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Corporate governance and ownership structure on performance

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ABSTRACT

The aim of this study is to investigate how Corporate Governance structures, Related Party Transactions, and Family Ownership could influence Firm Performance in Indonesia. The data is collected from companies listed in LQ45 index from 2016 to 2018. Multiple regression analysis is used to examine the relationship between Corporate Governance, Related Party Transaction and Family Ownership towards Firm Performance, specifically on ROE. Corporate Governance can be measured by Independent Directors and Board Size in which the ratio of independent directors to the total of directors in the board whereas Board Size is the number of members sitting on the board. For Related Party Transaction, the measurements used is by utilizing the total amount of related party transactions by total of assets. Dummy variable will be used to indicate a Family Ownership, that is whether there is an affiliation member in the board. If there is a family member in the board, this will indicate as 1, and if there is no family member in the board, it will be indicated as 0. ROE is used to measure Firm Performance, that is net income divided by shareholder's equity. The results concluded that only Independent Directors have positive significant to Firm Performance. Due to Independent Directors have higher control compare to other directors. This indicates the level of supervision of the company will also certainly increase which implies whenever a firm company is well monitored it will improve the firm performance especially the profit factor measured, i.e. ROE.

Keywords: related party transaction, family ownership, ROE, agency theory, family owned business.

1. INTRODUCTION

Corporate governance is a framework that explains how firms are operated and regulated. Board of directors are important for governing companies. The portrayal of governance's shareholder is to designate the directors and the auditors to set the appropriate corporate governance in the company. In addition, the board's obligation is to set the company's main objectives, grant the leadership to bring them into effect, handle the business management as well as notifying to shareholder regarding their supervision. Hence, corporate governance is both about what the board does as well as how it establishes the values of the company, and it is to be separated from the everyday operational management of the company (ICAEW, n.d.). In fact, good corporate governance is a vital part in basing the principle and capability of financial markets. However, poor corporate governance undermines the ability of a company and also allows for financial stress and misconduct. When companies are well governed, they can surpass other companies and attract investors who can maintain to bolster their finance growth (OECD, n.d.).

Most codes of governance apply good governance principles underline the idea that separate individuals should involve the positions of CEO and Chairman of the company in order to remove unchecked power over one individual and improve the company's performance. In the literature of Gordon, Henry and Palia (2004), governance mechanisms such as board characteristics and CEO pay-performance sensitivity are valuable in enhancing management company problems. In addition, higher leverage as well as significant shareholder ownership are capital structure aspects that also have a position in governance to reduce problems with agency issues. Previous research cited in Gordon, Henry and Palia (2004) for instance, large board size, which can be detected and reported in proxy reports, are found to be negatively associated with firm quality and considered as a poor CG indicator.

Extensive knowledge explores the connection between corporate governance and firm performance. Prior studies have provided mixed results in which one study source indicates a positive relationship between corporate governance and corporate performance (Klapper & Love, 2004) while there is no significant correlation between corporate governance and corporate

performance (Klapper & Love, 2004) while there is no significant correlation between corporate governance and corporate performance in other literature (Klein, Shapiro, & Young, 2005). Past studies acknowledge that the duality of CEOs would significantly affect firm performance, however results were mixed. Azeez (2015) argued that one personality's presence as the firm CEO Chairman would breach decision management's isolation from decision making. Therefore, they conclude that this would lead to uninvested control over an individual leading prejudice over another individual, giving higher chance for the individual to act in accordance with his personal interest, which is harmful to the company's shareholders. Azeez (2015) conclude that there is a clear and consistent positive cooperative between CEO duality and company bankruptcies, supporting the view that separating CEO and Chairman positions will lead to better results.

Abdul, Rahman, and Haniffa (2003) claimed distinct board leadership appears to achieve well-measured by the standard of accounting and that duality's position seem to be inadequate. Dahya, Lonie and Power (2006) indicate that the market is reacting positively to the separation of the two positions and unfavorably to the consolidation of these two duties over one person, and further suggests that the accounting quality of firms implementing a 'dual CEO' tends to decline following this transition. Nevertheless, the positive effects of CEO duality are illustrated by another source of literature. Azeez (2015) argued that CEO duality maintains companies with strong leadership and is an indicator of the stability of companies, improving firm contact and eventually leading to greater shareholder confidence in the company.

Prior research by Luan and Tang (2007) found firms with a higher corporate profit chose to appoint independent outside directors. Their result suggests that the appointment of independent outside directors on the board is positively linked to firm performance. Additionally, Ponnu (2008) have indicated that the ratio of independent directors is correlated with firm performance. Ponnu (2008) also implied that firms with independent directors appear to be much more profitable compare with fewer independent directors. It was also concluded that increasing the ratio of independent directors should consequently improve firm performance, since they are more effective manager monitoring. It was also argued, however, there is no relation among the ratio of independent directors and the performance of dominant firms.

In this research, the author would like to discuss and examine firm performance in Indonesian firms listed in LQ45 index from the year period 2016 to 2018. Based on prior studies, the author believes that firm performance can be affected by various factors, specifically corporate governance, related party transactions and family ownership.

2. LITERATURE REVIEW

A. Family Business

A family owned business can be specified as a business that is simultaneously owned and/or operated by more than one

member of the same family (Entrepreneur, 2010). The owners of a family business are different compare to shareholders in companies owned by public investors. Moreover, as stated by Gersick et al (1997), "family-owned employees understand the difference family control makes to their working lives, the company culture, and their careers. Marketers recognize the advantage given to consumers and families by the idea of a family business that being together in business is a strong party of their lives".

In family businesses, there are two added bodies that has been established and they are the family council and the business council (Brenes et al., 2007). With the family council, there are two stockholders that associates to the family, the current and potential stockholders. They meet once a year to discuss objectives and plans, as well as to evaluate disputes in parallel to family commitments to the firm. Contrarily, business council consists of entirely family members who are operating within the family business. In addition, the business council presents to the family council regarding the progress of the family's company and evaluates family predictions for the company, such as different projects, investments, business ideas and deliver them to the CEO and the board of directors (Brenes et al., 2007).

B. Firm Performance

Studies indicate that corporate governance can have an impact on firm value due to reduced insider expropriation as well as improved expected cash flows that can be distributed to investors (Klapper & Love 2004). There are various measurements of firm performance. The financial performance indicators used in empirical corporate governance analysis fit into both market-based and accounting measures. Return on assets (ROA), return on equity (ROE) as well as earnings per share (EPS) are commonly utilized accounting-based measures. Prior studies such as Velnampy and Pratheepkanth (2013) found there is a positive correlation between board structure and corporate reporting with variables of ROE, ROA and NP as the measurements of firm performance. Previous research states that improved corporate structures favour companies with greater access to financing, lower capital costs, improved performance and better treatment of all stakeholders. It was reported that poor corporate governance not only results in poor firm performance and risky financing practices but is also vulnerable to macroeconomic crises like the East Asian crisis of 1997 (Coleman & Biekpe, 2008).

C. Corporate Governance

In the early 1990s, the reputation of London's financial center was considerably suffered because of the failures of major companies due to various reasons, such as corporate fraud, director misconduct and because of these complications, it was not revealed by the published accounting report (Cadbury, 1992). Henceforth, a committee to examine the financial factors of corporate governance was formed by the Financial Reporting Council, the London Stock Exchange (LSE) and the accounting profession. Their objective was to create a code of best practice and at the same time avoiding an inflexible one size fits all approach. According to several researcher in order to strengthen the unitary board process of all listed companies, the Cadbury Report established three relevant arguments: the structure and responsibilities of boards of directors, the position of auditors and advice to the accounting profession, and shareholders' rights and responsibilities. Corporate governance can be

defined as the system of rules, practices and processes by which a firm is directed and controlled (Fernando, n.d.). Corporate governance helps companies to be governed and to what purpose, it is also to ensure that businesses have the proper decision-making process and balancing the interest of stakeholders. In terms of corporate level, corporate governance consists of all the processes, in which a company's objectives are set and are pursued related to social, regulatory and as well as the market environment. Additionally, it is interested with the procedures and practices in order to make sure that a company is run alongside with achieving its objectives and goals, while ensuring the stakeholder's confidence in that company is well established in accordance to the principles of transparency and accountability (Juneja, n.d.).

3. METHODS

Sampling method will be used to collect the research sample that are based on certain criteria. The criteria for the sampling method companies listed in LQ 45 Index in the year 2016, family business will be based on the presence of family member in the board/management, family business is included in equation as dummy (1 = family business, 0 = non-family business). Moreover, the time period of this research will be of 3 years i.e. 2016 - 2018.

The data collection will be from secondary data in which data is already available to be collected from other sources. Moreover, the secondary data will be collected from annual reports of companies listed in the LQ 45 Index. The author will provide descriptive statistics for the collected data. This is where the data will be described or summarized in ways that are meaningful and useful to this research. Furthermore, the multiple regression analysis is used to examine the relationship between Corporate Governance, Related Party Transactions and Family Ownership. The research model is provided in the following equation:

$$ROE_{it} = \beta_0 + \beta_1 INDDIR_{it} + \beta_2 BRDSZE_{it} + \beta_3 RPT_{it} + \beta_4 FAM_{it} + \varepsilon_{it}$$

Where:

ROE is the Return on Equity

INDDIR is the Independent Directors

BRDSZE is the Board Size

RPT is the Related Party Transactions

FAM is the Family

In accordance with the sample selection criteria specified in the previous chapter, the sample selection procedure is presented briefly.

4. RESULT

At this stage the author presents 135 data from companies that are included in the LQ45 Index. The data is taken from 45 companies with a span of time between 2016 until 2018. The results of these data is presented in the following table 1.

Table 1. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
ROE	135	-1,0590	1,3585	,171836	,0230213	,2674828
RPT	135	,0000	9,1200	,247951	,0776187	,9018480
Indep_Director	135	,0000	,3333	,099728	,0072732	,0845071
Board_Size	135	1,00	12,00	6,9037	,18923	2,19862
Family	135	,00	1,00	,2667	,03820	,44386
Size	135	29,0699	34,8151	31,357546	,1170425	1,3599107
Valid N (listwise)	135					

In the table above, the Author understands that ROE has an average value of 0,17 and an average standard error of 0,023 and a standard deviation of 0,267. The RPT has an average value of 0,247 and an average standard error of 0,077 and a standard deviation of 0,901. Independent Directors have an average value of 0,099 and an average standard error of 0,007 and have a standard deviation of 0,845. Board Size has an average value of 6,903 and an average standard error of 0,189 and has a standard deviation of 2,198. Family has an average value of 0,266 and an average standard error of 0,038 and has a standard deviation of 0,443. All of these values are derived from a total of 135 total data per variable. Size as Control Variable has an average value of 31,357 and an average standard error of 0,117 and has a standard deviation of 1,359. All of these values are derived from a total of 135 total data per variable.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,335a	,253	,227	0,107144
a. Predictors: (Constant), FAM, BRDSZE, RPT, INDDIR, SIZE				
b. Dependent Variable: ROE				

From the table above, it shows that the variables entered independent variables such as Family, Board_Size, Indep_Director, RPT. Whereas the removed variable does not exist. In the model summary, here the Author can obtain information about the magnitude of the influence of all independent variables on the dependent variable. The influence is symbolized by R (correlation). As seen in the summary table model value in column R is 0.335, it means that the influence of the Family, Board_Size, Indep_Director, RPT and Size on ROE LQ45 is 33,5% (0.335 x 100%), but that value can be said to be "contaminated" by various noise values which might cause measurement errors, for that SPSS provides an alternative

value for R Square as a comparison of the accuracy of its effect. It can be seen that the value of R Square is 0,253, which means 25,3%. This value is smaller than the R value due to an adjustment, but as a note, the value is not necessarily smaller than R, but also sometimes bigger. For more accurate predictions of our influence, it can also be based on the value of Adjusted R Square, which is the value of R Square, which has been more adjusted and is usually the most accurate. It can be seen that the Adjusted R Square value is 0.227 or 22,7% the influence of the independent variable on the dependent variable. The next column in the Model Summary table shows the accuracy of the regression model can be seen in the Standard Error of The Estimate column, there are numbers 0,107144. Pay attention to the descriptive statistical analysis that the standard deviation of the ROE value is 0,26748 which is much greater than the standard error, because it is smaller than the standard deviation of ROE. The regression model is quite reliable in acting as a predictor of ROE value.

Table 3. ANOVA

Model	F-stat	Sig.
Regression Residual Total	2,479	.047b

Anova test is a special form of statistical analysis that is widely used in experimental research. This analysis method was developed by R.A Fisher. Anova test is also a form of statistical hypothesis testing where we draw conclusions based on inferential statistical data or groups. The null hypothesis of the Anova test is that the data are simple random from the same population so that they have the same expected mean and variance. Although the t test is a statistic that is often used, only the t test is limited to testing the hypothesis of two groups. Anova Test or Analysis of Variance (ANOVA) was developed to enable researchers to test the comparison hypotheses of more than two groups. Thus, the t-test and ANOVA test are both statistical methods for comparison. F test results indicate a value of 0.047 or smaller than 0.05 this indicates that there are significant differences between these variables. This means that simultaneously the independent variable has an influence on the dependent variable.

Table 4. Coefficients

Variable	Coefficient	T-stat (Sig.)
Constant	-3,296	-1,274 (.205)
RPT	.087	.845 (.400)
Independent Director	2.704	2.083 (.039)
Board Size	.051	1.073 (.285)
Family	.505	2.304 (.023)
Size	.158	1.900 (.600)
Adjusted R-square	.227	
F-stat (Sig.)	2.479 (.047)	

In the coefficient table, it is presented with various information, important information consists of the names of variables, Constant values, t values and significance values. Whereas the beta value in the standardized coefficient does not need to be discussed here because the value will be useful if you do path analysis, while the author is currently not doing any path analysis.

