly affect PT Kiandra Alam Semesta's employee satisfaction rate at the generally used confidence level.

4.3.2 Simultan Test (Test f)

The F test is also a simultaneous test, investigating the collective impact of all independent factors on dependent variables. The simultaneous examination is detailed in the table below:

Table 8. Simultan test results (Test F)

Model		F	Sig.
1	Regression	2.020	.136 ^b
	Residual		
	Total		

a. Dependent Variable: Job Satisfaction (Y)

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b. Predictors: (Constant), Compensation (X_3), Physical Working Environment (X_2), Work Motivation (X_1)

Source: Datasheet, 2024

Simultaneous test results show that the regression model involving variables (X_1), (X_2), and (X_3) influenced that sig against the level (Y) in the employee of P. Kiandra Alam Semesta, the value F 2.020 and sig 0.136. The significance value is above the significance level at the generally used confidence level ($\alpha = 0.05$). The test results indicate that, in this context, work motivation, physical work environment, and compensation contribute significantly to explaining the variation in employee satisfaction with PT. Kiandra Alam Semesta.

4.4 Determination Test

Using determination coefficients, also known as R Square, provides insight into the accuracy and conformity of regression lines built from the estimates applied to a data set.

Table 9. Determination test result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.435 ^a	.189	.095	4.809

a. Predictors: (Constant), Compensation (X_3), Physical work environment (X_2), Work Motivation (X_1)

Source: Datasheet, 2024

From Table 9, the results of the R Square Value determination test of 0.189 indicate about 18.9% variation in the level of job satisfaction of the three X variables.

4.5 Discussion

Impact of Work Motivation on Job Satisfaction on Employees of PT Kiandra Alam Semesta

The partial test results showed that Work Motivation (X_1) significantly influences Work Satisfaction (Y) in PT employees. Kiandra Alam Semesta, with a t value of -1.657 and a significance of 0.109. Although the significance value (p-value) is greater than the generally used significance level (0.05), if applied with a higher confidence level, these results still indicate that Work motivation contributes negatively to Work satisfaction. It describes that the higher the level of work motivation, the lower the employee's level of job discontent. Based on the results of the correlation verification analysis, it can be concluded that there is a very significant relationship between Work Motivation (X_1), Job Satisfaction (Y), and the Pearson Correlation value, showing that Work motivation (X_1) has a solid positive relationship with the job satisfaction (Y) of 0.993.

Thus, the results of this research can prove that Work Motivation significantly influences Work Satisfaction in PT. Kiandra Alam Semesta.

Impact of Physical Work Environment on Job Satisfaction on Employees of PT Kiandra Alam Semesta

The results of the study showed that the physical working environment (X_2) also significantly influences job satisfaction (Y) in employees of PT. Kiandra Alam Semesta, with a t value of

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1,813 and a significance of 0.081. Although the significance level is slightly above 0.05, these results suggest that improved physical working environment conditions can positively affect employee job satisfaction. Based on the results of the correlation verification analysis, it can be concluded that there is a very significant relationship between the Physical Working Environment (X_2) and Job Satisfaction (Y). The Pearson correlation value shows that the physical work environment (X_2) has a positive relationship with the Working Satisfying (Y) of 0.869.

Thus, the results of this study can prove that the Physical Work Environment significantly positively influences Job Satisfaction in PT. Kiandra Alam Semesta.

Impact of Compensation on Job Satisfaction on Employees of PT Kiandra Alam Semesta

Compensation (X_3) shows a significant impact on Job Satisfaction (Y) in employees of PT Kiandra Alam Semesta, with a t value of 0.133 and a significance of $0.895 > 0.05$. This indicates that the change in the compensation rate significantly affects the employee's employment satisfaction rate at the generally used confidence level. Based on the results of the correlation verification analysis, it can be concluded that there is a significant relationship between Compensation (X_3) and Job Satisfaction (Y), and the Pearson correlate value shows that Compensa (X_3) has a very strong positive relationship with job satisfaction (y) of 0.863.

Thus, the results of this research can prove that compensation has a significant positive and significant impact on job satisfaction in PT. Kiandra Alam Semesta.

Impact of Work Motivation, Physical Work Environment, and Compensation on Job Satisfaction on Employees of PT Kiandra Alam Semesta

Simultaneous test results showed that the regression model involving the Work Motivation (X_1), Physical Work Environment (X_2), and Compensation (X_3) variables together had a significant influence on the level of Job Satisfaction (Y) in the employees of PT. Kiandra Alam Semesta has an F value of 2.020 and a significance (Sig.) of 0.136. The significance value was above the significance level at the generally used confidence level ($\alpha = 0.05$). These results indicate that, in this context, together Work Motivation, Physical Work Environment, and Compensation significantly contribute to explaining the variation in Employee Satisfaction levels of PT. Kiandra Alam Semesta.

The contribution of the third variable seen from R Square is 0.189. It showed an influence between Work Motivation, Physical Work Environment, and Job Satisfaction Compensation of 18.9%, and the rest was influenced by other factors outside the study.

Thus, these results prove that Work Motivation, Physical Work Environment, and Compensation significantly influence Job Satisfaction in Employees of PT. Kiandra Alam Semesta.

5. Conclusion

The results of research on work motivation, physical work environment, and compensation for employee satisfaction of PT Kiandra Alam Semesta:

1. Work motivation has an impact on employee job satisfaction
2. Physical work environment affects Employee Job satisfaction
3. Compensation has a significant impact on Employer job satisfaction
4. Work Motivation, Physical Work Environment, and Compensation jointly significantly affect the Employment satisfaction of the employees of P. Kiandra Alam Semesta.

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From the results of the research, the following is a suggestion:

1. For future researchers, the research carried out by the author only covers the Working Environment, Compensation, Workload to Job Satisfaction, adding several other similar variables to be seen in comparison.
2. To PT. Kiandra Alam Semesta becomes a source of input efforts to increase employee satisfaction.

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The Influence of Workload, Physical Work Environment, and Communication on Job Satisfaction in Cimahi City Education Service Employees

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Abstract

The main aim of this research is to examine the influence of workload, physical work environment, and communication on the job satisfaction of Cimahi City Education Office employees. A sample of 45 employees was used for quantitative research. Used to test normality, multicollinearity, multiple regression, t-test, and F-test. Data was collected through questionnaires and observations. The research results show that workload does not significantly influence employee job satisfaction. For example, communication and the physical work environment positively affect employee job satisfaction. Based on hypothesis testing, H4 is considered acceptable, which means there is a significant relationship between Workload, Physical Work Environment, and Communication (at a significance level of $0.002 < 0.05$). The results show that several suggestions can be made to increase employee satisfaction at the Cimahi City Education Office. First, to avoid stress and fatigue, the workload must be divided equally or by adding workers according to needs. Second, improving the physical work environment by having a separate building specifically for the Cimahi City Education Department is important. The space is narrow, and there is no special place for consultations. It is also hoped that there will be a special warehouse because employees can only be placed around the work desk, so the files are not organized. Neatly. Finally, it is important to improve communication between superiors, subordinates, and co-workers through communication training and regular discussion forums. Due to frequent miscommunication between colleagues, work is often hampered.

Keywords: Physical Work Environment, Communication, Job Satisfaction

JEL Codes: G00, G1, G2

How to Cite:

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1. Introduction

Human resources are essential to the success of any organization, as they are the driving force behind every activity. The effectiveness of organizational activities depends on the quality of human resources, making them the most important factor in any company. Given the dynamic nature of the business environment, acquiring, developing, and retaining high-caliber human resources has become an even greater imperative for organizations. According to Sulistyowati (2021), human resources work in an organization as executors, thinkers, and strategists to achieve its objectives. Investing in quality human resources (HR) may be a valuable asset for a firm and contribute to its future success (Panggabean et al., 2021). HR management involves acquiring, training, appraising, and compensating employees while managing their work relationships, including health, safety, and justice concerns. (Panggabean et al., 2021). Investing in high-quality human resources (HR) can be a valuable asset for a company and contribute to its future success. Therefore, the presence of quality HR can be used to evaluate the caliber of individuals who play a crucial role in the progress of the business. The competition in the market significantly impacts how a company functions. This is because every business aims to become a superior organization in terms of performance (Apriliana & Nawangsari, 2021)

Based on the search results, it is evident that the education department in Indonesia has undergone several changes in its structure and work systems over time. The importance of education has been recognized since colonial times, and as a result, the education department has been in existence. With the rapid advancement of technology and information, modifications to the education system are necessary to keep up with the changing times. The government delegated the responsibility of handling all levels of education, including secondary education, to the education department. The Ministry of Education, Culture, Research, and Technology has set a goal and mission to enhance the quality of education and strengthen educational and cultural governance in Indonesia. In summary, the development of the Indonesian Ministry of Education aims to increase educational quality and prepare future generations to tackle challenges.

Robbins and Judge (2016:46) imply that individuals who are exceptionally content with their work are likelier to harbor favorable emotions toward it. Conversely, employees who are dissatisfied with their jobs tend to harbor unfavorable attitudes toward their employment. It is imperative to acknowledge that employee job satisfaction significantly influences whether an organization achieves its goals or falls short of them.

Education is critical to the future of government administration and growth. The new paradigm of regional autonomy empowers regions to regulate and manage their affairs, including education. Regions are expected to address low-quality education at all levels (Dinas et al., n.d. 2019).

The Cimahi City Education Service is a regional apparatus within the Cimahi City Regional Government that carries out government affairs in the field of education, which is the authority of the City Region. It is led by the Head of the Service, located below, and is accountable to the Mayor through the Regional Secretary. The Education Department is an important part of the government that manages education and fulfills duties, rights, and obligations. Its main focus is on improving human resources and serving God Almighty. Human resources can be looked at from two perspectives: qualitative and quantitative. The quality component relates to the quality of human resources, which can be further divided into physical and non-physical qualities. Non-physical quality refers to the capacity to work, think, and perform other tasks.

Job satisfaction has a significant impact on life satisfaction for workers, as they spend the majority of their time working. Meeting these demands will increase employee appreciation for the organization's existence. Positive outcomes include improved individual performance. Performance Enhancements Individual encouragement leads to improved management performance, both indirectly and directly (Nur, 2020). According to Handoko (2020: 193), An individual's satisfaction with their job is an affective condition characterized by a positive or negative evaluation of their employment.

Based on interviews with personnel from the Cimahi City Education Department, a combination of factors, such as workload, physical work environment, and communication, are causing difficulties for employees. Decreased job satisfaction can negatively impact an employee's work quality and productivity. A pre-survey on job satisfaction was administered to 45 Cimahi City Education Office employees so that the author could collect more precise data and information. Preliminary results regarding job satisfaction are as follows.

Table 1. Pre-Survey Data on Employee Job Satisfaction

No	Statement	Response	
		Yes	No
1	There is satisfaction in doing tasks beyond one's abilities	37,8%	62,2%
2	Is the work appropriate to the workload?	39,9%	60,1%
3	Are you satisfied with the salary you receive with the amount of work you do?	40%	60%
4	Is there an opportunity for advancement in the job I have?	44,4%	55,6%
5	Does the leadership really understand the work and really care about the results of my work?	52,3%	47,7%
6	Is the level of togetherness between colleagues more satisfying for me at work?	77,8%	22,2%
Rate		48,7%	51,3%

Source: Data processed by researchers, 2024

Table 1 shows that work satisfaction at the Cimahi City Education Office is problematic, with each employee reporting a different level of satisfaction. The statement reveals that 51.3% of employees answered negatively, while 48.7% replied positively. Consequently, most workers are dissatisfied with their jobs. However, 62.2% of respondents stated they were content with performing tasks that exceeded their competence.

According to an interview with the head of the general civil service sub-section, the lack of job satisfaction was caused by the heavy workload and a lack of manpower in the Cimahi City

Education Service, where employees had to serve approximately 5,000 teachers and 40 thousand students. With the limited quantity of available human resources, the task remains intense. Employees already have their own job desks, but this is due to the large number of items at the Education Department, as well as the restricted human resources available. So the author obtained ABK data (Workload Analysis), which was then utilized to create the requirements for the number and types of roles. The purpose is to analyze employees.

Human resource performance will become a serious issue for firms if employee potential is not maximized. On the other hand, if the organization's human resource capacity can be properly exploited and developed, this will be a component that has a significant impact on the organization's performance in meeting its objectives. Given the value of human resources in companies, every firm aims to maximize employee potential for good performance. Finally, each employee's performance will help the firm realize its goals (Maini & Tanno, 2021). To achieve high productivity, workers must be able to focus on their jobs, find harmony in their work environment, and have the capacity to work effectively (Novita & Kusuma, 2020).

The Relationship Between Workload and Job Satisfaction Job Satisfaction is not substantially impacted positively by the Workload variable (X1), as the computed t-value is smaller than the critical t-value from the t-table. This indicates that at the Cimahi City Education Office, workload and job satisfaction are strongly inversely correlated.

The Relationship Between Physical Work Environment and Job Satisfaction. The findings of the study conducted at the Cimahi City Education Office indicate that there is a statistically significant and positive relationship between the Physical Work Environment variable (X2) and Job Satisfaction. It was determined that the t count value exceeded the t table value, suggesting that the physical work environment significantly impacts employee satisfaction at the Education Office in Cimahi City. The positive and statistically significant relationship between employee job satisfaction and the physical work environment was established in a 2017 study titled "The Influence of the Physical Work Environment, Non-Physical Work Environment, and Communication on Employee Job Satisfaction in the General Section of the Soppeng Regency Regional Secretariat," which was conducted by Muhraweni, Rasyid, and Gunawan. Likewise, "The Influence of Leadership and the Physical Work Environment on Job Satisfaction of Employees of the Sawahlunto City Personnel and Human Resources Development Agency" discovered that the physical work environment positively and significantly affects job satisfaction.

The Relationship Between Communication and Job Satisfaction It has been determined that Communication (X3) has a substantial and favorable influence on Job Satisfaction within the Education Office of Cimahi City. This is because the t-value is greater than the critical value from the t-table. Effective communication can affect employment satisfaction in the Education Department of Cimahi City, according to the findings of the researchers. A study titled "The Influence of Motivation, Communication, and Work Environment on Employee Job Satisfaction at the Bintan Regency Community and Village Empowerment Service," which was undertaken by Evita Sandra in 2021, demonstrates that effective communication has a substantial and favorable impact on augmenting job satisfaction among employees of the Empowerment Service Community and Village of Bintan Regency.

