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THE ANALYSIS OF CHANGES IN IMPLEMENTATION TO PSAK 71 POST-COVID 2019 ON ALLOWANCE FOR IMPAIRMENT LOSSES (IN BUMN BANKING SECTOR COMPANIES LISTED ON THE IDX)

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ABSTRACT

Changes in the Statement of Financial Accounting Standards from PSAK 55 to PSAK 71 require banks to use the Expected Credit Loss (ECL) method for the establishment of Allowance for Impairment Losses (CKPN). In the ECL method, banks establish CKPN from the beginning of credit recognition using the forward-looking method on macroeconomic conditions. In Indonesia's current status quo in facing the Covid-19 pandemic, the existence of PSAK has begun to be tested, adjustments must be made to financial accounting standards that are useful for strengthening the line of corporate accountability in Indonesia and able to answer Indonesia's main urgency at this time. The purpose of this paper is to produce a framework that can later become an alternative bank in making decisions for the application of the post model PSAK 71. The method in this study uses a qualitative method with a descriptive design. The consequence of applying PSAK 71 will result in a rise in Allowance for Impairment Losses (CKPN) on loans, which will have an impact on the company's capital. Because the method used in PSAK No. 71 will use the expected credit loss method to determine the expected credit loss, loans that were not previously formed by CKPN will be formed depending on whether there is credit risk exposure or not, as shown by BBNI and BBTN which are seen in the observation year. This will result in an increase in the amount of CKPN on loans. Since there were banks in BUMN banking that experienced an increase in CKPN on loans as indicated by BBNI and BBTN, but there were also banks that experienced a decrease in the value of CKPN on loans as indicated by BBRI, there is no clear correlation between the application of PSAK 71 and CKPN on credit. It is better if the bank's advice has adjusted to changes in PSAK and implemented PSAK 71 taking into account the adjustments to the allowance for impairment losses (CKPN)

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INTRODUCTION

Public funds and returning them to the community in the form of credit or through other means (UU RI, 1998). The advancement of the nation's economy depends greatly on the banking industry of today. The biggest issue that affects every firm operating in any industry the most frequently is the requirement for money (capital) to finance its operations. Financial institutions are no exception; in addition to operating other businesses, such as holding onto money that has not been utilized by the owner in a while, they also finance the capital of an industry of commerce. (Azizah et al, 2022) To reduce the risk of loss that can arise from providing investment funds to these customers, banking organizations are required to provide allowance for asset losses based on the findings of the quality assessment of the assets pledged as collateral. Bank Indonesia requires banks to establish an allowance for impairment losses (CKPN) in accordance with applicable accounting standards by PBI No. 14/15/PBI/2012. A reserve that must be established at

a specific percentage of accounts receivable based on the classification of receivables quality is known as an allowance for doubtful accounts and is required by PMK 201/PMK.06/2010 concerning the quality of receivables of state ministries/agencies and the establishment of an allowance for doubtful accounts. The projected value of receivables that might not be accepted for payment in the future from a person, a corporation, or another entity is known as the "allowance for doubtful accounts." In this situation, the allowance for uncollectible accounts may take the form of an allowance for estimated uncollectible credit losses that are calculated as CKPN.(Rhamadani,2022)

The International Accounting Standards Committee published the drafting of IFRS 9, which replaced IAS 39 as the standard for financial instruments, in March 1999. Through the implementation of PSAK 50: Financial Instruments (Presentation and Disclosure) and PSAK 55: Financial Instruments (Recognition and Disclosure) Measurement, IAS 39 has been implemented in Indonesia since 2006. Prior to the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI) ratifying PSAK 71 on Financial Instruments, which is the adoption of IFRS 9, on July 26, 2017, PSAK 50 and PSAK 55 underwent a number of revisions and adjustments. The entity is provided a transition period of two years to prepare for PSAK 71, which is proposed to take effect on January 1, 2019, in its application. This is done in light of the fact that preparations for implementation have been made since 2017 through various forms of socialization and education, as well as the creation of a working group made up of regulators and the banking industry, two parties that would be very severely impacted. (2002) (Ningrum, Lubis, & Firmansyah,2022).

The current economic impact is undoubtedly expected to make it harder for banks to construct CKPN, where they must form an instant reserve when credit is issued, commencing in 2020, in line with the efficacy of PSAK 71's implementation. On the other hand, it is feasible for many businesses that had applied for high-risk loans before PSAK 71 was implemented to state that they are unable to continue credit at this time, forcing banks to bear CKPN that had not previously been made. In addition to poor loans, there is a decrease in public consumption. Based on the information, Bank Indonesia predicts that the 2019 GDP will be 2.7% lower than the actual GDP. In 2021, (Tungga, Angelina, and Elliza,2021) The COVID-19 epidemic, which caused the economy as a whole to slow down, was another issue that banks had to deal with during the new period when PSAK 71 was implemented. Almost all business units saw a 2.07% (c-to-c) decline in Indonesia's Gross Domestic Product (GDP) in 2020 compared to 2019 according to statistics from BPS. With this pandemic, it will be difficult for the business sector to continue operating, which will subsequently make it more difficult for debtors to make bank loan payments. OJK issued POJK Number 11/POJK.03/2020 about National Economic Stimulus as a Countercyclical Policy for the Impact of the 2019 Coronavirus Disease Spread in response to this pandemic. According to this rule, banks are allowed to restructure all loans and funding for a period of one year to all debtors, including MSMEs who are said to be impacted by COVID-19. By preventing the increase of CKPN (Suratha E, 2022), OJK also gives banks some leniency. However, this treatment is only given to debtors whose performance is strong but who are now suffering from the pandemic. The bank is required to create a CKPN if it is predicted that the debtor won't be able to recover from a pandemic (Isma, 2022).

When compared to PSAK 55, PSAK 71 is thought to have a greater effect on predicting losses brought on by a variety of unforeseen circumstances, such as the Covid-19 phenomena. Because the bank has a loan loss provision that has been reserved in advance, the expected credit loss (ECL) method will have a positive effect when unforeseen circumstances arise. As of January 1, 2020, PSAK 71 became law and testing for its presence started throughout this pandemic. This paper gives hope that the adaptation of PSAK 71 in the midst of the Covid-19 pandemic is able to stimulate the economy in Indonesia based on the implementation of PSAK 71 in Indonesia and the circumstances that have been described.(Rhamadani&Jefrianto, 2021) . This research has a level of

urgency in order to see the changes that have occurred in state-owned banking during the pandemic, the difference with previous research is the focus on changes that have occurred as a result of the application of PSAK 71 concerning reserves for impairment losses (CKPN)

RESEARCH METHODS

The research technique is a case study conducted at the IDX concerning the performance of 4 (four) state-owned banks that are members of the Association of BUMN Banks. These four objects are considered the most appropriate as samples because these banks are owned by the government and play a role in demonstrating performance compared to private banks. It is a qualitative approach that is applied. Quantitative and qualitative data were collected for this study; qualitative data related to the number of objects examined consisting of bank profiles, description of banking activities, how the adoption of PSAK 71 implementation related to CKPN is applied; Quantitative data taken from bank financial reports consisting of banking profit and loss which can show the performance achievements of a bank regarding the performance of state-owned banks that are members of the Association of State-Owned Banks. Data collection methods used are as follows: observation techniques and documentation techniques.

RESULTS AND DISCUSSION

Results

Beginning in 2020, PSAK 71 will be implemented. Additional CKPN have been created by Indonesian banks to meet with PSAK 71 rules. Haru Koesmahargo, the director of finance at PT Bank Rakyat Indonesia Tbk (BRI), predicts that the CKPN needed by BRI will total Rp. 10 trillion. This amount exceeds his projection from his presentation in the second quarter of 2019, which suggested that BRI would need up to IDR 8 trillion more in extra reserves (Sitanggang, 2022). Consequently, PSAK 71 causes the CKPN of Indonesian banks to rise to varied degrees. The increase in CKPN in the banking sector is considerably impacted by the implementation of PSAK 71. (Arifullah & Firmansyah, 2020). CKPN for banks that are members of the Association of State-Owned Banks (Himbara) has seen a sharp increase since the start of 2020, amounting to Rp, according to data from financial reports. 93 trillion or increased by 102.16% yoy as a result of the passage of PSAK 71. With a total of Rp 65 trillion in CKPN by the end of 2020, BRI will be the Himbara bank with the largest amount. BNI, on the other hand, is the Himbara bank with the biggest CKPN increase in 2020, expanding by Rp 44 trillion or 161.56% year over year throughout the same time frame. The following table summarizes the rise in CKPN in Himbara banking:

Table 1
Development of Himbara Bank CKPN Value

Bank	CKPN per 31 December 2019 (in billion rupiah)	CKPN per 31 December 2020 (in billion rupiah)	Difference 2019-2020	%yoy
Mandiri	29.988	62.271	32.283	107,65
BNI	16.909	44.228	27.319	161,56
BRI	38.364	65.165	26.801	69,86
BTN	6.116	13.061	6.944	113,55
Total	91.377	184.725	93.364	102,16

Source: Himbara Bank Financial Report 2019 s.d. 2020, data processed

The condition of growing Himbara bank CKPN following the implementation of PSAK 71's provisions in 2020 will have an impact on the drop in profit. Banking companies have to set aside

extra money for impairment losses on financial instruments based on the expected credit loss approach as a result of the adoption of the new financial accounting rules. Additionally, this approach gives managers more latitude in choosing the CKPN value. This circumstance may motivate business managers to implement revenue management strategies more broadly. OJK said that 6.73 million debtors had benefited from restructuring as of July 20, 2020. credit (Putra, 2022). Despite the implementation of POJK No. 11/POJK.03/2020, overall banking CKPN continues to rise. The total banking industry was estimated to have formed the CKPN up to Rp248.92 trillion in February 2020. The banks CKPN then climbed by Rp 21.24 trillion, or up 8.53%, to Rp 270.16 trillion in May 2020. Despite the rise in bank CKPN, it appears that banks have not established extra CKPN for restructured loans, particularly current loans, which dominate bank restructuring loans. Consequently, the coverage ratio (defined as the ratio of CKPN to NPL) tends to stay constant. Since February 2020, the coverage ratio has just marginally dropped, going from 161.25% to 160.97% in May 2020. Insignificant growth was also seen in the ratio of CKPN to total loans, which went from 4.49% to 4.84%. (Ardhienus, 2022). The enhanced CKPN had no discernible impact on the banking capital ratio either (CAR). Between February 2020 and May 2020, CAR slightly decreased, going from 22.27% to 22.14%.

But when looked at in light of the loan at risk indicator, which consists of: There was indeed a large increase in non-performing loans (NPL), credit quality in particular mention, and restructuring loans with existing quality. significant. When compared to February 2020, when it was just 11.14%, the proportion of hazardous credit to total loans in May 2020 increased significantly to 19.21%. The loan restructure mentioned above contributed to this increase. Credit restructuring generally results in CKPN for the banking industry. increase. There are several effects of the rise in CKPN. CKPN elevation This was brought on by a significant rise in Loan at Risk. On the other hand, CKPN coverage, banking capital ratio (CAR), and the ratio of CKPN to total loans did not vary appreciably. Along with credit risk, CKPN has an impact on revenue operating costs. Banking activities (BOPO). As of May 2020, BOPO PT Bank Negara Indonesia Tbk (BNI) grew to 78% from 73% at the end of 2019. By the end of 2020, BOPO, according to BNI, will have risen to above 80%. As of May 2020, BNI firms' total operating expenses (other than net interest) was Rp 7.57 trillion, up 14.14% year over year (yoy) from the prior period's Rp 6.79 trillion (Sitanggang, a large to small compact bank predicts the BOPO will increase, 2022). Additionally, BOPO increased, according to BCA. BCA's BOPO was at 77.1% in the first quarter of 2020, a significant rise from the first quarter of 2019 when it was at 65.2%. (Sitanggang, the most efficient BUKU IV Bank in managing operations, 2022). The similar event happened at PT Bank Pembangunan Daerah Jawa Timur Tbk (Bank Jatim). According to Ferdian Timur Satyagraha, director of finance at Bank Jatim, the BOPO position was 70.71% in May 2020. Compared to the previous year, the realization grew a little. In contrast to other banks, Bank Mayora actually saw a drop in BOPO. This bank's BOPO for the year 2019 was 97.31%. In the meantime, Bank Mayora's BOPO was reported to be 95.13% at the end of March 2020. Although BOPO has fallen, Bank Mayora still has an extremely high BOPO rate when compared to other banks.

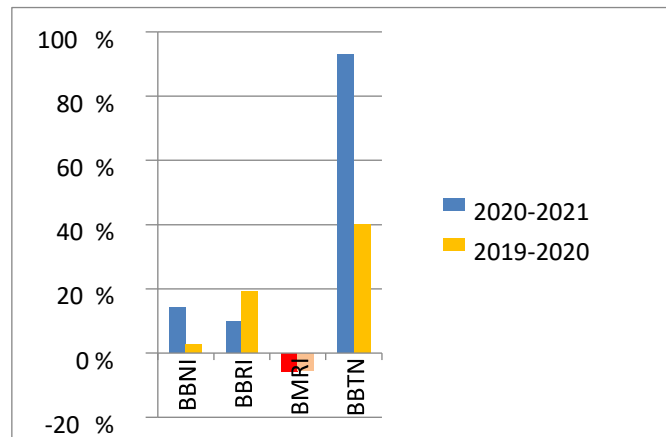
In general, the average BOPO for the banking sector in April 2020 is at a level of 84.85% (Sitanggang, large to small compact banks forecast BOPO would climb, 2022) According to the Indonesian Banking Statistics (SPI) data, which was published by the Financial Services Authority (OJK) as of April 2020, BOPO BUKU IV is at a level of 77.74%. Compared to the previous December 2019 period, when its position was at 72.31% (Sitanggang, The BUKU IV bank with the best operational management, 2022). When compared to BUKU I, II, and III banks, BUKU 4 Bank has the highest level of efficiency. However, it cannot be denied that BOPO increased across the board in the banking sector.

Discussion

Analysis of the Implementation of PSAK 71 on CKPN on Loans of State-Owned Banking Companies Listed on the IDX

The following *bar chart* shows the proportion of CKPN on credit from four state-owned banks (BBNI, BBRI, BMRI, and BBTN) listed on the IDX in the 2018–2019 fiscal year and the 2019–2020 fiscal year. Overall, CKPN on credit is a higher percentage in the 2020–2021 period than it was in the 2019–2020 period. BBNI by 14.1% and BBTN by 92.9% show that two of the four state-owned banks saw an increase in CKPN on loans on a year-over-year basis.

Figure 1
CKPN for BUMN Banking Loans for the 2019-2020 and 2020-2021 periods



Source: State-owned Banking Financial Reports for the 2019-2020 and 2020-2021 Periods
(Data Processed)

However, BBRI and BMRI were exempt from this. From 19% in the 2019–2020 year, BBRI was only able to increase CKPN on loans by a significantly smaller 9.7% in the 2020–2021 term. BMRI, on the other hand, had a free fall of 5.7%, therefore there was neither an increase nor a decrease in CKPN on credit. Despite the fact that CKPN on BMRI credit also decreased by 5.6% over the 2020–2021 period. Research findings (Rizal & Shauki, 2019) and (Witjaksono, 2017) that claimed that the introduction of PSAK 71 would generally increase CKPN on credit supported the rise in CKPN on credit that happened in state-owned banks as demonstrated by BBRI and BBTN. Five out of six respondents in a study (Rizal & Shauki, 2019) said that the implementation of PSAK No. 71 will result in a rise in the quantity of CKPN available for credit. According to study results (Rizal & Shauki, 2019), the impact of the application of PSAK No. 71 on the establishment of CKPN on loans related to the implementation of PSAK No. 55 previously applied whether conservative or not, so that it was found that all banks were not negatively affected by the implementation of PSAK No. 55. This is why the value of the decline in CKPN on loans in state-owned banks, which was shown by BBRI, occurred. 71. This indicates that, in fact, when PSAK 71 is applied, an increase in CKPN on credit on a year-over-year basis does not necessarily have a negative effect on all banks.

The foregoing explanation demonstrates that, when PSAK 71 is applied, CKPN on credit does not necessarily have a negative impact on all banks, even when there are signs that CKPN on credit is rising year over year. In BUMN banking, it transpired that some banks experienced an increase in CKPN on credit as indicated by BBNI and BBTN, but there was also a decrease in the value of CKPN on credit as indicated by BBRI, indicating that there is no clear relationship between the application of PSAK 71 and CKPN on credit. In other cases, the CKPN value for credit as indicated by BMRI actually *minus*.

According to BBRI and BBTN, the rise in CKPN on credit in state-owned banks was caused by the requirement that banks give CKPN for all forms of credit or loans, whether current (*performing*), questionable (underperforming), or non-performing (*non-performing*). According to research findings (Rizal & Shauki, 2019), the impact of the application of PSAK No. 71 on the formation of CKPN on credit depends on the application of PSAK No. 55 previously applied, whether conservative or not. As a result, it was discovered that not all banks were adversely affected by the implementation of PSAK No. 71. This is why the decrease in CKPN on loans in state-owned banks that was demonstrated by BBRI occurred. Because the fund reserves were already conservative before this legislation (PSAK 71), according to Laurensius, *Workflow Manager the Consumer Loans Group* at PT Bank Mandiri (Persero) Tbk (in Dirgantara, 2020), BMRI did not suffer a substantial impact. Thus, the stricter reserve requirements imposed by PSAK 71 have been felt by Bank Mandiri. Laurensius continued by saying that the impact of the adoption of PSAK on smaller banks was quite apparent. Laurensius claimed that Bank Mandiri's provision charges had a sizable influence on the bank as well as other sizable banks.

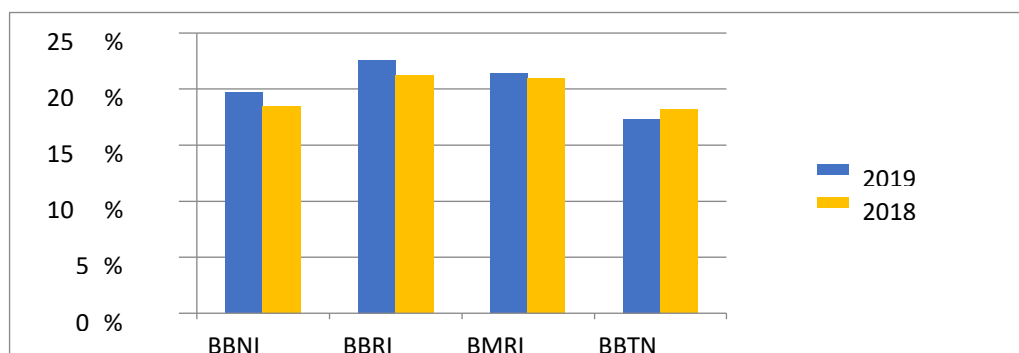
When considering the aforementioned circumstances, it cannot be said that they are "black and white," hence this issue may not necessarily apply to the bank as a whole. Conclusion: Several factors, including the following, greatly influence the amount of the impact of applying PSAK 71 on the rise in CKPN on loans.

1. The number of credits granted.
2. Credit risk.
3. Banking management in assessing the credit risk.
4. Application of PSAK No. 55 previously applied whether conservative or not.

Analysis of the Implementation of PSAK 71 on BUMN Banking Capital Listed on the IDX

The information regarding the CAR ratio (%) of state-owned banks in 2019 and 2020 is displayed in the *bar chart* below. Overall, the CAR ratio in 2019 has grown compared to the CAR ratio in 2018. Three of the four state-owned banks saw an increase in the CAR ratio, as shown by BBNI by 19.7%, BBRI by 22.6%, and BMRI by 21.4%. This did not occur to BBTN, however, as a result of the CAR ratio significantly declining in 2019 from 18.2% to a range of 17.3%.