As the author stated before this table can be used to see the effect per variable. The author measures it by looking at the sig value. On each variable, if the value is sig. it is smaller than 0,05, the conclusion is the smaller the sig. then more influential.

The table above shows a constant value of -3,296 showing that the value of ROE if the variable X is equal to 0 or we can call it Y intercept this can be seen in the graph when the line intersects on the Y axis because X = 0

- The table above shows the positive coefficient value of RPT of 0,087 but the significance has a value of 0.400 > 0.05 then the effect is not significant so we can conclude that H0 is accepted or H1 is rejected. This means that if the RPT variable increases, the ROE increases by 0,08 but the effect is not significant
- The table above shows the positive coefficient value of Independent Directors of 2,704 but the significance has a value of 0.039 < 0.05 then the effect is significant so we can conclude that H0 is rejected or H2 is accepted. This means that if the Independent Directors variable increases, the ROE increases by 2,704 but the effect is significant.
- The table above shows the positive coefficient value of the Board Size of 0.051 and the significance value of 0.285 > 0.05, the effect is insignificant so we can conclude that H0 is accepted or H3 is rejected. This means that if the Board Size variable increases, ROE increases by 0,051 and the effect is not significant.
- The table above shows the positive coefficient value of Family of 0.505 and the significance has a value of 0.023 < 0.05 then the effect is significant so we can conclude that H0 is rejected or H4 is accepted. This means that if the Family variable increases, ROE has increased by 0.505 and the effect is significant.
- The table above shows the positive coefficient value of Size as control variable of 0.158 and the significance has a value of 0.060 > 0.05 then the effect is insignificant. This means that if the Size variable increases, ROE has increased by 0.158 and the effect is not significant.

From the data presented in the table above, the regression formula equation can be formulated as follows:

$$ROE_{it} = -3,296 + 2,704 \text{ INDDIR}_{it} + 0,051 \text{ BRD SIZE}_{it} + 0,087 \text{ RPT}_{it} + 0,505 \text{ FAM}_{it} + 0,158 \text{ Size}_{it} + \epsilon_{it}$$

In this study and based on the results of the table above stated that the related party transaction does not have a significant effect this is in line with research by Umobong (2017) which states that the related party transaction does not have a significant effect because firms are not using related party transaction to increase earnings but probably use it to enhance its effectiveness in collaboration with the efficient transaction hypothesis. However, positive relationships are espoused by the study of its potential for being used for manipulative motives. Previous research observed that the market price of shares of firms with huge related party transaction continues to fall up to twelve months after related party transaction

disclosure indicating that investors penalize such firms for a long time after related party transaction reporting in financial statements.

In this research finding, the independent director has a positive and significant influence on ROE. This is in line with research conducted by Luan, CJ, & Tang, MJ (2007) research in China that independent directors have far-reaching oversight higher than other directors which indicates that the level of supervision of the company will also certainly increase thus when a company is well monitored it will improve the performance of the company especially the profit factor measured one of them by ROE.

The variable board size has a positive but not significant effect this is in line with research conducted by Brenes et al. (2011) when using a sample of companies listed in the UK that there is no significant effect between board size and ROE this is because not the amount but the quality and performance of leaders needed by companies that have gone public to provide trust to shareholders and stakeholders. Previous research did not appear to contribute sufficient controls for most of these factors and therefore it was challenging to determine if the family ownership was accountable for the performance differences or whether one of the other factors was accountable for the differences.

This study found that family has a significant influence in line with research conducted by Basco, R. (2014) in private companies, because the family has a greater responsibility to maintain their company which is a legacy from their predecessors so that the problem of agents and shareholders will be resolved in the company controlled by the family.

Agency theory claims that whenever the objectives of a company's directors (owners) and their agents (managers) are matched, there will be few "agency costs" due to shirking, opportunism, adverse selection or moral hazard. In regards of a family firm, the owners are also the agents, the agency cost of the organization should be low because their priorities are fully aligned — all things being equal, a family-owned company should be more efficient than a non-family-owned company where directors and agents are in dispute with each other. Nevertheless, when the problem of "altruism" is placed into the equation of principal – agent, a possible agency problem arises: family members may not be willing to monitor and keep other family members responsible because of their relationship with each other. Under these circumstances, in a family firm where shirking, opportunism, are likely to be occurred, thereby incurring the costs of service. In addition, disputes between family owners may also be deleterious to firm success when members of the family do not share the same objectives.

5. CONCLUSIONS

To conclude, this study empirically investigates whether the effect of related party transactions, CG and family ownership affects firm performance. To collect these data, the Author

attained from companies that are listed in the LQ45 Index from the period 2016 – 2018. The results obtained concluded that only two of the independent variables is positively significant towards Firm Performance.

There are several plausible reasons as to why only Independent Directors variable is positively significant towards Firm Performance. Based on the results from the Descriptive Statistics, prior findings suggested in China, Independent Directors have higher control compare to other directors. This indicates the level of supervision of the company will also certainly increase which implies whenever a firm company is well monitored it will improve the firm performance especially the profit factor measured, i.e. ROE (Luan & Tang, 2007).

There are so many reasons why families affect firm performance one of the most important is agency cost in companies that have a family capital structure or family leadership factors of common interest become important in the family by putting aside personal interests that are often experienced by non-family companies as research conducted by Basco, R. (2014) which explains how family influences many factors of company performance.

From the four independent variable and Related Party Transaction, as well as Board Size are insignificant in this study as based on prior research by Umobong (2017) stated that the related party transaction does not have a significant effect because firms do not use related party transaction to raise profitability but use it in conjunction with the efficient transaction to improve its effectiveness. The variable board size has a positive but no significant impact. This is in line with research conducted by Brenes et al. (2011) when using a sample of companies listed in the UK that there is no significant effect between board size and ROE. This is because not the amount but the quality and performance of leaders needed by companies that have gone public to provide trust to shareholders and stakeholders.

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The effect of transformational leadership and work motivation on work ethic

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ABSTRACT

The role of human resources in advancing the company is very important. One approach to improve the quality of human resources is through the approach of a good Transformational Leadership and able to increase motivation, and therefore contributes to the work ethic of employee in PT. XYZ. The purpose of this study is to analyze and explain the significant influence of work ethic, motivation and transformational leadership style toward employee performance in PT. XYZ. The data were collected through questionnaires, through observation to the object research, processed further using descriptive analysis and Path analysis. The results of the analysis show that: (1) Transformational Leadership style has positive and significant effect toward Work Ethic, (2) motivation has positive and significant effect toward work ethic effect to employee performance, (3) Transformational Leadership and Motivation style has positive and significant effect toward work ethic on employee.

Keywords: Transformational Leadership, Work Motivation, Work Ethic, Employee Performance

1. INTRODUCTION

Along with the times and technology, a company must make changes in the organization with the aim that the company can survive and compete with other companies. Therefore, it takes Human Resources (HR) who are reliable, leadership, have a work ethic and high work motivation, so as to produce good performance, employees who perform well are believed to be able to follow the changes that occur and be able to complete any given job. well. With the existence of qualified Human Resources (HR), a leadership figure is needed who is able to make the company progress and be able to compete with competing companies. The leadership at PT XYZ can be categorized as a leader who is able to change the perceptions, attitudes and behavior of subordinates to changes that occur in the company, but not all employees are able to change the old way of working to a new way of working, so what the company is targeting has not been able to achieved.

With this incident, the dynamics of the company make employees required to be able to complete their duties and responsibilities effectively and efficiently. Employee success can be measured through customer satisfaction, reduced number of complaints and the achievement of optimal targets.

Employee performance can also be measured through the completion of their duties effectively and efficiently as well as carrying out their roles and functions and all of these are positively related to the success of a company. PT. XYZ is a resin chemical company with number one quality, a company that attaches great importance to the performance of its employees. For this reason, the company continues to develop a positive influence and concern for its employees so that they can be motivated to be able to perform even better, but what we want to inform is the influence of leadership on employee motivation and work ethic, so that disrupting employee performance will also affect company performance.

For this reason, performance is a condition that must be known and confirmed to certain parties to determine the level of achievement of an organization's results and to know the positive and negative impacts of an operational policy taken (Ismail Mohamad, 2004:163). With the information regarding the performance of an organization, the necessary actions will be taken such as correction of policies, straightening the main activities and main tasks of the agency, materials for planning, determining the level of success of the agency in achieving the company's vision and mission, to decide on an action. Organizations or companies can perform their performance efficiently and effectively if they remain within the rules of their

characteristics, namely considering the structure, hierarchical status, roles, and existing norms (James I. Gibson, 1985), that performance is influenced by many factors, including organizational climate, work ethic and work discipline.

The ability of Human Resources (HR) is a competitive advantage of the company, where the human resources are getting better, the company will become a productive company. Human Resources will provide added value as a benchmark and key to achieving a company's business success. Advanced companies generally evolve from companies that consider human resources as a work tool to companies that value human resources because they are capital or the main asset (human capital). Human Capital refers to the knowledge, education, training, expertise, expertise of the company's workforce is now very important, compared to the past. The company's paradigm shift in viewing HR is realized in the form of providing opportunities for HR to take an important role in decision making within the company, therefore employees who have competence are very necessary, where the more competent resources are available, the company itself will develop rapidly. One of the reasons human resource assets can be a source of sustainable competitive advantage is because these human assets have knowledge and social complexities that are difficult for competitors to imitate. Therefore, many companies or organizations are trying hard to train and develop their Human Resources. The company hopes that Human Resources will be able to support and develop the implementation of the company's strategy.

For this reason, the hope is to develop human resources by having employee performance and organizational capabilities to be able to adapt to environmental changes according to BasGys et al. (2003), Locander et al. (2002), and Yammarino et al. (1993) is leadership (leadership). Leadership describes the relationship between leaders (leaders) and those who are led (followers) and how a leader directing followers will determine the extent to which followers achieve the goals or expectations of the leader. Opinions about leadership when viewed from an individual perspective and aspects of the phenomenon, according to Stogdill (1974:259) conclude that there are almost as many definitions of leadership as the number of people who have tried to define it. Furthermore, Stogdill (1974: 7-17) states that leadership as a management concept can be formulated in various definitions, depending on where the starting point of thought is. With an understanding of the tasks carried out, and understanding the characteristics of his subordinates, a leader will be able to provide guidance, encouragement and motivation to all members to achieve goals. If the interaction process works well, then he will be able to provide satisfaction which at the same time can improve his performance.

An organization/institution always needs a leader, both profit organizations and social organizations. PT XYZ is a chemical company engaged in the sale of synthetic resins, its resin products are the number one quality product on the market. This company works professionally and responsibly to employees, government, the environment and the community around the company. As for being responsible, it means that PT. XYZ has a responsibility to management to produce products that can generate profits, so that the profits can be used to improve the welfare of its employees, pay obligations to the government, and provide care for the environment and the surrounding community.

However, the management of this company must be balanced with responsive leadership that can spur employees to create conducive working conditions for organizational performance. From the researcher's observation that the leadership factor plays a very vital role, because it is the leader who is responsible for the success or failure in carrying out tasks. In carrying out activities, leaders have various styles of their own in the process of influencing and directing employees, so that they are willing to work together to achieve goals. Leadership according to Bernard in Gibson (1995: 5) explained that: "Leadership is an agent of change, a person whose behavior will influence the behavior and performance of his subordinates". Problems in the leadership style experienced by many companies are the number of employees who do not obey the instructions and rules set by management, employees who object to the provisions set by the company's management, causing a sense of dissatisfaction at work, lack of management empathy for the problems faced by employees and so. All of this makes the work ethic of employees down.

For this reason, from the definitions above, it can be concluded that leadership in an organization is the ability to change attitudes, behavior of people or groups in specific ways. An effective leader not only has enough power, but also needs to examine the processes of mutual influence that occur between leaders and those being led. Leadership theory is a generalization of a series of leader behavior and leadership concepts, by highlighting the historical background, causes of leadership emergence, leader requirements, main characteristics of leaders, main tasks and functions and professional ethics of leadership (Kartini Kartono, 1994:27). With good leadership, can motivate employees. Motivation is a condition that moves employees to be directed to achieve work goals. Mental attitude is a mental condition that encourages a person to try to achieve maximum work potential. David C. McClelland (1997) as quoted by Mangkunegara (2005:68), argues that "There is a positive relationship between motivation and achievement with work achievement". Achievement motive is an encouragement in a person to perform an activity or task as well as possible in order to be able to achieve work performance (performance) with a commendable predicate. Next Mc. Clelland, suggests 6 characteristics of someone who has a high motive, namely:

1. Have a high responsibility
2. Dare to take risks
3. Have realistic goals
4. Have a comprehensive work plan and strive to achieve goals.
5. Utilize concrete feedback in all work activities carried out.
6. Looking for opportunities to realize the plans that have been programmed.

According to McClelland and Atkinson (1953: 75) it is stated that everyone has three motives, namely achievement motivation, affiliation motivation, and power motivation. Motivation The ation of an individual depends on the motive, the motive is a state within a person / inner state that encourages, activates, moves, directs and channels behavior towards goals. (Koontz, 1990:115), the role of humans is very important in the process of achieving organizational goals. With the programs and systems provided by the company, it will be able to make employees more loyal and motivated, so that company goals will be achieved. Employees who have high motivation will be able to perform high, so that any OI (Overting Income) target can be achieved. With the achievement

of the OI target, the bonus promised by the company will be obtained by all employees. PT XYZ as the market leader for resin products with number one quality, which is very concerned about the safety and health of its employees, and also to stay motivated with the work of its employees. Data and information regarding company profits are always conveyed to employees through PUK SPSI once a month, through management meetings and employee representatives. This shows that there is management's attention to its employees.