The workload, physical work environment, and communication on job satisfaction, The researcher has concluded that work satisfaction (Y), work load (X1), physical work environment (X2), and communication have a significant impact on work satisfaction at the

Cimahi City Education Office. This conclusion has been drawn because the computed F value is greater than the F table value. Therefore, this finding can serve as a benchmark and foundation for the Cimahi City Education Office employees to develop their objectives regarding employee satisfaction.

Excessive workloads can lead to stress and exhaustion among employees. Job satisfaction may suffer if the workload is not aligned with the employee's abilities and skills. Effective workload management can help prevent fatigue and boost employee satisfaction. A physically comfortable and supportive work environment can help employees deal with stress and improve their well-being. Factors such as suitable temperatures, adequate lighting, and ergonomic space design can all contribute to job satisfaction. Effective communication in the workplace is crucial for creating a healthy work environment. Open and transparent communication between supervisors and subordinates and among coworkers can help eliminate ambiguity and conflict, resulting in higher job satisfaction. To enhance employee work satisfaction, organizations should focus on different aspects at the same time. Maintaining a balance in workloads, ensuring a comfortable and safe physical work environment, improving communication, and promoting work-life balance can all create a healthy and fulfilling work environment for employees.

2. Literature Review

2.1. Job Satisfaction

Afandi (2018:74) defines job satisfaction as a positive disposition towards one's occupation, including emotions and conduct. It is manifested through evaluating one's work through the lens of gratitude for attaining one of the fundamental work values. According to Handoko (2020:193), job satisfaction refers to an employee's contentment with their job. This can be observed through their positive attitude towards work and their experiences in the workplace.

2.2. Workload

The workload is defined by Koesomowidjojo (2017:21) as the procedure through which human resources ascertain the number of working hours necessary to accomplish a given task within a designated time. Workload is defined by Tarwaka (2017: 128) as the collection of responsibilities that are delegated to a particular organizational element or individual within a designated time.

2.3. Physical Work Environment

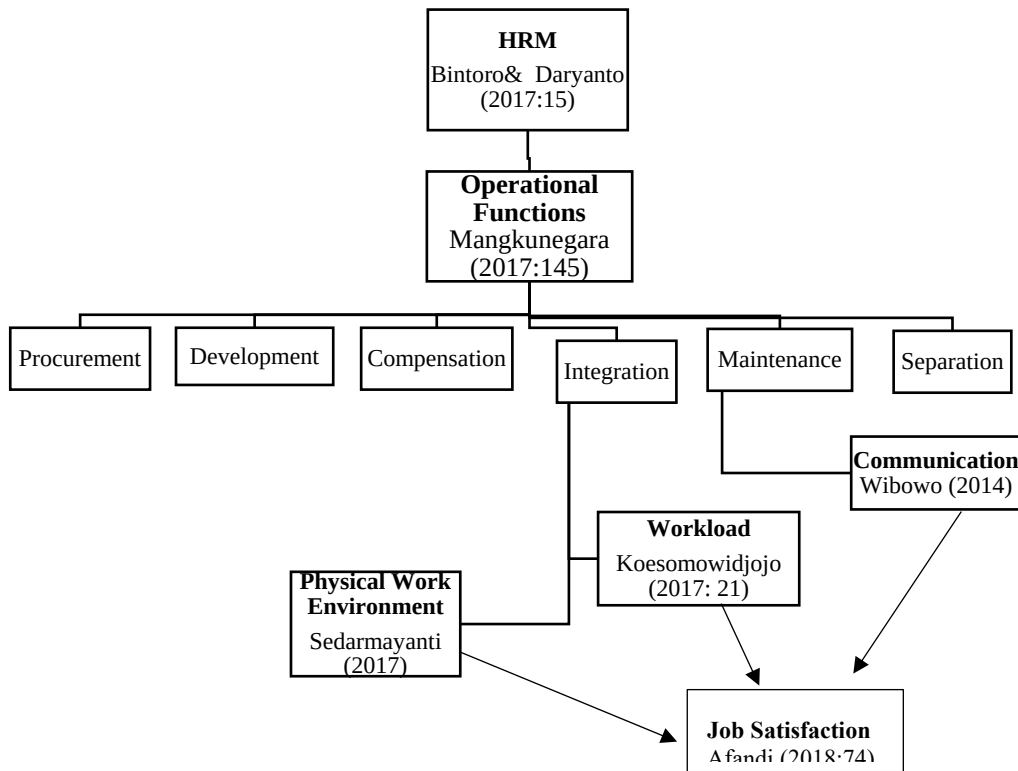
Hanaysha (2018:3) suggests a comfortable work environment can make employees more productive and satisfied. Therefore, managers need to focus on improving different aspects of the work environment to ensure the well-being of their employees. According to (Sedarmayanti, 2017, p. 121), the physical work environment refers to any physical conditions encountered in the workplace that might affect employees directly or indirectly.

2.4. Communication

According to Wibowo (2014: 165), communication is a process in organizational settings that keeps management and employees informed about many pertinent issues. Sutrisno (2017:17) defines communication as a term with several meanings. Communication may be defined as a social communication process. This meaning occurs within the framework of social science.

When social scientists utilize this technique for study, they often focus on human activity and communication in terms of messages and behavior.

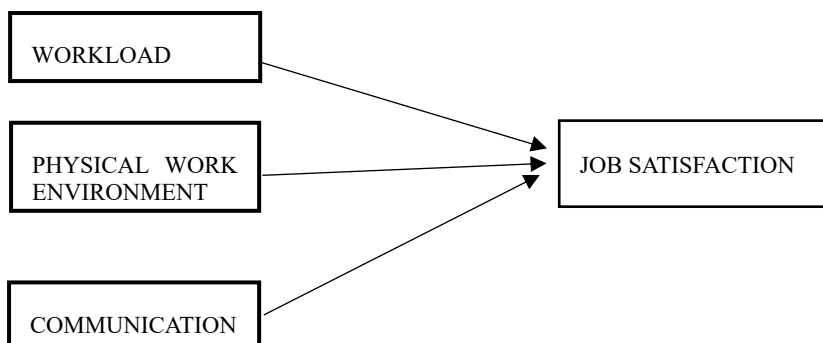
2.5. Framework



Picture 1. Framework

Source: processed by the author based on Mangkunegara (2017:145)

2.6. Research Model



Picture 2. Research Model

Source: by author 2024

2.7. Previous research

Tabel 2. Previous research

Author's (Year)	Research Title	Research Results	Similarities/Differences
Nisa & Yunianto (2023)	The Influence of Work Motivation, Communication, and Compensation on Job Satisfaction of Civil Servants (PNS) (Empirical Study at the Semarang City Land Office)	If the significance level is 5%, then communication has a positive and insignificant influence on the job satisfaction of Civil Servants (PNS) at the Semarang City Land Office. Meanwhile, if you use a significance level of 10%, communication positively and significantly influences the job satisfaction of Civil Servants (PNS) at the Semarang City Land Office.	Equality: Communication & Job Satisfaction Variables Difference: Different workload variables, physical work environment, and location of case studies were not examined.
Hadiantini, Arfiana & Retnowati (2022)	The Influence of Workload and Self-Efficacy on Job Satisfaction in Government Institutions in Sumedang Regency	Research Results Regarding the Magnitude of the Influence of Workload on Job Satisfaction at the Sumedang Regency Community and Village Empowerment Service. It is known that the t-count value $> t\text{-table}$ ($-3.352 > 2.057$) and the Sig value of the workload variable is $(0.001) < 0.05$.	Equality: Workload & Job Satisfaction Variables Differences: Does not examine communication variables, physical work environment & location of different case studies.
Nardo & Haryani (2021)	The Influence of Leadership, Physical Work Environment on Job Satisfaction of Employees of the Civil Service Agency and Human Resources Development of	The Physical work environment variable (X2) shows a significance value $(0.001 < 0.05)$, meaning that the physical work environment variable (X2) has a positive effect on Job Satisfaction of	Equality: Physical Work Environment Variables & Job Satisfaction. Difference: Not researching Workload, Communication & Location of different case studies.

Author's (Year)	Research Title	Research Results	Similarities/Differences
	Sawahlunto City	Employees of the Sawahlunto City Personnel and Human Resources Development Agency. Thus the second hypothesis is accepted	
Novita & Kusuma (2020)	The Influence of Workload and Work Environment on Employee Job Satisfaction (Case Study of Employees of the Nusantara Cooperative Bengkulu and Curup Branches)	The research results show that Workload and Work Environment significantly affect Job Satisfaction of employees of the Nusantara Cooperative Bengkulu and Curup Branches.	Equality: Workload Variables, Work Environment & Job Satisfaction. Difference: Not researching Communication and location of different case studies.
Damsjik (2019)	The Influence of the Physical Work Environment, Motivation, and Communication on Employee Job Satisfaction at the Donggala Regency Regional Development Planning Agency (Bappeda) Office	The physical work environment (X1) with a regression coefficient of 0.264 indicates a positive influence between the physical work environment and employee job satisfaction. Communication (X3) with a regression coefficient of 0.210 means that there is a positive influence between communication and employee job satisfaction.	Equality: Physical Work Environment Variables, Communication & Job Satisfaction Difference: It does not examine Workload variables and different case study locations

Source: by author 2024

3. Method

Dependent and independent variables comprise the components of this research. Utilizing statistics and figures as forms of description, the research adhered to a quantitative descriptive approach. The impact of physical working conditions, communication, and burden on job satisfaction was assessed using a Likert scale. Primary data was collected from 45 workers at the Cimahi City Education Department. Researchers gathered and processed trial data to assess

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the validity, reliability, and traditional assumption tests.

3.1. Population and Sample

The population in this study was 45 employees of the Cimahi City Education Department. The sampling method in this research used non-probability sampling with a purposive sampling technique. According to Sugiyono (2018:136), non-probability sampling is a sampling technique that does not give each member of the population the same chance or chance when selected as a sample. Meanwhile, according to Sugiyono (2018: 138), the purposive sampling technique uses certain considerations according to the desired criteria to determine the number of samples to be studied.

3.2. Data Collection Technique

The data in this research can be collected using the following techniques:

1. Interview is a method of collecting data by conducting direct questions and answers with the head of the general civil service sub-section and respondents related to the research, namely employees of the Cimahi City Education Office
2. Questionnaire/Questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents to answer, Sugiyono (2017:142). The questionnaire contains questions and statements regarding the identity and characteristics of respondents, workload dimensions, physical work environment, communication, and employee job satisfaction dimensions.
3. Literature study, namely a technique for obtaining theoretical data from experts through reading sources that relate to and support the variables studied in this research.
4. Online Research, namely collecting data from sites or websites related to various information needed in the research being studied.

3.3. Variable Operationalization

Table 3. Variable Operationalization

Variable	Dimensions	Indicator	Scale
Job Satisfaction (Y) Source: Afandi (2018:74)	1. Work	1. Tasks obtained 2. Suitability of work to abilities	Ordinal
	2. Wages/Salary	1. Satisfied with the salary received with the amount of work 2. Suitability of salary to daily needs	
	3. Promotion	1. Have the opportunity to be promoted 2. Participate in training and development programs	
	4. Supervisor	1. Leaders who pay attention to work 2. Fair treatment of superiors and fellow employees	
	5. Work colleague	1. Level of Togetherness	

Variable	Dimensions	Indicator	Scale
Workload (X1) Source: (Koesomowidjojo, 2017:21)	1. Working Conditions	2. Workplace environment	Ordinal
		1. Needs & facilities	
		2. Suitability of work to abilities	
	2. Use of Working Time	3. Job qualifications are in accordance with the job analysis	
		1. Working hours according to SOP	
	3. Targets that must be achieved	2. Lots of work with a short completion time	
Physical Work Environment (X2) Source : (Sedarmayanti, 2017)	1. Lighting	1. The size of the work target given	Ordinal
		2. Number of employees according to needs	
	2. Work space circulation	Lighting lights in the workplace	
		Air ventilation in the room	
	3. Room Layout	The room is spacious and comfortable	
	4. Decoration	Arrange the paint colors	
Communication (X3) Source: (Wibowo 2014: 165)	5. Facilities	Adequate facilities are available	Ordinal
		There is Air Conditioner/AC	
	1.Ease of obtaining information	The level of ease in obtaining information	
	2. Communication Intensity	The level of communication intensity that occurs	
	3. Communication Effectiveness	Level of effectiveness in communication	
	4. Level of message understanding.	Level of understanding of the message conveyed	
	5. Attitude Change	The level of attitude change after communication	

Source: by author 2024

3.4. Data analysis technique

Sugiyono (2017:147) states that data analysis is an activity after collecting data from all respondents or other data sources. In quantitative research, research will use instruments to collect data. Research instruments are used to measure the value of the variables being studied. Thus, the number of instruments to be used depends on the number of studied variables.

The measurement scale used in this research is ordinal and Likert scales. According to Riduwan (2016: 88), the Likert scale can be used to measure the attitudes, opinions, and perceptions of a

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person or group regarding social events or phenomena. The Likert scale used in this research consists of 5 categories.