Figure 2
BUMN Banking CAR Ratio 2019 and 2018



Source: BUMN Banking Financial Report 2019 (Data Processed)

The CAR ratio for BBNI just marginally increased from 18.5% to 19.7% as compared to last year. Similar events occurred with BBRI and BMRI, which only marginally increased from 21.2% to 22.6% at BBRI and from 21% to 21.4% at BMRI. BBTN, meanwhile, had a significant drop from 18.2% to 17.3%. The results of this study differ from those of research (Rizal & Shauki, 2019), which claim that the implementation of PSAK 71 will have the effect of increasing the amount of

CKPN on loans that will affect the company's capital, and Witjaksono, (2017), who claim that it will have the effect of decreasing the KPMM/CAR. The technique and sampling used in the research are to blame for this discrepancy. Early adopters of PSAK 71 comprised the research sample used in (Rizal & Shauki, 2019) research that used a mixed methodology (consisting of six banks, namely three foreign banks, two state banks, and one national private bank). In the meantime, Witjaksono investigated the banks that are mentioned in BUKU 2. Because BBNI, which has an increase in CKPN on credit, does not experience a fall in CAR, it follows that, in the application of PSAK 71, when CKPN on credit increases, as demonstrated by BBNI and BBTN, it will not necessarily lower the CAR ratio of the banking sector. CAR ratio year over year.

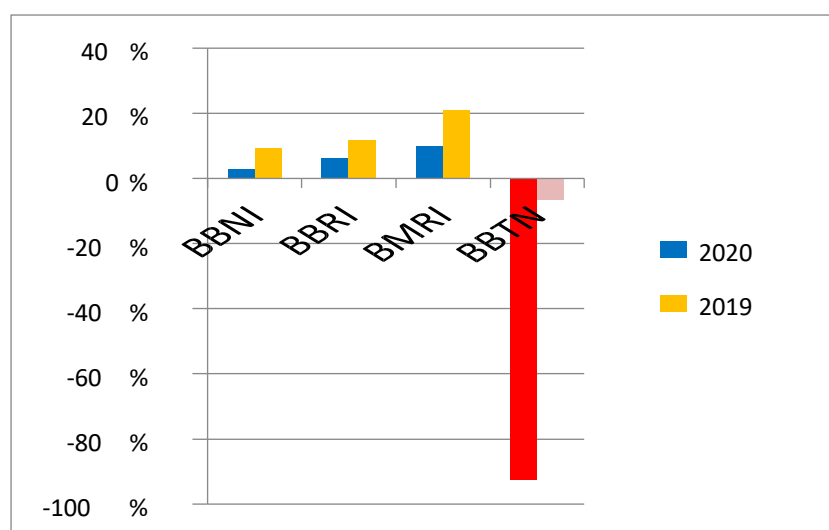
Based on the previously mentioned reasoning, it can be deduced that BBNI has raised CKPN on loans but has not experienced a decline in CAR ratio year over year, indicating that when CKPN on loans increases, as indicated by BBNI and BBTN, it will not necessarily decrease the banking CAR ratio. . In addition, BBRI and BMRI saw an increase in the CAR ratio on a year-over-year basis, despite the fact that BBRI and BBNI did not have an increase in CKPN on loans. Of course, circumstances like an increase in the CKPN on credit will cause the KPMM/CAR to decrease. The degree to which PSAK 71 treatment will reduce KPMM/CAR depends on a number of factors, including (Suroso, 2017:163):

1. Profitability level
2. Risk Weighted Assets (RWA)
3. Credit Quality Profitability level

The Impact of the Implementation of PSAK 71 on the Financial Performance of State Owned Banks(BUMN) Listed on the IDX Before and After the Implementation of the Standards.

Information about the percentage of banking profits listed on the IDX for the years 2020 and 2019 is displayed in the sidebar *bar chart*. Four state-owned banks *underperformed* overall in 2020 compared to 2019. The three state-owned banks did have an increase in net profit, as shown by BBNI's 2.7%, BBRI's 6.2%, and BMRI's 10%, although this development was only marginally higher than the year before. BBTN, on the other hand, experienced no increase and instead decreased by 92.5%.

Figure 3
BUMN Banking Profit in 2020 and 2019



Source: State-owned Banking Financial Reports (BUMN) for 2020 and 2019, Annual Report (Data Processed)

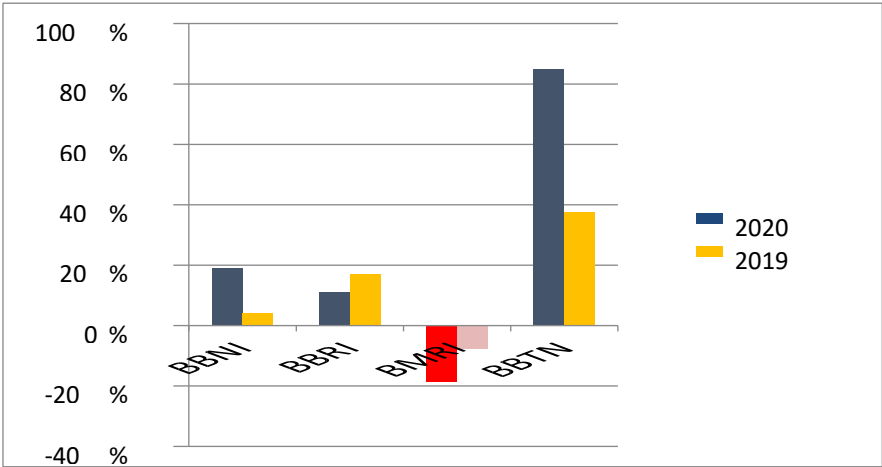
The Analysis of Changes in Implementation to Psak 71 Post-Covid 2019 on Allowance for Impairment Losses (in Bumn Banking Sector Companies Listed on the IDX)

Rafika Sari, Yevi Dwitayanti

As can be observed, the red plate issuer (BBNI) only made a profit after taxes of Rp at the end of 2020. 1,550 trillion. With profit after tax already at Rp, there was a rise of 2.6% from the prior year. 15 billion. Similar to BBNI, BBRI was only able to turn a Rp profit after taxes. 2020 will see a 3.4% growth to 34.4 trillion. from the Rp 32.4 trillion of the preceding year. BMRI too experienced almost the same fate. At the end of 2020, the performance of the bank with the gold ribbon logo only showed a 10% increase in profit after tax from Rp25,9 trillion to Rp28.5 trillion. This rise was still less than the preceding period's growth, which was 21% and could be considered *double-digit* growth.

It is clear that BTN's profit after tax, as of December 31, 2020, was Rp. 209.3 billion, down 92.5% from the company's total profit of Rp. 2.8 trillion in 2019. According to Nixon, who served as BTN's director of finance (in Gideon, 2020), the bank's profitability fell as a result of implementing PSAK 71. In accordance with the PSAK regulations, banks must have a respectable CKPN with *coverage* that must be higher than 100% by early 2020. As shown in Figure 5 Total State-Owned Bank CKPN in 2020 and 2019 on the following page, bank BTN did grow the CKPN by a sizable amount last year, namely 84.9%. Other state-owned banks (BUMN), in contrast, did not raise CKPN as much as bank BTN. In other words, when PSAK 71 was applied to state-owned banking companies' financial performance before and after the standard's application, the company's earnings indicated a change that was less than before the standard's adoption.

Figure 4
Total State-Owned Banking CKPN in 2020 and 2019



Source: 2019 State-Owned Enterprise Banking (BUMN) Financial Report and Annual Report (Data Processed)

Based on the explanation that has been described previously, that in the application of PSAK 71 on the financial performance of state-owned banking companies before and after the application of the standard, the changes in company profits are less than before the implementation of the standard. The author concludes that the impact of the application of PSAK 71 on the profit/loss of BUMN banking is quite significant because the four BUMN banks experienced a percentage slowdown in growth compared to the previous year. The implementation of the Financial Accounting Standards Guideline (PSAK) 71's regulations, according to PT Bank Negara Indonesia (Persero) Tbk, will reduce bank capital. The impact of the regulation's diminishing earnings on the business, even for the issuer with the BBNI stock code, is still within safe bounds. This is still a trial period, if the initial calculations are there (eroding BNI's profit), but it's still *back and forth*, according to BNI's

Director of Management and Risk Bob Tyasika Ananta (in Miftahudin, 2019). It has been established that the realization of Bank BNI's net profit in the 2020-2021 period only increased by 2.7%, a significant decline compared to the 2019-2020 period, which increased by 9.4%.

Suprajarto, President and Director of BRI, said "The creation and implementation of PSAK 71 have been taken into account when calculating BRI's earnings. Therefore, we are optimistic that our credit growth can still reach *double digits* when we are ready to execute PSAK 71 in 2020 ". But because Bank BRI was only able to experience an increase of 6.2% from the previous year, the profit realization that actually took place was not in the *double digits*. Executor of tasks. "With the increase in the quota for CKPN, Bank Tabungan Negara's net profit is in the area of Rp. 801 billion in the third quarter," said Oni Febriarto R., President Director of Bank BTN. We want the ratio of CKPN to keep rising until the year's limit, which is set at a level over 70%. This is demonstrated by the fact that Bank BTN's realized profit decreased by 92.5%.

As of the third quarter of 2019, Bank Mandiri reported a combined net profit of Rp 20.3 trillion, up 11.9% annually (yoy). The business will continue to raise its profits by *double digits* by the end of this year. Bank Mandiri did manage to keep profit growth in the *double digits* of 10% over the 2019–2020 period, however when compared to the prior time, Bank Mandiri saw a marked fall in profit while the bank with the gold ribbon emblem was able to produce 21% profit.

Obviously, situations like the one where the CKPN on credit increases will decrease the KPMM/CAR so that it suppresses banking profit/loss cannot be regarded as "black and white," thus this circumstance does not necessarily apply to the bank as a whole. According to the author's analysis, there are a number of factors that have a significant impact on how much profit will result from the adoption of PSAK 71 in relation to the drop in banking profit/loss, including:

1. Allowance for Impairment Losses (CKPN)
2. Third-party funds (DPK)
3. *Non-Performing Loan* (NPL)
4. Credit growth
5. Interest income

CONCLUSIONS AND RECOMMENDATION

The consequence of applying PSAK 71 will result in a rise in CKPN on loans, which will have an impact on the company's capital. Because the method used in PSAK No. 71 will use the expected credit loss method to determine the expected credit loss, loans that were not previously formed by CKPN will be formed depending on whether there is credit risk exposure or not, as shown by BBNI and BBTN which are seen in the observation year. This will result in an increase in the amount of CKPN on loans. Since there were banks in BUMN banking that experienced an increase in CKPN on loans as indicated by BBNI and BBTN, but there were also banks that experienced a decrease in the value of CKPN on loans as indicated by BBRI, there is no clear correlation between the application of PSAK 71 and CKPN on credit. In other cases, the CKPN value for credit as indicated by BMRI actually decreased. In the implementation of PSAK 71, when CKPN on loans grows, as demonstrated by BBNI and BBTN, it will not necessarily result in a fall in the CAR ratio of the banking sector as BBNI has raised CKPN on loans but does not experience a decrease in the CAR ratio on a year-over-year basis. Even though BBRI and BBNI didn't actually experience a rise in CKPN on credit, BBRI and BMRI also had an increase in the CAR ratio on a year-over-year basis. Suggestion, Before the implementation of PSAK 71, the change in corporate earnings was greater than it is now. The adoption of PSAK 71 has had a substantial impact on the profit and loss of the banking industry, since the growth of four state-owned banks (BUMN) has slowed, It goes without saying that if the CKPN on credit tightens, it will decrease Capital Adequacy Ratio (CAR) and suppress banking profits/losses, but this situation is not always applicable to the bank as a whole because it cannot be interpreted entirely in "black and white."

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THE INFLUENCE OF ADVANCED ENTERPRISE RISK MANAGEMENT IMPLEMENTATION ANALYSIS

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ABSTRACT

The study is aimed at investigating the extent to which Enterprise Risk Management Advanced (ERMADV) implementation impacts firm performance and value. The assessment of ERMADV implementation level is done by using six components derived from governance and firm operating activities whose measurements are based on Organization for Economic Cooperation and Development (OECD) principle and COSO ERM-Integrated Framework. Return on Equity (ROE), leverage, firm size, as well as board of directors were further used in this study as control variables. This study includes companies concerning the Infrastructure, Transportation, and Logistics sectors that is registered on the Indonesia Stock Exchange website from year 2018 to 2020. The findings of this research indicate that ERMADV significantly affects firm performance and value. The result of the first model indicates the simultaneous effect on the financial performance of ROA, ERM Implementation, Leverage, Return on Equity, Board Size, as well as Firm Size. Subsequently, ERM Implementation only partially influences Return on Asset (ROA). The effect of ERM Implementation, Board Size, Firm Size, Leverage, and Return on Equity (ROE) were assessed simultaneously in order to measure Firm Value of Tobin's Q. In contrast, ERM implementation and the number of Board of Directors only partially impact Tobin's Q.

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INTRODUCTION

Enterprise Risk Management first came to light as a response to the rapid changes brought about by globalization and the regulatory requirements for companies to manage risk comprehensively (Shad et al., 2019). Moreover, due to the rise of significant scandals involving finances and the global financial crisis, Enterprise Risk Management continues to receive increasing amount of attention, especially from regulatory agencies, academics, as well as practitioners across the globe (Florio & Leoni, 2017). The Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2017), in contrast, point out that enterprises will always face a volatile future. Consequently, managing Enterprise Risk Management will be a crucial step for every organization in order to remain viable and highly competitive while facing the market uncertainties. Gilbert (Bahrudin, 2016) defined risk management as a process in an organization which lowers a risk to a more appropriate level through a number of proceduers, which starts with measurement, followed by the management stage and ends with monitoring. These phases are carried out in accordance with the organizational strategic goals especially related to enterprise risk management.

Therefore, it was proven that implementing Enterprise Risk Management helps a company in supporting and increasing risk awareness within every division in the organization. It is believed that by implementing Enterprise Risk Management, an organization is able to lessen negative effects on financial markets, and the direct, as well as indirect costs of financial distress and income fluctuation. In other words, an integrated Enterprise Risk Management approach improves decision-making processes as well as increase performance and business value (Florio & Leoni, 2017).

One business risk phenomenon that has had a significant impact can be seen in the Barings Bank and JP Morgan Chase case, where one of the employees is given excessive authority to trade in highly risky equities. As a result, Barings Bank failed to survive Nick Leeson's hazardous deal and ended up being sold for £1, while JP Morgan was able to endure a loss of \$5.8 billion, with the

loss that was once estimated to be \$9 billion. While this has not impacted the global economy, many of the other large organizations experienced considerable financial damages as a consequence of rifts as well as weaknesses in the company's risk management plans and their customer data protection (Callahan & Soileau, 2017).

Several previous studies published in this subsection aim as supporting empirical evidence for development in subsequent research in order to examine issues regarding the effect of Enterprise Risk Management implementation on firm performance and value. A few previous studies have been conducted abroad, including those by (Callahan & Soileau, 2017), (Florio & Leoni, 2017), (Lechner & Gatzert, 2018), as well as (Ai Ping & Muthuveloo, 2015) which shows that Enterprise Risk Management positively impact the company performance and company value. On the contrary, a study by (González et al., 2020) came to a conclusion in which there is indications of negative associations between Enterprise Risk Management and firm performance and value. Nonetheless, research on firm value in Indonesian financial sector organizations by (Agustina & Baroroh, 2016), (Sanjaya & Linawati, 2015) revealed that Enterprise Risk Management does significantly affected value of a company.

The adoption of Advanced Enterprise Risk Management (ERMADV) in this research would be an emphasized, modernized, enriched and differentiated from previous research where ERMADV is an integrated and complex enterprise risk management framework based on the COSO ERM-Integrated Framework and Organization for Economic Cooperation and Development (OECD) principle. COSO focuses on risk measurement procedures through the Risk Assessment Procedure (RAP) which represents the frequency of risk management reporting, the level of risk management measurement from top management to the lowest level, and the methods used in risk assessment. These three components are called RAadvanced.

In addition, there is also Risk Management Governance International by the Organization of Economic Cooperation and Development (OECD) Principles of Corporate Governance which explains that effective risk measurement is not only in reducing risk, but also in the steps in managing the risk. For this reason, a direct role and integration of corporate governance is required as well as complete components in risk measurement such as the presence of a risk management director, risk committee, and the responsibilities of members of the board of directors in risk management. These three components are the integration of Enterprise Risk Management - Corporate Governance which is called CGadvanced.

This study is conducted with the purpose of exploring the degree to which Enterprise Risk Management Advanced (ERM) implementation affects company performance and firm value as assessed with Return on Assets and Tobin's Q. This study contributes on two regression models which mean that it is using Multivariate Linear Regression for the measurement of the Implementation on Enterprise Risk Management (ERM) as the independent variable and the control variable towards the dependent variable Return on Assets (ROA) and Tobin's Q in measuring financial performance along with company value.

Prior research have provided evidence of how Enterprise Risk Management (ERM) implementation affects the performance and value of an organization, where ERM is designed as a complete guide for decision making, planning, design and implementation of risk controls. At this time, the role of non-financial information in this case ERM is important for companies and is a concern for stakeholders.

THEORETICAL FRAMEWORK AND HYPOTHESES

Based on stakeholder theory in which companies and people create value and trade with each other (Parmar et al., 2010). ERM implementation in this case can be the value created by the company to be traded with other values offered by stakeholders which can be in the form of capital, reputation, loans, and others. Increased capital, reputation, and loans allow companies to improve their financial performance, namely in return on assets (ROA).

COSO (2004) declares that the fundamental reason for corporate risk management is that every business exists to add value to stakeholders. In this case, ERM creates value for companies and stakeholders by avoiding direct costs including losses, bankruptcy, or difficulty paying creditors, as well as indirect costs such as loss of reputation that can affect relationships with customers and suppliers (Pagach and Warr, 2010). ERM can also improve financial performance by enhancing the spread of capital and decreasing operating losses, as well as by enhancing the ability to spot opportunities (COSO, 2004). This indicates that ERM implementation can not only reduce the negative consequences of risk, as well as discover opportunities and improve the operational and strategic decision making process of an organization. In this situation, then organizations with good Enterprise Risk Management implementation should experience higher returns on capital and accounting performance, namely an increase in Return On Assets (Florio and Leoni, 2017; Callahan and Soileau, 2017; Baxter et al., 2013). The existence of a good ERM implementation will have a positive impact on ROA performance.

H1: The implementation of Advanced Enterprise Risk Management has a significant effect on company performance

Based on signaling theory, management's decisions about providing guidance for the investors are related to how it regards the company's future opportunities (Brigham and Houston, 2009). ERM implementation information disclosed will be a signal by the company that investors and stakeholders will respond to through fluctuations in the value of its shares relative to other companies as evaluated by Tobin's Q. The company's disclosure of its ERM implementation in the annual report is one of the ways it communicates with stakeholders about their risk profile and how the company manages these risks. Enterprise Risk Management is also crucial for sustaining a company's stability (Devi et al., 2017). In addition to improving the performance of the organization through ROA, the incorporation of Enterprise Risk Management can enhance firm value in the capital market. Baxter et al. (2013) in their research found that businesses with an excellent Enterprise Risk Management quality showed higher market valuation results as well. There is a time lag between the realization of the benefits of ERM to the company, making Tobin's Q an appropriate measurement to reflect future expectations of investors by looking at the market response of (Hoyt et al., 2011).

ERM in this case benefits the company by lessening the earnings volatility and stock prices (Beasley et al., 2008). Enterprise Risk Management prevents the accumulation of inherent risk from many different directions, hence reducing volatility. Furthermore, the ERM program emerged because of increased information about the company's risk profile. Outsiders who tend to experience difficulties when making assessments, it becomes easier to assess the financial strength and risk profile of the corporations financially and operationally with the ERM information in the annual report. Disclosure of ERM implementation is also a signal of the company's commitment to managing its risks. With increased disclosure of risk management, ERM tends to lower the anticipated costs that will arise from regulatory oversight and external capital (Meulbroek, 2002).