Motivation is a process that originates from physiological and psychological forces or needs that result in behavior or encouragement aimed at a goal or incentive. Motivation is the drive, effort and desire that exists within humans that activates, empowers and directs behavior to carry out tasks well within the scope of work.

According to Maslow in Robbins (2006:167) states that a human's motivation depends on five aspects of needs in the form of a hierarchy, humans will try to meet these needs so that they have the motivation to work better, while the hierarchy of needs is:

1. Physiological needs
2. The need for a sense of security (safety needs).
3. Love needs / Social (love needs)
4. Esteem needs
5. Self-actualization

From the explanation above, it can be concluded that motivation in organizational life, an understanding of motivation for every leader is very important, but motivation is also perceived as something difficult. This was stated by Wahjosumidjo (1994:173) as follows:

1. Motivation as an important subject (important subject)
2. Motivation as a difficult subject (puzzling subject)

This theory prefers to use the term ethos because it finds that of an organization or community but also includes the motivations that drive them, the main characteristics, basic spirit, code of ethics, moral code, code of behavior, attitudes, aspirations, beliefs, principles, and standards (Sinamo, 2005:25). And according to Sinamo (2003:2) Work ethic can also be interpreted as a concept about work or a work paradigm that is believed by a person or group of people as good and right which is manifested through their typical work behavior. Based on the opinions of the experts described above, it can be seen that the work ethic is closely related to the values that are internalized by a person and as a driving factor for learning and company growth. Work ethic is a set of basic attitudes or views held by a group of people to assess work as a positive thing for improving the quality of life so that it affects work behavior.

The work ethic of employees is a determining factor in achieving targets or goals after the establishment of the company's vision and operational system. This is reinforced by Hitt in Boatwright and Slat (2000) who equates work ethic as a value and states that the description of his values serves as a guide in his behavior. According to Usman Pelly (1992:12), work ethic is an attitude that arises from the will and self-awareness which is based on a system of cultural value orientation towards work. It can be seen from the statement above that the work ethic is based on cultural values, which of these cultural values form the work ethic of each individual.

Meanwhile, according to Sinamo (2003:2) Work ethic can be interpreted as a concept about work or a work paradigm that is believed by a person or group of people as good and right which is manifested through their typical work behavior. Currently, many companies use various efforts so that employees have high motivation by meeting the needs of these employees, such as giving awards or prizes, social and health insurance, providing incentives, definite career paths and so on. All of this is done so that employees are motivated who ultimately have a high work ethic.

Based on this framework, the research design can be described as follows:

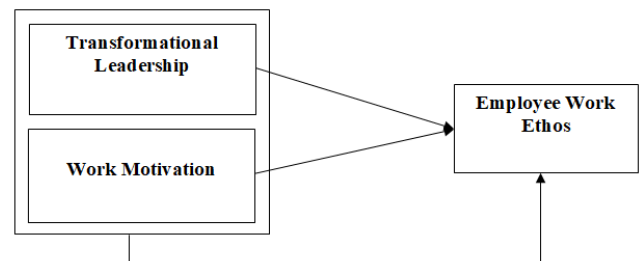


Figure 1. Research Design

Description:

X1 : Transformational Leadership

X2 : Work Motivation

Y : Work ethic

2. METHODOLOGY

The object of this research is the transformational leadership style, employee motivation, and work ethic of employees of PT. XYZ which currently has 197 employees. Location This research was conducted at PT. XYZ which is domiciled at Jl. Gatot Subroto Km.1 Cibodas Tangerang. PT XYZ is a company engaged in the basic chemical industry. This research was conducted by distributing questionnaires to all employees of PT. XYZ. The research started from distributing questionnaires regarding leadership style, work motivation and work ethic of employees which was carried out for two months, starting from January to February 2021.

3. RESULT AND DISCUSSION

Heteroscedasticity test can be done using the scatter plot method by plotting the ZPRED value (prediction value) with ZRESID (residual value). A good model is obtained if there is no certain pattern on the graph, such as gathering in the middle, narrowing then widening or conversely widening and then narrowing, according to the following figure:

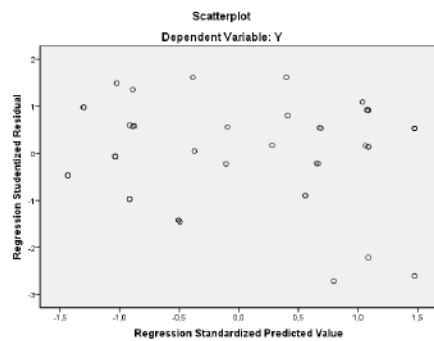


Figure 2. Scatterplot

From the scatterplot graph, it can be seen that the points spread randomly and are spread both above and below zero on the Y axis. So it can be concluded that the model in this study meets the requirements to be a good model because it is a homoscedasticity model or the variance of the residual value of observations of one. to other observations.

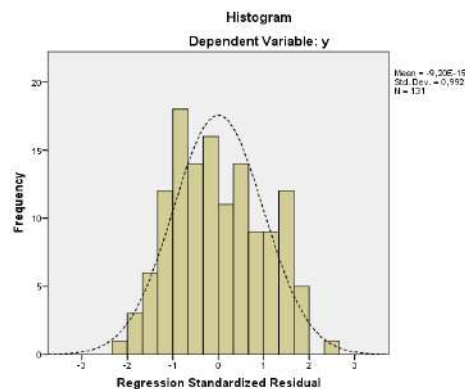


Figure 3. Histogram

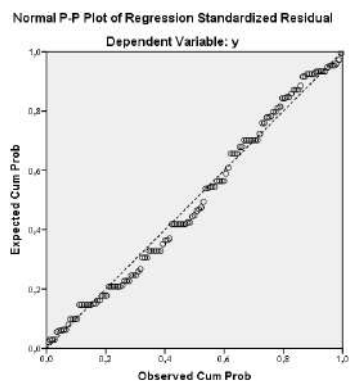


Figure 4. P-Plot

By looking at the Histogram graph display and the Normal P-Plot of Regression Standardized Residual graph, it can be concluded that the histogram graph provides a normal distribution pattern. Meanwhile, on the normal plot graph, it can be seen that the dots spread around the diagonal line. These two graphs show that the regression model does not violate the assumption of normality. So it can be concluded that the regression model in this study meets the requirements to be a good regression model because it is a regression model that has a normal or close to normal data distribution.

Furthermore, the results of multiple regression analysis with SPSS tools show the following data:

Table 1. Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,634	,333		1,904	,059
x1	,396	,066	,421	6,004	,000
x2	,500	,084	,417	5,952	,000

From the results of the regression analysis, it can be seen that the magnitude of the constant is 0.634, while the regression number for X1 is 0.396 and the regression number for X2 is 0.500. Based on the table of analysis results above, the regression equation can be written as follows:

$$Y = 0.634 + 0.396X1 + 0.5X2$$

Where :

Y = work ethic;

X1 = Leadership Style

X2 = Motivation

The constant of 0.634 means that without the role of leadership and employee motivation the value of work ethic is 0.634. The X1 regression coefficient of 0.396 means that each addition of one unit of leadership influence will increase / increase work ethic by 0.396. While the regression coefficient of 0.500 indicates that for every one unit increase in motivation, the work ethic will increase by 0.5 times.

To find out whether the hypothesis is accepted or rejected, it is necessary to test through multiple regression. Based on the provisions, if the value of F is less than 0.05 then Ho is rejected and H1 is accepted. On the other hand, if the F value is greater than 0.05 then Ho is rejected and H1 is accepted. The results of the regression analysis test in the following table show that the F test value is 71.384 > from 0.05.

4. CONCLUSION

Based on the research results obtained from distributing questionnaires, several findings were obtained for the company PT XYZ, from these findings the management can study and the information can be used for decision making and the following conclusions can be drawn. Transformational leadership has a positive and significant effect on work ethic, which means that the better the transformational leadership, the better the work ethic. Motivation has a positive and significant effect on the work ethic of employees, which means that the better the motivation, the better the work ethic. Leadership and motivation have a positive and significant effect on work ethic, which means that the better the transformational leadership and motivation, the better the work ethic.

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The effect of current ratio (CR), debt equity ratio (DER), and net profit margin (NPM) on stock price

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ABSTRACT

During this pandemic there are many traders (people who invest in the short term or more actively monitor market prices), and retail investors (people who invest in the long term with small capital or passively monitor market prices and buy commodities). regularly either per day, week, or month with a small capital). This study uses the annual financial reports of three different infrastructure sector companies, namely, PT Jasa Marga Tbk, PT Waskita Karya (Persero) Tbk, and PT Bali Tower Indo Sentra Tbk and the data is taken from the Indonesia Stock Exchange on the website www.idx.co.id with the aim of obtaining empirical evidence that can be tested using the causality method. Data analysis in this study was carried out using multiple linear regression. This test begins with descriptive statistical testing, then continues with classical assumption testing and ends with hypothesis testing. The program (software) used for data processing in this study is SPSS version 22. The results of the study partially prove that the Debt to Equity Ratio (DER) has a significant effect on stock prices in Infrastructure sector companies for the 2016-2020 period. The results of the study partially prove that Net Profit Margin (NPM) has no significant effect on stock prices in Infrastructure sector companies for the 2016-2020 period. The results simultaneously prove that the Debt to Equity Ratio (DER) and Net Profit Margin (NPM) have a significant effect on stock prices in Infrastructure sector companies for the 2016-2020 period.

Keywords: Current Ratio, Debt to Equity Ratio, Net Profit Margin, Stock Price

1. INTRODUCTION

During the current COVID-19 pandemic, economic development conditions are very unstable. Plus the restrictions on employee work in order to control the pandemic that is engulfing the world, has made the company's performance at a low point. With the development of technological systems in the world, many people take advantage of this to reap profits by investing, either in cryptocurrencies, or the capital market. So that during this pandemic, there are many traders (people who invest in the short term or more actively monitor market prices), and retail investors (people who invest in the long term with small capital or passively monitor market prices and buy commodities). regularly either per day, week, or month with a small capital).

In this case, the capital market plays an important role in economic activity. Even the capital market can be used as a measure of economic conditions in a country. In this last period, the capital market has become a special attraction for the public

as an alternative in investing their funds. This can also be proven by the increasing number of trading activities in the capital market.

Investors to carry out investment activities in the capital market require careful considerations, so that information relevant to capital market conditions is something that capital market players always look for in making investment decisions. However, not all information received by investors is very valuable information, as a result, investors must choose appropriate information to be considered in making a decision.

The company's financial statements are one of the information in the capital market. From these financial reports, investors can find out internal information about the company's financial performance which is one of the factors seen by investors to make choices in buying shares. If the company's financial statements can provide information that is relevant to the strategies used by investors, investors can use this information to make the right decisions.

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In capital market activities, stock prices are one of the most important factors that must be considered by investors in carrying out investment activities, because stock prices show the achievements of an issuer. Usually the movement of stock prices is in line with the performance of an issuer. If an issuer has good performance, the profits generated from business operations will also be greater.

Therefore, every company is very concerned about the price of its shares before being published in the capital market. If the stock price is too low, investors will assume that the company's performance is not good, thereby reducing investor interest in buying its shares. But if the stock price is too high, it will reduce the ability of investors to buy their shares. As a result, the share price of an issuer will be difficult to increase again. In determining the share price of each company, management considerations are needed. Thus, it is necessary for the management to consider the liquidity and profitability factors that affect the stock price set by the company.

Companies with high liquidity will reduce their external funding because their internal funding sources are high. The higher the level of the company's ratio, the higher the company's liquidity position. The liquidity of a company will greatly affect the activities of the company. if the current ratio is low, it can be said that the company lacks capital to pay debts. However, if the results of the measurement of the ratio are high, it does not mean that the company's condition is good. This can happen because cash is not used as well as possible. Measurement of the liquidity ratio can use the current ratio (Current Ratio).

Current Ratio is the most common measure for companies to determine their ability to meet short-term obligations, because this ratio shows how far the demands of short-term creditors are met by assets that are estimated to be cash in the period. needed. Thus, it is necessary for the management to consider the liquidity and profitability factors that affect the stock price set by the company.

Current Ratio is the most common measure for companies to determine their ability to meet short-term obligations, because this ratio shows how far the demands of short-term creditors are met by assets that are estimated to be cash in the period.

The Debt to Equity Ratio (DER) reflects the company's ability to fulfill all of its obligations, which is indicated by how much of own capital used to pay debts. The Debt to Equity Ratio (DER) also provides a guarantee of how much the company's debt can be guaranteed with its own capital. Information about how much funds the company has can be used by creditors as a basis for determining the level of creditor security. The greater the value of the Debt to Equity Ratio (DER) of a company, it can be interpreted that the company's business capital structure makes more use of debt to equity. The greater the Debt to Equity Ratio

(DER) reflects the company's relatively high risk so that investors try to avoid stocks that have a high Debt to Equity Ratio (DER) value. If the company uses debt as capital, it will increase the risk borne by investors, thereby reducing investors' interest in buying their shares.

Net profit margin (NPM) can be interpreted as a ratio that compares a company's profit with the total amount of money it generates. It measures how effectively the company operates. For example, if a company has a 10% net profit margin, that means it keeps 2,000 for every 20,000 sales revenue. This ratio is used to provide analysis or an overview of the financial stability of a company. Companies that generate more profit per value from sales are more efficient. That efficiency can make companies more likely to survive when product lines don't meet expectations, or during periods of broader economic contraction, such as early February 2020 until now due to the pandemic.