4. Results And Discussions

4.1. Reliability Test and Validity

Table 4. Validity Test Result

Variable	No.Item	Pearson Correlation	correlation level	Conclousion
Job Satisfaction (Y)	Y.1	0,607	0,294	Valid
	Y.2	0,531	0,294	Valid
	Y.3	0,381	0,294	Valid
	Y.4	0,484	0,294	Valid
	Y.5	0,455	0,294	Valid
	Y.6	0,491	0,294	Valid
	Y.7	0,319	0,294	Valid
	Y.8	0,491	0,294	Valid
	Y.9	0,417	0,294	Valid
	Y.10	0,605	0,294	Valid
Workload (X ₁)	X1.1	0,517	0,294	Valid
	X1.2	0,357	0,294	Valid
	X1.3	0,859	0,294	Valid
	X1.4	0,650	0,294	Valid
	X1.5	0,335	0,294	Valid
	X1.6	0,816	0,294	Valid
	X1.7	1,000	0,294	Valid
Physical Work Environment (X ₂)	X2.1	0,585	0,294	Valid
	X2.2	0,521	0,294	Valid
	X2.3	0,730	0,294	Valid
	X2.4	0,691	0,294	Valid
	X2.5	0,706	0,294	Valid
	X2.6	0,653	0,294	Valid
Communication (X ₃)	X3.1	0,530	0,294	Valid
	X3.2	0,668	0,294	Valid
	X3.3	0,788	0,294	Valid
	X3.4	0,613	0,294	Valid
	X3.5	0,791	0,294	Valid

Source: Data processed by researchers, 2024

Based on the provided table, it can be observed that all instruments associated with the variables, such as Job Satisfaction (Y), Work Load (X₁), Physical Work Environment (X₂), and Communication (X₃), have a Pearson correlation coefficient greater than 0.294. This indicates that the tool is valid and can effectively be used to conduct research or test hypotheses.

Table 5. Reliability Test Result

Variable	Croanbach Alpha	Critical Value	Conclousion
Job Satisfaction (Y)	0,616	0,60	Reliable
Workload (X ₁)	0,906	0,60	Reliable
Physical Work Environment (X ₂)	0,719	0,60	Reliable
Communication (X ₃)	0,703	0,60	Reliable

Source: Data processed by researchers, 2024

The findings of the reliability test reveal that Job Satisfaction (Y), workload (X₁), Physical Work Environment (X₂), and Communication (X₃) are reliable variables. This is shown by the fact that the reliability test results conducted using SPSS have a value greater than the Cronbach Alpha value, with each item having a value of > 600, indicating that all items meet the reliability testing standards.

4.2. Classic assumption test

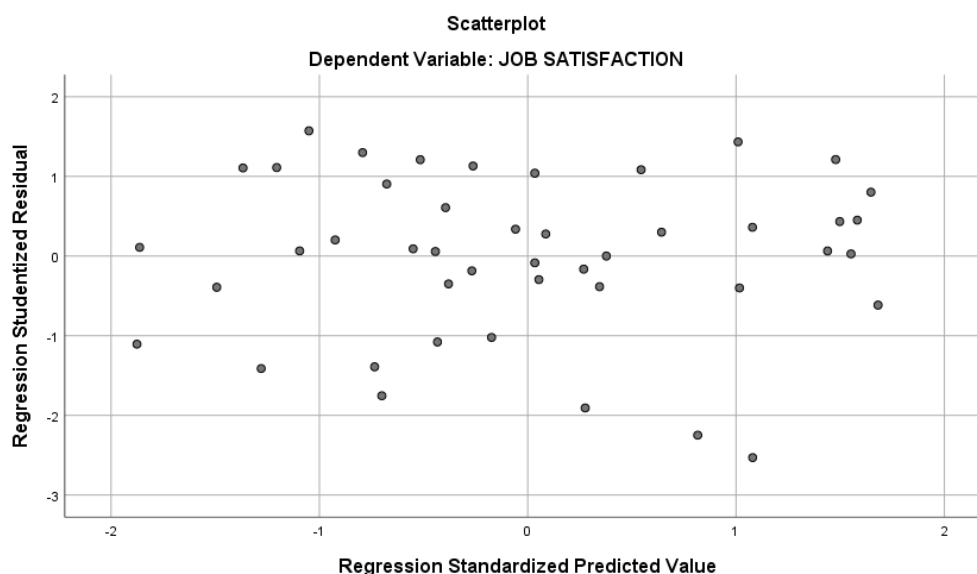
Normality Test

Table 6. Normality Test Result

Unstandardized Residual		
N		45
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	5.20944241
	Absolute	.126
Most Extreme Differences	Positive	.067
	Negative	-.126
Test Statistic		.126
Asymp. Sig. (2-tailed)		.071 ^c

Source: Data processed by researchers, 2024

Based on the findings of the Kolmogorov-Smirnov test, the Sig value of 0.071 is bigger than the crucial value of 0.05. Thus, the above-mentioned Kolmogorov-Smirnov test findings are pronounced regularly distributed.



Picture 3. ScatterPlot Test

Source: Data processed by researchers, 2024

The results of the heteroscedasticity test above reveal that the points on the X and Y axes are scattered above and below zero. The results show that there is no heteroscedasticity in this investigation.

4.3. Hypothesis Testing

t-Test

Tabel 7. t-Test Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	35.124	4.140		8.484	.000
	Workload	-.089	.118	-.099	-.755	.454
	Physical Work Environment	-.290	.095	-.402	-3.057	.004
	Communication	.253	.086	.385	2.935	.005

a. Dependent Variable: JOB SATISFACTION

Source: Data processed by researchers, 2024

- 1 An examination of the data yields clear evidence that, with a 95% confidence level ($\alpha = 5\%$), the burden substantially influences job satisfaction. The acceptance of the alternative hypothesis (H1) and rejection of the null hypothesis (H0) correspond to a t-count value exceeding the t-table value. This indicates that the dependent variable (job satisfaction) is influenced to some extent by the independent variable (workload).

Contrarily, H1 is accepted when the significance level (sig) is below 0.05, suggesting that the labor variable influences job satisfaction to some extent.

A two-sided test is conducted using the t-table value from the t-distribution table with $\alpha = 0.05$ and $df = n-k-1 = 45-3-1 = 41$ to compare the t-value for the labor variable, which is -0.755. The value of the t-table is 2.020. The t-count value acquired for the burden of -0.755 is admissible within the t-table value's critical range. Based on the observations, the labor variable does not appear to have a statistically significant impact on job satisfaction, as the significance level of 0.454 exceeds the predetermined threshold of 0.05.

- 2 The null hypothesis (H0) is denied in favor of the alternative hypothesis (H2) when the value of t-count exceeds the critical value set by the t-table. This finding suggests a partial relationship between the independent and dependent variables. Additionally, the acceptance of H2 is contingent upon the significance level (sig) below 0.05. This suggests that Job Satisfaction is partially influenced by the Physical Work Environment variable.

The t-value for the Physical Work Environment variable is -3.057, as determined by the analysis of the data presented previously. With $\alpha = 0.05$ and $df = 45-3-1 = 41$, this value is compared to the t table value in the t distribution table. The value in the t-table is 2.020. Evidently, the t-count value of -3.057 for exceeds the critical range of the t-table value (-2.020 to 2.020), as indicated by the data presented at the outset. As 0.004 is less than the predetermined threshold of 0.05, it is possible to claim significance. This suggests H2 is accepted, which implies that the influence of the physical work environment on job satisfaction is minimal.

- 3 The null hypothesis (H0) is denied in favor of the alternative hypothesis (H3) when the t-counter (H3) exceeds the critical t-value from the t table. This suggests that there is a partial relationship between the independent variable and the dependent constant. The acceptance of H3 implies that the Communication variable has a partial influence on Job Satisfaction, provided that the significance level (sig) is below 0.05. In comparison to the t-value of 2.935 for the Communication variable in the t-distribution table (where $\alpha = 0.05$ and $df = n-k-1 = 45-3-1 = 41$), the t-value of 2.935 for the Communication variable is calculated. 2.020% is the t-table value for a two-sided test. The calculation of the t-value (2.935) indicates that it falls outside the critical range of t-table values (-2.020 and 2.020), as indicated by the statistics above. Placing 0.005 below the predetermined threshold of 0.05 constitutes the significance level. By acknowledging H3, this suggests that there is a partial relationship between communication and job satisfaction.

F-Test

Table 8. F-Test Result

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	95.955	3	31.985	5.818	.002 ^b
Residual	225.397	41	5.497		
Total	321.352	44			

a. Dependent Variable: JOB SATISFACTION

b. Predictors: (Constant), COMMUNICATION, WORKLOAD, PHYSICAL WORK ENVIRONMENT

Source: Data processed by researchers, 2024

As shown in the preceding table, the F-count value attained was 5.818. When $\alpha = 0.05$, this value is compared to the F-table in the F distribution table; $df_1 = k-1 = 4-1 = 3$, and $df_2 = n-k = 45-4 = 41$. The value of F-table is 2.833. The value 5.818 indicates that F-count is greater than F-table 2.833. Based on the criterion for hypothesis testing, H4 is deemed acceptable, suggesting a significant relationship between Workload, Physical Work Environment, and Communication (at a significance level of $0.002 < 0.05$).

5. Conclusion

The results of research and discussions on Workload (X1), Physical Work Environment (X2), and Communication (X3) related to Job Satisfaction (Y) at the Cimahi City Education Office resulted in the following conclusions:

1. Workload (X1) does not positively influence Job Satisfaction (Y) at the Cimahi City Education Office.
2. Physical Work Environment (X2) has a statistically significant and positive influence on Job Satisfaction (Y) at the Cimahi City Education Office.
3. Communication (X3) greatly influences Job Satisfaction (Y) at the Cimahi City Education Office.
4. Workload (X1), Communication (X2), and Physical Work Environment (X3) have a significant influence on Job Satisfaction (Y) at the Cimahi City Education Office.
 - a. Considering the substantial interaction between the Workload variable (X1), the Physical Work Environment variable (X2) and the Communication variable (X3) as well as the Job Satisfaction variable (Y) in the Cimahi City Education Office, it is very important that maintaining a balanced workload, ensuring a working environment physical comfort and safety, improving communication, and encouraging work-life balance can all contribute to creating a healthy and satisfying work environment for employees.
5. For the next researcher, the research conducted by the author only includes the Workload variable (X1), the Physical Work Environment variable (X2) and the Communication variable (X3) on the Job Satisfaction variable (Y). Future researchers can also add the number of other similar variables so that the comparison can be seen.

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Innovations Products Children Working Brand Bilbil Kids in CV. Bilbil Berkah Sejahtera Bandung

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Abstract

Children's clothing is an important part of the fashion industry, which continues to grow. In recent years, innovation in children's clothing design and production has become a major focus for designers and manufacturers. This research aims to explore the latest innovations in children's clothing products, including designs adapted to children's development. The method used in this research is a comprehensive qualitative method from the results of analysis of several brands of children's clothing and interviews. It was found that forms of product innovation and innovative product development in Bilbil Kids prioritize the quality of raw materials for clothing and also product development is carried out using technical techniques. Sewing or sewing patterns used and speed in ordering custom clothing.

Kata kunci: Inovasi, Produk, Inovasi Produk

JEL Codes: G00, G1, G2

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1. Introduction

This trend change is an opportunity and a challenge for children's clothing entrepreneurs by creating the trend itself so that as a brand of child clothing that has been standing since 2020 always create new designs that are unique and quality materials that are comfortable to be worn by children and different to meet the needs of child fashion. Innovation in children's clothing products is done to improve market competitiveness and add value to the product. Several types of innovations can be done in the children 's clothing business, including innovation in design, selection of raw materials, printing techniques on products, and marketing strategies.

In order to innovate a child's clothing product, you can consider several steps, such as the emergence of ideas, filtering, commercialization of products, and development. Innovation of a child's clothes product can include a new product, improvement of an existing product, or development of a product to replace an old one.

Product and service innovation became one of the main concerns in this research as innovation talks about gaining added value to competitive advantage and good performance. Innovation is how we can leave old habits to change into more profitable new habits. In addition to innovation and entrepreneurial orientation to improve marketing performance, companies must have a competitive advantage. The competitive advantage in a company can be gained by 4 considering superior values for customers, culture, and climate to improve efficiency and efficiency. The concept of competitive advantage cannot be understood in the way a company is viewed as a whole but must be based on the origin of its competitive advantages, i.e., the various activities carried out by the company in designing, producing, marketing, handling over, and supporting its products. Value chain analysis is more appropriate to investigate the competing advantages than added value (sale price minus the cost of purchasing raw materials) because this analysis can find out the values of all activities so that the origin or source of that competitive superiority can be known. From year to year, clothing recorded the highest output compared to other sectors; we can see the graph from 2011 to 2019.



Sumber: Badan Pusat Statistik (BPS)

lokadata
oleh Bilalgarid

Figure 1 Growth of Production of Made Clothing 2011-2019

Source: Badan Pusat Statistik (BPS)

The clothing industry is a large segment and is recording the highest production growth compared to other sectors during the first quarter of 2018, which is 29.19 percent compared with the third quarter in 2018. Meanwhile, this sector grew by 8.79% in the third quarter, the second highest after the furniture industry.

As one of the companies Clothing children's clothing, Bilbil Kids carried out product innovation to cope with increasing competition as well the design that production today still does not have the characteristic characteristics that bias are superior to its products, so Bilbil Kids provide a service innovation in the form of custom clothing service where this innovation

is done in order to meet the demands of consumers who do not rarely have children with forms that are too fat or too thin and also consumers asking for models according to their wishes with materials and models as well as sizes in accordance with their children.

2. Literature review

2.1. Product Innovation

Product innovation is the creation of new products that can meet the needs and desires of consumers, and the general inclusion of innovation means the process of adopting "something" by anyone who adopts it and as a process of creating a new product. Innovation is the process of realizing, combining, or bringing about an idea that is applied to a product or service. According to Damanpour, innovation is the identification of equipment, systems, laws, products, or services, new production process technology, a new structure or administrative system, or a new planning program to be adopted by an organization. (Soleh, 2008:33-35). According to Keegan and Gren, innovation is the process of obtaining resources with a new capacity to create value (Keegan and Gren, 2015). Product Innovation is the introduction of a new or developed product. (Keegan & Gren 2015).

Innovation has many important meanings that cover things that are innovation.

- a. Innovation is an innovation that results in added value for the user and increased value of the product, equipment, or service called the object of innovation. Application of changes to the product and the key to innovation success is to increase the value to the user.
- b. Innovation is the transformation of the existence of production with the fusion that ends in finished goods.
- c. Innovation as an excellence with innovation means creating an advantage in a new form. Innovation encompasses product innovation, process, method, technology and management.

2.2. Product Understanding

The product comes from the English product, which means something the labor force produces. A product can be offered specifically for attention, use, possession, or consumption to satisfy a desire or need. From this understanding, it can be concluded that almost everything that includes the production output is a real thing that can be seen, perceived, and felt. Since the product is a real thing, the kind is quite a lot.