Taking into account the increase in operating performance, as well as the announcement of a new risk management agency and implementation in the annual report of the company, this can positively influence investor perceptions which is predicted to have a positive association between the implementation of Enterprise Risk Management and market valuation (Florio & Leoni, 2017). The existence of a good implementation of Enterprise Risk Management will bring a significant influence for the capital market assessment as determined by Tobin's Q. The following hypotheses are suggested in accordance with the theoretical basis and supporting explanations from previous study statements:

H2: The implementation of Advanced Enterprise Risk Management has a significant effect on increasing firm value.

RESEARCH METHODS

This research uses a quantitative approach through causative type research to examine the influence that a variable has on another. With this method, the researcher can make the data that has been collected to further test the truth of the hypothesis that has been formulated. This research used secondary data type which are corporations registered on Indonesia Stock Exchange (IDX). The data is accessed through the Indonesian Stock Exchange Website, as well as the company's own website. This research was obtained through the method of documentation by collecting, recording, and reviewing annual reports, financial statements, scientific journals, books, and published information.

Population and Sample

The population chosen for this study is corporations in the Infrastructure, Transportation, and Logistics Sector registered on Indonesian Stock Exchange from year 2018 until 2020. These sectors are chosen as Infrastructure Section is a key driver of economic growth. Similarly, Indonesia's Transportation and Logistics sector is critical for evaluating the extent of competitive advantage of an economy associated with the accessibility of sufficient and efficient facilities and infrastructure, to the point where it exhibits high competitiveness within the transportation sector. This will decide how quickly Indonesia's economy expands and its ability to survive in an increasingly relentless global competition. Additionally, these two industries frequently utilize enormous amounts of capitals, making it impossible to finance with the sector's own capital. Financial risks, including loan interest rate volatility, receivables risks, currency rate changes, and an increase in financial costs are increased as a result of this. Not only are these two industries subject to financial risk, but they also constantly have to deal with operational and maintenance risk, compliance and legal risk, the risk of losing human resources, and risk of raw material supply.

Purposive sampling technique was the method of selection which was applied for this research. The purposive sampling technique uses several criteria used in this study as follows:

1. Has been listed on the IDX throughout 2018-2020
2. Has published an annual report and a complete financial report that has been audited throughout the year.
3. The company only uses Rupiah as reporting currency in its annual reports and financial statements.
4. The annual reports and financial reports published by the company provide complete information regarding the variables in the study.

Table 1
Stages of Sample Selection With Criteria

No	Criteria	Total
1	Indonesian Infrastructure, Transportation and Logistics Sector Companies	86
2	Total companies that are registered on Indonesia Stock Exchange for year 2018-2020	(16)
3	The companies do not publish annual report and complete financial statements for 2018-2020	(10)
4	The companies do not use Rupiah as reporting currency	(8)
5	Total company as sample	52
6	Total data during the research period (2018-2020)	156
7	Elimination of research outlier data	(21)
8	The total number of research samples that are acceptable for hypothesis testing	135

Source: Data processed in 2022

RESEARCH VARIABLE

Dependent Variable

In this study, return on assets (ROA) and Tobin's Q are used as the dependent variables which represents company performance and company value. ROA and Tobin's Q are used to evaluate the organization and the capital market response, respectively. (Callahan & Soileau, 2017). The formula used to measure these two variables are as follows:

$$ROA = \frac{\text{Operating Income}}{\text{Total Assets}}$$
$$Q = \frac{(\text{Market Capitalization} + \text{Book Value of Liabilities})}{\text{Book Value of Total Assets}}$$

Independent Variable

1. Chief Risk Officer (CRO)

This variable acts as a dummy variable = 1 if the company appoints or currently employs risk management director / Chief Risk Officer who is the leader and person in charge of the company's strategy in dealing with risk, and = 0 otherwise.

2. Risk Committee (RC)

The next variable acts as a dummy variable = 1 if the company appoints or currently employs a specific agency Risk Committee / Risk Committee in its task of identifying and mitigating company risks, and = 0 otherwise.

3. Risk Committees reporting to the Board of Directors (RCTOBOD)

The third variable acts as a dummy variable = 1 if the company is responsible for managing the overall risk of the board of directors or the Risk Committee reports its performance to all members of the risk board / concurrent membership of the board and ICR / Internal Control Committee, and = 0 otherwise.

4. Frequency of risk assessment (RAFREQ)

This first variable acts as a dummy variable = 1 if the company conducts risk measurement procedures and or risk reporting at least 2 times in a year, and = 0 otherwise.

5. Level of risk assessment (RALEVEL)

The next variable acts as a dummy variable = 1 if the company measures the company's risk level continuously towards the lowest level, starting from the planning process, work implementation to project monitoring, and = 0 otherwise.

6. Risk assessment method (RAMETHOD)

The last variable acts as a dummy variable = 1 if the company in measuring its risk explains what risks it faces and their prevention mitigations carried out through qualitative and quantitative methods, and = 0 otherwise

Control Variable

This study only takes 2 sets of control variables, the first of which is represented by BODSIZE to see the control of the Board of Directors members and company Size which measures the assets of the company at the completion of the financial year as control variables in both measurement models of Return On Assets and Tobin's Q. Leverage and ROE is the second set used in this study. Leverage and ROE are chosen as additional control variables because the view of investors in investing generally looks at the level of debt of a company and the return on capital from the funds that have been invested (Vinet & Zhedanov, 2011). Furthermore, ROE appears to be strongly associated to market performance / firm value, while leverage might be a control for the ambiguous association of capital structure and market evaluation (Florio & Leoni, 2017).

RESEARCH MODELS

For this research, four control variables are utilized in the initial model related to firm performance in terms of financial performance represented by Return on Asset (ROA), consisting of the number of Board of Directors / BODSIZE, Size of the Company, Leverage, also Return on Equity. The second model in this study evaluates the performance of companies from the prospective of the investors, or commonly labeled as firm value. The measure of firm value is represented through the variables of Tobin's Q along with two categories of control variables consisting of BODSIZE, Company Size, Leverage, and Return on Equity, as in the first model. Multiple linear regression used to examine how the ERMADV had an impact on the firm performance and value by using SPSS 2020. Regression model in this study is constructed as described below:

Regression Model 1

$$ROA_{it} = \alpha + \beta_1ERMADV_{it} + \beta_2LEVERAGE_{it} + \beta_3ROE_{it} + \beta_4BODSIZE_{it} + \beta_5SIZE_{it}\varepsilon$$

Regression Model 2

$$Q_{it} = \alpha + \beta_1ERMADV_{it} + \beta_2LEVERAGE_{it} + \beta_3ROE_{it} + \beta_4BODSIZE_{it} + \beta_5SIZE_{it} + \varepsilon$$

Information:

ROA	: Ratio of return on assets
Q	: Tobin's Q Ratio
ERMADV	: ERM implementation dummy variable
LEVERAGE	: Leverage Ratio
ROE	: Return on equity
BODSIZE	: Board of Directors size
SIZE	: Company size

RESULTS AND DISCUSSION

Descriptive Statistic

Based on descriptive statistical analysis test results above, it shows the descriptive statistics of variables used in the study with a total of 135 company data from annual reports and financial reports during 2018-2020 period as follows:

1. Return on Assets in the 2018-2020 period has a minimum value of -0.46, the maximum value is 0.25 and the average value is 0.01 with a standard deviation of 0.09901.
2. Tobin's Q has a minimum value of 0.26, the maximum value is 6.91, the average value is 1.53 with the standard deviation value of 1.03525.
3. Leverage is used as a control to see its effect on investors' perceptions of investing. In this case, Leverage has a minimum value of -4.55, the maximum value is 11.93 the average value is 1.26 with the standard deviation value of 1.86294.
4. ROE is used to test whether it can be a control in the application of risk management to increase firm value. Return on Equity has a minimum value of -0.78, the maximum value is 1.43, the average value is 0.06 with a standard deviation value of 0.26578.
5. Members of directors are used as controls in the formation of the risk management component which affect the increasing the effectiveness and efficiency of financial performance and its effect on value. Board of Directors Size has a minimum value of 2, the maximum value is 9, the average value is 3.63 with the standard deviation value of 1.52614.
6. Firm Size is used as a control to see whether the size of the company's assets at the end of the financial year will affect the financial performance and value of the company. Firm Size has a minimum value of 24.57, the maximum value is 33.14, the average value is 28.34 with a standard deviation value of 2.15466.

Table 2
Descriptive Statistical Analysis Test Result

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	135	-0,46	0,25	0,01	0,09901
Q	135	0,26	6,91	1,53	1,03525
Leverage	135	-4,55	11,93	1,26	1,86294
ROE	135	-0,78	1,43	0,06	0,26578
BODSIZE	135	2	9	3,63	1,52614
SIZE	135	24,57	33,14	28,34	2,15466

Source: Data processed in 2022

Independent Variables Data Distribution

The distribution of data from the independent variables is specifically presented separately in Table 3 to see the distribution of the sample of ERM implementation in infrastructure, transportation and logistics sector companies in Indonesia for the 2018-2020 period.

Table 3
Distribution of Dummy ERM Variable Components

Component	Code	Frequency			%		
		2018	2019	2020	2018	2019	2020
CRO	1	12	13	13	26,67	28,89	28,89
	0	40	39	39	88,89	86,67	86,67
RC	1	16	16	17	35,56	35,56	37,78
	0	36	36	35	80,00	80,00	77,78
RCTOBOD	1	44	43	44	97,78	95,56	97,78
	0	8	9	8	17,78	20,00	17,78
RAFREQUENCY	1	38	37	39	84,44	82,22	86,67
	0	14	15	13	31,11	33,33	28,89
RALEVEL	1	41	42	43	91,11	93,33	95,56
	0	11	10	9	24,44	22,22	20,00
RAMETHOD	1	35	39	40	77,78	86,67	88,89
	0	17	13	12	37,78	28,89	26,67
TOTAL	1	118			75,64%		
	0	38			24,36%		

Source: Data processed in 2022

The ERM implementation variables, code 1 represents a company that has met at least four of the six components of ERM implementation and code 0 is otherwise. Data acquisition shows that 118 samples are coded 1 and 38 samples are coded 0. This indicates that 118 samples meet the integrated risk management criteria and the remaining 38 samples do not meet these criteria. The results of data collection suggested that Indonesian enterprises in the infrastructure, transportation, and logistics sectors are starting to implement integrated Enterprise Risk Management at a rate that is approaching the maximum value of 75%.

Classic Assumption Test Results

The test is conducted two times separately with different dependent variables, namely Return on Asset and Tobin's Q, resulting in a asymptotic significant (2-tailed) value of 0.872, and 0.130 respectively. All the values are proven to be higher than 0.05 or 5%, meaning that the data has been normally distributed and that the data can proceed to the hypothesis testing. In addition, the results of Multicollinearity Test show that all the VIF value higher than 0.10 or 0.1%, Thus, it can be

concluded that there is no multicollinearity issues between variables for these two model. Moreover, the heteroscedasticity test show the significance value are above 0.05 or 5%, indicating that the regression model utilized in this study does not have heteroscedasticity.

Table 3
Classic Assumption Test Results

<i>Normality Test (One-Sample Kolmogorov-Smirnov Test)</i>					
	Asymp. Sig. (2-tailed)				
ROA	,872 ^c				
TOBINS'Q	,130 ^c				
<i>Multicollinearity Test (Variance Inflation Factor (VIF) Value)</i>					
DEPENDENT	ERMADV	DER	ROE	BODSIZE	FIRMSIZE
ROA	1,175	1,661	1,452	1,185	1,203
TOBINS'Q	1,175	1,661	1,452	1,185	1,203
<i>Heteroscedasticity Test (Breusch-Pagan Test)</i>					
DEPENDENT	ERMADV	DER	ROE	BODSIZE	FIRMSIZE
ROA	,080	,657	,442	,461	,683
TOBINS'Q	,052	,468	,058	,062	,504

Source: Data processed in 2022

Hypothesis Test

The test in this study uses Multivariate Linear Regression analysis where testing is carried out on several independent variables and their control variables towards two dependent variables. Regression testing is carried out in stages starting from the dependent variable ROA model related to the measurement of company performance followed by the dependent Q / Tobin's Q related to the measurement of Company Value will be briefly presented in the following table 4.

$$ROA_{it} = \alpha + \beta_1 ERMADV_{it} + \beta_2 LEVERAGE_{it} + \beta_3 ROE_{it} + \beta_4 BODSIZE_{it} + \beta_5 SIZE_{it} + \varepsilon$$

$$Q_{it} = \alpha + \beta_1 ERMADV_{it} + \beta_2 LEVERAGE_{it} + \beta_3 ROE_{it} + \beta_4 BODSIZE_{it} + \beta_5 SIZE_{it} + \varepsilon$$

Table 4
Result Testing Summary

	ROA		Tobin's Q	
	Sig	Desc	Sig	Desc
ERMADV	0,015	Significant	0,007	Significant
LEV	0,914	Not Significant	0,692	Not Significant
ROE	0,061	Not Significant	0,222	Not Significant
BODSIZE	0,325	Not Significant	0,013	Significant
Firm Size	0,246	Not Significant	0,978	Not Significant
N	135 Sample		135 Sample	
F	0,004	Significant	0,008	Significant
Adjus-ted R	8.9%		7,90%	

Source: Data processed in 2022

$$Y1 = -0,194 + 0,052 X1 + 0,001 X2 + 0,070 X3 + 0,006 X4 + 0,005 X5$$

$$Y2 = 2,458 - 0,606 X1 + 0,023 X2 + 0,478 X3 - 0,152 X4 + 0,001 X5$$

According to the results of the research that has been conducted concerning the two regression models in order to measure both Financial Performance and Firm Value, the two models produce consistent results. In the first model, the dependent variable ROA (Y1), the independent variable ERMADV Implementation (X1), and the control variable Leverage (X2), ROE (X3), BODSIZE (X4), and Firm Size (X5) are used to measure financial performance.

In individual or partial testing, each independent variable's significance value is above 0.05, but for ERMADV implementation the significant value is below 0.05, it was 0.015. It can conclude that individually all control variables have no effect on the dependent variable, except the independent variable, the implementation of ERMADV which has a significant influence on the measurement of financial performance First Regression Model. The findings of the overall test suggest that a significant effect is present on the financial performance in both partial and simultaneous testing. The aforementioned is apparent in the value of F_{count} which is below its significance value ($0.004 < 0.05$), leading to the conclusion that the First Regression Model in measuring Financial Performance simultaneously has a significant effect.

The measurement of company value in the second regression model gives varying test results. Simultaneously, Tobin's Q (Y2) is significantly influenced by the independent variable ERMADV implementation (X1), as well as the control variables Leverage (X4), ROE (X5), BODSIZE (X2), Firm Size (X3). This can be seen from the value of F_{count} which is below the value of ($0.008 < 0.05$). Meanwhile, individual or partial testing of the independent variable testing ERM implementation on Y2 Tobin's Q provide significant results, it can be seen at significance which is below the value of ($0.007 < 0.05$) but the results were indicate negative sign. T_{count} value was -2.732 and the Standardized Coefficient Beta value -0.606. while the control variable BODSIZE (X4) significantly influences Y2 or Tobin's Q ($BODSIZE = 0.007 < 0.05$), and the other 3 control variables does not significantly impact Firm Value measured by Tobin's Q ($Leverage = 0.692 > 0.05$), ($ROE = 0.222 > 0.05$) & ($Firm Size = 0.978 > 0.05$).

The Effect of Advanced Enterprise Risk Management Implementation on Company Performance

According to testing conducted using the first model on the company's financial performance, ERMADV implementation is significantly impacting ROA. The findings are consistent with studies by (Callahan & Soileau, 2017) and (Florio & Leoni, 2017), concerning the significant positive impact of the implementation of ERM on firm performance projected through ROA. The findings of this research suggested that the application of risk management is considered to be significantly affecting ROA, as Return on Asset is a ratio that measures the rate of return of all existing assets of a business, or a ratio that measures the effectiveness of the funds utilized in an organization. The ability of the organization to effectively utilize assets to generate profits increases as ROA increases. Thus, companies that have implemented ERMADV will increase the company's ROA. This result also gives meaning to the conclusion that Enterprise Risk Management Advanced implementation has an influence on firm performance which is proxied through ROA.

The findings of this research are consistent with "Stakeholder Theory" suggested by (Parmar et al., 2010) where companies and people create value and trade it. In this case, companies that implement ERMADV are able to reduce operational losses, recognize opportunities, and reduce the negative consequences of risks which ultimately create value for stakeholders, namely increasing ROA. Whereas, from the company's perspective, this finding can be concluded as the achievement of the company for preventing financial damages and sustaining its reputation.

The Effect of Advanced Enterprise Risk Management Implementation on Firm Value

In testing the second model on company value, ERMADV implementation shows a significant influence on Tobin's Q. These results support the research of (Florio & Leoni, 2017). This implies that the implementing integrated risk management significantly impact the company's performance. The result proves that the implementation of Enterprise Risk Management Advanced in impacting the company's firm value, as measured using Tobin's Q. These findings support the signaling theory (Vinet & Zhedanov, 2011) where it was stated that companies attempted to provide guidance to investors on how management regards their organization's future prospects. This can be seen in the disclosure of ERMADV implementation contained in the annual report which shows the form of the commitment as well as management of the company towards risk management, where this signal is responded to by the market positively. The findings of the research are in accordance with several prior studies conducted by (Lechner & Gatzert, 2018) and (Agustina & Baroroh, 2016) regarding the significant effect of ERMADV implementation on company value which in this research was evaluated through Tobin's Q.

CONCLUSION AND LIMITATION

This research was conducted with the purpose of obtaining empirical evidence on the effect of the implementation of Enterprise Risk Management Advanced on corporate performance and value measured by Return on Assets (ROA) and Tobin's Q has a significant value on Enterprise Risk Management Advanced. This study utilized Infrastructure, Transportation, and Logistic sector corporations that are registered on Indonesian Stock Exchange as samples. Data were collected from 2018 to 2020 through the purposive sampling method. Based on the hypothesis testing performed, the following conclusions can be drawn about the research findings:

1. The financial performance test, which is measured by Return on Assets (ROA) as the dependent variable, confirms the notion that implementation of the independent variable Enterprise Risk Management Advanced and Return on Equity (ROE) as a control variable have an impact on corporate performance, in which Enterprise Risk Management advanced showcases a significant positive influence, while Return on Equity has an insignificant effect. On the contrary, Leverage, BODSIZE and Firm Size as other control variables does not affect firm performance. The financial performance measurement model indicates significant outcomes across all independent and control variables on the dependent variable.
2. The findings obtained from this research demonstrate a significant positive association between Enterprise Risk Management Advanced implementation and Return on Assets (ROA), which supports the stakeholder theory. An increase in Return on Assets (ROA) indicates that a company is successfully managing risks, in this case, reducing operational losses, which will ultimately become informative for stakeholders. For the company, on the other hand, this finding can be understood as a success in avoiding financial damages and preserving the reputation of the company.
3. Through testing the firm value by the dependent variable Tobin's Q, the independent variable Enterprise Risk Management Advanced implementation and the control variable Board of Directors Size shows significant effects on company's value. Other three control variables, which consist of leverage, Return on Equity (ROE), however, do not affect firm value. The firm value measurement model simultaneously provides significant results across all independent and control variables on the dependent variable.

The findings of this research support signaling theory by demonstrating a significant association between Enterprise Risk Management Advanced implementations and Tobin's Q. Enterprise Risk Management implementations which are disclosed by companies in their annual reports acted as a corporate signal to stakeholders, ultimately affecting the capital markets by an increase in the measurement of Tobin Q's.

This research has the following limitations which might influence the research findings:

1. The time period of the research was presently narrow. Consequently, it is unable to show the effects of Enterprise Risk Management Advanced implementation over a longer periods.
2. The limitation of the dummy variable, which is the inability to include companies that has been implementing Enterprise Risk Management Advanced on a low value. Hence, there are a possibility of using other kinds of measurement for this, as well as differentiate between the different levels of Enterprise Risk Management implementation value.
3. This study is conducted according to the information provided by the organization on its annual report. In general, it was expected for companies with a more advanced Enterprise Risk Management Advanced system to provide signals and information on their condition to the market, although annual report disclosures might sometimes be incomplete and undecided.