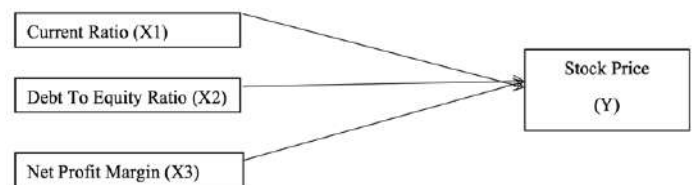


Figure 1. Conceptual Framework

Hypothesis

The research hypotheses proposed in this study based on theoretical foundations, previous research, and theoretical frameworks are as follows:

- H1: It is suspected that the Current Ratio (CR) variable has a partial effect on stock prices in infrastructure sector companies on the Indonesia Stock Exchange for the period 2016 – 2020.
- H2: It is suspected that the Debt To Equity Ratio (DER) variable has a partial effect on stock prices in infrastructure sector companies on the Indonesia Stock Exchange for the period 2016 – 2020.
- H3: It is suspected that the Net Profit Margin (NPM) variable has a partial effect on stock prices in infrastructure sector companies on the Indonesia Stock Exchange for the period 2016 – 2020.
- H4: It is suspected that the variables Current Ratio (CR), Debt To Equity Ratio (DER), and Net Profit Margin (NPM) have a significant simultaneous effect on stock prices in infrastructure sector companies on the Indonesia Stock Exchange for the period 2016 – 2020.

2. METHODOLOGY

This study uses the annual financial reports of three different infrastructure sector companies, namely, PT Jasa Marga Tbk, PT Waskita Karya (Persero) Tbk, and PT Bali Tower Indo Sentra Tbk and the data is taken from the Indonesia Stock Exchange on the website www.idx.co.id with the aim of obtaining empirical

evidence that can be tested using the causality method. After obtaining annual financial data from the three companies, this study also uses financial statements for the 2016-2020 period which aims to determine the effect of the independent variables, namely; Debt to Equity Ratio (DER), and Net Profit Margin (NPM) on the dependent variable, namely the stock price.

Data Collection Method

In collecting data in this study, only the company's annual financial statements were used. The population elements selected as the sample of this study are companies that meet the following criteria:

- 1) Infrastructure sector companies on the Indonesia Stock Exchange for the period 2016 – 2020.
- 2) The company has complete data needed, namely financial statements which include statements of comprehensive income, statements of retained earnings, statements of changes in financial position and statements of cash flows.

With predetermined criteria, the researchers only used three companies that met the criteria as research samples, namely PT Jasa Marga Tbk, PT Waskita Karya (Persero) Tbk, PT Bali Tower Indo Sentra Tbk.

Data Analysis Techniques

Data analysis in this study was carried out using multiple linear regression. This test begins with descriptive statistical testing, then continues with classical assumption testing and ends with hypothesis testing. The program (software) used for data processing in this study is SPSS version 22.0.

3. RESULT AND DISCUSSION

Histogram is a bar graph that serves to test (graphically) whether a data is normally distributed or not. If the data is normally distributed, then the data will form a kind of bell. If the graph looks far from a bell shape, it can be said that the data is not normally distributed.

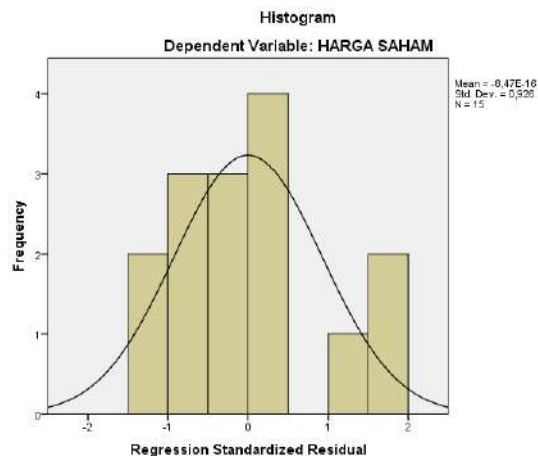


Figure 2. Histogram

The histogram graph in the image above shows a "normal" distribution pattern because the graph is neither skewed to the left nor skewed to the right. Similarly, the results of the normality test using a p-plot graph.

P-plot Normal Test

The basis for making decisions is normal or not with a p-plot, which is as follows:

- 1) If the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression model fulfills the assumption of normality.
- 2) If the data spreads away from the diagonal line and does not follow the direction of the diagonal line, then the regression model does not meet the assumption of normality.

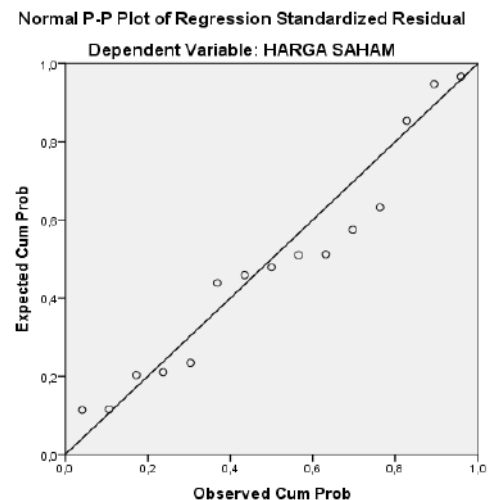


Figure 3. P-Plot

Based on the picture above, it can be seen that the results of the normality test show that the data spreads around the diagram and the points approach the diagonal line. So it can be concluded that the data processed is data that is distributed "normally" and the normality test is met.

The hypothesis test in this study uses multiple regression analysis, coefficient of determination test, t statistical test and F statistical test. Multiple Linear Regression is a linear regression model involving more than one independent variable or predictor. In English, this term is called multiple linear regression.

The regression equation aims to predict the size of the dependent variable by using the independent variable data which is known to be large (Suntoyo, 2009:11). The regression equation used is as follows:

$$Y_t = \beta_0 + 1X_1 + 1X_2 + e$$

Where :

- Y : Dependent Variable (Stock Price)
- 0 : Constant
- X₁ : Variable X₁ (Debt to Equity Ratio)
- X₂ : Variable X₂ (Net Profit Margin)
- e : error term (Standard Error)

Table 1. Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1504,116	197,600		7,612	,000
DER	11,357	1,109	,946	10,238	,000
NPM	2,401	9,237	,024	,260	,799

From the data above, the multiple linear regression equation that can be formulated is as follows:

$$Y = 1504.116 + 11.357\text{DER} + 2.401\text{NPM} +$$

Description :

"The value of 0 = 1504.116 indicates that if the independent variables (DER and NPM) are constant (no change), then the stock price is 1504.116"

"The value of the regression coefficient X1 (DER) = 11.357 means that, if the other independent variables have a fixed value and DER increases by 1%, the Stock Price (Y) will increase by 11.357"

"The value of the regression coefficient X2 (NPM) = 2.401 means that, if the other independent variables have a fixed value and the NPM has increased by 1%, the Stock Price (Y) will increase by 2.401"

Simultaneous test (F test) is a test conducted to see whether all independent variables simultaneously affect or not on the dependent variable by comparing the value of Fcount with Ftable.

By using the hypothesis:

Ho: Simultaneously No Effect

Ha: Simultaneously Affected

If the value of f count < f table, it means that Ho is accepted, Ha is rejected

If the value of f count > f table, it means that Ho is rejected, Ha is accepted.

Table 2. ANOVAa

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	40069265,125	2	20034632,562	52,885	,000b
Residual	4545984,875	12	378832,073		
Total	44615250,000	14			

To determine the f table, it is necessary to find the values of df1 and df2 by:

$$df1 = k - 1 = 2 - 1 = 1$$

$$df2 = n - k = 15 - 2 = 13, \text{ then the f table value is } 4.67$$

then the f test results can be obtained, as follows:

f count : 52.885

f table : 4.67

so that it can be concluded, f count (52.885) > f table (4.67) with a Sig value. $0.00 < 0.05$, which means that the independent variable (X) simultaneously affects the dependent variable (Y).

Discussion

The Effect of Debt to Equity Ratio (DER) on Stock Prices Based on the research results obtained regarding the effect of the Debt to Equity Ratio on stock prices in infrastructure sector companies listed on the Indonesia Stock Exchange. The results of the partial hypothesis test show that the calculated t value for the Debt to Equity Ratio variable is $10.238 > t$ table of 1.78229 meaning Ho is rejected and Ha is accepted (DER has a partial effect on stock prices in the 2016-2020 period). This is in line with research conducted by Pratama and Erawati (2014) which states that the Debt to Equity Ratio has a significant effect on stock prices. Nuryana (2013) which states that the Debt to Equity Ratio has a significant effect on stock prices. And Asmirantho and Yuliawati (2015) which state that the Debt to Equity Ratio has a significant effect on stock prices and the results of this study are not in line with the research of Takarini and Hendrarini (2011) and Wangarry, et al (2015) which state that the Debt to Equity Ratio has no effect and is not significant on stock prices. And Suhady (2009) which states that the Debt to Equity Ratio has no effect and is not significant on stock prices, and Nita Insyiraah (2019) which states that the Debt to Equity Ratio has no effect on stock prices and is not significant on stock prices. Based on the research that the researchers have done, both in theory, opinion, and previous research, it can be concluded that there is a significant or partial influence between DER on stock prices in infrastructure sector companies for the 2016-2020 period.

Effect of Net Profit Margin (NPM) on Stock Prices

To find out there is a significant relationship between Net Profit Margin individually (partial) on stock prices in infrastructure sector companies listed on the Indonesia Stock Exchange. The results of the partial hypothesis test show that the t value for the variable (0.260) < t table (1.78229) with a value of Sig. $0.799 > 0.05$, meaning Ho is accepted and Ha is rejected (NPM has no partial effect on stock prices in the 2016-2020 period). The reason why NPM does not have a partial effect on stock prices in infrastructure sector companies is clear, with the small profits that companies generate annually plus investing (buying their shares) in the infrastructure sector does not provide direct benefits or have a major impact on investors. This is in line with research conducted by Feri (2014) which states that Net Profit Margin has no significant effect on stock prices. Tyas and Saputra (2016) who stated that Net Profit Margin had no significant effect on stock prices, and Sha (2015) which stated that Net Profit Margin had no significant effect on stock prices. While this study is not in line with the research of Manopo, et al (2017), which states that Net Profit Margin partially has a positive and significant effect on stock prices, research by Egam, et al (2017) which states that Net Profit Margin has a significant and positive effect on stock prices and research conducted by Nita Insyiraah (2019) which states that Net Profit Margin has a significant effect on stock prices. With the results of research that has been carried out both in theory, opinion, and previous research, the researchers conclude that there is a match between research with theory or opinion with previous research, which states that NPM does not have a significant or partial effect on stock prices in infrastructure sector companies in the period 2016-2020.

Effect of Debt to Equity Ratio (DER) and Net Profit Margin (NPM) on Stock Price

Based on the F test that tests simultaneously, namely whether the two independent variables on the dependent variable, namely Debt to Equity Ratio (DER) and Net Profit Margin (NPM) have a simultaneous effect on stock prices, with the value of $f_{\text{arithmetic}} (52.885) > f_{\text{table}} (4.67)$ with the level of Sig. of $0.000 < 0.05$, which means that the independent variable (X) simultaneously affects the dependent variable (Y). This is also evidenced by the results of the Coefficient of Determination test (R test) that the R-Square (R^2) value is 0.898 or 89.8%, meaning "that the independent variable (Debt to Equity Ratio and Net Profit Margin) affects the dependent variable (Stock Price) of 89.8% while the remaining 10.2% was influenced by other factors not included in the study. The results of this study are in line with the research results of Asmirantho and Yuliawati (2015) that Net Profit Margin (NPM) and Debt to Equity Ratio (DER) have a significant effect simultaneously on stock prices, Wangarry, et al (2015) which state that they have a significant effect simultaneously on stock prices, and Nita Insyiraah (2019) which states the results simultaneously show that Net Profit Margin and Debt to Equity Ratio have a significant effect on stock prices. While the results of this study are not in line with Tyas and Saputra (2016) which states that Net Profit Margin (NPM) and Debt to Equity Ratio (DER) does not have a significant effect simultaneously to stock prices. Based on the research that the author has done, both theories, opinions, and previous studies that have been stated above regarding the effect of DER and NPM simultaneously show that there is a strong influence on stock prices. So it can be concluded that there is a match between the results of research and theories, opinions and previous research, namely the simultaneous influence of DER and NPM on stock prices in infrastructure sector companies listed on the IDX for the 2016-2020 period.

4. CONCLUSION

Based on the results of the research and discussion that have been stated previously, it can be concluded from research on the effect of Debt to Equity Ratio (DER) and Net Profit Margin (NPM) on stock prices in infrastructure sector companies listed on the Indonesia Stock Exchange for the 2016-2020 period with a sample of 3 large companies in their field are as follows: The results of the study partially prove that the Debt to Equity Ratio (DER) has a significant effect on stock prices in Infrastructure sector companies for the 2016-2020 period. The results of the study partially prove that Net Profit Margin (NPM) has no significant effect on stock prices in Infrastructure sector companies for the 2016-2020 period.

The results simultaneously prove that the Debt to Equity Ratio (DER) and Net Profit Margin (NPM) have a significant effect on stock prices in Infrastructure sector companies for the 2016-2020 period.

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Factors that influence employee's retention rate in financial technology startups in Indonesia

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ABSTRACT

The current human resource management (HR) and brand marketing (Employer Branding) issues are recruiting and retention approaches that 'involve internally and externally encourage a clear vision of what makes a business different and attractive as a business. Sampling is done using probability sampling techniques, namely sampling techniques that provide equal opportunity or opportunity for each member of the population to be selected as a sample. This method is carried out when members of the population are considered homogeneous to financial technology startups employees. The results of this study explain that there are several important factors that can affect employee retention at financial technology startups companies, one of which is compensation and recognition which have a significant effect on employee retention. Motivation is the variable that has the greatest influence on employee retention, apart from having a direct effect on motivation, motivation has also succeeded in being a mediator between compensation for employee retention and recognition of employee retention.

Keywords: Employee Retention; Financial Technology; Startups; Indonesia.