A product is an offer from a company that satisfies or meets a need. (Kotler, 2016) also defines a product as an offer, saying that a product is everything that can be offered to the market to be noticed, bought, and used.

As far as the concept of a product is concerned, according to William J. Staton, a product can be understood as a set of physically connected attributes in an identifiable form. In general, a product is a set of real and non-real attributes that include color, price packaging, retailer precision, and service from factories and retailers that the buyer may accept as something that can provide satisfaction over desire.

According to Kotler, a product is offered, owned, used, or consumed to satisfy desires and needs including physical, place, people, services, ideas and organizations. According to H. Djaslim Saladin, products can be understood in three senses:

- a. In a narrow sense, a product is a set of physical and chemical properties that are inherent and assembled in a similar and known form.

- b. In a broad sense, a product is a set of tangible qualities that contain the price, colour, packaging, retailer prestige, factory prestige as well as the service provided and the retailer to the consumer in order to fulfil the satisfaction of the consumers and what they want.
- c. In the general sense, a product can be understood as any thing that is able to satisfy and also satisfy the needs or desires of human beings, whether it is tangible or intangible. (intangible).

Products are goods or services that can be sold and bought. In marketing, products are anything offered and can satisfy a need or desire. From the explanation above, it can be concluded that products are products or services sold and purchased to satisfy the desires and needs of physical places, people, services, ideas, and organizations.

3. Methode

The methodology used is qualitative approach or naturalistic research and analytical descriptive methodology. The descriptive method is a method of searching for reality with the interpretation of how to make a reflection of things' atmosphere or activity so that the type of research research problem matches, and this research does not try to assume. The next research is listed as a research problem, a claim (Mulyana, 2002) that "Problem research is the explanation and comprehensive description of things different views of a person, a group, a community, a program or a social environment."

Qualitative research creates descriptive information in the form of recorded sentences or words of many people as well as attitudes observed from the events involved. While thinking (Sugiyono, 2013) reveals the truth differently from experimental research, qualitative investigation examines the conditions of natural subjects by considering researchers as essential instruments, using purposive and snowball sampling of information bases as also methods of triangulation collection (combination), conducting inductive or quantitative information analysis, and distributing funds in the sense of generalization.

3.1. Data collection sources and techniques

Data source

A database is a point from which information can be obtained. A database is a place where information is obtained by using a specialized arrangement in the form of people, artifacts, or documents. For information base recording through question answer or observation is the result of a combination of looking, following, and asking. In qualitative research, these activities are experimental, planned and intended to obtain some necessary data.

The information base is the cornerstone in the meaningful way of research, because it is only by obtaining information that matches the way the research is going to go until the research obtains a response from the formulation of the problem that has been formalized. The information used in this research starts from two bases, which are:

1. Primary information is information obtained or collected directly from its source and some of its employees and clients.
2. Secondary information is an information base that indirectly shares information to the collector of information, whose character helps and shares data for research material.

Data collection technique

For (Ulber, 2009), data collection is obtaining empirical data through respondents by applying rules of special methods. In data collection activities, steps-stages that must be passed to obtain data and more complete information. For (Sugiyono, 2013), the data collection method can be tried with 3 methods, namely control, question answer, and determination. In this study, the observer applied three rules of method in data collection, namely:

1. Interviews with answers is a method of conversation to construct the incident, activity, group, urge, feelings and feelings tried by two parties, namely the interviewer who submits matters to the other person being interviewed. (interviewer).
 - a. Answer questions are used in the same way as data collection methods when an observer wants to conduct a study of an introductory to produce a problem that needs to be monitored and also when an observer wants to identify the condition of a more in-depth respondent and a small or small number of respondents. In this study, Cerpenis used a structured interview to ask planned questions.
 - b. this arrangement is because the interview can run open and, therefore, receive more information; the talk is not very intimate and does not cover both sides. So even if the observer has been using automatic methods in accordance with the development of the atmosphere of the question-answer itself,
2. Observation of control methods is monitoring the observer at the point of investigation. We can accumulate data when an event is interrupted and come closer to covering the entire event. A rule of control method can produce more detailed data about an action (value), object, or incident(point) than a rule in answering questions. Control facts are often helpful to provide additional information on topics to be monitored.(Yin, 2013).
3. Act documentation is a record that defines an empty incident. For (Sugiyono, 2013), an act can be a memo, a picture, or a monumental work of someone. The study results of answers and controls will be more reliable when assisted by complicated documents such as pictures, notes, and others.

4. Result and Discussion

Innovation is the introduction and deliberate application of a new idea, process, product, or procedure in a job, work team, or organization designed to benefit the job, working team, or organization. (West, 2000:18). Innovation is a non-linear process of two components that encompass the implementation of creativity and innovation. At the beginning of the process, creativity dominates and then, it will be dominated by the process of implementing innovation. Entrepreneurship innovation is divided into two types of innovation that make a profit for a business in different ways: product innovation and process innovation.

Kotler (2017:36) defines product innovation as a combination of various processes that interact with each other. Nasution (2005:44) states that product innovation is a new product or service introduced to the market. Product innovation is categorized as new products for the world, new product lines, additions to existing new product line, improvements and revisions of existing products, re-determination and cost reduction (Nasution,2005:44). Product innovation can be categorized more briefly into three categories (Lukas and Ferrel,2000:240):

1. Product extension is a product that is still familiar to business organizations but new to the market.

2. Me-too products A me-too product is a product that is considered new by the business but familiar to the market.
3. New-to-the-world products A new product is a product that is considered new by both the business and the company.

Product innovation is one type of innovation, in addition to process innovation, organizational innovation, and business innovation. Product innovation is a new product (goods or services) introduced to the market to meet its needs. (Damanpour, 1991). Product innovation has three characteristics: product excellence, product cost, and product credibility. Product innovation is the innovation used in the company's entire operation in which a new product is created and marketed, including innovation in all its functional/ useful processes. (Crawford dan De Benedetto: 2000).

The term innovation has always been interpreted differently by some experts. Barnett (1953) defines innovation as any new thought, behavior or thing that is qualitatively different from the existing form and is the basis of cultural change. From a business perspective, Mark Rogers (1998) defines innovation as applying new ideas to a product, process, or other aspects of a company's activity.

4.1. Product Innovation Process

The Innovation Process is a series of activities carried out by individuals or organizations, beginning to be aware or aware of the existence of Innovation until it is embedded in the business world; innovation as a process is described as a cyclical and continuous process that encompasses the phases of appreciation, adoption and diffusion and implementation.

De Jong & Den Hartog, 2010 in their book Sukmadi, explain that the process of innovation consists of:

1. Releasing ideas, including forming engineering plans and designs.
2. Problem-solving, i.e., making decisions and dissolving ideas into smaller components, solving the right choices for each problem, and considering selecting a method by measuring in the first phase that creates new inventions in innovation by raising and then applying it.

The innovation process is as follows:

1. Initiation means that this activity involves decisions within the organization to adopt innovation.
2. Development involves designing and developing products and planning innovation processes in the innovation phase, so this phase involves releasing ideas and solving problems.
3. Implementation is an activity that involves the application of design innovations that have been made previously in the development phase. (Sukmadi 2016:38-40)

4.2. Product Innovation Classification

According to Tjiptono and Chandra, generally, new product development activity can produce six new product types, namely:

- a. New to the world product. These are products that create an entirely new market and form the life cycle of a new product.
- b. New product line: New products for the company, but launched for existing markets.

- c. New product line new product that allows companies to expand the market they serve by offering different benefits.
- d. Improvement to existing products Products usually designed to replace existing product offerings.
- e. Technical development (Repositioning) The technical development enables a product to offer new applications and serve new needs.
- f. Cost reduction: A version of an existing product that can provide equivalent performance at a cheaper price level. (Fandy and Chandra 2017)

Some of the indicators of product innovation are:

1. Line extensions are products that produce companies that are not alien but relatively new to a market.
2. New product (me too, my product) for the company but not with the market.
3. New to the word product: A new product to the company and the market.

The factors determining the success of the product innovation strategy several important aspects need to be considered in formulating the product innovation strategy carried out by the company, namely managerial competence, the commitment of the company's leadership and active participation of employees, human resources competence (SDM), resarch and development facilities (R&D), information system network and timing of innovation. (Ellitan and Anatan 2009)

4.3. Innovation level

According to Fisk, there are three levels of innovation:

Cosmetic change: the lowest level of innovation, generally involving some modifications to products and services.

Context change: a more intelligent innovation on an existing theme, changing the current context like bringing a new existing product.

- a. Conceptual change: further innovation by rethinking existing business models to signify how things happen.

According to Kotler (2017:36), the main innovation-type approaches to the development of new products based on fixed market assumptions are:

1. Modulation-based innovation involves changing a basic characteristic of a product or service by raising or decreasing that characteristic. We generally refer to functional or physical characteristics. Here is an example of innovation based on modulation: banks, with monthly interest payments, free of charge with better staff
2. Scale-based innovation involves launching a concrete new product without changing anything but its volume. This policy has the advantage of enabling an increase in consumption or the quantity of usage. So innovation is based on scale well because it grows the market by facilitating the conversion of potential consumers into actual consumers.
3. Packaging-based innovation, where these innovations often involve the way a product is packaged and can change consumer perceptions, functions, or tastes of consumption of a product or service. For example, the chocolate milk that the company used to pack in a large cardboard is quite expensive, but with the high purchasing power rate of the

community, the milk is packaged in a variety of packages, one of which is in plastic packaging.

4. Design-based innovation, where these innovations often involve product, container or packaging innovation and the same size sold but the design or appearance modified. Example: A car company would launch the same product but with a different design or exterior on the car, so with the presence of design-based innovation expands the target market for a particular product or service by attracting buyers who prefer different styles.
5. Innovation is based on the development of complementary materials, where these innovations often involve supplementation involving the addition of supplementary materials or additional services to a basic product or service. For example, a snack company that adds sweets to their biscuits adds sugar and chocolate and marmalade.
6. Innovation based on power measurement, where these innovations are often based on reducing the effort not to change the product or service, but to increase the size of the market.

One example of a brand of children's clothes that is already famous and innovating

1. Bohopanna Fashion Baby and Child Brand local fashion children and babies that go international BohoPanna sold its products up to 1.6 million in May 2021 Boho Panna formerly known as BohoBaby proves that the design and quality of their clothing can compete globally in various countries in Asia, America, and Europe. In addition to its breathtaking breakthroughs and design innovations, BohoPanna is thrilling us with its super-complete collection from newborn to child.
2. Sabine & Heem Sabine and Heem The story of Sabine And Heem who succeeded after failed.
The power of the earth tone color with a classic yet trendy design is a feature of Sabine & Heem. It is also a quality material that guarantees that clothes can be worn quickly because of the timeless concept that is never out of date.
3. La Dolce Kids Brand children's clothes Brand local kids' clothing For those who love the eccentric appearance, the unisex brand from Bandung designed La dolce Kids provides a collection with unique patterns and pattern as well as bold colors. Like a combination of animal print motifs and stripes in colorful colors that are equipped with the latest accessories.

The three brands above are baby and child clothing brands that are increasingly competitive in offering clothes that are not only stylish but quality. A variety of breakthroughs and design innovations make a number of baby and children's clothing brands popular on the international market. From the brand Bohopanna, Sabine&Heem and La Dolce Kids clothing products are produced massively. While Bilbil Kids is a clothing company that is produced in mass as well as Custom and its scope is also quite limited. Unlike the three brands above whose clothing production activities involve large companies with mass production and no custom apparel products.

4.4. Product Prices for sale

The difference between the brand Bilbil Kids (Clothing) and the brands Bohopanna, Sabine & Heem, and La Dolce Kids (Apparel) from the price aspect. Clothing has a relatively more affordable price compared to clothing.

4.5. Product images and design

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Furthermore, there are differences in the designs that exist on each product. Overall, clothing products have a simple and minimalistic design. Meanwhile, apparel you can find has a fashionable, varied, as well as up to date design.

4.6. The quality of the products sold

You can also distinguish clothing and clothing products from their quality aspects. Apparel has superior quality because it passes through the manufacturing process. Moreover, manufacturers usually set strict stages of quality control. Different from clothing to normal standardization.

4.7. Clothing and Apparel Target Market

Next, there are clothing and apparel differences in terms of product target marketing. Apparel has an extensive market coverage. For example, you can find clothing products from the Bohopanna, Sabine & Heem, La Dolce Kids brands that are marketed globally. Meanwhile, clothing has smaller segments and are usually more specific.

5. Conclusion

Based on the results of the analysis, it can be concluded that, in general, the activities carried out by Bilbil Kids include innovation activities that include different activities with mass products or products, Apparel that can not be customized Design, custom sizes of children's clothes, custom materials according to customer's wishes. For innovation activities in product development, Bilbil Kids preferred the quality of raw materials clothing, and also the development of products on sewing techniques or sewing patterns used as well as speed in custom clothing orders.

In the concept of product innovation, it is necessary to add a motive or model that is characteristic of Bilbil kind so that innovation activities can produce more striking results and become attractive and more valuable in front of customers.

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Evaluation of Democrat Party Voter Segmentation in Bandung City

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Abstract

With the widespread idea that people are an aspect that needs to be considered and included in the political process, political parties are born automatically and grow to become candidates for the people and authorities. Political parties are usually considered the embodiment of a modern political system or the process of modernizing itself. This research uses qualitative research to produce descriptive data in interviews and written or verbal information from related people. Based on the sources, the number of Generation Y and Z voters in Bandung City for the 2024 Election is quite significant. According to the Bandung City KPU, as many as 53% of voters are millennials and Generation Z, totaling 1,872,381 voters. The KPU also noted that millennials dominated voters in the 2024 Election, reaching around 32.72%. This shows the crucial role of the young generation in the five-year contest.

Keywords: Evaluation, Segmentation, Democrat

JEL Codes: M00, M1, M5

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1. Introduction

Democracy is the emancipation of the absolute dominance of one or a few people. In a literal way, citizenship is carved over two hundred. Demos means people and Kratos or crates mean authority or sovereignty. In a simple way, the result can be meant as the rule of authority (of, made, and by) people or rule by the people (Budiardjo, 2007). The path to the country of citizenship is by ordinary elections, which are early stages to ensure that the current regime is the existence of a citizenry that every country is obliged to adhere to the national system openly.