For the future research, the authors suggest the following improvements:

1. Extending the study's timeframe, population, and sample coverage in order to present a different perspective on how enterprise risk management affects the industries on the Indonesia Stock Exchange.
2. Including additional variables outside the scope of the study, including internal environment, risk response, economic risk, technological risk, economic risk, and others which supports the impact of enterprise risk management on company performance and company value.
3. As a part of ERMADV implementation evaluation, a more specific measurement of of the chief risk officer and risk committees' characteristics should be made. For instance, the measurement could consider the performance and activities these people do that might affect the firm performance and firm value. Meanwhile, this research is limited to emphasizing just the presence of these points within an organization.

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HOW TO PREVENT FRAUD IN VILLAGE FINANCIAL MANAGEMENT IN KAPANEWON TEMPEL?

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ABSTRACT

This purpose of the research is to determine the effect of human resource competence, morality, internal control systems, and whistleblowing on the prevention of fraud in village financial management. The type of data in this research is quantitative. This research was conducted in 7 (seven) Kelurahan in Kapanewon Tempel using a questionnaire. The population in this study is the village apparatus as the holder of the power to implement village financial management in Kapanewon Tempel. The sample in this study was 94 respondents consisting of Lurah, Carik, Danarta, Village Consultative Body, and Hamlet in 7 (seven) Kelurahan in Kapanewon Tempel. The sample selection used a non-probability sampling and the data analysis assisted by the SPSS 20 program. The data analysis method used was the multiple linear regression method. The result of the research prove that human resources competence and whistleblowing have no effect on preventing fraud in village financial management, while morality and internal control systems have a positive effect on prevention fraud in village financial management at the Village Government in Kapanewon Tempel. The limitations on this study is only uses 4 independent variables; the sample of this research was only carried out in the village government in Kapanewon Tempel; the researchers could not directly supervise respondents when filling out the questionnaire because it was related to village government policies and social distancing policies due to the covid 19 pandemic.

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INTRODUCTION

The economic growth of a village requires regulation and management of economic resources in the village so that it can improve people's welfare. Based on Law Number 6 of 2014 (Law of the Republic of Indonesia, 2014) regarding Villages, it is mandated by the government to allocate village funds which have been budgeted annually in the APBN which are given to each village as a source of village income. The budget sourced from the APBN that is distributed to the village treasury is divided into two distribution mechanisms. First, transfer funds to the regions in stages known as village funds. Second, transfer funds through the District APBD which are allocated 10% by the government to be channeled to the village treasury in stages known as village fund allocations (Widiyarta et al., 2017).

Village funds and village fund allocations are sources of village income whose responsibilities are included in public financial accountability. At present, public financial accountability is vulnerable to potential fraud, so in terms of village fund accountability and village fund allocation fraud can occur in it (Rahimah et al., 2018). Based on data compiled by Indonesia Corruption Watch (ICW) in the 2020 Corruption Case Monitoring Report, ICW noted that there were 676 cases of corruption committed by village officials from 2018 to 2020. The impact of corruption perpetrated by village officials caused a state loss of IDR 111 billion. This figure is in second place for state losses in 2020 after corrupt practices carried out by political clusters, namely members of legislatures and regional heads, amounting to IDR 115 billion. Details of several incidents regarding fraud cases committed by village officials in Indonesia are presented in Table 1 below.

Table 1. Cases of Village Financial Fraud

No	Year	Place	Cases	Accessed From
1	2015	Kelurahan Banyurejo, Kapanewon Tempel, Kabupaten Sleman	The suspect who previously served as Lurah was suspected of committing corruption in Banyurejo village funds in 2015 and 2016 causing state losses of around IDR 633,000,000.00	kejari-sleman.go.id
2	2017	Desa Ambawang, Kecamatan Batu Ampar, Kabupaten Tanah Laut	There was an alleged involvement of the village secretary in the alleged corruption crime of misusing the Village Expenditure Revenue Budget (APBDes) for the 2017 fiscal year causing losses to the state of IDR 575,073,354.00.	Kejari-tanahlaut.go.id
3	2017	Desa HTI Ranto Naru, Kecamatan Simpang Jernih, Kabupaten Aceh Timur	The East Aceh Kejari stated that the village head was proven to have committed the crime of village fund corruption in 2017, causing a state financial loss of IDR 625,503,152.00.	Kejati-aceh.kejaksanaan.go.id
4	2018	Desa Gemulak, Kecamatan Sayung, Kabupaten Demak, Jawa Tengah	The Demak District Attorney's Office uncovered the suspect Head of Gemulak Village, Sayung District for alleged corruption in village funds of nearly Rp. 600,000,000.00 in the 2018 budget.	Kejari-demak.go.id
5	2018	Desa Bategulung, Kecamatan Botonompo, Kabupaten Gowa	The village fund budget corruption case cost the state around IDR 400,000,000.00.	Kejari-gowa.go.id
6	2019	Desa Ngulanwetan, Kecamatan Pogalan, Trenggalek.	Village officials inflated reports on the use of village funds and village budgets with a total of IDR 260.74 million.	Kejari.trenggalekkab.go.id

Source: Case Summary, 2022

If we still see that there are many cases of fraud committed by village officials and even assisted by the local government, then a method is urgently needed to minimize the occurrence of these cases. The central government needs to reformulate the village fund distribution strategy. In addition, we must be very selective about the competence and integrity of village officials. Monitoring participation by the community must be more optimal, a more sophisticated internal control system, and there should also be a whistleblowing facility as a forum for the public to report possible fraud or dishonest activities committed by other people in the workplace. These things can be factors that allow fraud prevention to occur.

The first factor that might influence fraud prevention in managing village finances is the competence of human resources. Competence of quality human resources is needed in managing village finances so that it can prevent delays in carrying out work or in the process of preparing financial reports, besides that time can also be saved, because there is already an understanding of what will be done. In research conducted by (Widiyarta et al., 2017) and (Laksmi & Sujana, 2019) revealed that human resource competence has a significant effect on fraud prevention in village financial management. In contrast to research (Hariawan et al., 2020) and (Huda et al., 2018) stating that human resource competence has no effect on fraud prevention.

The second factor that might influence fraud prevention in managing village finances is morality. According to (Bertens, 1993) morality has a meaning that is basically the same as "moral". Morality is the moral nature/overall principles and Values relating to good and bad. People who have low individual morality will behave differently from people who have high individual morality. It is possible for people who have high individual morality to minimize the tendency for fraud to occur. In research conducted by (Rahimah et al., 2018) and (Jayanti & Suardana, 2019) revealed that morality has a positive effect on fraud prevention in village financial management. Contrary to research conducted by (Njonjie et al., 2019) states that apparatus morality has no effect on fraudulent financial reporting in village financial management.

The third factor that may influence fraud prevention in village financial management is the internal control system. According to (Fadilah, 2011) states that the internal control system has a direct influence on good governance so that it has implications for fraud prevention. However, the internal control system is not without its weaknesses, these weaknesses can be exploited by unscrupulous perpetrators of fraud (Martani & Zaelani, 2011). If the weaknesses of this system are supported by good apparatus morality, then all kinds of fraud can be prevented (Widiyarta et al., 2017) states that the morality of government officials as stated in government ethics has a strong influence on the government's performance. In research conducted by (Atmadja & Saputra, 2017) and (Widiyarta et al., 2017) revealed that the internal control system influences fraud prevention in village financial management. In contrast to research conducted by (Wonar et al., 2018) states that the internal control system has no effect on accounting tendencies.

The fourth factor that may influence fraud prevention in village financial management is whistleblowing. The existence of a whistleblowing system is not only a means of reporting fraud, but also a form of oversight. Employees are afraid to commit fraud because this system can be used for all employees so that fellow employees become aware of each other and are afraid of being reported by other employees for committing fraud. Thus the employee's understanding of the mechanism of whistleblowing makes employees enthusiastic about reporting fraud to the authorities authorized to handle reports because the complaint system includes protection for disclosure of facts. In research conducted by (Hariawan et al., 2020) and (Jayanti & Suardana, 2019) revealed that whistleblowing has a positive effect on fraud prevention in village financial management. In contrast to research conducted by (Mustika Dewi, 2016) revealed that whistleblowing has no effect on the detection of financial statement fraud. These results are in line with research conducted by (Huba, 2021) which states that whistleblowing has no effect on fraud prevention.

Based on the description above, the motivation for this research is that the results of previous studies showed inconsistent results, so this is still interesting to study. Respondents in this study were limited to the village government in Kapanewon Tempel. The researcher wants to test whether there has been an increase in fraud prevention in the village since the corruption case in Banyurejo village funds, Kapanewon Tempel, occurred in 2015 and 2016 which caused state losses of around IDR 633,000,000.00. This research is entitled "How To Prevent Fraud In Village Financial Management In Kapanewon Tempel?".

THEORETICAL FRAMEWORK AND HYPOTHESES

Agency Theory

Agency theory according to (Jensen & Meckling, 1976) is a concept of agency relationship (agency relationship) that arises because of the existence of a contractual relationship between principal and agent. The principal is the party that gives the mandate to the agent to carry out all activities on behalf of the principal, in this case, the agent has the capacity as a decision maker. Contractual relationships can work well if the owner will delegate decision-making authority to the manager. The owner of the company (principal) expects the agent to act on their behalf. Managers as agents are given a mandate by shareholders to run a business in the interests of principals, namely in increasing company value and shareholder prosperity, while managers themselves have an

interest in increasing the welfare of managers by being oriented towards salaries and commissions (Meli, 2020).

In public sector organizations what is meant by the principal is the people and the agent is the government, in this case the village head and other village officials (Ismail et al., 2016). According to (Marista Dewi & Damayanti, 2019), agents must be accountable for all their work, because individuals who have an attitude of being responsible for the tasks assigned tend not to commit fraud. Therefore, village officials in managing village finances should be properly accountable for village finances and vice versa the community provides compensation with feedback in the form of political trust in the village government. In agency theory, it is known that the agency problem is that there is a difference in interests between the principal and the agent, they will tend to prioritize their personal interests. This results in the agent manipulating the reported performance for their own benefit, so that fraud can occur.

Fraud Triangle Theory

In the Fraud Triangle Theory there are three factors that cause a person to commit fraud. These three factors are described in the fraud triangle. The Fraud Triangle consists of three conditions that generally exist when fraud occurs, namely pressure, opportunity, and rationalization (Karyono, 2013).

Pressure

The urge to commit fraud occurs in employees (employee fraud) and managers (management fraud), this encouragement can occur because 1) Financial pressures, such as a lot of debt, lifestyle that exceeds the limits of ability, greed, and unexpected needs; 2) Bad habits, such as drug addiction or alcohol consumption; 3) Work environment pressures, such as lack of appreciation for work performance, low salary or dissatisfaction with work 4) Other pressures, such as pressure from family, wife/husband to own luxury goods.

Opportunity

Opportunities arise due to weak internal controls to prevent and detect fraud. Opportunities also arise from weak sanctions or an inability to assess the quality of work. In addition, several other conditions are conducive to the occurrence of criminal acts. There are several factors that can increase the opportunity to commit fraud, namely 1) Failure to discipline the perpetrators of fraud; 2) Limited access to information; 3) Lack of audit trail

Rationalization

Perpetrators of fraud will seek justification such as 1) The perpetrator considers that what is being done is normal/reasonable; 2) The perpetrator feels that he has contributed greatly to the organization; 3) The perpetrator thinks that the goal is good, namely to overcome the problem.

This theory can be used as a basis for preventing and detecting fraud. This is because the fraud triangle has been stated to have a strong influence on fraudulent actions, for example determining how to recognize signs of fraud (red flags) through observing attitudes, pressure and perpetrators of fraud, whistleblowing action as a preventive measure to support the detection of fraud in village finances, to reduce opportunity for this to happen.

The Effect of Human Resource Competence on Fraud Prevention in Village Financial Management

(Sugiarti & Yudianto, 2017) explains that human resource competence includes its capacity, namely the ability of an individual, an organization (institutional) or a system to carry out its functions or authority to achieve its goals effectively and efficiently. According to (Hariawan et al., 2020) fraud prevention can be carried out if a person has adequate competence, skills, knowledge and abilities, it will usually be easy to detect fraud. Apparatus competence (HR) is said to be

adequate if in terms of quantity and quality it will increase the accountability of budget realization reports at the village financial level, so that all accountability can be carried out properly and can avoid fraud (Atmadja & Saputra, 2017). The more competent the human resources, the higher the prevention of fraud in managing village finances. This is supported by research conducted by (Widiyarta et al., 2017) and (Islamiyah et al., 2020a) stating that human resource competence has a significant effect on fraud prevention in managing village funds. Based on the description above, the hypothesis is proposed as follows:

H1: Human resource competence has a positive effect on fraud prevention in village financial management

The Effect of Morality on Fraud Prevention in Village Financial Management

According to (Islamiyah et al., 2020a) morality is good/bad action or behavior that comes from within humans. Someone who upholds morality can avoid fraud because individuals who attach importance to morality will tend to obey the norms that apply in accordance with ethical principles (Rahimah et al., 2018). If we instill morality in individuals, it is hoped that it can prevent fraud from occurring. The village government will be able to carry out its duties and responsibilities to the central government properly and correctly in accordance with universal ethical principles so as to prevent fraud. The higher the level of one's moral reasoning, the more likely that person will take the right action, the better in fraud prevention in village financial management. This is in line with research conducted by (Jayanti & Suardana, 2019) and (Atmadja & Saputra, 2017) stating that morality has a positive effect on fraud prevention in village financial management. Based on the description above, the hypothesis is proposed as follows:

H2: Morality has a positive effect on fraud prevention in village financial management

The Effect of Internal Control System on Fraud Prevention in Village Financial Management

The Government of Indonesia's Internal Control System (SPIP) adapted in Government Regulation Number 60 of 2008 defines a control environment namely the heads of government agencies and all employees who must create and maintain an environment within the entire organization that creates positive behavior and supports internal control and sound management. Based on the explanation above, it can be concluded that in carrying out village financial management an internal control system is needed. The process of financial management can be directed, supervised and detected if there is a fraud so as to produce reliable financial reports in accordance with applicable regulations. This statement is supported by research conducted by (Laksmi & Sujana, 2019) and (Jayanti & Suardana, 2019) stating that the internal control system has a positive effect on fraud prevention in village financial management. The stronger the internal control system that is implemented, the more it can prevent fraud in village financial management. Based on the description above, the hypothesis is proposed as follows:

H3: The internal control system has a positive effect on fraud prevention in village financial management

The Effect of Whistleblowing on Fraud Prevention in Village Financial Management

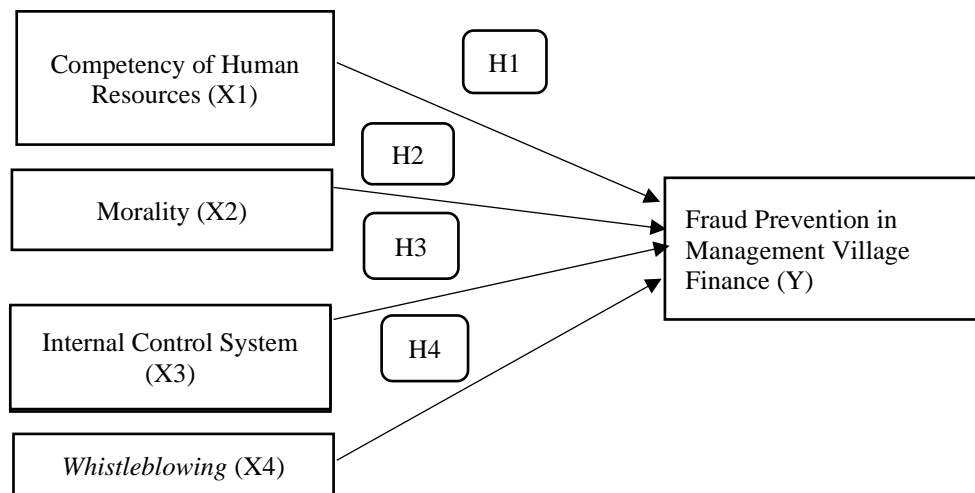
According to (Islamiyah et al., 2020a) whistleblowing is disclosing/providing information about fraudulent acts that occur in organizations that are carried out by individuals or groups affected by losses to the state or society with the objective of multiplying the common interest and not for personal gain. According to (Purba, 2015), the principle of fraud prevention is the need to establish a mechanism that makes fraud reportable (whistleblowing system) and protection for fraud reporters. Complaints of employees who have been operating can help prevent fraud because individuals may fear that a fraud will be known by other employees and will be complained about. Based on the explanation above, it can be concluded that whistleblowing is not only a channel for reporting fraud that occurs, but also as a form of supervision. The presence of whistleblowing can

make employees afraid to commit fraud (fraud). Research conducted by (Widiyarta et al., 2017) and (Islamiyah et al., 2020b) revealed that whistleblowing has a positive effect on fraud prevention in business managers. Village fund claims, this means that the higher the implementation of whistleblowing, the more fraud will be prevented. Based on the description above, the hypothesis is proposed as follows:

H4: Whistleblowing has a positive effect on fraud prevention in village financial management

Based on the framework described, the conceptual chart of this research framework is illustrated in Figure 1.

Figure 1.
Conceptual Framework (2022)



RESEARCH METHODS

Population

This research is a quantitative research using primary data which was conducted in Kapanewon Tempel. The population of this study included all 7 villages in Kapanewon Tempel including Banyurejo, Tambakrejo, Sumberrejo, Pondokrejo, Mororejo, Margurejo, and Lumbungrejo. The selected respondents were village officials who served as Village Financial Management Executors (PPKD) consisting of Lurah, Carik, Danarta, Village Consultative Body, and Dukuh. This is regulated in the Regulation of the Minister of Home Affairs of the Republic of Indonesia (2018) regarding Village Financial Management in which the Village Financial Management Executor (PPKD) is in charge, namely Lurah, Carik as PPKD coordinator, and Danarta as treasury. As for the Domestic Regulation of the Republic of Indonesia Number 110 of 2016 regarding the Village Consultative Body (BPD), it has the task of monitoring and evaluating the implementation of the duties of the Village Head. The position of Dukuh is regulated in Sleman Regent Regulation Number 6 of 2015 which is included as the regional implementer of Village Fund Allocation.

Sample

The sampling technique uses the non-probability sampling method, namely the total sample where all members of the population are used as research samples (Sugiyono, 2018). So, the samples are respondents from the 7 villages above.

Variable Operational Definitions

The operational definition of a variable is an attribute or characteristic or value of an object or activity that has certain variations that have been determined by researchers to be studied and then draw conclusions (Sugiyono, 2018). The variables to be tested in this study consist of five variables, namely human resource competence, morality, internal control systems, and whistleblowing as independent variables, and fraud prevention in village financial management as the dependent variable. The following is an operational definition of each variable that will be examined in this study.

1. Fraud prevention (Y) is an activity that includes establishing policies, systems, and procedures that help ensure that the necessary actions have been taken by the board of commissioners, management, and other personnel within the company or organization to be able to provide adequate assurance in achieving organizational goals: namely operational effectiveness and efficiency, reliability of financial reports, and compliance with applicable laws and regulations (Atmadja & Saputra, 2017).
2. Human resource competence (X1) is a characteristic that individuals have abilities and are used in a consistent way that aims to achieve a desired performance (Hariawan et al., 2020)
3. Morality (X2) is a good and bad attitude possessed by individuals (Junia, 2016).
4. The internal control system (X3) is a process, organizational plans, policies and procedures that are influenced by management that can be used to provide adequate assurance in achieving effectiveness, efficiency, compliance with applicable laws and regulations, and the reliability of presentation of government financial reports (Widiyarta et al. , 2017).
5. *Whistleblowing* (X4) adalah suatu usaha yang dilakukan oleh seseorang untuk mengungkapkan atau melaporkan tindak pelanggaran dan kecurangan atau tindakan yang melawan hukum yang terjadi di dalam organisasi atau perusahaan tempat ia bekerja (Widiyarta et al., 2017).