1. INTRODUCTION

The increasing economic situation in the world that is increasing rapidly continues to cause the economy in Indonesia to increase as well. Companies in Indonesia are expected to prepare themselves for business competition in this era. The company must have supporting factors such as effective management, and employees who play an important role as the company's main assets. The progress of a company is determined by the quality of human resources, especially performance through increased employee engagement, so the effectiveness and productivity of the company will also increase, so that the company's goals are achieved. Companies that have employees with high retention will maximize the company (Christian, 2018).

Human resources have important roles and tasks for a company to realize its goals. All problems that occur in the company have a very large impact on the survival of employees. (Mathis & Jackson, 2006) stated that retention is an effort to keep employees in the organization to achieve the organization's

goals. In order to achieve the goals in accordance with the vision and mission, the company must be able to retain employees for a long period of time. (Putra & Rahyuda, 2016), states that retaining employees is the duty and responsibility of the company itself.

The current human resource management (HR) and brand marketing (Employer Branding) issues are recruiting and retention approaches that 'involve internally and externally encourage a clear vision of what makes a business different and attractive as a business (Lievens, 2007) As an efficient organizational strategy to distinguish from rivals and achieve competitive advantage in the labor market, it has been suggested (Collins & Stevens, 2002; Lievens & Highhouse, 2003). Employer branding is often seen as the key solution to reacting to employee recruiting and retention problems. (Martindale & Dowdy, 2010).

Social trends such as globalization, technological upgrading and growing global competition are confronting organizations today. Companies must be able to predict technological progress and

compete internationally with other businesses. Demographic changes, in addition to economic growth, have placed pressure on businesses. The rapid ageing of the working workforce must be tackled in today's society, as fewer young people enter the labor force, even jobs called baby boomers are increasingly withdrawing (Govaerts et al., 2011).

The Global World Economic Forum estimates that Indonesia will be ranked eighth in the global economy by 2020. Standard Chartered Bank supports this argument, which predicts the same thing, though Goldman Sachs predicts that, after China, the United States, India, Brazil, Mexico and Russia, Indonesia will become the world's number seven economic power. This forecast is no joke. E-commerce, which is thought to be the economic force of the future, is an extension of one of the supporters of economic power. Indonesia's internet users reached 47.9 percent of the population in 2015, or as many as 93.4 million people, and are estimated to rise to 140 million users in 2020. While it is estimated that mobile users have reached 142 percent of a total population of 262 million based on data from katadata.co.id in 2017, assuming that one person uses two to three cell phone cards (Deloitte Indonesia Perspectives, 2019). Some firms protested in their respective offices about the high turnover rate, which inevitably left the department of human resources frustrated by this (Kashyap & Rangnekar, 2016).

Company's employees need to be considered in order to maintain the stability of the organization that occurs in it, to keep employees working well, employee welfare must remain a company's concern. Christian (2018) argue that the success of a company depends on how the employee's performance, efficiency, honesty, perseverance and integrity. Failure to manage human resources will lead to disruption in the organization's achievement of objectives, both in the organization's efficiency, benefit and survival (Christian, 2018). Retaining employees is an essential objective of any organization and the secret to an organization's long-term health and success depends on retaining employees and maintaining the high retention of employees will improve the company's productivity and results because, with high retention, turnover will naturally be low (Darmika & Sriathi, 2019).

The average industry turnover rate is above 10% at the moment (Deloitte Indonesia Perspectives, 2019). In the Indonesian context, one of the financial company that is experiencing significant growth is Fintech. This makes Fintech companies a people destination to start their careers in the company. Low employee retention will be costly for the company. Every company strives to maintain employee retention rates as a company operational efficiency.

To increase retention of employees, companies must implement an employee development policy, because the policy is felt to provide work motivation for employees. Employee retention has several impacts, including the impact of turnover, burnout, and employee loyalty. These three impacts are mutually influencing the employee retention program in the company (Mak & Sockel, 2001). Welfare programs for employees in the company can be in the form of compensation and rewards, therefore, many management believe that money is a significant factor in employee retention., while it can also be in the form of a conducive work environment in an organization (Mathis & Jackson, 2011).

(Darmika & Sriathi, 2019) stated the main aim of retention is to avoid the discharge from the company of workers who have experience, since it can have an adverse impact on the competitiveness of the organization. From the principles that have been put forward, retention of employees is a mechanism in which a business may attract future employees to stay loyal to the business for a longer period of time.



Figure 1. Scale of Organization and Collaborative Partners
Source: (Asosiasi Fintech Indonesia, 2019)

Fintech as part of the business today, faces the same challenges related to employee retention rates above. Fintech must compete with other businesses so the company needs a strategy in dealing with the low employee retention rates or high turnover that is experienced by many companies today.

Actually financial technology is not a new phenomenon, starting from 1800 the type of telegraph technology had appeared in the world, until the 1900s automated teller machines, credit cards, online shopping, until the first capital market system was present in the world, even the most e-commerce sites world famous was born at this time the Alibaba company owned by renowned businessman from China, Jack Ma. In the 2000s the development of financial technology has sprung up around the world and has become more sophisticated. The 2000s were a season of financial technology similar to Apple Pay that was established in 2014 to Samsung Pay in 2015 (Febriani & Hermawan, 2018).

One of the main keys to increasing financial inclusion is expanding access to financial institutions. The development of FinTech, which is increasingly known to the wider community, will make financial institutions more accessible to the wider community because of relatively no constraints in infrastructure and time constraints. In addition FinTech products have a variety of products that are diverse and relevant and in accordance with the needs of the community (Rahmanto & Nasrullah, 2019).

The development of financial companies in Indonesia requires management to be able to control the company's operating costs due to increasingly fierce competition. HRD managers must have good retention management. (Malik et al., 2010) it claimed that high retention of employees would influence organizational success in achieving organizational objectives and missions. While (Sumarni, 2011), it mentioned that in terms of improving employee performance, high employee retention is required. If employee retention is poor, turnover may increase, which can have a negative impact on the efficiency and effectiveness of the company. Maintaining high employee retention would improve the company's productivity and results because, of course, turnover will be low with high retention (Yurika, 2011). Low turnover saves the expense of recruiting and selection. Attracting and maintaining talent in a company for a fair period

of time is a major challenge facing public and private companies in Indonesia in all sectors today. Increased employee recruiting and retention rates include the advantages of an efficiently executed talent management plan. Employee retention information can be a source of competitive advantage for businesses. The influence it has on the hiring and retention of valuable personnel is one of the biggest advantages of talent management (Hasani & Sheikhesmaeili, 2016).

The success of any company's retention management depends on a Human Capital Management (HCM) strategy in place to ensure they retain talented employees. The challenges faced by HCM and managers today are getting employees to continue to be involved in company activities and also ensuring the interest of talented employees to join the company and retain talented employees within the company. (Kigo & Hazel, 2016). (Letters, 2011) revealed in his research that the size of employee retention will have an influence on the performance and performance of the company in its efforts to achieve the company's goals or mission. If the employee retention is weak, then employee turnover will increase and have a negative effect on the performance and effectiveness of the company. Maintaining employee retention levels is believed to have an influence on the effectiveness and performance of a company, because with high employee retention, thus employee turnover in a company is low. (Yurika, 2011). From all of the above opinions, it can be concluded that employee retention is the biggest challenge faced by HCM in the modern and digital economy. Retention of employees for a certain period of time in an organization is a major challenge facing public and private corporations in Indonesia today in all sectors.

Another factor that supports the development of employee retention programs is employee motivation. Work motivation is considered to be the most important part in terms of the commitment of employees to their desire to be loyal to the company, it is assumed that employees who have high work motivation, then these individuals have a high organizational commitment to remain in an organization. Motivation is the most important part in encouraging employees to stay loyal and stay in the company (Permata & Rahardja, 2016).

2. METHODOLOGY

The research method is a scientific way to get data with a specific purpose and purpose. The scientific way means a study must be based on scientific characteristics, namely systematic, rational, and empirical. Systematic which means a study must be carried out in accordance with logical steps. Rational, which means a study must be affordable by human reasoning, and empirical namely the ways carried out in a study must be observable by the human senses, so that it can be observed and known in ways that (Saunders et al, 2009). In this study, using quantitative research methods, where the data collected are numbers that will be analysed using statistics (Saunders et al., 2009).

This quantitative method uses the logic of deductive thinking, namely from the general specificity, from the two-step flow of communication that is generally applied to the performance of corn farmer companies as the object of research. As a quantitative study, this study is also independent, where there is a distance between the researcher and the object under study. Data collection method that will be used is through surveys with questionnaire aids that will be carried out to corn company employees. The results of the questionnaire will be described in the form of statistical data. This study was conducted to examine the factors that influence employee retention in one of the Fintech companies in Indonesia, especially on employees of millennial generation, therefore Structural Equation Model (SEM) will be used using the SmartPLS 3 software as an analysis tool in this study.

Population is a field of generalization consisting of objects or topics that have certain attributes and features to be observed and then drawn conclusions decided by researchers. Not only persons, but also artifacts and other natural objects, are the community. The population is also not only a number that resides on the object or subject examined, but also contains all the attributes or characteristics of the subject or object (Sekaran & Bougie, 2013). The population in this study are employees of Fintech-based companies in Jakarta. Based on data obtained from the company, it is known that the number of employees at compan, which is one of the Fintech companies, has 251 employees.

The sample is a part of the population's numbers and characteristics. If the population is big, and researchers do not study everything in the population, for instance because of limited funds, workforce, and time, then researchers may use samples taken from that population (Sekaran & Bougie, 2013). Sampling is done using probability sampling techniques, namely sampling techniques that provide equal opportunity or opportunity for each member of the population to be selected as a sample (Saunders et al., 2009). There are several methods in probability sampling, in this study the method used is simple random sampling. Simple random sampling is a technique for obtaining samples that are directly carried out in the sampling unit. Thus each sampling unit as an element of a remote population has the same opportunity to become a sample or to represent the population (Saunders et al., 2009). This method is carried out when members of the population are considered homogeneous to financial technology startups employees.

As a social researcher, the possibility of errors or bias in research is quite small. The acceptable error rate in this study is 5% ($\alpha = 5\%$) or it can also be said that the study uses a 95% confidence level. Sampling is the process of selecting a sufficient number of samples from a population, so that a study of the sample and understanding of the properties or characteristics of the sample allows generalization of all elements of the population (Sekaran & Bougie, 2013). Sampling involves the following steps: (1) population determination; (2) determination of sample frames; (3) determination of sampling design; (4) determination of sample size; and (5) carrying out the sampling process. According to (J. Hair et al., 2010), to determine the sample size of a population that cannot be calculated is as follows:

1. It is recommended above 30 samples.
2. For business surveys, a sample of around 100 is considered adequate.
3. Or ranges from 15 to 20 times of the independent variable.

According to Saunders et al (2009) there are two sampling techniques that can be used, namely: Probability Sampling is a sampling method that requires an equal opportunity for each element of the population to be selected as a sample member. These techniques include, simple random sampling, proportionate stratified random sampling, disproportionate stratified random sampling, sampling area (cluster). The number of samples used in this study will be determined using (J. Hair et al., 2010) using more than 100 samples as a minimum number in the use of this research. The number of samples in this study will be determined using the Slovin formula (Slovin et al., 1993):

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{251}{1 + 251 (0,05)^2}$$

$$n = \frac{251}{1,6275}$$

$$n = 154,22427 = 155$$

From the result to the formula above, the researcher will collect data from 155 ideal respondents so that this research is for more accurate results.

3. RESULT AND DISCUSSION

At this stage is to measure the amount of influence to test the hypothesis, the value of the coefficient of influence between constructs is used to determine the effect directly or indirectly. According to (J. F. Hair et al., 2011) The procedure of creating a predetermined large number of bootstrap samples (eg 5,000) by drawing cases randomly with replacement from the original sample. Each bootstrap sample must have the same number of cases as the original sample. The PLS algorithm estimates the SEM results from each bootstrap sample (for example, 5,000 PLS-SEM estimates). The repeated bootstrap parameter estimates are then used to construct the empirical sampling distribution for each model parameter, and the standard deviation of the empirical sampling distribution is used as a proxy for the empirical standard error rate for that parameter. The obtained path model coefficients form a bootstrap distribution, which can be viewed as an estimate of the sampling distribution. The PLS-SEM results of all bootstrap

samples provide standard errors for each path model coefficient. With this information, the t-test in the study can be conducted to measure the significance of the path model relationship.

One way of understanding this choice is to consider the existing sample to be the best representation of budget hotel employees from the underlying population. This thesis may not have the entire population to sample from others, but the data of this thesis have special population representation. Completely random resampling of this population representation means that it is used as a sample with replacement, resampling by resampling is done because it is the right thing to do, given the model behind the bootstrap is to use a non-parametric maximum likelihood to estimate the cumulative distribution function, then take a sample of independent observations from the estimated cumulative distribution function. The image below will explain path analysis for hypothesis testing as follows:

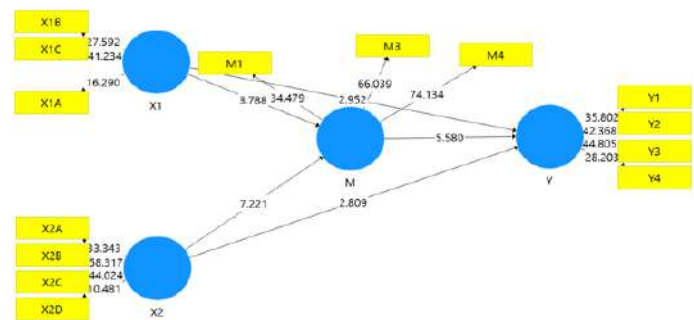


Figure 4.3 Path Analysis

The results of the bootstrapping above to test the hypothesis, all indicator items in all constructs have a statistical value greater than 1.96, the conclusion is that all the indicator items above are able to measure the existing constructs. Meanwhile, to test the effect between variables, the statistical value of the Smart PLS analysis results was compared with the table value. The following is a table that provides the results of the relationships between constructs.