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Election is the urge of every country in the chart to build and preserve nationality. Basically, no country is declared a nationality without the organization of ordinary elections listed in Indonesia. Elections can be said to be early stages of creating a correction of nationality in Indonesia and counted as a step in the delivery of progress in the progress of citizenship of this country. The election is the concretization of citizenship because the people's complete independence is from the people, by the people, as well as making the people and the conclusion that they will ensure their choices.

For the Law No. 10 of 2008 on the Ordinary Approval of People's, Territorial, and Territorial Representative Bodies Article 1 (1), an ordinary appointment is two means of enforcing the independence of persons carried out in a direct, regular, open, secret, honest, and balanced manner within the State of the Union Republic of Indonesia. The way elections have such a huge impact on the course of the rulers or people (who are ruled), Elections are not free from political parties because political parties can pour people's hopes, where people can participate in it and influence the firmness of elections.

With the spread of the idea that people are aspects that need to be considered and included politically, the political parties are born automatically and grow into candidates to the side of the people and the rulers. Political parties are generally regarded as the embodiment of some modern political system or something that is in the way of modernizing itself. Therefore, in this age in present-day countries of the party has become a commonly found political agency. Carl J. Friedrich argued that a political party was "a group of people organized in a normal way to hold orining the ability of the regime to command its party and, based on this ability, distributing to its party bodies utilities of an idiotic or false character" (Budiardjo, 2007).

The Municipal Election Commission (KPU) estimates that 1.9 million people in the town of Bandung will have the right to vote in the 2024 elections, which is an increase of about 200,000 when compared to the 2019 Legislative Elections, where the register of permanent voters (DPT) was 1.7 million. Electoral data that was submitted to the KPU in February 2022 has been at the number of 1.783.158 people. The number is spread across 30 districts and 151 municipalities that exist in Bandung City; this data per February 2022 male voters 886.957 people (49.74 percent) and women 896.201 (50.26 percent), source (Data KPU Kota Bandung).

According to the latest data, the population of Indonesia is dominated by Generation Z and Generation Y, i.e., Millennials. The next generation followed, the X and the baby boomers. As we know, Indonesia has arrived at a time of demographic bonuses. In other words, the productive age group heavily influences the Indonesian people is future journey.

in this case by generation Ydan generation Z From politicians' eyeglasses, the reality of the existence of young people is an asset to be seized. They are the main force in the upcoming political contest. In counting on paper, whoever manages to embrace this generation of Y and Z, he will win the contest.

These Y and Z generations have the main characteristics of mastering information and having high access to information technology. Believe me, understanding the character of Generation Y and Generation Z is the key if you want to win a political contest. All politicians must be aware of this. That's where political controversy gets more interesting, like racing in the middle of a racing circuit. The competition to take over Generation Y and Generation Z is like fighting on that circuit. What is needed is not only vehicles with state-of-the-art technology, but also drivers and skilled technicians.

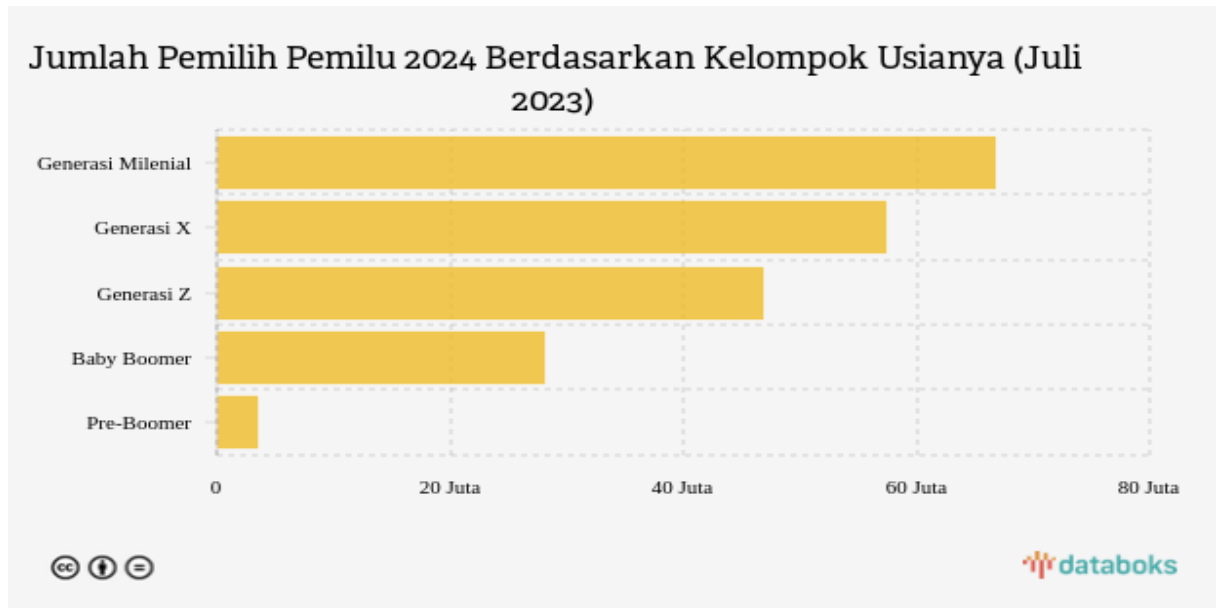


Figure 1: number of voters for the 2024 election by age group (July 2023)
source: General Election Commission (KPU)

The General Election Commission (KPU) has established a permanent voter list (DPT) for the 2024 elections. The number reached 204,807,222 voters.

Moving from the Republic, according to the DPT's recapitulation results, the majority of voters in the 2024 elections are dominated by the Z-generation and millennial groups.

"A total of 66,822,389 or 33.60% of voters from the millennial generation," said RI KPU Commissioner Betty Epsilon Idroos at the DPT Open Plenary Recapitulation Meeting at the KPU office. Millennial Generation is the term for people born between 1980 and 1994. Generation Z voters accounted for 46,800,161 voters or 22.85% of the total number of voters in the 2024 elections. If aggregated, the number of voters from the millennial and Z generation groups amounted to more than 113 million.

Both generations dominated the voters in the 2024 elections, which represented 56.45% of the total voters. In addition, the next generation of X voters in the next row was 57,486,482 or 28,07% of the total voters. Generation X comprises people born between 1965 and 1979. The rest came from the pre-boomer generation group, or people born before 1944, with 3,570,850 or 1.74% of voters. The KPU determined 204 million of these elections after recapitalizing the DPT establishment results carried out by the entire KPU district/city and the Foreign Election Commission (PPLN) on June 20-21, 2023.

Table 1. The population of Bandung by age

No	Age	Total
1	0 – 9 (Generation Post Z)	362.518
2	10 – 24 (Generation Z)	596.450
3	25 - 39 (Generation Y/ Milenial)	583.980
4	40 - 64 (Generation X)	738.884
5	65 – 74 (Generation Baby Boomers)	118.923
6	75 + (Generation PreBoomers)	43.405
	Total	2.444.160

source: BPS, 2020

According to BPS 2020 sources, the YZ generation was born and grew up in the midst of a chaos and an infiltration of information, giving birth to individuals who were more open-minded than the stressful previous generation. This generation is also much more critical and bold, no exception in our country. The main thing about the YZ generation is their connection to social media. Connection to the outside world for Generation Z is vital and can beat the needs of the stomach. That's why we can see portraits in the family or nearest neighbors, how they're in abundance during the exercise, don't have quotas, or can't receive signals properly. It's different when they're hungry. They can have a bunch of intelligence to suppress hunger, but there's no tolerance for not having a quota. It is logical that in the "Digital 2021" report, HootSuite and We Are Social released Internet users in Indonesia by the beginning of 2021 alone as much as 202.6 million people or an increase of 15.5% compared to a year earlier. That's a staggering figure compared to the population, as it turns out that 73.7% of Indonesians use the Internet. And when you look at the results of the 2020 Census, where our country is entering the demographic bonus phase, it can be assured the biggest contribution of Internet users in our country from that YZ generation.

2. Literature review

Philip Kotler, 2007 in his book "Marketing Management" states that targeting is the process of selecting a potential target market to be developed and targeted by a company. Porter, M. (1985) in his book "Competitive Advantage", states that targeting is the process of identifying and selecting potential target markets. David Aaker 2008, in his book "Marketing Management" states that targeting is the process of selecting a potential target market to be developed and targeted by a company.

Malcolm McDonald, 1999 in his book "Marketing Plans," states that targeting is the process of selecting potential target markets to be developed and targeted by companies after market segmentation.

Nurdin Hidayah, 2021, in his book "Sustainable Tourism Destination Marketing in the Digital Age," states that targeting is the process of evaluation and market setting that will be the focus of all marketing activities.

According to the American Marketing Association (AMA), targeting is the process of selecting market segments to be targeted by a company.

Generally speaking, experts state that targeting is the process of choosing potential target markets. This process can be used to develop marketing strategies that match the characteristics and behavior of the selected market.

As far as the market segmentation process and the setting of market targets are concerned, they are strategic processes that go hand in hand and are carried out simultaneously.

As stated in economic concepts, no company has unlimited resources. All companies must have limited resources, so it is difficult for companies to offer an offer to everyone.

Besides, human beings have different needs, desires, and expectations. They also differ in how to get a product that is worthless or not for them. So, it will be difficult for a company to provide services to everyone; in other words, the limited resources make it difficult for the company to serve and satisfy everyone.

2.1. Evaluation According to Experts

Zainul and Nasution (2021) The concept of evaluation can be defined as a decision-making process using information obtained through the measurement of a learning outcome, both using test and non-test instruments.

Kumano (2001) The definition of evaluation is the assessment of data that has been collected through assessment activities.

Suharsimi Arikunto (2003) The definition of evaluation is a series of activities aimed at measuring the level of success of an educational program.

2.2. Segmentation According to Experts

According to Tjiptono and Chandra (2012), the definition of market segmentation is as follows: "Market segmentation can be understood as the process of grouping a whole market heterogeneously into groups or segments that have similar needs, desires, behaviors and/or responses to specific marketing programs."

According to Kotler (2007), market segmentation divides a market into buyers with different desires, characteristics, or behaviors.

3. Research Method

This research defines quality research as a procedure that produces descriptive data from the results of interviews and written or oral information from the people involved. In this study, the author uses to obtain in-depth information. This research report is structured as a creative and in-depth narrative and demonstrates authentic, naturalistic features. The focus of the analysis of this study is how the segmentation evaluation against genera y z in democratic party voters in the city of Bandung, for the collection of data itself in addition to informants, conducted interviews, and documentation.

4. Result and Discussion

4.1. Political parties

In the Law No. 2 of 2008 on Political Parties (Parpol) section 1 paragraph (1) named Political Party is an organization of a national nature and formed by a group of Indonesian citizens voluntarily on the basis of the common will and ideals to fight and defend the political interests of members, communities, nations, and states, as well as preserve the integrity of the State of the Republic of Indonesia Union based on the Pancasila and the Basic Law of the state of the Republic of Indonesia in 1945. A political party is an organized group whose members share the same orientation, values and ideals, the aim of which is to acquire political power and assume political positions, usually by constitutional means to implement their policies. (Budiarjo, 1989). In the perspective of Sigmund Neumann, a political party is a political activist organization that seeks to dominate governmental power and win the support of the people on the basis of competition with a few other groups that have different views. (Sigmund dalam Budiarjo, 1989).

Hussar and Stevenson in the book Political Science state: "A political party is a group of people who are organized and seek to control the government so that they can carry out their programmes in governmental office. A political party seeks to acquire power in two ways: participating in the conduct of the government in an arbitrary manner, with the aim that in general elections they obtain a majority vote in the legislative body, or working in a arbitrary or subversive manner to obtain the highest power in the state, that is, to carry out a revolution

or a coup d'état. Then based on the definition developed by Neumann, Cheppy Hari Cahyono recalled the need to pay attention to four things in connection with the attempt to clarify the meaning of the term political parties. The four things are:

- a. A political party is an organization that carries out political activities in a society.
- b. The political party devotes attention to overseeing the government in the exercise of its power.
- c. Political parties seek support from different groups and groups of people who have different views.
- d. Political parties are intermediary institutions that connect the social and ideological forces that are growing and developing in society with government officials and state institutions (Haricahyono,1991).

Through some of the above definitions, at least a clear point can be drawn on the concept of a political party, a group or organization with interests and ideals. Especially in the fight for power in the country. In a democratic country, realizing the political party's aspirations requires the sympathy and voting support of both members of the party and the general public to obtain a mandate of power (legitimation) to a party victory in the general legislative elections or presidential elections.

4.2. Benefits of Market Segmentation and Determining Market Targets

Helps companies identify potential target markets: The market segmentation process divides the market into several consumer groups with similar characteristics, needs, or behavior. This allows companies to determine more specific consumer groups and determine potential targets.

Making it easier for companies to carry out marketing communications: By identifying targeted consumer groups, companies can tailor their marketing communication to be more effective and efficient. This can be done by targeting messages, media, or promotions that fit the consumer group. How to Do Market Segmentation and Targeting: Market segmentation and market targeting are divided into several stages.

1) identifying market characteristics, 2) dividing markets into market groups, and 3) evaluating market segments to determine which market segment will be selected.

The following are the stages in carrying out market segmentation and setting market targets for democratic party voters:

1. Identification of the characteristics of the voter: The first stage in conducting market segmentation and targeting of the market is to conduct an identification against the characteristics of the potential voter to be selected into the group of segments.

Here are some ways you can perform market identification in the market segmentation process, namely:

Survey: Surveys can be used to gather data about market characteristics through questions asked to the market. Examples include distributing questionnaires both offline and online.

Interviews can be used to gather data about market characteristics through questions asked to the market personally. For example, conducting door-to-door interviews at market residences, doing FGD, etc.

Observation: Observations can gather data about market characteristics through direct observation of market behavior. For example, social media listening, viewing reviews in marketplaces, monitoring online discussion forums, web crawling, etc.

Secondary data analysis: Available data such as country statistics, industry data, trend data, or social media data can be used to gather information about market characteristics.