All variables are measured using a 4-point Likert scale ranging from "strongly disagree" at the lower limit of the scale (1) and "strongly agree" at the upper limit of the scale (4).

Table 1.
Variable Operationalization

Variable	Indicator	Scale
Fraud Prevention in Village Financial Management (Y)	1. Anti-fraud policies 2. Procedures 3. Control techniques 4. Sensitivity to fraud (Laksmi & Sujana, 2019)	Likert
Human Resource Competence (X1)	1. Knowledge 2. Skills 3. Behaviour (Laksmi & Sujana, 2019)	Likert
Morality (X2)	1. Self-interest 2. Good performance and good looks 3. Habits 4. Fear of being penalized 5. Consideration of the principles of public welfare (Laksmi & Sujana, 2019)	Likert
Internal Control System (X3)	1. Control environment 2. Risk assessment 3. Control activities 4. Information and communication 5. Monitoring	Likert

	(Laksmi & Sujana, 2019)	
Whistleblowing (X4)	1. Knowledge	Likert
	(Laksmi & Sujana, 2019)	

Source: Proceeded Data (2022)

After data collection, it was subjected to quality checks (such as validity and reliability checks) and then to hypothesis testing. Hypothesis testing is divided into multiple linear regression tests, F tests, T tests, and the coefficient of determination. Data analysis in this study was carried out using multiple linear regression. Multiple regression can be defined as the influence between more independent variables and one dependent variable and is also used to build equations and use these equations to make estimates (Kurniawan, 2011). In this study the regression equation used is:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

RESULTS AND DISCUSSION

Population

The population of this research is the village officials as the holders of implementing powers of managing village finances consisting of Lurah, Carik, Danarta, Village Consultative Body, and Dukuh in 7 (seven) villages in Kapanewon Tempel including Banyurejo, Tambakrejo, Sumberrejo, Pondokrejo, Mororejo, Margurejo, and Lumbungrejo. The distribution of questionnaires in this study was carried out by being delivered directly by the researchers to each agency that was the research sample.

Sample

Sampling in this study used the non-probability sampling technique used, namely total sampling, which is a sampling technique where all members of the population are sampled (Sugiyono, 2018). The total number of questionnaires that can be distributed is 109, but 94 can be processed. The details were that the village head, carik, and danarta each numbered 7, the Village Consultative Body numbered 6, and the Dukuh numbered 67.

Descriptive Statistic

The descriptive statistical analysis used in this study includes the number of data points (N), mean of the sample, maximum value, minimum value, and each variable's standard deviation. Table 2 below provides a description of the descriptive statistical analysis' findings.

Table 2.
Descriptive Statistical Analysis of Research Variables

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Human Resource Competency (X ₁)	94	27	40	33.61	3.280
Morality (X ₂)	94	7	20	14.61	3.180
Internal Control System (X ₃)	94	17	27	36.43	4.279
Whistleblowing (X ₄)	94	21	32	25.79	2.655
Fraud Prevention in Village Financial Management (Y)	94	18	28	22.06	2.987

Source: Proceeded primary data (2022)

The variable (X₁) in Table 2 has a range of values between 27 and 40, with a mean score of 33.61 and a standard deviation of 3.280. The variable (X₂) has a minimum value of 7 and a maximum value of 20, with a mean score of 14.61 and a standard deviation of 3.180. The variable (X₃) also has a mean score of 36.43 and a standard deviation of 4.279, with the lowest and highest scores being 17 and 27, respectively. The variable (X₄) has a minimum value of 21 and a maximum

value of 32, with a mean score of 25.79 and a standard deviation of 2.655. The mean score for the variable (Y) is 22.06, with a standard deviation of 2.987, and the minimum and highest values are 18 and 28, respectively.

Validity Test

Table 3.
Validity of Research Variable

Variabel	Item	r count	r table	Information
Human Resources Competency (X1)	X1.1	0,577**	0,000	Valid
	X1.2	0,611**	0,000	Valid
	X1.3	0,693**	0,000	Valid
	X1.4	0,653**	0,000	Valid
	X1.5	0,715**	0,000	Valid
	X1.6	0,631**	0,000	Valid
	X1.7	0,574**	0,000	Valid
	X1.8	0,587**	0,000	Valid
	X1.9	0,563**	0,000	Valid
	X1.10	0,707**	0,000	Valid
Morality (X2)	X2.1	0,871**	0,000	Valid
	X2.2	0,892**	0,000	Valid
	X2.3	0,828**	0,000	Valid
	X2.4	0,660**	0,000	Valid
	X2.5	0,483**	0,000	Valid
Internal Control System (X3)	X3.1	0,722	0,000	Valid
	X3.2	0,731**	0,000	Valid
	X3.3	0,714**	0,000	Valid
	X3.4	0,768**	0,000	Valid
	X3.5	0,707**	0,000	Valid
	X3.6	0,703**	0,000	Valid
	X3.7	0,767**	0,000	Valid
	X3.8	0,807**	0,000	Valid
	X3.9	0,670**	0,000	Valid
	X3.10	0,631**	0,000	Valid
	X3.11	0,751**	0,000	Valid
Whistleblowing (X4)	X4.1	0,612**	0,000	Valid
	X4.2	0,553**	0,000	Valid
	X4.3	0,585**	0,000	Valid
	X4.4	0,793**	0,000	Valid
	X4.5	0,618**	0,000	Valid
	X4.6	0,810**	0,000	Valid
	X4.7	0,773**	0,000	Valid
	X4.8	0,778**	0,000	Valid
Fraud Prevention in Village Financial Management (Y)	Y1.1	0,659**	0,000	Valid
	Y1.2	0,666**	0,000	Valid
	Y1.3	0,710**	0,000	Valid
	Y1.4	0,638**	0,000	Valid
	Y1.5	0,746**	0,000	Valid
	Y1.6	0,780**	0,000	Valid
	Y1.7	0,673**	0,000	Valid

Based on table 3, the results of the validity test for each variable show that the correlation coefficient (pearson correlations) is greater than r table 0.201 and the significance value is lower than the value α (0.05), so it can be concluded that the instrument used in this study is valid.

Reliability Test

Table 4.
Reliability of Research Variable (Alpha)

NO.	Variable	Variable Item	Value of Alpha	Remark
1	Human Resource Competency	10	0.830	Reliable
2	Morality	5	0.819	Reliable
3	Internal Control System	11	0.908	Reliable
4	Whistleblowing	8	0.844	Reliable
5	Fraud Prevention in Village Financial Management	7	0.817	Reliable

Source: Primary Data 2022 (proceeded).

Based on table 4, the reliability test results of each variable show that the Cronbach's alpha value is greater than 0.60, so it can be concluded that the instruments used in this study are reliable.

Multiple Linear Regression Analysis Test

Table 5.
Multiple Linear Regression Analysis Test Results

No	Variable	Coefficient Value	t-value	Sig. value	F-value	Sig	R ²
1.	Constant	4.344	1.663	0.100			
2.	Human Resource Competency (X1)	-0.042	-0.410	0.683			
3.	Morality (X2)	0.306	3.821	0.000	17.663	0.000	0.417
4.	Internal Control System (X3)	0.199	2.258	0.026			
5.	Whistleblowing	0.287	1.941	0.055			

Source: Research Results, 2022

The multiple linear regression equation was developed using the SPSS program and was based on the findings, which are shown in Table 5.

$$Y = 4.344 + (-0.042X_1) + 0.306X_2 + 0.199X_3 + 0.287X_4 + e$$

The regression equation returns a constant value of 4.344, indicating that the value of (Y) equals 4.344 if the variables (X1), (X2), (X3), and (X4) are constant. Regression coefficient for (X1) is -0.042, indicating a negative connection between (X1) and (Y) of -0.042. According to the (X2) regression coefficient, there is a positive correlation between (X2) and (Y) of 0.306. The regression coefficient of (X3) is 0.199, indicating a positive correlation between (X3) and (Y) of 0.199. The last, for regression coefficient of (X4) is 0.287, indicating a positive correlation between (X4) and (Y) of 0.287.

Also, an F-value of 17.663 was discovered along with a significance level of 0.000 or less than 0.05 in the data. This result shows that variables (X1), (X2), (X3), and (X4) have an impact on (Y). While the variance of the variables (X1), (X2), (X3), and (X4) that explain (Y) is shown by the R Square value of 0.417, or 41.7%, the remaining 58.3% is explained by other factors outside of this research.

Discussion

The Effect of Human Resource Competence on Fraud Prevention in Village Financial Management

Based on the results of the t test, it produces a significance value of 0.683 where the significance value is more than 0.05. This shows that human resource competence has no effect on fraud prevention in village financial management, which means that the first hypothesis (H1) is rejected. This shows that the condition of someone who has the ability/competence in a certain field, experience, mastery of knowledge and expertise but still has the desire to act fraudulently within an organization (Huda et al., 2018). The competence of human resources has no effect on fraud prevention because even competent individuals can behave carelessly when making decisions that can actually reduce their integrity.

The results of this study do not support the Agency Theory (Jensen and Meckling, 1976) which states that in a relationship with the central government (principal) that delegates authority to the village government (agent) to carry out village financial management, so that the village government must comply with all conditions determined by central government by providing financial reports that are in accordance with the wishes of the central government with the competence of village officials to make this happen (Murthy & Jack, 2017).

Based on the data obtained, the competence of village officials in Kapanewon Tempel has not been able to influence fraud prevention. This is because most of the village administrations in the 7 villages located in Kapanewon Tempel have a low educational background. The results of field research showed that out of the 94 respondents who filled out the questionnaire, 59 people had the last educational background in SMA/SMK. This is also because the Village Government has not fully attended training related to the administration of village financial reports. The results of research in the field show that respondents' answers regarding human resource competence in participating in training related to the administration of village financial reports are still low so that human resource competence has not shown a significant figure. The educational background of human resources at Kapanewon Temple supports the Fraud Triangle theory where educational background can affect monthly income. So, there is a possibility that these human resources have financial pressures and also opportunities to commit fraud.

The results of this study are supported by research conducted by (Hariawan et al., 2020) which shows that human resource competence has no effect on fraud prevention. This is due to the low educational background of village officials. This research is in line with research conducted by (Huda et al., 2018), (Huljanah, 2019) and (Huba, 2021) which shows that competence has no effect on fraud prevention. In contrast to research conducted by (Laksmi & Sujana, 2019), (Jayanti & Suardana, 2019) and (N. K. P. Dewi & Rasmini, 2019) which states that human resource competence has a positive effect on fraud prevention in village financial management.

The Effect of Morality on Fraud Prevention in Village Financial Management

Based on the results of the t test, it produces a significance value of 0.000 where the significance value is less than 0.05. This shows that morality has an effect on preventing fraud in managing village finances, which means that the second hypothesis (H2) is accepted. Morality towards fraud prevention in village financial management has a relationship, namely the higher the morality, the better the prevention of fraud in village financial management is also getting better. This is like the concept of moral development put forward by (Lawrence Kohlberg, 1977) namely at the pre-conventional and post-conventional stages. The pre-conventional stage is the lowest stage where individuals take action based on fear of existing laws or regulations and the post-conventional stage is the highest stage where individuals base their actions by paying attention to the interests of others and universal laws.

The higher the individual's morality, the more the individual will pay attention to the interests of the public rather than his own personal or organizational interests so that he tries to avoid the tendency to commit accounting fraud that is detrimental to many people. This is in accordance with the Agency Theory where the agent prioritizes the interests of the company so that the principal evaluates its performance well.

Thus, the village government must carry out its obligations and be responsible for the village community concerned, regional government, and the central government in managing village finances must be in accordance with applicable regulations and laws. Budgeting for village funds with what is needed by the village must be in accordance with the community in efforts to develop rural areas and empower the community in the village concerned. The village government is urgently needed to have good morality so that the management of village funds is in accordance with the needs of the village and the community.

The results of this study are supported by previous research conducted by (Rahimah et al., 2018) which states that an individual with high morality can prevent fraud from occurring because individuals will obey rules according to universal ethical principles. This is in line with research conducted by (Laksmi & Sujana, 2019), (Islamiyah et al., 2020a) and (Hariawan et al., 2020) which reveal that morality has a positive effect on fraud prevention in village financial management.

The Effect of the Internal Control System on Fraud Prevention in Village Financial Management

Based on the results of the t test, it produces a significance value of 0.026 where the significance value is less than 0.05. This shows that the internal control system has an effect on preventing fraud in managing village finances, which means that the third hypothesis (H3) is accepted. The internal control system for fraud prevention in village financial management has a relationship, namely the higher the internal control system, the higher the fraud prevention in village financial management in Kapanewon Tempel. This is supported by Regulation of the Republic of Indonesia Number 60 of 2008 (Regulation of the Government of the Republic of Indonesia, 2008) concerning the Government's Internal Control System explaining that the purpose of an internal control system is to provide reasonable assurance of achieving organizational goals through effective and efficient activities, reliability of financial reports and compliance with laws and regulations.

An effective internal control system is urgently needed because it will reduce fraud so as to prevent fraud from occurring. The existence of a strong internal control system can minimize risks or errors in preparing village financial reports so as to create quality financial reports according to regulations that have been established and accounted for. Based on the results of this study indicate that the internal control system in the village government in 7 villages in Kapanewon Tempel in managing village finances is strong. A strong internal control system is supported by a control environment, risk assessment, control activities, information and communication and internal control monitoring. Most of the village government apparatus in Kapanewon Tempel who was used as a respondent in the study answered agree and strongly agree with the statements on the indicators of testing the variables of the internal control system. Therefore acts of fraud in village financial management can be minimized and prevented.

The results of this study support the Agency Theory which states that the system Good internal control is able to increase the symmetry of information between information owned by the central government and local government as the principal with information owned by the village government as an agent in carrying out the mandate to achieve community welfare so as to create a good agency relationship between the central government and local government with the village government .

The results of this study are in line with research conducted by (Laksmi & Sujana, 2019), (Atmadja & Saputra, 2017) and (Jayanti & Suardana, 2019) which state that the internal control

system has a positive effect on preventing fraud in managing village funds. This is also in line with research conducted by (Widiyarta et al., 2017). The benchmark for the success of fraud prevention is the improvement of the internal control system, the more effective the internal control system will affect the increase in fraud prevention in village financial management in Kapanewon Tempel.

The Effect of Whistleblowing on Fraud Prevention in Village Financial Management

Based on the results of the t test, it produces a significance value of 0.055 where the significance value is more than 0.05. This shows that whistleblowing has no effect on fraud prevention in village financial management, which means that the fourth hypothesis (H4) is rejected. This is because, there is someone's reluctance to do whistleblowing, the whistleblowing system has not been effective in a village government and the unit that handles reporting of alleged violations has not gone well. The results of research in the field show that respondents' answers regarding whistleblowing in units that handle reports on alleged customers are still low so that whistleblowing has not shown a significant number.

The results of this study are in accordance with the Fraud Triangle theory which reveals that one of the factors for the occurrence of this fraud is an opportunity where when there is an opportunity to commit fraud, someone will do it. The whistleblowing system is a tool for agencies to prevent and detect fraud so that opportunities for fraud in government agencies are reduced.

The results of the research are in line with research conducted by (Mustika Dewi, 2016) which states that there is no influence between whistleblowing and fraud. This is due to someone's reluctance to do whistleblowing, doubts about whistleblower protection and the ineffectiveness of the whistleblowing system. This research is in line with research conducted by (Huba, 2021) showing that whistleblowing has no effect on fraud prevention. However, the results of this study are in contrast to research conducted by (Jayanti & Suardana, 2019) and (Widiyarta et al., 2017) showing that whistleblowing has an effect on fraud prevention in village financial management.

CONCLUSION

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

1. Individual morality have a positive influence on fraud prevention in village financial management.
2. Internal control systems have a positive influence on fraud prevention in village financial management.
3. Human resource competence have no effect on fraud prevention in village financial management.
4. Whistleblowing have no effect fraud prevention in village financial management.

The **implication** of this research is:

1. The Village Government in Kapanewon Tempel must improve fraud prevention in village financial management by paying more attention to human resource competencies, morality, internal control systems, and whistleblowing so as to minimize opportunities for committing fraud.
2. The Village Government fully participates in training related to the administration of village financial reports.
3. The village government must improve fraud prevention in village financial management with no one's reluctance to whistleblowing, whistleblowing is effective, and the unit that handles reporting on suspected customers is improved, to minimize fraud.

The research conducted is inseparable from the **limitations** that might affect the research results:

1. This study only uses 4 independent variables, namely human resource competence, morality, internal control systems, and whistleblowing while there are many other variables that influence fraud prevention in village financial management. This is shown by the coefficient of determination in the research results of 41.7%, which means that there are other variables that have the opportunity to have an influence on fraud prevention in village financial management of 58.3%.
2. The sample of this research was only carried out in the village government in Kapanewon Tempel so that the results of this study cannot be generalized to all village governments.
3. The research was conducted in the midst of the Covid-19 pandemic, so the process of filling out the questionnaire could not be carried out optimally and the researchers could not directly supervise respondents when filling out the questionnaire because it was related to village government policies and social distancing policies.
4. The method of data collection in this study used a questionnaire which is likely to fill in the questionnaire there is a difference in perception between the researcher and the respondent because the respondent and the researcher cannot classify questions or statements with each other. So the results obtained do not accurately represent the actual conditions.

Further research is **suggested** to:

1. Add variables that influence fraud prevention in village financial management. Fraud prevention can be influenced by organizational culture and the appropriateness of compensation.
2. Expand the sample coverage area so that the results and conclusions of this study can be generalized to all village governments.
3. Obtain data by combining interview methods so that respondents perceptions of questions or statements can be known in depth.

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DO TAPPING BOX TECHNOLOGY INCREASE LOCAL TAXES AND DISTRICT OWN SOURCE REVENUE ?

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ABSTRACT

Taxes have a very important contribution to the state because they are the main income and a manifestation of community involvement in state spending which is regulated in laws. Local taxes as one of the many sources of District Own Source Revenue have a very important role in regional development. This local taxes collection and revenue must be maximized so that the resulting District Own Source Revenue will be maximized as well. The technological innovation or the use of Tapping Box has become an important part of taxes collection and revenue. The study aims to investigate restaurant taxes, the hotel taxes, and entertainment taxes on District Own Source Revenue receipts mediated by the use of Tapping Box technology. The research took place in the Regional Finance Agency (BAPENDA) of Semarang Regency. This study uses a sample of 60 with 5 years of observation. The sample is the amount of taxes or income per month received from the Regional Taxes Information System then the acquisition of the collected data was analyzed using WarpPLS. The results show that the use of Tapping Box has proven to be able to strengthen the relationship between restaurant taxes and District Own Source Revenue and also the relationship between hotel taxes and District Own Source Revenue. On the other hand, the use of tapping boxes does not strengthen the relationship between the entertainment taxes and District Own Source Revenue. This indicates that the tapping box is often deactivated so that the entertainment business owner's income is not recorded every day, which causes the entertainment taxes paid to the local government to be not optimal.

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INTRODUCTION

Taxes have a very important contribution to the state because they are the main income and a manifestation of community involvement in state spending which is regulated in laws (Ratnawati and Hernawati, 2015). For a country, taxes are a source of income used for infrastructure development, employee costs, foreign debt payments, and so on. The construction of public facilities such as bridges, schools, roads, hospitals and others is paid using funds derived from taxes (Ulfa 2015; Tucharaktschiew and Reimann 2021). The taxes contribution is very large not only for the state but also for the regions. Regional autonomy in Indonesia is implemented through the principle of decentralization. The implementation of the principle of decentralization is expected to provide optimal public services because with regional autonomy local governments can find out what is the potential of the region and what is needed by the community. Knowing the needs of the community will make public services closer to the community. To do this, it is necessary to have regional independence by recognizing adequate financial sources (Larasati and Buga, 2020).