Table 4.6 Hypothesis

Hypothesis	Path Analysis	<i>t</i> Statistics	<i>Sig</i> <i>P</i> Values	Information
H ₁	Compensation -> Employee Retention	2,952	0,003	Accepted
H ₂	Recognition -> Employee Retention	2,809	0,005	Accepted
H ₃	Motivation -> Employee Retention	5,580	0,000	Accepted
H ₄	Compensation -> Motivation -> Employee Retention	3,903	0,000	Accepted
H ₅	Recognition -> Motivation -> Employee Retention	3,822	0,000	Accepted

The results above show that compensation has a positive effect on employee retention with a t value of 2.952 and a p-value of 0.003 <0.05. So it can be said that H0 is rejected and H1 is accepted. In the table above, it is known that recognition has a positive effect on employee performance with a t value of 2.809 and has a significant effect because it has a p-value of 0.005 <0.05. So it can be said that H0 is rejected and H2 is accepted. In the table above, it is known that motivation has a positive influence on employee performance with a t value of 5,580 and has a significant effect because it has a p-value of 0,000 <0.05. So it can be said that H0 is rejected and H3 is accepted.

In the table above, it is known that compensation through motivation has an indirect positive effect on employee performance with a t value of 3.903 and has a significant effect because it has a p-value of 0.000 <0.05. So it can be said that H0 is rejected and H4 is accepted, in this case motivation is successful as a mediation because in the direct effect compensation has a lower t value on its effect on employee retention. In the table above, it is known that recognition through motivation has an indirect positive effect on employee retention with a t value of 3,822 and has a significant effect because it has a p-value of 0,000 <0.05. So it can be said that H0 is rejected and H5 is accepted, in this result motivation is successful as a mediation which has a significant value and has a higher t value than the direct effect of recognition on employee retention.

4. CONCLUSION

Retaining employees is an essential objective of any organization and the secret to an organization's long-term health and success depends on retaining employees and maintaining the high retention of employees will improve the company's productivity and results because, with high retention, turnover will naturally be low. The results of this study explain that there are several important factors that can affect employee retention at financial technology companies, one of which is compensation and recognition which have a significant effect on employee retention. Motivation is the variable that has the greatest influence on employee retention, apart from having a direct effect on motivation, motivation has also succeeded in being a mediator between compensation for employee retention and recognition of employee retention. Low turnover saves the expense of recruiting and selection. Attracting and maintaining talent in a company for a fair period of time is a major challenge facing public and private companies in Indonesia in all sectors today. Increased employee recruiting and retention rates include the advantages of an efficiently executed talent management plan. Employee retention information can be a source of competitive advantage for businesses. The influence it

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Leadership style, organizational culture and job satisfaction on employee performance (Study in Food Manufacturing Companies)

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ABSTRACT

This study builds an integrative equation model intended to provide an overall meaning about the relationship between leadership style, organizational culture, job satisfaction and its implications for employees, and how the relationship between each variable is interrelated. This research was conducted at PT. Neo Pangan Harmony by using primary and secondary data. This study took a sample of 250 people from a population of 675 people, the results of this study showed a significant relationship between each variable on employee performance.

Keywords: Leadership, Organizational Culture, Job Satisfaction, Employee Performance

1. INTRODUCTION

Companies pay attention to building a performance-driven organization, by encouraging performance towards company performance (Wibowo, 2013). Performance improvement is carried out to achieve company goals, carried out jointly by people or groups of people in accordance with their authority (Rivai, 2011). Effective collaboration between leaders and subordinates is a potential potential to improve company performance (Darwati, 2012).

Leadership plays a big role in moving the company to adapt to the environment, increasing the effectiveness of the organization to achieve its mission (Taylor et al., 2013). Leaders can create a work atmosphere without any personal interest (Bass, 1996). Leadership includes the process of influencing and motivating the behavior of followers to achieve goals, improve the group and its culture (Rivai, 2014). Leaders can create organizational culture according to their personalities and experiences (Schein, 2010; Nguyen and Mohamed, 2011; Clients et al, 2013). On the other hand, culture plays an important role in developing and creating business leaders and sustainability (Bal and Quinn, 2001). Chong et al (2018) found the pattern of "Organization

culture-leadership style-outcomes", where organizational culture is related to leadership style, and leadership style mediates organizational culture to outcomes (including job satisfaction and performance).

Wibowo (2016) states that performance is related to processes, results and ways of doing work. The achievement of the work is carried out according to the role and authority of each member and is carried out according to the applicable rules (Rivai, 2011). Work results, in the form of growth and profitability, cannot be separated from employee performance (Inuwa, 2016). Effective and efficient employee performance also has an impact on the effectiveness and efficiency of the company (Sadikoglu & Zehir, 2010). The company's ability to understand employee satisfaction can increase their productivity and performance ((Dugguh & Dennis, 2014).

Rivai (2011:3) also states that performance is influenced by job satisfaction. Job satisfaction is an individual's feeling towards his work. This feeling is a result an assessment of how far his job as a whole is able to satisfy his needs. The satisfaction is related to individual factors, namely: (a) personality such as self-actualization, ability to face challenges and pressure, (b) status and seniority, the higher the hierarchy in the company the

more it is easy for the individual to be satisfied, (c) compatibility with interests, the more suitable the individual's interests are, the higher the job satisfaction, and (d) individual satisfaction in life, namely individuals who have high satisfaction with elements of their lives that are not related to work, usually will have high job satisfaction.

The author does research on 2 companies, namely: PT Indolakto and PT Neo Pangan Selaras Indonesia are companies engaged in food manufacturing. Each of these companies certainly has a vision, mission, and company goals that must be achieved. The level of success of a company is seen from how the company manages its resources. The two companies are each committed to advancing the company to be the best by improving employee performance. In an effort to improve the performance of these employees in each of these companies are also influenced by several factors such as leadership style, organizational culture and employee job satisfaction.

One of the important factors that can affect the performance of employees is the application of a leader's leadership style to his employees, not only at the top level but at every level.

Rivai (2014:2-3) defines leadership broadly as including the process of influencing in determining organizational goals, motivating follower behavior to achieve goals, influencing to improve the group and its culture. In addition, it also affects the interpretation of the events of followers, organizing and activities to achieve goals, maintaining cooperative relationships and group work, obtaining support and cooperation from people outside the group or organization.

Robbins (2012: 469), states that there are four current views on leadership: LMX theory (Leader-member exchange), transformational-transactional leadership, charismatic-visionary leadership, and team leadership.

According to Robbins (2006:721), another factor is BO (organizational culture). BO (Organizational Culture) is the study of what people do in an organization and how their behavior affects organizational performance. Organizational culture is a value system that is believed and can be learned, applied and developed continuously. Organizational culture also functions as a unifier, identity, image, brand, motivator, development that is different from others that can be used as a reference for human behavior in organizations that are oriented towards achieving the goals or results / targets set. Each of the two companies continues to strive to maintain good BO values and implement BO which is expected to improve employee performance.

The next factor is 'job satisfaction' as mentioned above that HR is the most important thing in running the company and it is people who run the company (HR). Job satisfaction itself cannot be separated from BO and leadership style, this is also certainly a concern for each of the two companies in relation to improving employee performance.

In general, through initial observations, it can be seen that the leadership and organizational culture at PT Indolakto and PT Neo Pangan Selaras Indonesia are quite good, it can be seen from the good relationship and interaction between superiors and subordinates and a good work ethic at the company.

According to Armstrong (2006:264), the term 'job satisfaction' refers to people's attitudes and feelings about their work. Positive and favorable attitudes towards work indicate job satisfaction. Negative and unfavorable attitudes towards work indicate job dissatisfaction. Morale is often defined as the equivalent of job satisfaction. Morale is also defined as 'the extent to which individual needs are satisfied and the extent to which individuals feel satisfaction as stemming from their total work situation'. Another definition emphasizes the group of moral aspects. It was also pointed out that morale 'is a feeling of being accepted by and belonging to a group of employees through adherence to a common goal'. He distinguished between morale as a group variable, relating to the degree to which group members feel attracted to the group and wish to remain a member, and work attitude as an individual variable related to the feelings employees have about their jobs.

According to Armstrong (2006:264), the factors that influence job satisfaction: The level of job satisfaction is influenced by intrinsic and extrinsic motivation factors, quality of supervision, social relations with work groups and the degree to which individuals succeed or fail in their work. The discretionary behaviors that help companies to be successful are most likely to occur when employees are well motivated and feel committed to the organization and when work provides them with high levels of satisfaction. The study found that the key factors that influence job satisfaction are career opportunities, job influence, teamwork and job challenges.

Armstrong (2006:265), job satisfaction and performance: This is a commonly held and a seemingly not unreasonable belief that increased job satisfaction will result in increased performance. Armstrong (2006:256) mentions two groups of factors that influence job satisfaction: (1) those intrinsic to work (intrinsic motivators or satisfactions) such as achievement, recognition, work itself, responsibility and growth; (2) they are extrinsic to the job (extrinsic motivators or hygiene factors) such as pay and working conditions.

2. RESEARCH CONCEPT FRAMEWORK

The research concept framework is basically a framework for the relationship between the variables to be studied or measured through the research to be conducted. With these variables, an overview of the content of the research as a whole can be seen clearly starting from the independent variable, the intermediate variable to the dependent variable. The following are research variables that were developed from theoretical thinking as follows:

1. The influence of leadership style on job satisfaction;
Previous research by Dewita Heryanti (2007) provides a conclusion that leadership style has a positive effect on job satisfaction. The leadership style that affects high job satisfaction is a participatory leadership style. Charles R

Emery et al (2007) in his research present evidence that supports the role of transformational leadership on job satisfaction. Meanwhile, M. Umer Paracha et al (2012) in their research showed that job satisfaction did not create the role of the mediating variable between transactional leadership and employee performance.

Researchers think that there is a positive relationship between leadership style and employee job satisfaction because leadership style will affect satisfaction, whereas if there is satisfaction in the employee it will certainly encourage an increase in the employee's work, and the results of the research above which show job satisfaction does not create a mediating variable between styles. leadership with employee performance actually encourages interested researchers to research further to prove.

2. The influence of organizational culture on job satisfaction. Dewita Heryanti (2007) gives a conclusion that organizational culture has a positive effect on job satisfaction. The BO (organizational culture) that most influences high jobsatisfaction is trust in co-workers. According to the authors BO as a collection of organizational values associated with employee job satisfaction. Widya Parimita et al, (2013) in their research concluded that organizational culture has a significant negative effect on employee job satisfaction in the Transaction Process, Loan Administration and General Branch Administration subdivisions of Bank BTN (Persero) Bekasi branch.

Likewise, the influence of organizational culture on job satisfaction, according to the researcher, there is a positive relationship between organizational culture and employee job satisfaction because organizational culture will affect satisfaction, whereas if there is satisfaction in employees, it will certainly encourage an increase in the employee's work. and the results of the research above which show that job satisfaction does not create a mediating variable between leadership style and employee performance actually encourage researchers to be interested in further research to prove it.

3. The influence of leadership style on employee performance. According to Lijuan Rita Men et al, (2012): Transformational leadership positively affects employee perceptions of organizational reputation, not only directly but also indirectly, through employee empowerment. Transactional leadership negatively affects employees' perceived organizational reputation. Durga Devi Pradeep et al, (2011) in their research concluded: Transactional leadership style has a significant relationship with performance results, effectiveness at work, satisfaction, extra effort and reliability.

In line with the results of previous studies, researchers also agree that leadership style will have a positive effect on employee performance.

4. The influence of organizational culture on employee performance
Dr. Charles Johnson et al, (2012) in his research concludes: The defining characteristic of organizations that have made good use of asset management is culture. Wibowo, (2013: 376) states that organizational culture can affect the

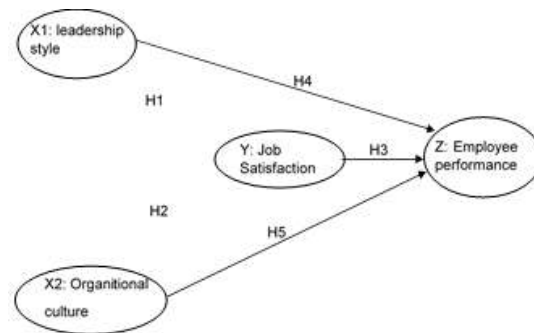
performance of human resources for the better or for the worse. Likewise Rani, (2009) in her research concludes that organizational culture has a significant effect on employee performance.

In line with the results of previous studies, researchers also agree that organizational culture will have a positive effect on employee performance.

5. The effect of employee job satisfaction on employee performance
Dian Kristianto et al, (2011) in his research concludes on the third point, that job satisfaction also has a positive and significant influence on employee performance variables. So, the performance of nurses at Tugurejo Hospita l is getting better if the job satisfaction felt by nurses is getting better. Kuswandi et al, (2015) in their research also concluded that job satisfaction has a significant effect on the performance of lecturers. Judge et al, (2001) in their research concluded that the effect of job satisfaction and overall job satisfaction on job performance results is inconsistent with the results of one study with other research results.

In line with the results of previous studies, researchers also agree that job satisfaction will have a positive effect on employee performance.

The theoretical framework for this research is described as follows:



Picture : Research thinking framework

3. METHOD

This research was conducted at PT. NeoPangan Harmonized Indonesia. The population in this study amounted to 675 people. The sampling technique used was random sampling and the sample size in this study was determined by the slovin formula.