Market Mapping: Market mapping can identify market characteristics based on geographical location. For example, using Facebook Ads, mapping the market according to the product coverage to be offered and based on local, national, or international coverage. All methods used in identifying market characteristics must be properly run and well analyzed in order to be able to provide accurate information about the characteristics of the market to be targeted.

2. Aftermarket characteristics are identified, markets are divided into groups with similar characteristics. These groups are called market segments.

Here is a process of grouping or segmentation based on the segment criteria that marketers usually do.

Geographical segmentation is a method of market segmentation based on the geographical location of potential customers. Geographic segmentation can be done by grouping markets by country, region, province, city, or postal code. Geographic segmentation may also be used to evaluate the influence of geographic factors such as climate, culture, or income level on product preferences or voter behavior.

Demographic segmentation is a method of market segmentation based on the demographic characteristics of potential customers, such as age, gender, income, education, marital status, and the number of family members.

Psychographic segmentation is a market segmentation method based on an individual's psychic or psychological characteristics. Such psychic characteristics include their lifestyle, interests, hobbies, values, attitudes, and personalities.

Psychographic segmentation allows companies to group markets based on characteristics that influence their interests and preferences. Psychographical segmentation can be very useful in developing appropriate marketing strategies to reach market groups with similar lifestyles, interests, hobbies, values, attitudes, and personalities.

Behavioral segmentation is a market segmentation method based on patterns of purchasing, purchasing, or consuming behavior from potential customers. This segmentation can be done by looking at several factors, such as purchase frequency, purchase amount, purchase size, purchase time, or customer loyalty.

Market Segment Assessment A market segment assessment evaluates a pre-determined market segment to determine which segment is most profitable and worthy to be chosen. Market segment evaluation covers size, growth, accessibility, cost, and competition. These criteria are used to measure how attractive a market segment is being evaluated.

Here is an explanation of the criteria for market segment evaluation:

The size of a market segment is the amount or value of a group of markets. It can be measured in the number of units or the value of money and can be used to determine the market opportunities and potential available to the company. The amount of market availability

determines the size of the market segment. Market segments with a reasonably large size will be considered the most potential market segments to choose from.

Market Segment Growth Market growth is the rate of change in market size over time. In the process of market segment evaluation, market growth is measured to determine how fast a particular market segment is developing. High market growth rates indicate a good chance for companies to increase their market share and sales of products or services.

Market segment accessibility is the difficulty or cost a company has to incur to reach or reach a particular market segment. In the process of market segment evaluation, the market segment's availability is measured to determine how easily or difficult a company can reach and reach a specified segment of the market. The hard-to-reach segments will require higher costs, time, and effort to reach them. Therefore, companies should take into account market segment accessibility in market segment evaluation in order to determine how suitable such market segments are to be targeted in marketing strategies.

Competition level the competition level in the market segment evaluation process is the level of competition between companies operating in a particular market segment. Competition levels can be used to determine how tight competition is in a given market segment and measure how effectively a company can compete in that market. High competition levels indicate that many companies operate in the same market segment, making it difficult for companies to increase their market share and sales.

The group of youth referred to in the National Social Economic Survey, the Central Statistical Agency above, does not refer to the male sex after the age of children, but youth in the sense of the age grouping of respondents who are 16-30. More precisely, the definition of youth used by Susesnas here refers more to the Great Dictionary of the Indonesian language, which is young people. If referring to the population composition based on the generation released by BPS 2020, the youth group referred to and becoming the respondents of Susenas 2020 is a slice of the combination of Generation Z (age 8-23) and Generation Y (age 24-39).

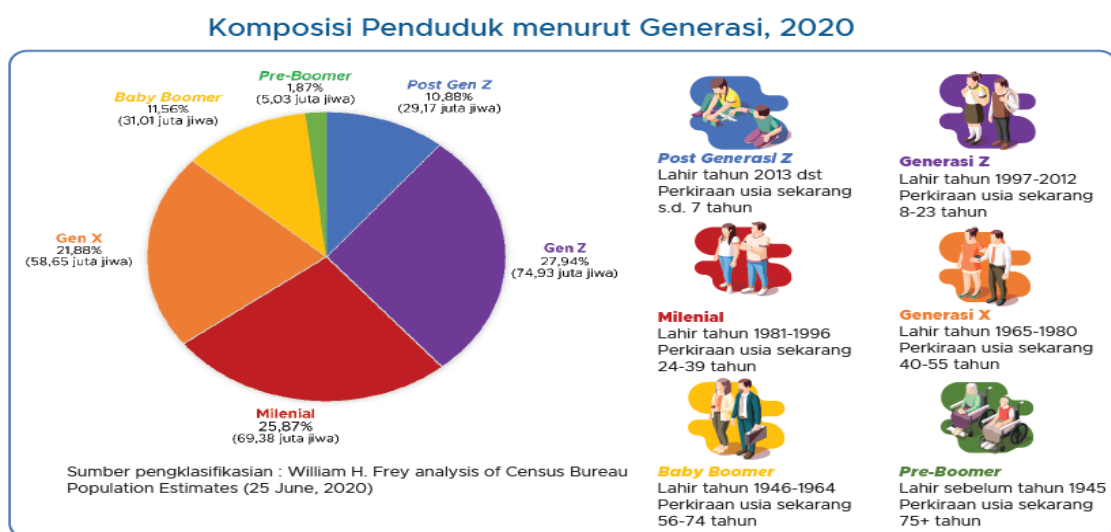


Figure 1. Composition of the Indonesian population
(Sumber: BPS, 2020)

From the table “The percentage of young people using computers and the Internet in the last three months in Bandung City, 2020, we get information as much as 40.66% of the total respondents have computers, and as many as 96.65% of computer owners use the Internet. From this data some of the things that we can get are about the ownership of electronic devices (computers) that support the lifestyle of young people in Bandung City, about how and for what (habits) young people have such electronic devices. These figures also reinforce the assumption of how youth (Gen YZ) can not be separated from internet connections. For politicians who see the YZ Generation as a potential market for ideology, it is also becoming increasingly clear that it is no longer necessary to approach them by gathering them in an open field but rather by stimulating ICT-based programs and making us constantly connected to the Internet in which they are.

Unlike the Bandung youth who use the internet with computers, own HP and use it for internet connections almost a hundred percent. Take a look at the table below that refers to Susena's results for March 2020:

Table 2. Percentage of Youth Who Own and Use Cell Phones in the Last Three Months in Bandung City, 2020

	<i>Have a cellphone</i>	<i>Using cellphone</i>
<i>Yes</i>	96,45	97,52
<i>No</i>	3,55	2,48
<i>Total</i>	100,00	100,00

Source: West Java Province Youth Profile 2020; Susenas March 2020

Of the 96.45% of HP owners who use it for an internet connection, 97.52% or only 2.48% have an HP but do not use it to connect to the Internet. However, that does not mean that 2.48% who have HP and don't use them for an Internet connection do not use the Internet. It could be that the number of HP holders who do not utilize it for this Internet connection are those who are connected to the Internet through other electronic devices or computers. It's also a shocking thing when it comes to how long our society has been using the internet. It turns out that 96.4% of Indonesians have access to the Internet through exercise. Then, to access the Internet they can spend eight hours more each day. With so much exercise ownership, as many as 170 million people are active on social media. The average Indonesian spends at least 3 hours more time on social media. In addition to social media, Indonesians still use the Internet for other purposes, such as watching TV, reading news and listening to music. The average Indian spends 2 hours and 50 minutes watching television, both through broadcast and streaming, spends 1.5 hours reading news from news providers and listen to music for 1.5 hours on average. While the highest-access social networks are YouTube at 88%, followed by Facebook at 81%, and Instagram at 80%, the lowest three or least accessible social media are Path, Tumblr and Reddit. Of the total Internet users in Indonesia, the largest figure is in the 19-34 age group of 49.52%, then the 35-54 age groups of 29.55%, the 13-18 age group 16.68% and the age group over 54 of 4.24%. These figures indicate the Millennial Generation is the largest social media user. This is the potential market share that should be optimally pursued by both political parties and individuals who will do profile branding. This is the point of view I'm thinking about. Let's breakdown the data of social media users in Indonesia into social media people in Bandung.

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Data from the People's Welfare Statistics of West Java Province in 2020 targeted the age of 5 years and above or who became respondents was from Post Z to Pre-Boomer. However, no information was obtained on how the respondents' composition was based on the age range. Whether, for example, each age group was given the same portion as the respondents or the category of respondents was ignored based on the age group. So those categorized as respondents are only inhabitants of Bandung City who are 5 years of age and older.

Table 3. Percentage of Bandung Municipality Population Aged 5 Years and Over Who Have Ever Accessed the Internet (Including Facebook, Twitter, BBM, WhatsApp) during The Last 3 Months by Gender, 2020

	<i>Male</i>	<i>Female</i>	<i>Male+Female</i>
<i>Yes</i>	78,57	74,86	76,73
<i>No</i>	21,43	25,14	23,27

*Source: Welfare
Statistics of Jawa Barat
Province 2020*

From the above table, we can find information that as many as 78.57% of the population of Bandung are 5 years of age and older and are of male sex using social media in the last three months, or only 21.43% of this group have not used social media for various purposes in the past three months. Another exciting thing about this data is the comparison of social media users between males and females. The people of Bandung who have been using social media in the last 3 months have been less female than the men of Bandung. The population of Bandung is 74.86% female and 78.57% male. Why are women using less social media than men, or is the difference 3.71%? Is this a trend for the next one or is it only happening in the last three months until the end of the survey? The difference of 3.71% can be a little, but it can also be valued a lot. However, approaching Gen YZ to get their sympathy must be different than approaching Gener X or even Gen Baby Boomers. Approaching them must be with effective communication. In the sense of the word Raymond Ross, effective communication is when the selection process occurs, choosing and transmitting symbols in such a way that it helps the listener to evoke meaning or response from his mind similar to that intended by the communicator.

Electors from the millennials and Generation Z are predicted to dominate the vote in the 2024 elections. Out of the permanent voters (DPT) list of the 2019 simultaneous elections, voters aged 20 reached 17,501,278 people, while those aged 21-30 were 42,843,792 people. For the 2024 elections, millennials and Generation Z voters are expected to rise to about 60 percent of total votes. With the huge number of millennial votes, the NasDem Party must educate millennials and Generation Z to play an active role in the upcoming elections.

According to the found sources, the number of Y and Z generation voters in Bandung for the 2024 elections is quite significant. According to KPU Kota Bandung, as much as 53% of voters are Millennials and Generation Z, with a total of 1,872,381 voters. Furthermore, KPU also noted that millennials dominated voters in the 2024 elections, reaching about 32.72% It shows the crucial role of the young generation in the five-year challenge. The youth enthusiasm for the elections is also high, with many demands for socialization from schools and youth

organizations. Thus, it can be concluded that the Y and Z generation voters significantly influence the 2024 elections in Bandung.

5. Conclusion

According to the found sources, the number of Y and Z generation voters in Bandung for the 2024 elections is quite significant. According to KPU Kota Bandung, 53% of voters are Millennials and Generation Z, totaling 1,872,381 voters. Furthermore, KPU also noted that millennials dominated voters in the 2024 elections, reaching about 32.72%. This demonstrates the crucial role of the young generation in the five-year contest and the Democratic Party Strategy in winning the legislative elections in Bandung encompasses the communication strategy consisting of a network of local-level power that is to assemble the power of the local elite majority in Bandung to then bind them (either voluntarily or through structural pressure), by exploiting the influence of the elite widely, both in the structural bureaucracy, entrepreneurs and elites in the supporting (supporter) environment of football. Socialize by performing imagery and self-enforcement (party character) against society as well as delivering the vision, mission, and program of the Democratic Party. Attend or organize events in the community's neighborhood by delivering programs, campaigns, or socialization to the community of the young people who are in the community with marketing through social media and in person.

The Democratic Party must have more courage to give opportunities and open up space to the people in certain areas where there is a basis against other parties, using approaches that those people will accept. The Democratic Party needs to formulate new programs that will attract people again and bless people like the old program.

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The Influence of Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Assets (ROA) on Share Prices at PT Indofarma Tbk for the 2012-2022 Period

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Abstract:

This research aims to analyze the influence of the Current Ratio (CR), debt-to-equity ratio (DER), and Return on Assets (ROA) on the Share Prices of PT Indofarma Tbk for the 2012-2022 period. The independent variables used are Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Assets (ROA), while the dependent variable is Share Prices. These data were then analyzed using the multiple linear regression method involving the t statistical test (partial), the f statistical test (simultaneous), and the coefficient of determination test. The research results show that the Current Ratio (CR) and Return on Assets (ROA) partially have a positive and significant effect on Share Prices. Debt to Equity Ratio (DER) partially has a negative and significant impact on Share Prices. Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Assets (ROA) simultaneously have a positive and significant effect on Share Prices. The contribution of the independent variables (Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Assets (ROA) to Share Prices reached 68.6%.

Keywords: Current Ratio (CR), Debt to Equity Ratio (DER), Return on Assets (ROA), Share Prices

JEL Codes: M00, M1, M5

How to Cite:

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1. Introduction

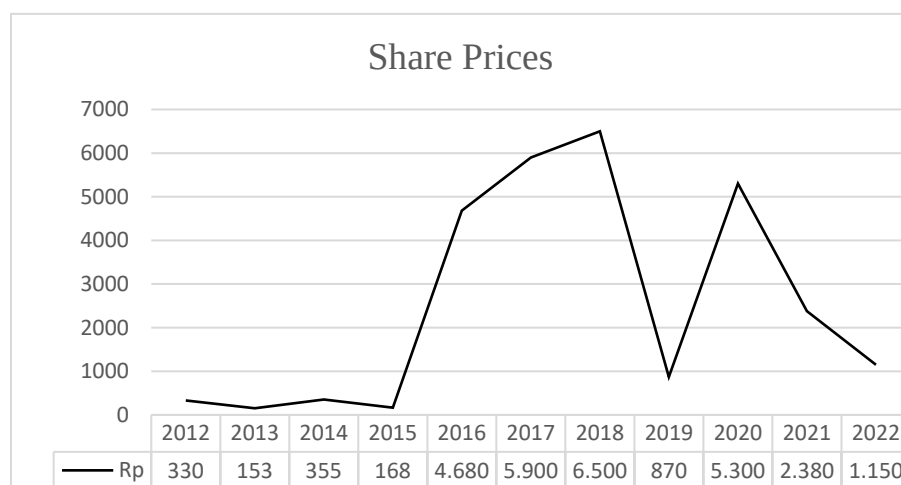
Trade and industry developed to meet the needs of society in the current era of globalization have a significant impact on the economic development of a country, especially in Indonesia. Due to intense competition, every business must always be able to compete with other

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businesses to offer the best products and services in order to increase market share, keep the business afloat, and continue to be the customer's first choice. Work assessment tools and systems that can encourage the business world to become more efficient and competitive are very important for the growth of the business sector in an increasingly open economic environment.