Rosmala, Hasan, and Basri (2020) argue that local taxes as one of the many sources of District Own Source Revenue have a very important role in regional development. This local taxes collection and revenue must be maximized so that the resulting District Own Source Revenue will be maximized as well. In an effort that taxpayers are willing to pay taxes, local governments are trying to make the local taxes that have been collected can be allocated properly. Local governments

always strive for optimal regional taxes receipts so that it requires an innovation that aims to increase District Own Source Revenue. Firdaus (2020) argues that innovations carried out by local governments are a form of response to advance and prosper the region and the people in the area. Opportunities for deviations in the amount of taxes revenue due to manual taxes collection can occur anytime and anywhere. Therefore, local taxes collection by utilizing information technology will accelerate local revenue receipts. Collecting local taxes such as restaurant taxes, hotel taxes and entertainment taxes can utilize information technology as a tool for implementation, supervision and escort (Khairunnisa, 2011).

Ajala and Adegbie (2020) states that digitalization has become the centre of the country's economic activity and has made existing traditional taxes rules and processes ineffective. As a result, the advent of the digital age has become the driving force of all human activities. Information technology of taxesation systems has brought about an unprecedented speed in business transactions and a revolution that is changing the face of taxes administration in various countries. The essence of information technology is to assist the performance of taxes officials, thereby reducing taxes avoidance and taxes evasion, moreover, information technology facilitates faster and more accurate taxes data analysis.

Technological innovation has become an important part of taxes collection and revenue. The emergence of new instruments to help businesses work more efficiently affects the way taxes are collected. Information Technology changes rapidly so that the financial system becomes obsolete in no time. The need to integrate the old structure becomes more demanding as new applications need to be created to assist the dynamics of the financial process. In addition, the quantity of data processing is increasing every year, which requires a scalable infrastructure to keep fiscal processes running. The creation of a reliable digital record history is essential to match the accuracy of the results. The process of obtaining reliable information involves a variety of activities such as inspections, audits, assessments, and data entry. It is hoped that every part of the process properly does its job of providing acutely factual information activities related to taxes audits, revenue and revenue assessments, and enforcement of fiscal policy are very important in the process of obtaining reliable input data (Miyahira, 2008).

A taxes recording device or Tapping Box is a device that has Electronic Data Capture (EDC) facilities with cellular data access which is often used on smartphones. The Tapping Box is one of the local government's innovations to increase the revenue of District Own Source Revenue. The local government lends the Tapping Box to taxpayers as a tool to collect taxes revenues, especially hotel taxes, restaurant taxes and entertainment taxes. The use of this tool will reduce the opportunity for taxpayers to cheat or digress on their taxes reporting. Tapping boxes are very helpful in the process of calculating and collecting taxes carried out by local governments (Li, Wang, and Wu 2020; Yudha and Setiawan 2020; Larasati and Buga 2020).

The phenomenon that occurs in this study is the low taxes revenue for hotel, restaurant and entertainment taxes in Semarang Regency. This is due to the lack of supervision of the performance of the taxes collection. This supervision is carried out because many taxpayers do not pay the taxes properly, or are late in paying taxes, and manipulate the turnover they receive. Therefore, the local government need a reporting application that can display financial transaction reports in total to support the transparency of taxes payments. This Tapping Box is lent by the local government of Semarang Regency to taxpayers in the payment of hotel taxes, restaurant taxes and entertainment taxes so that it will reduce the opportunity for taxpayers to digress or cheat on their taxes reporting.

Previous research conducted by Ulfa (2015) proved that the use of technology and information partially and significantly affects the reduction of taxes evasion. Putri AT (2019) found that the use of the Tapping Box can limit the occurrence of restaurant taxes leakage. However, the research of (Hidayati et al., 2021) found the result of the installation of the Tapping Box to collect the parking taxes revenues has not reached the target set even though parking taxes revenues have

increased compared to the previous year. Larasati and Buga's study (2020) in the city of Malang found evidence that the installation of Tapping Box has an effect on taxes revenue but is still relatively low when compared to the number of registered taxpayers.

This study intends to re-examine the results of previous studies but with different types of taxes revenues, namely restaurant taxes, hotel taxes and entertainment taxes on District Own Source Revenue receipts in Semarang Regency mediated by the use of Tapping Box technology.

THEORETICAL REVIEW

Compliance Theory

Compliance with taxes can be described as a condition for taxpayers who fulfil all taxes responsibilities and fulfil their taxes rights . Taxes compliance refers to an individual's willingness to act in accordance with both the "spirit" and the "written" law and taxes administration without the implementation of enforcement activities (James and Alley, 2002). Taxpayer compliance is expected to arise from the taxpayer himself voluntarily without any coercion from the government, although this is difficult to realize. It is necessary to apply administrative penalties or criminal law sanctions for taxpayers who have the intention to break the rules or who do not fulfil their taxes obligations.

District Own Source Revenue

The definition of District Own Source Revenue (PAD) is regional original income which is obtained by the region and collected based on regional regulations and by-laws (Kautsar, 2020). District Own Source Revenue consists of, regional taxes, regional levies, results of separated regional wealth management, and other legitimate District Own Source Revenue (including proceeds from the sale of regional assets that are not separated; demand deposit services; interest income; gains on the difference in the exchange rate of the rupiah against other currencies). foreign money, and commissions, discounts or other forms as a result of the sale and/or procurement of goods and/or services by the regions.

Taxes

Taxes is a mandatory contribution from the public that is paid to the state with a coercive nature referring to the law with no direct compensation that can be displayed and used for payment of general expenses. The definition of taxes as a public contribution paid to the state then becomes a state treasury that is coercive and complies with the law in its implementation (Mardiasmo, 2019).

The Function of Taxes

There are two taxes functions, namely the budgetary function and the regulate function (Ratnawati and Hernawati, 2015).

1) Function of Budgetair (Source of State Finance)

Taxes is a source of government revenue that is used to finance state expenditures for both routine and development expenditures.

2) Regulate (Managers) Function

Taxes function as a regulatory tool or establish regulations that can direct the economic situation of the community for the better, socially and politically to comply with government policies. Based on the regulatory function, it is expected that taxes can achieve certain goals in the government's efforts to intervene in regulating state treasury revenues.

Restaurant taxes

Restaurant taxes is a taxes-based service provided by a restaurant (Law No.28 of 2009 Regional Taxes and Regional Levies). A restaurant is a building or place that is commercially structured and serves to provide services and offer products in the form of food and drinks for

anyone present (Maramis et al., 2020). While (Gregoire, 2010) argues that in terms of purpose, restaurants are grouped into onsite food service which benefits food is sold to encourage the main activity and is also included in the non-profit group, on the other hand, there is commercial food service which is based on the benefits of selling food with priority to the expected profit.

Hotel Taxes

Hotels are places that provide rest or lodging services and other services with payment collections such as motels, tourist guesthouses, guesthouses, tourism huts, inns, lodging houses, and also boarding houses with several rooms exceeding 10 rooms (Semarang Regency Regional Regulation Number 13 of 2017). Mahyuliza, Rahmadana, and Nugrahadi (2021) state that hotel taxes is a taxes based on the availability of services by hotels by making payments. The object of the taxes on the hotel taxes is every service provided through hotel payments that concurrently supports hotel equipment that has the characteristics of convenience and comfort provided, accompanied by entertainment and sports facilities.

There are several hotel taxes objects, including the following:

- a. Short-term or long-term lodging facilities, such as guesthouses, conference halls, boarding houses and tourist lodges.
- b. Services in supporting equipment in lodging facilities. Facilities such as telephone, laundry service, internet, photocopy, taxesi

Entertainment Taxes

Taxes on the implementation of entertainment which includes all forms of performances, the spectacle of crowds in the form of agility games where everyone who pays for it is allowed to enjoy the show, other than the use of facilities for sports is the purpose of entertainment taxes. Meanwhile, based on the (Semarang Regency Regional Regulation Number 13 of 2017), what is meant by entertainment is all types of performances, games, spectacles, and crowds that are enjoyed for a fee. From the definition of the regional regulation, it can be concluded that the entertainment taxes is a paid or charged entertainment service which is regulated by applicable law.

Tapping Box

Tapping Box is a device in the form of a data capture printer that is placed on the cash register and printer, to capture transaction data. A tapping box is a device that has features like Electronic Data Capture (EDC) with the use of smartphones capable of having an access base to cellular data (Firdaus, 2020; Larasati and Buga, 2020). Tapping box is an effort to increase District Own Source Revenue by the government which is part of innovation. Tapping boxes are lent to function from local governments to taxpayers as a comparison of taxes payments, especially restaurant taxes, hotel taxes and entertainment taxes. So that it will reduce the opportunity for taxpayers to commit fraud or fraud in their taxes reporting. That way the use of the Tapping Box will make it easier for the government and speed up taxes collection and calculation. The tapping box has a feature that can read receipts or print bills, and the data will be sent automatically so that it is read from the printer and first enters the system on the Tapping Box and will then be operated on the existing system on the hardware. The use of the desired Tapping Box can help taxpayers in reporting their obligations to officers (Yudha and Setiawan, 2020).

Hypothesis Development

The Influence of Restaurant Taxes on District Own Source Revenue

Restaurant taxes is a means of providing drinks and food with the condition that a fee is charged which includes canteens, restaurants, stalls, cafeterias, and the like as well as catering or catering services. Restaurant owners as taxpayers must be fully responsible for depositing taxes

that must be paid. Restaurant taxes paid by taxpayers will increase District Own Source Revenue. Previous research conducted by (Rahmiyatun et al., 2021) and (Suleman, 2019) show the effect of restaurant taxes on District Own Source Revenue. Based on this description, the research hypothesis is as follows:

H1 = Restaurant taxes influences District Own Source Revenue

The Influence of Hotel Taxes on District Own Source Revenue

The part that becomes an autonomous region is the regency, where the full authority has been handed over by the community to the regional government, and the regional government must be responsible for increasing the District Own Source Revenue. This is obtained from the capabilities obtained from each region, one of which is the hotel taxes. Willy (2020) and (Damayanti & Muthaher, 2020) show that hotel taxes affect the receipt of District Own Source Revenue

H2 = Hotel taxes influence District Own Source Revenue

The influence of Entertainment Taxes on District Own Source Revenue

Entertainment taxes is the implementation of entertainment for which a fee is collected, such as all kinds of entertainment, crowds and shows that can entertain people. Entertainment taxes as a local taxes influences local revenue. The research of Damayanti and Muthaher (2020) and Bahmid and Wahyudi (2018)) show that the entertainment taxes has a positive influence on Regional Original Income.

H3 = Entertainment taxes influence District Own Source Revenue

The Influence of Restaurant Taxes on District Own Source Revenue moderated by Tapping Box Utilization

Tapping Box is a tool that can record taxpayer transactions by printing bills or receipts automatically. A tapping box is a tool that is borrowed from the government to taxpayers as a comparison of taxes payments so that it will reduce or minimize opportunities for taxpayers to commit fraud in terms of taxes reporting. On restaurant taxes that have been installed with the Tapping Box tool, it will automatically affect the increase in District Own Source Revenue from restaurant taxes. As a previous researcher, Putri AT (2019) states that the application of the Tapping Box can reduce the occurrence of fraud or restaurant taxes leakage. During the use of the Tapping Box, there was an increase in restaurant taxes revenues. Based on the description, it produces the following hypothesis:

H4 = The Influence of Restaurant Taxes on District Own Source Revenue moderated by the Tapping Box Utilization

The Influence of Hotel Taxes on District Own Source Revenue moderated by Tapping Box Utilization

Tapping Box will affect the increase in local revenue because every transaction that occurs will be recorded automatically by the system in the Tapping Box tool. Thus, the higher the number of tapping boxes used, there will be an increase in hotel taxes revenue which has an impact on the increase in District Own Source Revenue. Referring to the results of previous researchers, Firdaus (2020) states that the use of the Tapping Box has a positive influence on increasing District Own Source Revenue. From the explanation above, the hypothesis can be drawn as follows:

H5 = The Influence of Hotel Taxes on District Own Source Revenue moderated by Tapping Box Utilization

The Influence of Entertainment Taxes on District Own Source Revenue moderated by the Tapping Box Utilization

Entertainment entrepreneurs who do not pay restaurant taxes according to what consumers have paid are dishonest taxpayers and do not comply with the law. For this reason, policies from local governments are needed at least reducing leakage of taxes revenues which is a loss for District Own Source Revenue. So, local governments require entertainment entrepreneurs to use tapping boxes to reduce this. The intensive use of Tapping Box for entertainment providers will increase entertainment taxes revenues which in turn will increase District Own Source Revenue. As research conducted by Firdaus (2020) states that by using the tapping box, a positive effect is found in increasing the entertainment taxes which will increase District Own Source Revenue. This results in hypotheses such as the following:

H6 = The Influence of Restaurant Taxes on District Own Source Revenue moderated by the Tapping Box Utilization

The conceptual framework can be described as follows:

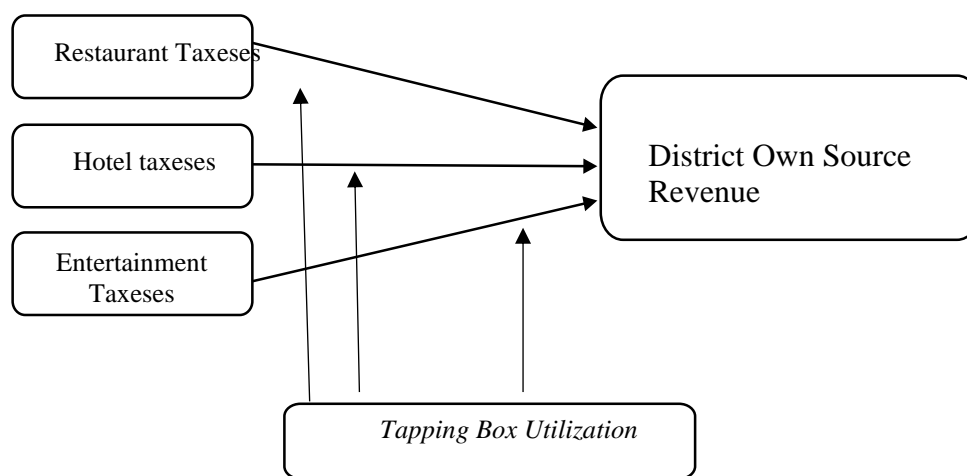


Figure 1. Conceptual Frameworks

Restaurant owners as taxpayers are obliged to pay local taxes which will increase District Own Source Revenue. Hotel owners are required to pay local taxes which will increase District Own Source Revenue. Entertainment taxes is one part of regional taxes that influences District Own Source Revenue. Intensive use of Tapping Boxes for restaurant owners, hotel owners and entertainment organizers will increase local taxes revenues which will ultimately increase Regional Original Income.

RESEARCH METHODS

This research used independent and dependent variables. The independent variables in this case are restaurant taxes, hotel taxes, entertainment taxes and the use of Tapping Box. The dependent variable in this study is an increase in District Own Source Revenue. The research took place in the Regional Finance Agency (BAPENDA) of Semarang Regency. The objects used as population are restaurant taxes, hotel taxes and entertainment taxes received from the Regional Taxes Information System. This study uses a sample of 60 with 5 years (2017-2021) of observation. The sample is the amount of taxes or income per month received from the Regional Taxes Information System. This type of research uses quantitative research methods and forms of documentation research. Then the acquisition of the collected data was analyzed using WarpPLS.

Table 1. Research Variable

Variable	Definition	Indicator
Independent Variables		
1. Restaurant Taxes	Restaurant taxes is a taxes-based service provided by a restaurant (Law No.28 of 2009 Regional Taxes and Regional Levies)	Restaurant taxes revenue
2. Hotel Taxes	hotel taxes is a taxes based on the availability of services by hotels (Mahyuliza, Rahmadana, and Nugrahadi (2021)	Hotel taxes revenue
3. Entertainment Taxes	Entertainment Taxes is a taxes on the implementation of entertainment which includes all forms of performances (Law No.28 of 2009 Regional Taxes and Regional Levies)	Entertainment taxes revenue
Dependent Variable		
District Own Source Revenue	District Own Source Revenue (PAD) is regional original income which is obtained by the region and collected based on regional regulations and by-laws (Kautsar, 2020)	Regional revenues consist of regional taxes, regional levies, regional assets and other income
Moderating Variable		
Tapping Box	A tapping box is a device that has features like Electronic Data Capture (EDC) with the use of smartphones capable of having an access base to cellular data (Firdaus, 2020; Larasati and Buga, 2020).	Number of tapping boxes used by the business

RESULTS AND DISCUSSION

Evaluation of the structural model (inner model) can be done by looking at the value of the Goodness of Fit Model. There are several steps to looking at the Goodness of Fit model in WarpPLS analysis. The suitability value of the suitability model can be seen in Table 1. Based on Table 1 it is known that there are criteria for fit and the model quality index is met. Thus, it can be said that the goodness of fit model is fulfilled and the model in this study can be used for hypothesis testing.

Table 2. Model Fit and Quality Indices Results

Model Fit and Quality Indices			Criteria Fit	Model Fit and Quality Indices Results
Average (APC)	Path	coefficient	Accepted if $p < 0.05$	P= 0.002

Model Fit and Quality Indices		Criteria Fit	Model Fit and Quality Indices Results
Average (ARS)	R-squared	Accepted if $p < 0.05$	$P < 0.001$
Average adjusted R-squared		Accepted if $p < 0.05$	$P < 0.001$
Average block VIF (AVIF)		Accepted if ≤ 5	3.068
Average full collinearity VIF		Accepted if ≤ 5	4.781
Tenenhaus GoF (GoF)		Small > 0.1 , Medium > 0.25 , Large > 0.36	1.155
Symphson's paradox ratio		Accepted if ≥ 0.7	0.833
R squared contribution ratio		Accepted if ≥ 0.9	0.973
Statistical suppression ratio		Accepted if ≥ 0.7	1.000
Nonlinear bivariate causality direction ratio (NLBCDR)		Accepted if ≥ 0.7	1.000

Source: Proceeded Data, 2023

Measurement model (outer model) on SEM WarpPLS with formative indicators can be evaluated using convergent validity, discriminant validity, and composite reliability. The results of the evaluation of the measurement model (outer model) are as follows.

1. Convergent Validity

The measurement of convergent validity is based on the loading value of each research indicator. If the minimum loading value is 0.6 then it can be said to meet convergent validity. The results of the calculation of the loading value of each indicator can be seen in Table 2.

Based on Table 2, it is known that all research indicators have a loading factor value greater than 0.6 and a p-value < 0.05 so that it can be said that convergent validity is met.

Table 3. Convergent Validity

Variable		Loading Value	p-value	Description
Restaurant (X1)	Taxes	1.000	< 0.001	Valid
Hotel Taxes (X2)		1.000	< 0.001	Valid
Entertainment (X3)	Taxes	1.000	< 0.001	Valid
Tapping Utilization (Z)	Box	1.000	< 0.001	Valid
District Own Source Revenue (Y)		1.000	< 0.001	Valid

Source: Proceeded Data, 2023

2. Discriminant Validity

To see the discriminant validity of all indicators together, it is done by comparing the value of AVE. The results of the AVE value are shown in Table 3. Based on the AVE value in Table 3, it is known that the AVE value of each variable is greater than the correlation value of AVE with other variables, so it can be said that discriminant validity is met.

Table 4. AVE Root Value

Correlations among I.v.s. with sq. rts. of AVEs								
	REVENUE	HOTELTAX	RESTOTAX	ENTRTAX	TAPPING	TAPPING*RESTOTAX	TAPPING*HOTELTAX	TAPPING*ENTRTAX
REVENUE	(1.000)	0.812	0.790	0.520	0.132	-0.271	-0.180	-0.364
HOTELTAX	0.812	(1.000)	0.957	0.681	0.318	-0.231	-0.259	-0.449
RESTOTAX	0.790	0.957	(1.000)	0.762	0.457	-0.268	-0.233	-0.562
ENTRTAX	0.520	0.681	0.762	(1.000)	0.190	-0.390	-0.314	-0.587
TAPPING	0.132	0.318	0.457	0.190	(1.000)	-0.007	-0.082	-0.529
TAPPING*RESTOTAX	-0.271	-0.231	-0.268	-0.390	-0.007	(1.000)	0.921	0.795
TAPPING*HOTELTAX	-0.180	-0.259	-0.233	-0.314	-0.082	0.921	(1.000)	0.734
TAPPING*ENTRTAX	-0.364	-0.449	-0.562	-0.587	-0.529	0.795	0.734	(1.000)

Note: Square roots of average variances extracted (AVEs) shown on diagonal.