Methods of data collection is done by distributing questionnaires to the employees of PT. NeoPangan Selaras Indonesia to answer questions related to this research used inferential statistical method using Partial Least Square (PLS) application.

Table of Characteristics of Respondents

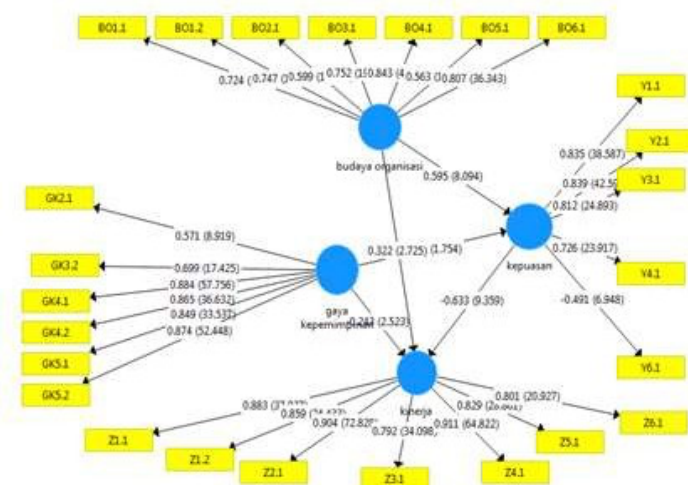
	Characteristics	Number	Frequency
Age	20 - 30	15	63.
	31 - 40	8	2
	41 - 50	74	29.
	51 - 60	16	6
	61 - 70	2	6.4
Gender	Male	20	0.8
	Female	6	82.
Education	High school graduate	44	17.
	D1-3	18	6
	graduates S-1 /	1	72.
	S2	50	4
Working	Graduates	19	20
	1 - 5	80	7.6
	6 - 10	11	32
	11 - 15	9	47.
	16 - 20	41	6
		6	16.

Source: processed by the

Hypothesis Testing

To test the hypothesis in this study, the t-value statistical for each path of direct influence is partially used. The following is an image explaining the path diagram for hypothesis testing:

Output Hypothesis Testing Path Diagram



Source: processed data

Based on the hypothesis testing path diagram above, all indicators in each variable have a value t statistic greater than 1.9696 with a df of 249 and a significance level of 0.05, so that

these indicators can measure each construct. Meanwhile, to test the relationship between variables (hypothesis testing), the t-value statistical of the Smart PLS output is compared with the t-value table. The following is a table that gives the results of the relationship between constructs (variables).

Hypothesis testing table

Relationship between Variables	Original sample	Sample mean	Standard deviation	t Statistics	P. Value	Description
of organizational culture -> satisfaction	0.595	0.603	0.074	8.094	0.000	Significant**
organizational culture -> performance	0.322	0.323	0.118	2.725	0.007	Significant**
leadership style -> satisfaction	0.149	0.144	0.085	1.754	0.080	Significant*
style of leadership -> performance	-0.243	-0.247	0.096	2.523	0.012	** Significant
satisfaction -> performance	-0.633	-0.632	0.068	9.359	0.000	Significant **

Note: ** Significant at 5% level, * Significant at level 10 %

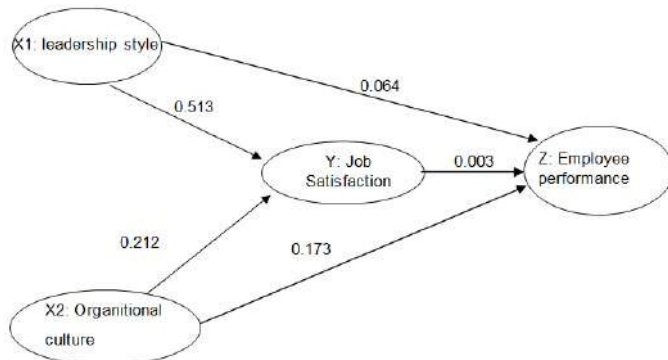
Source: Data processed

The effect of the relationship between exogenous latent variables and endogenous latent variables in the table above can be explained as follows:

1. The path parameter coefficient obtained from the influence of organizational culture on satisfaction is 0.595 with a t-value statistical of 8.094 > 1.9696 at a significance level of 0.05 (5%) which states that there is a positive and significant influence of organizational culture on job satisfaction variables. The value of 0.595 on the parameter coefficient means that the higher / better the organizational culture, the higher / better job satisfaction, and this supports the first research hypothesis, where there is a significant influence of organizational culture on job satisfaction.
2. The path parameter coefficient obtained from the influence of organizational culture on performance is 0.322 with a t-value statistical of 2.725 > 1.9696 at a significance level of 0.05 (5%) which states that there is a significant positive influence of organizational culture on performance. The value of 0.322 in the parameter coefficient means that the better the organizational culture, the better the employee performance, and this supports the second research hypothesis, where there is a significant influence of organizational culture variables on employee performance.
3. The path parameter coefficient obtained from the influence of the leadership style variable on work satisfaction is 0.149 with a t-value of statistic 1.754 at the significance level = 0.05 (5%) which states that there is a positive and significant effect of the leadership style variable on satisfaction. The value of 0.310 on the parameter coefficient means that the easier the attitude, the better the attitude will be, and this supports the third research hypothesis, where there is a significant effect of the ease variable on attitude.
4. The path parameter coefficient obtained from the influence of the leadership style variable on performance is -0.243 with a t-value of statistic 2.523 > 1.9696 at a significance level of 0.05 (5%) which states that there is a significant influence of the leadership style variable on employee performance. This supports the fourth research hypothesis, where there is a significant influence of leadership style variables on employee performance.

5. The path parameter coefficient obtained from the influence of the satisfaction variable on performance is 0.633 with a value statistical of $9.359 > 1.9696$ at a significance level of 0.05 (5%) which states that there is a significant effect of the satisfaction variable on performance. The value of 0.633 on the parameter coefficient means that the better the employee satisfaction, the higher the performance, and this supports the fifth research hypothesis, where there is a significant effect of the satisfaction variable on employee performance.

Based on the path parameter coefficients obtained in the hypothesis testing table and the explanation above, the structural equation model formed can be explained in a path diagram as the model proposed in this study:



Picture : Research thinking

So the structural equation model in this study is as follows:

$$Y1 = 0,595X1 + 0,212X2 + e1 \dots\dots\dots (4.1)$$

$$Y2 = 0.064 x1 + 0.173 x2 + 0.003 Y1 + e2 \dots\dots\dots (4.2)$$

In the first model, the influence of leadership style on employee job satisfaction has a greater coefficient value when compared to the organizational culture parameter coefficient, meaning that leadership style is the most influential variable on employee job satisfaction compared to organizational culture.

While in the second model, the direct influence of organizational culture has the highest coefficient value, namely 0.173 compared to leadership style and employee job satisfaction, so that the organizational culture variable in the second model has the most influence on employee performance compared to other variables.

4. DISCUSSION AND RESEARCH RESULTS

The Influence of Leadership Style on Job Satisfaction results of this study indicate that there is a significant relationship between leadership style and job satisfaction. This means that when employees feel that the leadership style applied by management is good, employees will feel satisfied. This finding supports research conducted by Rani, (2009) that leadership

style has a significant influence on employee job satisfaction. In line with Ratna (2008) which states that leadership style has a positive effect on job satisfaction. Furthermore, research conducted by Dewita, (2007) who conducted concluded that leadership style has a positive effect on job satisfaction.

Conclusion, H1: Leadership style has a positive effect on job satisfaction. Received.

Effect of Organizational Culture on Job Satisfaction

results of this study also show that there is an influence of organizational culture on employee job satisfaction. This study supports the research conducted by Dewita Heryanti (2007) which concludes that organizational culture has a positive effect on job satisfaction; Rani, (2009) who also concluded that organizational culture has a positive effect on job satisfaction; Ratna, (2008) which states that organizational culture has a positive effect on job satisfaction. shows that organizational culture has an effect on job satisfaction. But it is not in line with the results of research by Parimita et al, (2013) in their research, which concludes that organizational culture has a significant negative effect on employee job satisfaction.

Conclusion, H2: Organizational culture has a positive effect on job satisfaction. Received.

The influence of organizational culture on performance

The results of the research data analysis concluded that organizational culture had a significant effect on employee performance. This is in line with a study conducted by Rani, (2009) in her research which concluded that organizational culture has a positive effect on employee performance. Furthermore, it is also in line with the results of research by Ratna, (2008) who found that organizational culture has a positive influence on employee performance.

Conclusion, H3: Employee satisfaction has a positive effect on employee performance. Received.

The influence of leadership style on performance

This study shows that there is an influence of leadership style on performance . This is in line with the study conducted by Pradeep et al, (2011) in their research concluded: Transactional leadership style has a significant relationship with performance results, effectiveness at work, satisfaction, extra effort and reliability. Furthermore, it is also in line with Rani, (2009) which states that leadership style has a positive effect on employee performance; Ratna, (2008) who also states that leadership style has a positive effect on employee performance.

Conclusion, H4: Leadership style has a positive effect on employee performance. Received.

Effect of Employee Job Satisfaction on Employee Performance

This study shows that there is an effect of satisfaction on performance . These results support the study conducted by Kristianto et al, (2011) which states Third, job satisfaction also has a positive and significant influence on employee performance variables. Furthermore, Rani, (2009) whose research results state that employee job satisfaction has a positive effect on employee performance; Ratna, (2008) who also stated that employee job satisfaction has a positive effect

on employee performance. This is also in line with the research results of Kuswandi et al, (2015) which state that job satisfaction has a significant effect on the performance of lecturers.

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Covid 19 pandemic on the growth of the entrepreneurship society in Indonesian community

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ABSTRACT

The COVID-19 pandemic has given birth to many positive things in our society, especially in building a people's economy, or the emergence of many new MSMEs which have become a new change in the behavior of the Indonesian people. This study uses a literature study by conducting descriptive analysis by combining existing data and information in order to obtain scientific conclusions. The outbreak of the COVID-19 virus means society needs to reengage and fundamentally adapt to Entrepreneurship, and is well suited to taking a crisis perspective that can offer advancements to other streams of innovation including business and sociology. Entrepreneurial action incorporates a powerful mindset that can help society bounce back from the crisis. The COVID-19 pandemic has led to new behavior towards the community, especially those affected by COVID-19, especially in terms of the economy, so that people can adapt more quickly to be more productive and have high competitiveness, thus giving birth to a community culture that has an entrepreneurial spirit.

Keywords: Covid-19 pandemic, entrepreneurship, crisis, opportunity, business strategy.

1. INTRODUCTION

The COVID-19 pandemic, which began to endemic in Indonesia in early 2020, has ravaged all aspects of Indonesian people's lives, more so in the economic sector, this is indicated by many industrial sectors that have gone out of business, unable to survive both the manufacturing sector and the service sector. This problem is getting more serious, since the enactment of the Minister of Health regulation no. 9 of 2020 concerning Large-Scale Social Restrictions (PSBB) guidelines include restrictions on the activities of residents in an area suspected of being infected with Covid-19, including restrictions on the movement of people/goods within one province or district/city. In addition, the application of physical distancing, which means keeping a distance of one meter from other humans, to Work From Home (WFH) in Indonesia, reduces community activities outdoors. This restriction also requires public facilities to be closed.

Based on the law of supply and demand, a decrease in demand due to the stay at home program will in turn trigger a decrease in the amount of production. Furthermore, the process of economic

decline shows that the disaster caused by Covid-19 has damaged the smooth mechanism of market formation between the lack of demand and supply. A contraction in production, which leads to a contraction in demand, eventually eliminates the economic surplus. Given that the vital aspects of the economy, namely supply, demand and supply-chain, have been disrupted, the impact of the crisis will be felt evenly across all levels or levels of society.

This has an impact on the policies of many companies to downsize employees or what can be called layoffs (Termination of Employment), unemployment is increasing, so that the purchasing power of the Indonesian people has decreased which in turn triggers the real sector to fail. live, who cannot only complain and blame each other, but must continue to struggle to survive, so that they can still survive in the midst of the conditions that hit. Bapenas predicts the unemployment rate before the COVID-19 pandemic has shown at 6 million people and after the covid pandemic, this figure will increase to approximately 5 million people, which currently counts around 11 million people who do not have jobs. The difficulties that are currently afflicting the Indonesian people and also the world community in general have resulted in many positive things

growing, namely the growth of an entrepreneurial spirit among the community. For people who have a lot of capital, management, and relationships, they can open a business in the field of health and environmental hygiene which currently promises huge profits. In addition, it can also open up new job opportunities so that it can assist the government in reducing the number of unemployed. Humans must adapt to survive by seeing opportunities, strategizing, and increasing competitive advantage, especially to improve the economy both organizationally and personally.

2. METHODOLOGY

The method in this journal is a qualitative method with a literature study approach. Researchers collect and examine phenomena that occur due to COVID-19 globally through several informative media such as articles and scientific journals related to the effects of the COVID-19 pandemic.

3. LITERATURE REVIEW

Opportunity and Planning

The Covid-19 crisis has pushed people to look for better opportunities to survive the economic shock in the midst of this pandemic. The Covid-19 epidemic crisis resulted in a significant decline in several business sectors. This is not necessarily an obstacle to strengthening organizational values and obtaining new opportunities. This is supported by the motivation that individuals and groups can work together to pursue strategic opportunities. One can maximize that opportunity if it is integrated with appropriate planning. Planning activities have a primary function for entrepreneurs who are in the process of creating new ventures as independent startups or for existing companies. potential investors or other key stakeholders suppliers or sales channel partners.

For entrepreneurs, planning can assist them in evaluating business opportunities and determining appropriate actions. Planning can identify alternative scenarios and enable the entrepreneur to select the most attractive option at any given time. As time goes on and business situations change, planning facilitates continuous monitoring and reassessment of the situation and the best options for the future. planning can provide insight into the overall business opportunity in terms of financial modeling and market valuation.