Monitoring the condition of business financial reports to achieve maximum profits so that the business can continue to grow is one way to maintain and improve a company's ability to remain competitive. According to the Statement of Financial Accounting Standards (PSAK) of the Indonesian Accounting Association (2017:13): "Financial reports are a structured presentation of the financial position and financial performance of an entity." Financial reports explain financial ratios to highlight a company's health condition and predict future time periods.

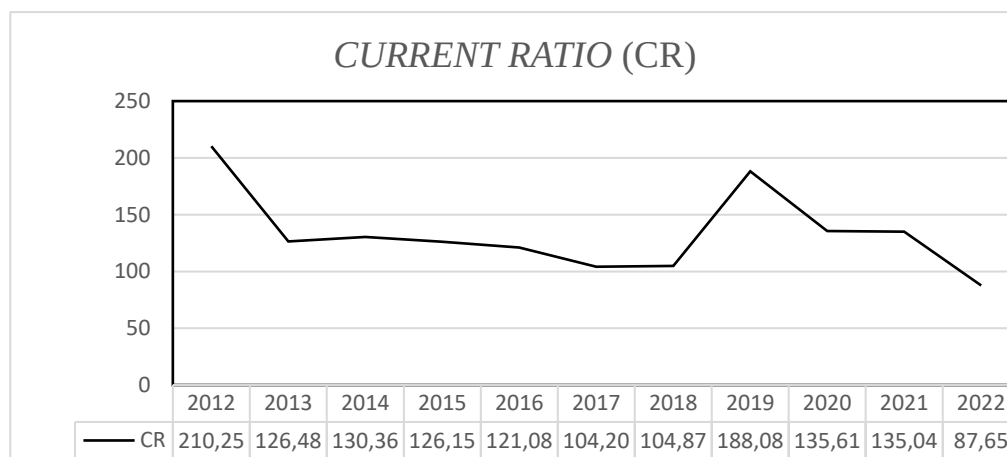
The capital market drives and functions as an indication of a country's economic development. It can be said that investment in the Indonesian capital market is growing very rapidly, in line with the rapid development of corporations and the country's economy. The development of capital market events, especially in the Indonesian Stock Exchange capital market, directly reflects the growth of this portfolio investment. Hartono (2017:143) states that market players set share prices, namely the prices that are present on the stock market at a certain time. The supply and demand for these shares in the capital market determine the high and low share prices.



Source: Annual Report PT Indofarma Tbk

Figure 1 PT Indofarma Tbk Share Price Data for the 2012-2022 Period

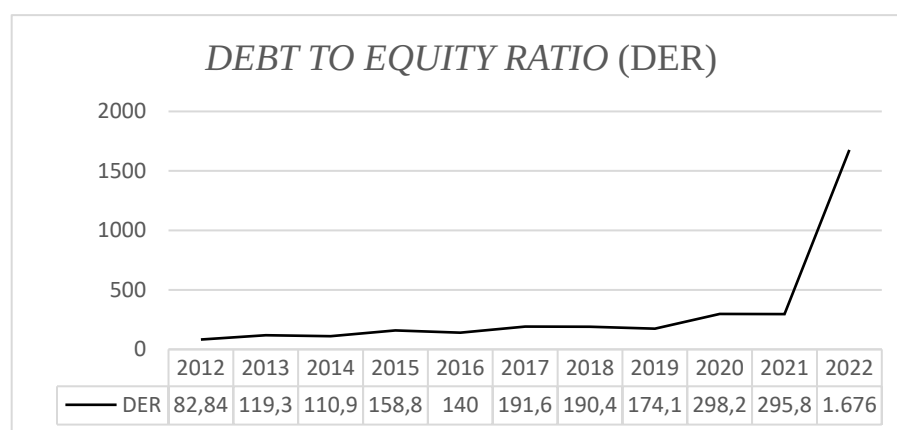
PT Indofarma Tbk's share price fluctuations from 2012 to 2022 are depicted in the graph above, with a downward trend towards the end of the period. This shows how bad the company's performance is. The company's profits or losses will decrease if share price conditions worsen. The forces of supply and demand produce share price fluctuations, which are considered typical in economic theory. Prices will rise when demand is strong and fall when supply is strong. In general, several variables can cause a company's share price to rise or fall. These elements fall into two categories: internal and external. Internal factors are factors that arise within the company. Meanwhile, external factors are factors that originate from outside the company.



Source: Annual Report PT Indofarma Tbk

Figure 2 PT Indofarma Tbk Current Ratio (CR) data for the 2012-2022 Period

The current ratio (CR) at PT Indofarma Tbk varies and tends to decrease, as seen in Figure 2 above. This can be seen from 2012 to 2018, which experienced annual ups and downs in 2019. One of the ratios used to measure a company's liquidity is the current ratio. The greater the company's ability to pay short-term debt, the more solid the business and the greater the possibility of attracting capital, which will increase share prices. This is in line with a study by Bangun and Januardin (2022), which states that the current ratio positively and significantly affects share prices. In contrast to the research results of Mario et al. (2020), which show that the current ratio has a negative and insignificant effect on share prices, According to Hery (2017:142), the current ratio is a ratio used to assess a company's ability to use its current assets to pay short-term debts that are due.

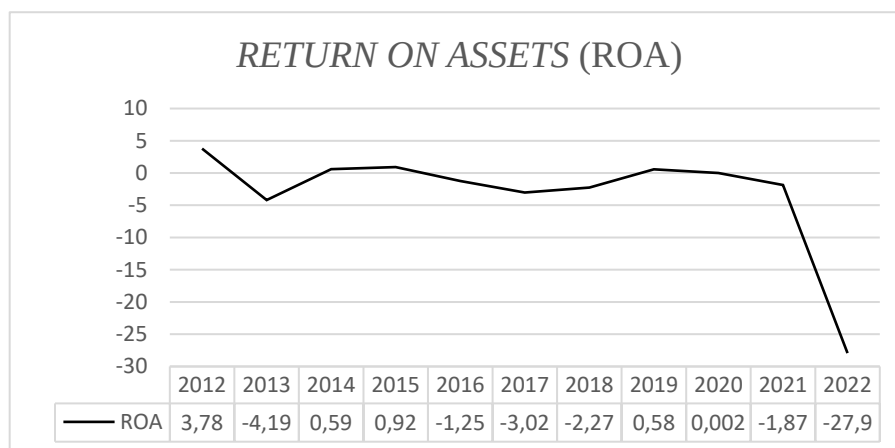


Source: Annual Report PT Indofarma Tbk

Figure 3 PT Indofarma Tbk Debt to Equity Ratio (DER) data for the 2012-2022 Period

As seen in Figure 3 above, there is a change in the debt-to-equity ratio (DER), which tends to increase. As a result, there is a possibility of volatility in the share price of PT Indofarma Tbk. Share prices decrease as the DER value increases. In line with research by Ramadhani & Pustikaningsih (2017), which states that the debt-to-equity ratio has a significant negative effect on share prices, Similar to the research results of Isnansyah & Yuniati (2021), the debt-to-equity

ratio has a significant negative effect on share prices. The leverage ratio, or DER, is a metric that shows how much of a company's spending comes from debt. The lower the DER in terms of the company's ability to pay off non-current loans, the better it will be for share prices and the company's ability to meet its debt obligations. An increase in DER can be interpreted by the market as a negative indicator that can influence investors' decisions to buy shares. Sukamulja (2017:50) states that the debt-to-equity ratio (DER) measures the proportion of liabilities in a business's capital structure. This ratio is critical for assessing an organization's business risk, which increases as liabilities increase.



Source: Annual Report PT Indofarma Tbk

Figure 4 PT Indofarma Tbk Return on Assets (ROA) data for the 2012-2022 Period

As shown in Figure 4 above, PT Indofarma Tbk's return on assets (ROA) during the 2012–2022 period fluctuated but tended to decrease. Meanwhile, in 2013, 2016, 2017, 2018, and 2022, the return on assets (ROA) criterion was negative. Shifts may influence Indofarma company share prices in the company's return on assets (ROA), which tends to decline between 2012 and 2022. Investors will be more interested in share prices if the company generates greater profits, as higher return on assets figures indicate. On the other hand, a lower return on assets figure suggests a lower profit level for the business, so it will deter investors from investing in shares. In line with the study by Manoppo et al. (2017), which brought the same results, return on assets had a significant positive effect on share prices. Similar to the results of research Isnansyah & Yuniati (2021), which states that return on assets has a significant positive effect on share prices, return on assets (ROA), according to Kasmir (2018:201), is a measure of a company's ability to generate profits with all the assets it owns.

2. Literature Review

2.1. Share Prices

Hartono (2017:143) states that market players set share prices, namely the prices that are present on the stock market at a certain time. The supply and demand for these shares in the capital market determine the high and low share prices.

Share prices are determined by the dynamics of supply and demand in the capital market, according to Sartono (2015:192). The price of a stock usually rises when there is excess demand for it. On the other hand, share prices often fall when there is excess supply.

2.2. Current Ratio

The current ratio, which is often called the current ratio (CR), is a ratio used to assess a company's ability to pay off short-term debt that is due when it is fully collected. In other words, the amount of existing assets that can be used to pay future short-term liabilities. The current ratio can also be considered a way to measure a company's security or safety margin (Kasmir, 2019:134).

Harahap (2017:301) states that the company's ability to pay short-term liabilities weakens positively with the ratio of current assets to current liabilities. All current liabilities can be paid with current assets if the current ratio is 100% or 1:1. Therefore, if the ratio is greater than 100% or above 1, it is considered healthy. Therefore, current assets must be much greater than current liabilities." According to Hery (2017:142), the current ratio is a ratio used to assess a company's ability to utilize its current assets to pay short-term debts that are due.

2.3. Debt to Equity Ratio

Sukamulja (2017:50) states that the debt-to-equity ratio (DER) measures the proportion of liabilities in a business's capital structure. This ratio is critical for assessing an organization's business risk, which increases as liabilities increase. Kasmir (2019:157) states that the debt-to-equity ratio (DER) is used to assess debt versus equity. This ratio is obtained by comparing all debt, including current debt, with all equity. This ratio determines the amount of funds provided by borrowers (creditors) and company owners.

2.4. Return on Assets

A financial ratio called return on assets (ROA) compares a company's net profit to the total assets it owns to determine how profitable it is. This term emphasizes how a business can maximize its resources to generate profits.

According to Fahmi (2018:135), the profitability ratio, or return on assets (ROA), is a measure of total effectiveness based on the amount of profit realized relative to investment and sales. Return on assets (ROA), according to Kasmir (2018:201), return on assets (ROA) is a measure of a company's ability to generate profits with all its assets.

2.5. Research Model

The research model that shows how the independent variable affects the dependent variable is as follows:

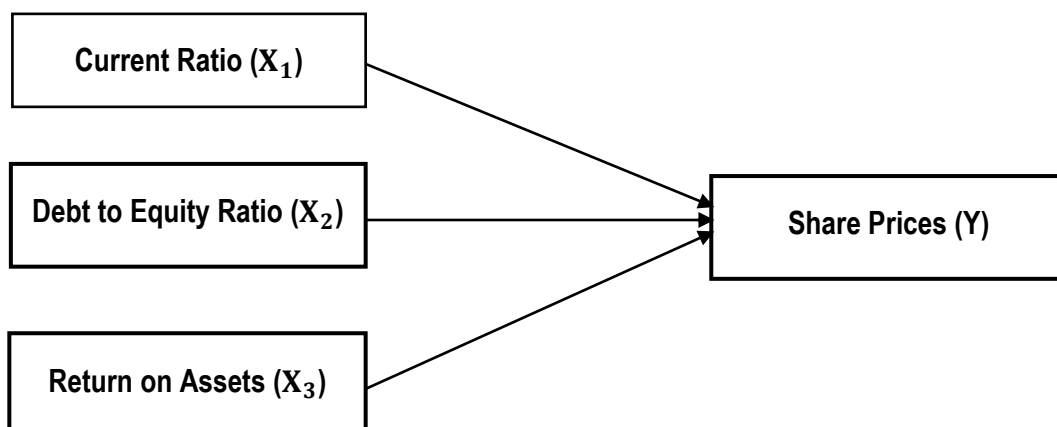


Figure 5 Research Model

2.6. Hypothesis

The following hypothesis aims to provide temporary answers to this research:

1. Current ratio (CR) influences share prices;
2. Debt to equity ratio (DER) influences share prices;
3. Return on Assets (ROA) influences share prices;
4. Current ratio (CR), debt-to-equity ratio (DER), and return on assets (ROA) influence share prices.

2.7. Previous Research

Previous research offers a comparative framework that helps authors understand and explain subjects related to how the current ratio (CR), debt-to-equity ratio (DER), and return on assets (ROA) influence share prices. The literature has been enhanced, and this research is supported by using several articles as reference sources.

Table 1 Previous Research

No	Title	Researcher	Research Result
1	The Effect of Current Ratio (CR), Return on Assets (ROA), and Debt to Equity Ratio (DER) on Share prices (Study of Cigarette Companies Listed on the Indonesian Stock Exchange)	Isnansyah & Yuniati (2021)	The current ratio has a significant negative effect on share prices. Return on assets has a significant positive effect on share prices. The debt-to ratio has a significant negative effect on share prices.
2	The Influence of CR, DER, ROA, and NPM on Share Prices in Food and Beverage Companies Registered on BEI (Period 2013-2015)	Manoppo, Tewal, and Jan (2017)	Current ratio (CR), debt-to-equity ratio (DER), return on assets (ROA), and net profit margin (NPM) simultaneously have a significant effect on share prices. The current ratio (CR) has a negative and insignificant effect on share prices. The debt-to ratio (DER) has a negative and insignificant effect on share prices. Return on assets (ROA) has a positive and significant effect on share prices.