Source: Proceeded Data, 2023

3. Composite Reliability

The results of the calculation of the composite reliability value can be seen in Table 5. Based on Table 5 it is known that all the latent variables of the study have a composite reliability value of 0.7 so it can be concluded that the composite reliability is fulfilled.

Table 5. Composite Reliability Value Results

Variable	Composite Reliability
Restaurant Taxes (X1)	1.000
Hotel Taxes (X2)	1.000
Entertainment Taxes (X3)	1.000
Tapping Box Utilization (Z)	1.000
District Own Source Revenue (Y)	1.000

Source: Proceeded Data, 2023

4. Hypothesis test

The results of hypothesis testing on the inner model can be seen in figure 2 and table 6.

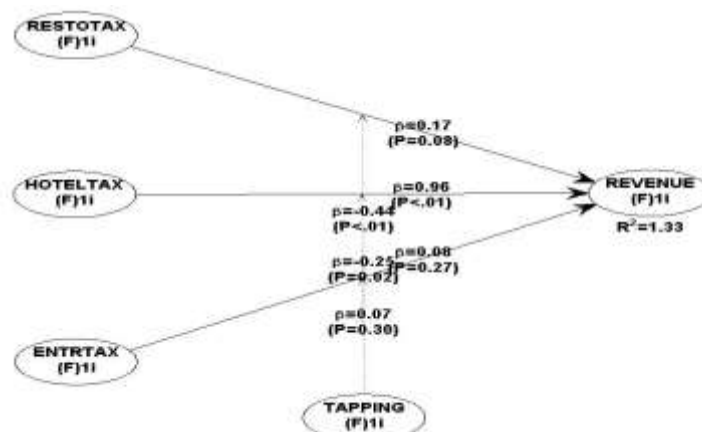


Figure 2. Result of Hypothesis
Table 6. Result of The Hypothesis

Variables Relationships				Path Coefficient	p-value	Remarks
Restaurant Own Source Revenue	Taxes	→	District	0.173	0.080	H1 Rejected
Hotel Source Revenue	Taxes	→	District Own	0.956	<0.001	H2 Accepted
Entertainment Own Source Revenue	Taxes	→	District	0.077	0.271	H3 Rejected
Restaurant Utilization Source Revenue	Taxes*Tapping Utilization	→	Box District Own	-0.438	<0.001	H4 Accepted
Hotel Utilization Source Revenue	Taxes*Tapping Utilization	→	Box District Own	-0.249	0.020	H5 Accepted
Entertainment Box Source Revenue	Taxes*Tapping Utilization	→	Box District Own	0.068	0.297	H6 Rejected

Source: Proceeded Data, 2023

The first hypothesis which states that there is an influence of restaurant taxes on Damayanti and Muthaher (2020) and Bahmid and Wahyudi (2018)) is rejected. Although in Semarang Regency there are many restaurant businesses, restaurant owners are still reluctant to pay taxes so that local revenue is not optimal. Restaurant taxes revenues have also decreased drastically due to the COVID-19 pandemic as well as the large-scale social restriction policies instructed by the government. It can be stated that restaurant taxes revenue does not have a strong influence on the Semarang Regency's District Own Source Revenue. The findings does not agree with the finding of (Rahmiyatun et al., 2021) and Suleman (2019) that restaurant taxes paid by taxpayers will increase District Own Source Revenue. This study does not support the compliance theory which assumes that taxpayers must comply with applicable regulations and also make them aware of the responsibility for taxes that must be paid. There needs to be administrative sanctions for taxpayers who do not comply with their taxes obligations.

The second hypothesis which indicates that there is an influence of hotel taxes on District Own Source Revenue is accepted. In Semarang Regency the hotel business is very popular because this area is a tourist area. Hotel owners are obedient in carrying out their obligations to pay taxes to the government so that the realization of hotel taxes revenues is optimal. During the Covid-19 Pandemic, the hotel business experienced a decline, but some hotels were also used by the government for the isolation of Covid-19 sufferers so that taxes revenues were relatively stable. The result supports the research conducted by Willy (2020) and (Damayanti & Muthaher, 2020) that hotel taxes revenue has an influence on District Own Source Revenue. The study therefore conclude that taxpayers have the awareness to comply with their taxes obligations as mentioned in compulsory theory.

The third hypothesis which presumes that there is an influence of entertainment taxes on District Own Source Revenue is rejected. Entertainment business owners do not pay their taxes obligations proportionally. During the Covid-19 period, all entertainment venues in Semarang Regency were closed which resulted in lower taxes revenues. his makes the entertainment taxes has no effect on local revenue. This finding does not concur with Damayanti and Muthaher (2020) and

Bahmid and Wahyudi (2018) that the rise of entertainment taxes will increase the The results of the study do not support the compliance theory that taxpayers must comply with applicable regulations and also have the responsibility for paying the taxes.

The fourth hypothesis that there is an effect of restaurant taxes on District Own Source Revenue is moderated by the Tapping Box accepted. Li, Wang, and Wu (2020); Yudha and Setiawan (2020); Larasati and Buga (2020) states that Tapping Boxes have great benefits in assisting the taxes calculation and collection process carried out by local governments The obligation to install Tapping Box tools in restaurants makes restaurant owners comply with BAPENDA's instructions. The installation of Tapping Box in restaurants can accurately record daily income so that restaurant owners cannot manipulate income so that the taxes to be paid are adjusted to the restaurant's revenue receipts. The installation of tapping boxes is able to encourage taxes compliance of restaurant owners in Semarang Regency. This is in accordance with empirical evidence in previous research conducted by Putri AT (2019) and Larasati and Buga (2020) which states the application of the Tapping Box can reduce the occurrence of fraud or restaurant taxes leakage so that there will be an increase in District Own Source Revenue. The findings fully support the compliance theory.

The fifth hypothesis which states that there is an influence of hotel taxes on District Own Source Revenue is moderated by the Tapping Box is accepted. Ajala and Adegbie (2020) argue that digitalization has become central to the country's economic activities and rendered traditional taxes regulations and processes ineffective. BAPENDA's instructions to hotel owners to be required to install tapping box tools in hotels make hotel owners obedient in running them. The installation of tapping boxes in hotels can accurately record the amount of income received so that hotel owners cannot manipulate the income they receive. Taxes to be paid are adjusted to the hotel's revenue receipts. The installation of the tapping box is able to increase the taxes compliance of hotel owners in Semarang Regency. The result of the study suport the compliance theory and the research conducted by Firdaus (2020) which states that the use of the Tapping Box has a positive influence on increasing the hotel taxes on District Own Source Revenue

The sixth hypothesis which indicates that there is an influence of entertainment taxes on District Own Source Revenue moderated by Tapping Box is rejected. BAPENDA's instructions to entertainment business owners to be required to install tapping boxes in hotels have not been carried out in an orderly manner because the tapping boxes are sometimes deactivated so that the entertainment business owner's income is not recorded every day, which causes the entertainment taxes paid to not match the entertainment taxes revenue. Therefore the finding does not support the compliance theory and research conducted by Firdaus (2020) which states that the used of the tapping box will have a positive effect to the entertainment taxes and District Own Source Revenue. The results does not concur with the statement of Khairunnisa (2011) that collecting entertainment taxes can utilize information technology as a tool for implementation, supervision and escort.

CONCLUSIONS

This study was conducted to prove whether the use of tapping boxes is able to strengthen the relationship between restaurant taxese, hotel taxes and entertainment taxes on District Own Source Revenue in Semarang Regency. The results show that the use of Tapping Box has proven to be able to strengthen the relationship between restaurant taxes and District Own Source Revenue and also the relationship between hotel taxes and District Own Source Revenue. On the other hand, the use of tapping boxes does not strengthen the relationship between the entertainment taxes and District Own Source Revenue. The BAPENDA of Semarang Regency requires the installation of tapping boxes in restaurants, hotels and entertainment venues to encourage taxpayer compliance because the use of the Tapping Box is able to accurately record the revenue received so as to assist taxpayers in calculating the taxes they must pay. Taxpayers cannot manipulate income receipts because the Tapping Box records revenue earned by taxpayers in real time.

LIMITATIONS AND SUGGESTIONS

This research was conducted over a five year period and in the last two years Indonesia experienced the Covid-19 pandemic and all businesses were negatively affected, including the restaurant, hotel and entertainment business so that this incident greatly affected the results of the study. Revenues in these three types of businesses experienced a sharp decline which greatly affected taxes revenues and District Own Source Revenue. It is recommended that the next research can be carried out during normal economic conditions without any global influence so that it does not affect the results of the study.

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The Role of Religiosity in Mitigating the Effects of Technostress on Engaging Academic Fraud during Accounting Online Learning

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ABSTRACT

The aim of this study is to examine how religion may help students overcome the effects of technostress, which heightens students' propensity for academic dishonesty during online learning. First, this study uses the self-determination theory (SDT) to describe the function of religion. We confirm that student's technostress increases academic fraud during online learning using structural equation modelling (SEM). The study concludes that during hybrid learning, students with strong religiosity are more intrinsically motivated to prevent academic fraud than are students with low motivation. Students must be extremely motivated, confident in their cognitive flow, and convinced that using ICT won't cause them to engage in dysfunctional behavior in order to successfully adopt a virtual face-to-face application or learning management system in education. The study's last finding is that students' cognition can boost their positive emotion.

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INTRODUCTION

Today, Online learning (e-learning) has been banned in universities. The government is pushing for 100% academiv meetings in the 2022/2023. Moreover, Lecturers face difficulties in maintaining academic integrity while using online learning (Kennedy et al. 2000; Rowe 2004), increases college students' tendencies of being misbehaviour (Nixon, 2004), such as collaborating or unauthorized the use of materials (Hollis, 2018), or cheating in exams (Golden & Kohlbeck, 2020). Thus, students experience stress-inducing e-learning supporting technology, i.e., technostress (Sumiyana and Sriwidharmanely 2020a; Sumiyana and Sriwidharmanely 2020b).

Students' stress increases during online learning, whereas they have to spend more time facing a computer, tablet, or smartphone (Tomaszek and Muchacka-Cymerman 2019; Khouja et al. 2019; Lemola et al. 2015). Furthermore, Madhav et al. (2017) indicate that increasing online learning activities results in moderate to severe depression, which affects negative performance (G. Wu et al., 2019). Therefore, technostress negatively affects students' performance (Sumiyana & Sriwidharmanely, 2020b). Then, from a different perspective, there is a possibility that students violate academic integrity by cheating (Kisamore et al., 2007).

Specifically, there was an academic dishonesty trend among Accounting students (Klein et al. 2007; McCabe et al. 2006; Rakovski and Levy 2007; Smyth et al. 2009) which posit to relied on dishonest in the workplace (Boyle et al., 2017) or business practice (Lawson 2004). Meanwhile, the accounting profession has usually encouraged ethical behavior as one of its main foundations (Pathway Commission, 2012). Therefore, the academic dishonesty of accounting students is a vital concern among academics and professionals. Nevertheless, it is essential to overcome this impact in line with keeping high integrity, which is one of the core values and emphasizes ethical behaviour in the accounting profession.

Technostress produces emotional alterations that can decrease the range of attention and concentration, unpredictable response speed, and increase errors or have a damaging emotional impact on the user's cognition (Fontana, 1989). Thus, students must subtly restore belief in

technology's adaptation to e-learning to avoid unethical behavior such as academic fraud. So the student should religiously increase positive values as one factor of a coping strategy. This study posits that the value of religion enhances the students' positive emotions so that it can prevent students from committing academic fraud. Furthermore, For many psychological diseases, such as depression or anxiety, religiosity is a helpful coping mechanism and protective factor. (Assari 2014; Carpenter et al. 2012; Feder et al. 2013; Ng 2020).

Religiosity and issues with quality of life are related (Cruz et al. 2016; Henslee et al. 2015; Pedersen et al. 2013). It brought to mind the notion that people's primary coping mechanism with adversity is their faith (Arslan 2021; Burke and Arslan 2020; Henrich et al. 2019). Stress and performance are negatively correlated, nevertheless religion and its ways (such integrating a spiritual life) can help decrease this (Fabricatore et al. 2004; Rogers et al. 2002)). Religion is a protective factor for mental health and is connected negatively with poor mental health outcomes and the risk of suicide (Rosmarin et al., 2013).

Furthermore, this study offers a novelty as follows. This research employs self-determinant theory to introduce the role of religiosity as a coping strategy in preventing students from committing academic fraud caused by ITs. This study posits that as intrinsic motivation, religiosity enhances the students' integrity through the value of religion in overcoming or reducing the negative impact of stress triggered by technology on their tendency to commit academic fraud. As an intrinsic motivation, religiosity drive student to choose and extend their involvement, effort, and persistence in their learning process (Dörnyei & Ushioda, 2011). Students could be motivated by intrinsic motivation, meaning that people learn the pleasure they get from it (Ryan & Deci, 2000). Thus, religiosity is an internal controller related to the power of maladaptive motivation in students. Religiosity attracts their feelings of guilt, shame, anxiety, and self-esteem to commit academic fraud (Vansteenkiste et al., 2010).

This study contributes to filling empirical evidence and developing a theoretical framework explaining the effect of stress on academic fraud in online learning. It is essential as a coping strategy because of the absence of knowledge about the psychological consequences on unethical behaviour. The creativity inherent in behaviour suggests that students require something more. They need a feeling for what fits or is in harmony with ethical behavior. Making agreements with academic fraud allows students to learn not as class controllers but as creative participants. To sacrifice control and creativity, individuals require attention to the subtle nuances and irregular order that occur around them, represented by religiosity. Then, This study examined at how religion relates to technological stress and academic fraud in accounting students who are learning online..

Religiosity is the intrinsic motivation of the factors supporting the success of a student's learning process, which can decrease academic fraud caused by technostress. This study confirms that technostress increases students' academic fraud. Meanwhile, this study posits that students' religiosity can overcome their increasing academic fraud. Moreover, The self-determination theory (SDT) is demonstrated in this study, which explains the role of religiosity as a mediator, not a moderator, of the impact of technostress on student academic fraud..

This study's findings can enhance academicians in university's understanding of why academic fraud is increasing during online learning. This finding can also help lecturers deal with students' stress and intellectual dishonesty. For example, lecturers must consider the number of assignments, exams, and individual projects students must complete. Furthermore, universities should consider academic integrity in syllabus development to create an academically acceptable ethical behaviour culture. Finally, in academia, research findings could help researchers better understand the consequences of students' stress and how it will influence unethical behaviour in academic settings.

THEORETICAL FRAMEWORK AND HYPOTHESES

Self-Determination Theory (SDT)

An organism-dialectical theory known as "self-determination theory" describes individuals as proactive beings whose inherent or natural functions can be helped or impeded by their social environment (Deci and Ryan 1985). SDT is a general theory of human motivation and personality that considers people's innate psychological requirements and growth preferences. (Deci & Ryan, 2008). This theory is also concerned with the reason behind a person's choices without external influence and interference. This theory offers a comprehensive framework for examining personality and motivation in people. SDT develops a meta-theory to organize the investigation of encouragement. This theory outlines the numerous intrinsic and extrinsic motivational factors as well as their separate contributions to individual variances in cognitive and social development. The SDT hypothesis also examines the ways in which social and cultural variables support or detract from people's sense of concept, initiative, well-being, and performance quality.

According to this study, a situation that fosters people's feelings of autonomy, competence, and connectedness encourages the most voluntarily and highly effective types of motivation and engagement for tasks, including improved performance, perseverance, and creativity (Deci et al., 1994). Additionally, SDT contends that the degree to which these three psychological demands are not met or are obstructed in a social setting will have a strong negative effect on the condition's health (Ryan & Deci, 2017). Due to social circumstances and developmental factors, humans can either be proactive and engaged or inactive and secluded. Therefore, research guided by SDT focuses on the contextual social conditions that facilitate versus prevent self-motivation and healthy psychological development in natural processes. Competence, autonomy, and relatedness are three innate psychological elements that either strengthen or strengthen intrinsic motivation, self-regulation, and well-being. Motivation and mental health increase when these three factors are satisfied, but reason and well-being are reduced when they fail.

Technostress

Technostress is a distressing emotional state that people go through when working with IT since they can't adjust to the demands of the technology. Five main factors contribute to technological stress: techno overload, the invasion of technology, its complexity, its insecurity, and its uncertainty (Tarafdar et al. 2011; 2013). Ayyagari et al. (2011) identified five factors that contribute to technological stress, including working from home, privacy invasion, work overload, role ambiguity, and job uncertainty.

Technostress affects decreased user satisfaction with IT, performance and productivity, organizational commitment, innovation, role conflict, and academic performance (Qi 2019; Ragu-Nathan et al. 2008; Tarafdar et al. 2010; Hung et al. 2015) or the effect of an inverted U curve on performance of users (Maier et al., 2019). The majority of research that examines the detrimental effects of technological stress on user outcomes also looks for coping mechanisms or solutions to reduce it. In implementing new technology, managing is considered an effort to solve or overcome individual problems when adapting to the latest technology. One of these efforts is related to situational factors from the user aspect, which investigates the role of religiosity in controlling the user's intrinsic motivation.

Academic Fraud in Online Learning

Academic fraud can occur face-to-face and online, such as academic cheating. It can be characterized as an action or behavior that gives one student an unfair advantage over another on a quiz or assignment. These actions can reduce conclusions' accuracy from test results or student assignments (Adzima, 2020). While this term pertains to cheating in the classroom and online, these actions may contravene the existing regulations controlling the administration of examinations or the completion of assignments. The strategies or techniques used by students to obtain an unfair

advantage make up the distinction between legitimate and illegal cheating. Students may cheat in class by peeking at other people's assignments or utilizing unapproved notes that are hidden from the teacher. On the other hand, there is no way of confirming that students cheat on the same level in unsupervised online settings. Hence, the perceived risks and methods of gaining those benefits differ depending on the learning environment.

According to King et al. (2009) define fraud as a violation of academic integrity that requires taking unfair advantage that misrepresents students' abilities and mastery of knowledge. The authors then mention that such fraud includes obtaining inappropriate assistance from online sources or assistants, plagiarism, and misrepresentation of self in an online context. In order to better comprehend the definition of online cheating from a student's perspective, Raines et al. (2011) conducted a qualitative study. According to their research, the majority of students consider rule-breaking, dishonesty, and failing to complete one's job to be fraud. There are variations between online lectures and classroom lectures because they are influenced by the limits of learning behaviour set by the campus. In online classes, they can view lecture notes or textbooks during exams but cannot look for answers online. According to Raines et al. (2011), lecturers must define learning as appropriate behavior with reference to assessment techniques with great attention and precision.

In the online setting, academic dishonesty presents opportunities and concerns that are mostly brought on by the lack of medical oversight. An online course can result in identity issues for the students, illegal use of resources or help, and the notion that fraud is a low-risk activity. In order to complete online examinations (quizzes and exams) and assignments (such as homework, lab reports, etc.), this study used unapproved collaboration and answer sharing. Working together to complete assignments, talking about them, sharing solutions or lessons, and combining their responses are all examples of cheating by students. The method involves sharing the solution on an online page, such a Google document, and then having each student copy from the paper. Given that it is quite simple to contact with others in these circumstances, unsupervised online exams may result in illicit collaboration and sharing of answers.

Another form of academic fraud is paying someone else to do an assignment or exam Lancaster and Cotarlan (2021) has become a growing concern. Additionally, students can submit exam questions to websites like Course Hero and Chegg to quickly receive expert answers from the site's professional experts. (Seeland et al., 2020). Moreover, students can recruit others to answer exams or assignments or buy essays online (Seeland et al., 2020).