The COVID-19 pandemic is changing the way people live, think and transact and organize their societies. The most important changes that Covid has brought to date are undermining old

institutions, reshaping global supply chains, disrupting existing business and private networks, and undermining the flow of knowledge, technology capital and ideas. This encourages the community to create their own opportunities in the midst of limited space in the scope of the economy and business. Covid has put pressure on people who are marginalized from the workplace to innovate in their business models to maintain their relationships with their customers. Some new businesses have had to re-examine their supply chains and operations to find ways to resume production and delivery accordingly and are trying to shift their production focus to addressing the immediate market need for masks and medical equipment such as ventilators. In fact, several well-known companies have tried to take advantage of their skills in shifting the focus of their production.

The entrepreneurial ecosystem plays an important role in the basic elements of sustainable long-term growth and development. Stakeholder support is very important for sustainable entrepreneurship, especially in the post-pandemic recovery period. Such contextual factors may refer to particular legal, institutional and regulatory frameworks, and historical, cultural, and socioeconomic factors as new forms of adaptation. These opportunities must be planned so that entrepreneurship sub-stability occurs as a source of income in the face of the crisis. Entrepreneurship can contribute both to social welfare and to an "ecologically sustainable economy" changing the view that economic development and environmental protection Sustainability orientation can also be a competitive advantage. This is very relevant to the current COVID-19 Crisis where many small businesses are also struggling to survive. At the same time, COVID-19 is driving the need for new products and services that can balance resources and health and safety concerns.

For some people who want to try COVID-19, it means they need to be re-engaged and fundamentally adapt to careful business planning. Given that the resulting economic crisis has few historical parallels, the high level of uncertainty and risk limits the guidance any planning process provides. It appears that, as the economic context changes rapidly, the frequency of planning reassessments, and adjustments, will need to be increased until a more stable environment is achieved. However, if business planning requires substantial time and resources (which, in the current context required for more potential value creation activities such as accelerating new product development, closing customer contracts, or interacting directly with investors) this could represent a significant business expense. potentially non-trivial. Therefore, entrepreneurs need to carefully consider the appropriate degree of business planning required and the form of effort. The Covid pandemic has caused serious political, economic and economic problems.

Psychological effects It has greatly changed the global business environment, building a formidable barrier on the path of international business expansion. The post-Covid world is likely to offer important opportunities for many business sectors Examples include enterprise technology services, home entertainment, AI, robotics, telemedicine, hospitals, medical equipment suppliers, e-commerce retailers, e-learning providers, courier pickup and delivery services, cybersecurity, and product manufacturing sanitation, among many others. Entrepreneurial success depends on the support that entrepreneurs receive from

their environment, be it from other individuals or institutions. This engagement perspective has sparked discussion about ecosystems and their role in driving entrepreneurial success. The ecosystem or environment that supports entrepreneurship plays an important role in the foundation and growth of the company and determines the prospects for long-term sustainable urban and regional development. Although researchers agree that stakeholder support is vital for sustainable and stable entrepreneurship, there is still a need for understanding how contextual factors can drive entrepreneurial sustainability. Such contextual factors may refer to particular legal, institutional, and regulatory frameworks, and historical, cultural, and socioeconomic factors.

Business Strategy During a Pandemic

The covid-19 pandemic does not always prevent someone from achieving a better economy in a less conducive situation like this, one of which is by becoming a businessman. The important thing to enter the business world in the midst of a pandemic is to develop the right strategy to be adaptive to the Covid-19 crisis. Business people can adapt through the STP (Segmenting, Targeting and Positioning) strategy to attract consumers. Marketing strategy is one of the important elements that must be considered by business people. It contains segmenting which has the meaning as an attempt to divide the market into groups that can be distinguished from each other in terms of needs, characteristics, or behaviors that may require certain products and marketing strategies to reach them. Basically market segmentation is a strategy based on a consumer-oriented marketing management philosophy. By implementing market segmentation, marketing activities can be carried out more directed and company resources in the marketing sector can be used more effectively and efficiently.

In facing the economic and business challenges due to the COVID-19 pandemic, various types of approaches are needed, including a macro approach through government policies and a micro approach such as through business management of MSMEs. In a macro approach through government policies, First, the government should announce the sunset article of the current economic and business support measures and progressively adopt a more focused support strategy for recovery. Timing and speed are very important. Withdrawing economic and business support measures too quickly can lead to massive failures for companies and weaken competition, but on the other hand, prolonged economic and business support can result in distortions, reduce incentives to adapt and innovate, and trap resources in activities. which is not productive.

Second, governments must ensure that the flow of enterprises in and out is gradual and continued in a manner that supports inclusive recovery (that is, without further burdening those most affected by the crisis, such as youth, women and migrants). There are opportunities to improve the status of insolvency, facilitate closure of unproductive businesses and proper business restructuring, and increase the ability of entrepreneurs to start new businesses after failure. Since bankruptcy can escalate dramatically, policy reforms should be able to limit the negative effects and reduce personal costs for honest failed entrepreneurs.

Every businessman certainly wants his business to be successful and survive in the midst of this corona pandemic. There are certain tips so that the business can survive even in a storm.

You can try the following tips so that the business you run continues to survive (Rohmah, 2020):

1. Have high self-confidence and independence. Every businessman must have high self-confidence. Without high trust, a business cannot run because it does not dare to take all the risks. If you already have self-confidence, even with a small capital, you can start a business.
2. Doing halal business, starting from capital, process, to sales. In addition, what is no less important is that the goods traded are halal, good, and do not harm the human body.
3. Maintain the trust of business relations. Maintaining the trust of business relations by maintaining the quality of goods and also keeping payments in accordance with the specified time. The method used to maintain customer trust is to provide good and satisfactory service. Also the goods sold are of good quality and without defects.
4. Promoting traded goods, namely by making advertisements in both electronic and print media. In the current era, promotion can be done easily, namely through social media which has a very large number of followers and can reach various parts of the world.
5. Doing business with basic necessities. A very promising business is the business of basic necessities. Basic needs goods will always be sought and needed by all levels of society to meet their needs, because these needs are primary. Basic needs goods also have a fast moving nature, which means that consumers are constantly looking for them because these goods are primary needs. All levels of society need these goods, so there will always be a demand to buy these goods.
6. Leadership / leadership. A leader must have a leadership spirit, adapt easily to others, and be open to suggestions and criticism. This is for the progress of the business being run. Without good leadership a business will not be successful. Suggestions and criticisms are accepted so that the business that is run is always innovative, creative, and flexible.
7. Eighth, Using information technology in business. Nowadays, people are getting used to digital consumption, especially with the corona outbreak, the government has made a policy of Large-Scale Social Restrictions (PSBB) where people have to limit their movements outside their homes. With online shopping services, the community will be greatly helped, and this is also an opportunity for business people to serve and attract as many consumers as possible.

Such a pandemic situation makes it very possible for the development of a creative economy among the community, especially those who are greatly affected by policies due to this pandemic. Creative economy is a concept in the new economic era that intensifies information and creativity by relying on ideas and knowledge from human resources as the main production factor. This concept will usually be supported by the existence of the creative industry which is its embodiment. The concepts include:

- Promotion Promotion is a form of marketing communication. What is meant by marketing communication is marketing activities that seek to disseminate information, influence or persuade, and remind the target market of their products to be willing to accept, buy, and be loyal to the products offered by the company concerned.

- **Excellent Service** Excellent service is a service that meets quality standards in accordance with customer expectations and satisfaction. In the business world, competition between business people is very tight. This is what then results in sellers having to provide satisfactory service to their customers, because if they don't, their customers will switch.
- **Customers Rewards** Giving gifts or rewards is one of the marketing strategies in doing business. The goal is to maintain customer or consumer loyalty, as an attraction to get consumers, increase business turnover, as a promotional medium and as a form of gratitude. There are many types of objects or goods that can be used as gifts or rewards as a means of introducing products to consumers.
- **Affiliate or Partnership** A business partnership is a contract between the partners of a company in which the terms and conditions of the partnership are clearly stated including profit sharing ratios, liabilities, assets, investments and others. With partnerships, the business proves to be more durable and generates efficiency and resources owned by the partnering parties therefore benefit all parties.
- **Social Capital.** Social capital is the relationships created and the norms that shape the quality and quantity of social relations in society in a broad spectrum, namely as social glue that keeps members of the community (nation) together. Social capital is transmitted through cultural mechanisms, such as religion, tradition, or historical customs.

This is a technical thing that can be done to survive in a crisis situation like this, but there are external factors that will support economic recovery during a pandemic, especially in the entrepreneurship field strategy, including the following:

1. **Decentralization.** The advantages of decentralized decision-making to combat the virus, also apply to supporting entrepreneurs and businesses and mitigating the economic consequences of the COVID-19 pandemic. The benefits of decentralization in the fight against COVID-19 for example can be seen in gathering information and gaining a better understanding of the nature of the virus. This is important for entrepreneurs in data collection, learning and decentralized financial distribution, as well as transparency in data information, including open evaluation of results and experiences.
2. **Democratic.** democracy tends to prioritize tolerance over individualism. This type of behavior is what is needed in situations of high uncertainty to describe what works and what doesn't, especially when it comes to economic adjustments to lockdowns and social distancing. Countries that practice preferentially tolerant behavior are more likely to see innovative solutions to doing business under constraints, and therefore potentially less business failure or increased unemployment than under autocratic governments. Diverse entrepreneurial approaches, experiments and innovations tend to be more developed.
3. **Demand.** Demand is an important reference for entrepreneurs as the right business opportunity to help meet the existing limitations of basic needs during the COVID-19 pandemic so that the economy can slowly continue to run until the situation recovers after the COVID-19 pandemic.
4. **Distribution.** A good distribution channel will be an indicator of economic recovery in the midst of a pandemic. This needs to be considered for entrepreneurs to always apply health protocols that are in accordance with existing regulations and avoid various forms of monopolies that impact on the limitations of urgent needs in the midst of this pandemic.

4. DISCUSSION

One of the major changes brought about by Covid is the growing introduction and use of digital technology in the workplace and in everyday life. With billions of people locked and unable to work from their offices, digital technology has offered its innovative solutions enabling the delivery of medicines and other healthcare, food and education needs while working from home. It also keeps people around the globe connected. This change has made billions of people aware of and comfortable with digital technology, appreciate its capabilities. Furthermore, with travel restrictions being imposed around the world, companies are also finding digital technology useful to keep their employees connected, informed and productive. COVID-19 is driving the need for new products and services that can balance resources with health and safety issues opening up new opportunities for entrepreneurs.

The thriving entrepreneurial movement is an important way of dealing with the shocks of this pandemic crisis, people losing their jobs and incomes have had a tremendous effect on global economic instability. COVID-19 has cost more than millions of people out of work, but if the pandemic is prolonged the cumulative number of job losses between 2020 and 2030 from having fewer than emerging start-ups could exceed the number of people who lost their jobs.

In order for economic principles to apply In the practice of entrepreneurship, more efforts should be directed towards changing the entrepreneurial mindset. Learning media such as textbooks can be an indicator of sustainability as a reference from the economy, and therefore marginalize any attempt to apply circular thinking to mainstream entrepreneurship. Responding efficiently to crises, it is important to consider their impact on entrepreneurship. This will allow the individual to act quickly and become stronger from the process. To ensure longevity in the marketplace, businesses need to find ways to deal with that crisis involving positive forms of innovation. This includes applying creativity to the problem of getting a chance. Situation-specific adjustments may be required by businesses to continue operating during a crisis. These adjustments can create cultural, lifestyle and social changes that include social distancing and hygiene requirements. An entrepreneurial culture can result from when a business introduces change that has a component culture associated with a crisis. This allows the culture to reduce fear and maintain a connection with society. From an entrepreneurial lifestyle perspective, a continued emphasis on work/life balance during the Covid-19 crisis is needed. This could mean a lifestyle of business opportunities are found which can be used to overcome the problems caused by the crisis. In addition, businesses need to take advantage of lifestyle opportunities that increase overall efficiency and productivity. The spread of the COVID-19 virus means society needs to re-engage and adapt fundamentally, contributing to business planning quickly. Given that the economic crisis, the high degree of uncertainty and risk, limit the guidance provided by any planning process, as the economic context changes rapidly, the frequency of planning reassessments, and

adjustments, needs to be increased until a more stable environment is achieved.

Entrepreneurship is well suited to taking a crisis perspective that can offer advancements to other streams of innovation including business and sociology. The crisis is not a new thing from this pandemic phenomenon, but the impact of the Covid-19 crisis has been very powerful. As a result, the Covid-19 Crisis has raised questions about how entrepreneurs can respond. Finding solutions or ways to deal with the Covid-19 crisis is very important for the effects of the Covid-19 crisis to become more severe than the previous crisis. Entrepreneurship as a socio-economic activity provides a way for people to recover from the crisis. Entrepreneurial action incorporates a powerful mindset that can help communities bounce back from crises. The disposition towards entrepreneurship means having a preference for engaging in proactive, futuristic and innovative behavior. The entrepreneurial idea has persisted over time but provides a way to overcome common barriers in times of crisis. Entrepreneurship can mean offering positive support while holding back the negative associated with a crisis.

5. CONCLUSION

The COVID-19 pandemic has led to new behavior towards people, especially those affected by COVID-19, especially from an economic perspective, so that people can adapt more quickly to be more productive and have high competitiveness, thus giving birth to a community culture that has an entrepreneurial spirit. This covid pandemic has provided many lessons for our society to return to synergies with each other by building a promising joint business cycle, so that it is hoped that it can help the economy recover quickly and with new adaptations that are being implemented by the authorities. The community is given a momentum to re-exploit the existing resources to the maximum in order to have high economic value and competitiveness in the future.

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