No	Title	Researcher	Research Result
			Net profit margin (NPM) has a negative and significant effect on share prices.
3	The Influence of ROA, DER, and CR on Share Prices in Food and Beverage Companies Listed on the Indonesian Stock Exchange for the 2014-2018 Period	Mario, Murni, and Rogi (2020)	ROA partially has a positive and significant effect on share prices. DER partially has a negative and insignificant effect on share prices. CR partially has a negative and insignificant effect on share prices. ROA, DER, and CR simultaneously have a positive and significant effect on share prices.
4	The Influence of Debt to Equity Ratio (DER), Return on Equity (ROE), and Net Profit Margin (NPM) on Share Prices of Mining Sector Companies Listed on the Indonesian Stock Exchange for the 2011-2015 Period	Ramadhani & Pustikaningsih (2017)	DER has a negative and significant effect on share prices. ROE has a positive and significant effect on share prices. NPM has a positive and significant effect on share prices. Simultaneously, DER, ROE, and NPM have a significant effect on share prices.
5	The Influence of Current Ratio, Debt to Equity Ratio, and Return on Assets on Share prices in the Chemical Sector Listed on the IDX	Bangun & Januardin (2022)	The current ratio has a significant and positive effect on share prices variable. The debt-to ratio has no effect on share prices. Return on assets has no effect on share prices. CR, DER, and ROA simultaneously influence share prices.

Source: Google Scholar

3. Research Methods

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3.1. Data Types and Sources

Secondary data is the type of data used in this research. Secondary data is defined as a source that does not provide data directly to researchers (Sugiyono, 2019:219). PT Indofarma Tbk's annual report for 2012–2022 is the secondary data in question. Taken from the company's official website, www.idx.co.id. Financial statistics such as current ratio (CR), debt-to-equity ratio (DER), return on assets (ROA), and PT Indofarma Tbk share price from 2012 to 2022 are included in this data.

3.2. Data Collection Technique

The documentation approach is the data collection methodology used in this research. Records of past events are what is meant by documentation (Sugiyono, 2019:476). To collect data, the required time series data was examined, and the annual report of PT Indofarma Tbk for 2012–2022 was recorded and checked.

3.3. Population and Sample

According to Sugiyono (2019:126), population is a generalization category that includes things or people with specific attributes and characteristics that researchers use to investigate and then draw conclusions. The annual financial report (annual report) of PT Indofarma Tbk for 2012–2022 was used as the research population. Purposive sampling was used in the sample selection process. This technique involves taking samples based on certain considerations according to the desired criteria, to determine the number of samples to be investigated (Sugiyono, 2019:133).

1. Complete financial reports from 2012–2022.
2. Financial reports containing complete research variables, including share price, current ratio (CR), debt-to-equity ratio (DER), and return on assets (ROA).
3. Financial reports show share prices tending to decline.

3.4. Variable Operationalization

The operationalization of the factors studied regarding current ratio (CR), debt-to-equity ratio (DER), return on assets (ROA), and share prices is as follows:

Table 2 Variable Operationalization

Variables	Variable Concepts	Indicators	Measure	Scales
Share Prices (Y)	Hartono (2017:143) states that market players set share prices, namely the prices that are present on the stock market at a certain time. The supply and demand for these shares in the capital market determine the high and low share prices.	Share Prices	IDR	Ratio

Variables	Variable Concepts	Indicators	Measure	Scales
Current Ratio (CR) (X1)	According to Hery (2017:142), the current ratio is a ratio used to assess a company's ability to use its current assets to pay short-term debts that are due.	$CR = \frac{\text{Current Asset}}{\text{Current Debt}} \times 100\%$	Percent	Ratio
Debt to Equity Ratio (DER) (X2)	Sukamulja (2017:50) states that the debt-to-equity ratio (DER) measures the proportion of liabilities in a business's capital structure. This ratio is critical for assessing an organization's business risk, which increases as liabilities increase.	$DER = \frac{\text{Total Debt}}{\text{Equity}} \times 100\%$	Times	Ratio
Return On Asset (ROA) (X3)	According to Fahmi (2018:135), the profitability ratio, or return on assets (ROA), is a measure of total effectiveness based on the amount of profit realized relative to investment and sales.	$ROA = \frac{\text{Net Profit}}{\text{Total Asset}} \times 100\%$	Times	Ratio

3.5. Analysis Techniques

3.5.1. Multiple Linear Regression Analysis

This analysis aims to estimate the contribution of each independent variable to the dependent variable, determine whether there is a positive or negative relationship between each independent variable and the dependent variable, and understand the direction of the relationship between variables. The multiple regression equation is formulated as follows in the context of this research:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y = Share Prices

α = Constant

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$\beta_1, \beta_2, \beta_3$ = Regression coefficient

X_1 = Current Ratio

X_2 = Debt to Equity Ratio

X_3 = Return on Assets

3.5.2. Hypothesis Test

t Test (Partial)

According to Ghozali (2018:88), the t-test is used in research to test the influence of each independent variable on the dependent variable, either in whole or in part. This test can be done by looking at the significance value (Sig). The magnitude of the influence of the independent variable on the dependent variable is shown if the significance value (Sig) is less than 0.05.

F Test (Simultaneous)

According to Ghozali (2018:98), an F test is carried out to evaluate how much influence each independent variable has on the dependent variable as a whole. The significance value (Sig) can be used for this test. If the significance value (Sig) is less than 0.05, then it can be said that the independent variable influences the dependent variable.

4. Research Results

4.1. Multiple Linear Regression Analysis

The results of multiple regression analysis to assess the influence of the current ratio (X_1), debt-to-equity ratio (X_2), and return on assets (X_3) on the share prices (Y) at PT Indofarma Tbk are as follows:

Table 3 Results of Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	198.534	286.434		.823	.000
CR (X_1)	56.763	29.645	.599	1.164	.004
DER (X_2)	-3215.088	2123.564	-1.264	-1.332	.015
ROA (X_3)	35.962	25.065	.689	8.323	.000

a. Dependent Variable: Share Prices (Y)

Source: Data processed 2024

Based on the multiple regression coefficient table above, the following equation model is obtained:

$$Y = 198,534 + 56,763 X_1 - 3215,088 X_2 + 35,962 X_3 + \varepsilon$$

Based on the multiple regression equation above, it can be interpreted as follows:

1. The share price value is 198.534 if the variables Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Assets (ROA) all have a value of 0. This is because the constant (α) is 198.534.

2. The current ratio variable (β_1) has a regression coefficient of 56.763, which means that assuming the other variables are constant, there will be a change of 56.763 for every one percent addition.
3. With all variables fixed, the debt-to-equity ratio (β_2) variable has a regression coefficient of -3215.088, which shows that for every one percent increase, there will be a decrease of 3215.088.
4. The regression coefficient for the return on asset variable (β_3) is 35.962, which means that if all other variables are considered constant, there will be a change of 35.962 for every one percent increase.

4.2. *t* Test (Partial)

To determine the effect of the independent variable on the dependent variable, the *t* test is used as follows:

Table 4 *t*-test Results

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	198.534	286.434		.823	.000
	CR (X_1)	56.763	29.645	.599	1.164	.004
	DER (X_2)	-3215.088	2123.564	-1.264	-1.332	.015
	ROA (X_3)	35.962	25.065	.689	8.323	.000

a. Dependent Variable: Share Prices (Y)

Source: Data processed 2024

Formulation of the *t*-test hypothesis (partial):

$H_0: \beta_1 = 0$, The independent variable partially has no significant effect on the dependent variable.

$H_1: \beta_1 \neq 0$, The independent variable partially has a significant effect on the dependent variable.

Decision-making:

- a. If the significance value is < 0.05 then H_0 is rejected; and
- b. If the significance value is $> \text{ or } = 0.05$ then H_0 is accepted.

The results of the partial *t*-analysis of the influence of each independent variable on the dependent variable are as follows:

1. Current Ratio (CR) (X_1) to Share Price (Y)

The significance of a current ratio of less than 0.05 is set at 0.004 based on the data in Table 4 above. Therefore, H_0 can be ignored while H_1 can be accepted. Based on these findings, share prices are significantly influenced by the current ratio.

2. Debt-to-Equity Ratio (DER) (X_2) to Share Price (Y)

The debt-to-equity ratio apparently has a significance value of 0.015, which is smaller than 0.05 based on the data in Table 4 above. As a result, H_0 can be rejected while H_1 can be

accepted. These findings indicate that share prices are significantly influenced by the debt-to-equity ratio.

3. Return on Assets (X_3) to Share Price (Y)

The significance of return on assets is determined at 0.000, which is less than 0.05, based on the data in Table 4 above. As a result, H_0 can be ignored and H_1 is accepted. These findings indicate that share prices are significantly influenced by the return on assets.

4.3. F Test (Simultaneous)

The F test is used as follows to test the simultaneous influence of independent variables on the dependent variable:

Table 5 F-Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2011344.533	3	453166.232	4.751	.003 ^b
Residual	2215675.766	7	321465.102		
Total	4227020.299	10			

a. Dependent Variable: Share Prices (Y)

b. Predictors: (Constant), X_3 , X_2 , X_1

Source: Data processed 2024

Formulation of the f-test hypothesis (simultaneous):

$H_0: \beta_1, \beta_2, \beta_3 = 0$, The independent variable simultaneously has no significant effect on the dependent variable.

$H_1: \beta_1, \beta_2, \beta_3 \neq 0$, The independent variable simultaneously has a significant effect on the dependent variable.

Decision-making:

a. If the significance value is < 0.05 then H_0 is rejected; and

b. If the significance value is $> \text{or} = 0.05$ then H_0 is accepted.

Based on the information presented in Table 5 above, a significance value of 0.003 was determined; this value is below 0.05. Therefore, H_0 can be ignored and H_1 is accepted. This shows that return on assets, debt-to-equity ratio, and current ratio together significantly influence share prices.

4.4. Coefficient of Determination Test

To find out how well the independent variable is able to describe the dependent variable simultaneously, the coefficient of determination test is used. The results are as follows:

Table 6 Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.796 ^a	.686	.603	1.56260

a. Predictors: (Constant), ROA (X_3), DER (X_2), CR (X_1), Dependent Var: Share Price (Y)

Source: Data processed 2024

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The R square value is 0.686 based on Table 6 above. These findings show that 68.6% of share prices are directly influenced by the current ratio, debt-to-equity ratio, and return on assets. There are other factors, 31.4% of which were not included in this research.

4.5. Discussion

The following discussion aims to expand the research conclusions based on the analysis results:

1. Current Ratio (CR) to Share Prices

Research shows that the current ratio significantly and positively affects share prices. Investors often consider a high current ratio as a signal of company security and stability. So a high current ratio has implications for increasing share prices. This finding is in line with a study by Bangun and Januardin (2022), which states that the current ratio has a positive and significant effect on share prices. In contrast to the research results of Mario et al. (2020), which show that the current ratio has a negative and insignificant effect on share prices.

2. The Effect of the Debt-to-Equity Ratio (DER) on Share Prices

The findings of this research show a significant influence of the debt-to-equity ratio on share prices. The debt-to-equity ratio provides an overview of how much a company finances its assets with debt compared to its own capital. Because the research results show that share prices are negatively and significantly influenced by the debt-to-equity ratio, this means that the level of a company's debt to finance its assets greatly determines the decision to purchase shares. This finding is in line with a study by Ramadhani & Pustikaningsih (2017), which states that the debt-to-equity ratio has a significant negative effect on share prices. Similar to the research results of Isnansyah & Yuniati (2021), the debt-to-equity ratio has a significant negative effect on share prices.

3. The Effect of Return on Assets (ROA) on Share Prices

From the research results, it can be concluded that return on assets has a positive and significant influence on share prices. A high return on assets shows that the company is efficient in generating more profits relative to the number of assets owned. So if return on assets has a significant influence on share prices, this indicates that investors consider ROA to be an important indicator in assessing company performance and future growth potential. Thus, the higher the ROA, the higher the share price. The study by Manoppo et al. (2017) brought the same results: return on assets had a significant positive effect on share prices. Similar to the results of research by Isnansyah & Yuniati (2021), which states that return on assets has a significant positive effect on share prices.

4. Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Assets (ROA) on Share Prices

The research results show that simultaneously, the current ratio, debt-to-equity ratio, and return on assets have a significant influence on share prices. The current ratio measures the company's ability to meet short-term obligations; the debt-to-equity ratio measures the company's debt level compared to its equity; and the return on assets measures the efficiency of using assets to generate profits. If these three variables have a significant influence on share price, this shows that investors pay attention to liquidity, capital structure, and the company's operational performance in determining the value of their investment.

Conclusion

Based on the results of previous research and analysis, the following conclusions were obtained:

1. Research shows that the current ratio (CR) has a significant and positive effect on the share price of PT Indofarma Tbk for the 2012–2022 period. This can be seen in the significance value of the current ratio of $0.004 < 0.05$. Because a high current ratio has implications for increasing share prices, the share price of PT Indofarma Tbk for the 2012–2022 period can be boosted by increasing the current ratio.
2. The findings of this research show that there is a significant influence of the debt-to-equity ratio (DER) on the share price of PT Indofarma Tbk for the 2012–2022 period. This can be seen in the significance value of the debt-to-equity ratio of $0.015 < 0.05$. This means that the level of a company's debt to finance its assets greatly determines the decision to purchase shares.
3. From the research results, it can be concluded that return on assets (ROA) has a positive and significant influence on the share price of PT Indofarma Tbk for the 2012–2022 period. This can be seen in the significance value of the return on assets of $0.000 < 0.05$. Thus, the higher the ROA, the higher the share price.
4. The research results show that simultaneously, the current ratio (CR), debt-to-equity ratio (DER), and return on assets (ROA) have a significant influence on share prices. This result can be seen in the significance value of $0.003 < 0.05$. By increasing the current ratio, reducing the debt-to-equity ratio, and encouraging return on assets simultaneously, it can increase the share price of PT Indofarma Tbk for the 2012–2022 period.

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