Technostress and Academic Fraud

The use of telecommunications equipment can cause burnout and anxiety because they are unable to mingle, attend events, and engage with people, students experience more stress, burnout, unpleasant feelings, and negative thoughts. More people reported posttraumatic stress symptoms if they were quarantined for more than ten days. Stress and burnout are more likely to occur among the elderly, young people, medical professionals, and people with pre-existing mental health issues.

Students' lives were affected by the closing of schools, the change to online learning, and educational institutions (Viner et al. 2020; Ahmed et al. 2020). These consist include rescheduled or cancelled tests, postponed graduation ceremonies, and modifications to learning objectives. Online learning is very detrimental to students' psychological well-being around the world. Numerous medical disorders are put to the side as a result of the shift in how health resources are used toward disease control and prevention (Giallonardo et al., 2020). Students must constantly interact with technology, whether on a desktop computer or a smartphone, to assist the implementation of the learning, given the difference between face-to-face and online learning techniques. This condition also forced the student to run applications used to learn that they were unfamiliar with the program.

Someone with low self-control tends to perform dysfunctional actions and students (Ford & Blumenstein, 2013). Students who cannot adapt to online learning conditions experience stress. They do not feel happy when interacting with technology or using online learning application systems, negatively impacting their performance. The higher pressure students have moved, e.g., lose their range of attention, lose concentration, make many mistakes, increase physical and psychological pressure and reduce their interest and watch to participate in online learning (Fontana, 1989). Qi (2019) explained that technostress reduces student academic performance. Thus, using the opposite analogy, this study suggests that technostress can increase students' dysfunctional behaviour in the form of academic fraud. Therefore, this study formulates hypothesis one as follows.

H1: When online learning, technostress increases students' academic fraud.

Technostress, Religiosity, and Academic Fraud

Studies involving business schools discovered that pupils who practiced more religion (such as going to church and participating in religious activities) were considerably less likely to plagiarize on tests (Burton et al., 2011). Tang and Tang (2010) discovered that among students at business schools, intrinsic religion decreased bad behavioral intentions connected to business. According to Khan et al. (2019), students who cheat on tests and engage in other unethical behavior often have religious convictions. Individual attitudes, religion, and spirituality affected people's opinions, choices, and actions depending on the circumstance. This study indicates that religiosity but not spirituality predicts students' attitudes toward cheating behaviour mediated by cheating attitudes. Nelson et al. (2017) stated the same thing, which further elucidates the relationship between religious beliefs and unethical conduct, focusing on millennial students. This study indicates that religiosity predicts cheating and cheating attitudes and behaviour.

Misra and Goel (2021) find that socio-cultural and religious values impact ethical behavior. In contrast, Baumsteiger et al. (2013) found that spirituality and religiosity were related to students' moral reasoning. Therefore, religiosity and spirituality can provide perceptions of core values important for academic integrity and ethical behaviour. However, the practice of different religions has a value standard that is acceptable throughout the world. The correlation between Islamic religion and academic dishonesty among UIN Raden Fatah Palembang students is examined by Uyun (2020). His analysis results dimensions one of the dimensions that proved significant was religious anxiety.

Wu et al. (2019) offer advice on how to manage stress and burnout caused by continuous online activity by learning more about mental health conditions and connecting with others online to share and discuss similar experiences. Low job performance, harmed relationships, low job satisfaction and organizational commitment (Halbesleben & Buckley, 2004), as well as OCB (Cropanzano et al., 2003) have all been linked to stress and burnout. The general advice for lowering stress is to keep a strong social support system, concentrate on your personal and professional goals, and partake in activities that help you stay balanced (Burke & Arslan, 2020)

An individual's tastes, emotions, beliefs, and behaviors that reflect preexisting (or created) religious ideals are referred to as their religiosity (Stolz, 2009). Some people believe that religion provides a source of emotional and spiritual support, hope, an outlet for one's beliefs, a feeling of purpose, and direction for one's behavior (Kutcher et al., 2010). The relationship between health and religion has been extensively studied in the past. Those show how religion and its traditions assist people cope with stress (Koenig, 2018). Additionally, it enhances mental and psychological health and has a good impact on heart disease, hypertension, brain disease, immune system function, cancer, and other long-term stress-related consequences (Ellison et al. 2001; Yldrm et al. 2021). Likewise, religious people have greater happiness and satisfaction than non-religious individuals (Yıldırım et al., 2021).

Ellison et al. (2001) proposed several mechanisms which religion aids with stress management. First, religion can control personal lives and stress-reducing behaviors. The second suggested mechanism is social support and integration. Social networks, which provide resources like group programming and unofficial support, are created by members of the same religious community. Thirdly, religion has the potential to improve subjective self-perceptions like self-efficacy and self-esteem. The fourth component takes into account coping mechanisms and practices that involve religion. Therefore, this study stated hypothesis two as follows:

H2: When online learning, religiosity overcomes the effects of technostress that increase academic fraud.

H2a: When online learning, religiosity reduces technostress' negative impact, which increases students' academic fraud.

H2b: During online learning, technostress increases students' religiosity.

H2c: When online learning, religiosity reduces students' academic fraud.

RESEARCH METHODS

Population And Sample

The entire population is made up of students from Indonesia's state and private universities' accounting departments. The odd semester of the school year 2021–2022 is when they are enrolled as active students. This study used the criteria of undergraduate accounting majors to define the sample observed. The first odd semester of the 2021–2022 school year is bustling with students. took Introductory Accounting, Intermediate Financial, and Advanced Financial accounting classes during the academic year. Table 1 demonstrates the respondents' demographic.

The total number of respondents was 159, with a return rate of 108 questionnaires whose data could be processed further amounted to 108. Before putting the theory to the test, Table 1 displays the distribution of respondents' demographic information, participant grouping by gender, age, and generation, and online learning activities, which include popular meeting techniques, online learning management systems, and the number of meeting and system-related applications.

In terms of gender demographics, the data showed that there were 65 female respondents (60.2%) and 43 male respondents (39.8%). The average age of students is 21 years, and the maximum is 25 years. Based on the batch, the results distinguished that 75 student respondents were in the second semester of 5%, most of which were in semester 4 (43%) and semester 6 (50%). Semesters 4 and 6 take Intermediate Financial Accounting and Advanced Financial Accounting courses.

Table 1: Research Demographics

Variable	Information	Frequency	Percentage	Cumulative
Gender	Man	43	39.8	39.8
	Woman	65	60.2	100
Age	19 Years	21	19.4	19.4
	19<x≤21	43	39.8	59.2
	21<x≤23	27	25.1	84.3
	>23	17	15.7	100
Semester	2	5	4.6	4.6
	4	43	39.8	44.4
	6	50	46.3	90.7
	8	9	9.3	100
Use of Online Meeting	Zoom Meeting	63	58.3	58.3
	Gmeet	27	25.0	83.3
	other	18	16.7	100
Learning Management System	Google Classroom	71	65.7	65.7
	PT Information System	27	25.0	90.7
	other	10	9.3	100
Number of Online Systems	1 apps	35	32.4	32.4
	2 apps	51	47.2	79.6
	3 apps	22	20.4	100
Number of learning systems	1 apps	52	48.1	48.1
	2 apps	32	29.6	77.7
	3 apps	24	22.3	100

The most widely used program in the online learning process is Zoom meeting (58.3%, followed by Google meeting (25%). As for the online learning management system through Google classroom (65.7% and only 25% use the online learning system). Management information developed by universities. However, the online learning process does not only use one meeting program. On average, lecturers use two meeting programs due to internet connection problems. While the class management system, such as attendance, assignments, and exams, only uses one application.

Data Collection Method

The data collection method is an online survey. The student received questionnaires directly via WhatsApp, SMS, or email. Some of the research participant's questions were self-reported by the respondents. The study's participants were requested to participate by taking 5–10 minutes to react to four questions on academic fraud, technostress, and religiosity on the attached questionnaire.

Variables And Variable Measurement

This study defines academic fraud as the value of students' beliefs about academic mistakes usually committed by them (Mirshekary and Lawrence 2009). By adapting previous research, these variables were measured based on their tolerance for intellectual errors classified in student attitudes. A five-point Likert scale from (1) strongly disagree to (5) strongly agree with each of the 23 statements that make up widespread academic fraud.

Technostress is a distressing emotional state that people go through when working with IT since they can't adjust to the demands of the technology. This study adopted the instrument of Tarafdar et al. (2010; 2007). Techno-overload, techno-invasion, techno-complexity, techno-insecurity, and techno-uncertainty are the top five causes of technostress among students who utilize technology. A Likert-type scale with a maximum score of five points was used to rate 23 statements on this technostress, ranging from (1) strongly disagree to (5) strongly agree.

Moreover, this study uses the measurement of religiosity with religious practices of individual and social spiritual practices (Koenig, 2018). Questions reflect socio-religious activities

(including participation in social movements) and personal activities (including praying alone, reading scriptures, and viewing or hearing religious programming). This study modifies the words by not specifying a particular religion. In addition, the measurement used is to assess the strength of the participants' beliefs. We only use intrinsic and extrinsic motivation to believe in God. 20 statements about religiosity were evaluated using a Likert-type scale with a maximum of five points, ranging from (1) strongly disagree to (5) strongly agree.

Data Analysis

We used WarpPLS's structural equation modeling (SEM) to evaluate all of the investigation's hypotheses because our data were nested. We chose the SEM approach because it offers an index of model fit and enables simultaneous estimation of numerous concurrent indirect paths. We initially tested our proposed measurement model, then we compared the baseline model's model fit to a number of other models. The theoretical model's hypotheses are then tested using path estimations.

RESULTS AND DISCUSSION

Instrument Validation

Using Warp partial least squares (WarpPLS), this study analyses the outer model to measure convergent validity. The loading must be greater than 0.70 and the p-value must be significant for the reflective construct to have convergent validity (<0.05) (Hair Jr et al., 2019). The CFA results showed that while all of the factor loadings were significant, not all of them exceeded 0.70, leading to a number of questionable items. This study maintained some items with loadings between 0.40 to 0.70 because they did not increase the AVE and composite reliability values above the limit. Similarly, certain items with severe loading values of less than 0.50 are kept with formative structures since their p-values are significant (Hair Jr et al., 2019).

Composite reliability was used to estimate convergent reliability and validity. The Cronbach alpha was higher than the advised 0.50 normal, while the overall reliability of all constructions exceeded 0.80. To evaluate the discriminant validity, we compared the correlation between constructs with the AVE of each construct. All of the correlations between the variables fall below the AVE of both constructs squared. These results provide evidence of reliability and validity (see Appendix 1).

Descriptive Statistics

The research variables' means, SDs, correlation coefficients, and significance are shown in Table 2. Academic fraud was positively correlated with technostress ($r = 0.322$, $p = 0.001$). Religiosity, on the other hand, had a negative correlation with academic fraud ($r = -0.263$, $p = 0.05$). They have a high level of religiosity ($\bar{X} = 4.17$), while the level of academic fraud is relatively low ($\bar{X} = 2.4$).

Table 2: Descriptive Statistics and Correlation Between Variables

	mean	std	Technostress	Religion	AcadFrau	Rail*TS
Technostress	3,309	0.926	0.588	0.078	0.322*	0.400*
Religion	4.172	0.639	0.078	0.658	-0.268*	0.117
AcadFraud	2,376	0.943	0.322*	-0.263**	0.688	0.141
Rail*TS			0.400*	0.117	0.141	1,000

*Significant correlation at 1% level.

**Significant correlation at 5% level.

Conformity Model Analysis

All existing criteria have met the cut-off value based on the goodness of fit test results (Table 2). Therefore, we can conclude that the model is good; there is a match between the input observations and the predictions of the proposed model. The order of the most critical indicators in comparing research models is Average R-squared (ARS), Average Block VIF (AVIF), and the last is Average Path Coefficient (APC) (Kock 2011). Based on ARS, the best model is the combined model. Based on AVIF, the best model is the combined model; meanwhile, based on APC is the mediation model. Thus, all are on a mixed model, a separate mediation model, and moderation as a comparison model for further discussion (Appendix 1).

Statistics and Analysis Results

This study applied SEM analysis to test all direct and indirect relationships or the strengthening and weakening relationships of the research variables simultaneously. Picture. One presents the path coefficients generated by SEM for the overall research model. First, Hypothesis one (H1) predicts that technostress increases academic fraud when learning online. The findings showed that technostress has substantial impact on academic fraud was significant ($\beta = 0.27$, $p < 0.01$). This result supports H1.

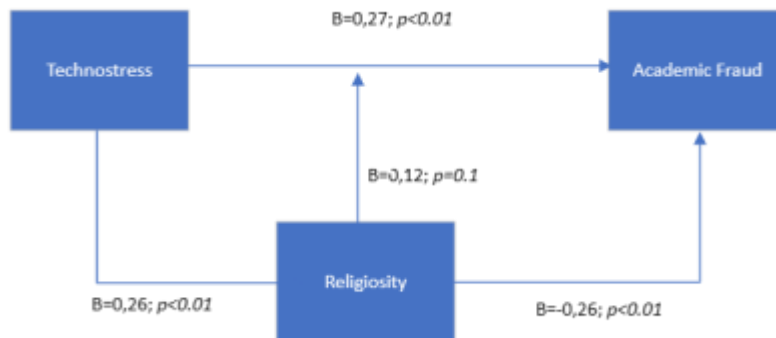


Figure 1. Hypothesis Testing Results

Furthermore, H2 states that religiosity overcomes the negative impact of technostress when learning online, which increases academic fraud (both as moderation and mediation). The test results identified that religiosity reduces technostress's effects, increasing academic fraud ($\beta = 0.12$, $p = 0.10$). This result partially supports hypothesis H2a. However, religiosity could not reduce the impact of technostress on increasing religiosity during online learning ($\beta = 0.26$, $p < 0.01$), so hypothesis H2b is supported. Moreover, religiosity reduces academic fraud students commit during online learning ($\beta = -0.26$, $p < 0.01$). The results of this study confirmed H2c. Thus, religiosity can overcome technostress's negative impact, which increases academic fraud students commit during online learning.

Findings and Discussion

Technostress increases the act of academic fraud committed by students during online learning. This learning method forces students to interact with technology, systems, or applications that support or facilitate such education during online learning. Students who cannot adapt to technology, designs, or applications that support or facilitate online learning are under pressure. They feel unhappy when interacting with technology or using online learning application systems (Sumiyana and Sriwidharmanely 2020b) which will harm their performance.

Furthermore, low self-control tends to perform dysfunctional actions (Ford & Blumenstein, 2013). Likewise, students experience pressure when interacting with technology, systems, or applications that support or facilitate the implementation of online learning. The higher the anxiety students feel due to these interactions, the more they lose their range of attention, lose focus or

concentration, make lots of mistakes, increase physical and psychological pressure, and reduce their interest and engagement in online learning (Fontana, 1989). This study also supports Qi (2019), confirming that technostress decreases academic performance in the opposite performance analogy.

Students who learn online frequently have to multitask and deal with the volume of information supplied by various learning tools (Qi, 2019). This strategy compelled students to work quicker in order to meet the processing demands imposed by online learning. As a result, students frequently encounter difficulties as a result of poor time management, skills, and cognitive strengths, insufficient academic and technical assistance, and poor self-management (Qi, 2019). As a result, technostress can lead to student frustration, burnout, and depression. From burnout and depression, it will have an impact on their evil intentions to survive and maintain performance by committing academic fraud (B. Wu & Chen, 2017).

To deal with this condition, students must try or have a way to overcome the impact of this technostress. This study confirms the self-determination theory that one form of student intrinsic motivation in religiosity can overcome the negative effect of technostress, which increases academic fraud during online learning. Religiosity may mitigate and attenuate the detrimental effects of technology. Religiosity refers to a person's preferences, feelings, beliefs, and behaviors that are based on existing religious ideals. (Stolz 2009). This spiritual value facilitates or increases students' sense of willingness and initiative to choose or take the right action, which will undoubtedly affect their welfare and quality of performance, avoid dysfunctional behaviour, and commit academic fraud.

In accordance with Ellison et al. (2001) who identified multiple processes via which religion aids in stress management. First, religion may influence individual lives and good behaviors that reduce stress. The second mechanism indicated is social integration and assistance. Individuals within the same religious community develop social networks, which provide resources such as group programming and informal assistance. Religion may also favorably impact self-perceptions such as self-esteem and self-efficacy. Finally, the fourth mechanism takes into account the coping tools and ways available through religious engagement.

CONCLUSIONS AND SUGGESTION

Conclusion

This study investigates the role of religiosity in overcoming the influence of technostress which increases the tendency of students to commit academic fraud during online learning. This study confirms the self-determination theory (SDT), which explains the role of religiosity in overcoming the influence of technostress, increasing students' tendency to commit academic fraud during online learning. In other words, the negative impact of technostress can reduce students' academic fraud via religiosity.

By applying structural equation modeling (SEM), the study confirmed the combined model as the best fit compared to the separate model between mediating and moderating roles. It reveals that students experienced not too high technostress during the online learning. However, they have a reasonably high level of religiosity, while academic fraud is relatively low. Students with high religiosity have a higher (intrinsic) motivation to avoid academic fraud than students with low motivation through online learning. Students must be highly motivated and optimistic in their cognitive flow and feel that this ICT cannot lead to dysfunctional behavior in order to successfully adopt a virtual face-to-face application or learning management system in online learning. This research finally concludes that students' cognition can increase their positive emotions.

Research Limitations

The following restrictions apply to this study. First, this study employs respondent perception data to assess the potential causes of technostress and religiosity. It was advised that future study combine interviews and clinical diagnosis to offer a better case for the issue of technostress during online learning. Second, the findings of this study may be uneven in the distribution of classes and study levels of students due to study site constraints. As a result, future research must confirm findings with a diverse range of people from different genders and socioeconomic backgrounds. Third, the measurement of academic fraud does not distinguish the online learning media used. This condition raises the possibility of causing obstacles to the generalizability of research findings. This situation is due to the existence of online learning media that have been tightly or loosely protected. Therefore, future research may consider online learning models and media that might influence the research findings. Finally, there is the possibility of cultural disparities in experiencing technostress among students since students from different locations and cultural backgrounds have varying exposures to the use of technology. Future study will be able to confirm the findings connected to the student's origin and background.

Implication

This study provides results about technostress and coping strategies (i.e., religiosity) in online learning. This study contributes to understanding the critical psychological factors in online learning. Furthermore, religiosity coping strategies can help reduce technostress in the face of adversity. In the following respects, the findings of this study have significance for future research on technostress. First, the technostress dimension might benefit from a broader viewpoint. For example, student technostress is tied to both the technology and changes in academic requirements and pressure created by the institution, as well as the availability of support from other students.

Second, universities can create a psychologically healthy environment that matches students' abilities and requirements well. Third, solutions for technostress must consider student demographics. Lower-level students and gender may have different consequences for technostress. As a result, social support and learning communities should be fostered to aid in the formation of attitudes and the development of a pleasurable online learning experience.

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INTELLECTUAL CAPITAL, GREEN ACCOUNTING, AND COMPANY PERFORMANCE WITH THE MANUFACTURING COMPANY

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ABSTRACT

This study aims to determine the application of Intellectual Capital green accounting, and company performance with the Manufacturing Company . This research uses quantitative research. The population in this study are mining companies listed on the Manufacturing Company for 2021-2023. The sampling technique used in this study used purposive sampling . The number of companies sampled in this study were 40 companies. The type of data used is secondary data, namely in the form of financial reports and annual reports obtained through the official website of the Indonesia Stock Exchange and the official websites of related companies. The dependent variable used in this study is Company Performance. Meanwhile, the independent variables use intellectual capital and green accounting. The data analysis method used is panel data regression analysis with the help of the SPSS application program. The results of this study indicate that intellectual Capital and green accounting have a positive and significant effect on company performance.

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INTRODUCTION

Intellectual Capital is able to improve the company's financial performance. financial performance of the company, advances in technology and sophisticated information and the collection of fast information make every company increase the company's capacity. information makes every company increase the company's capacity better. by the company can also be seen from the share ownership of a company. Then there is managerial ownership by the management which will lead to a supervision of the policies taken by the management of the company. supervision of the policies taken by the company's management. The shareholders shareholders tend to want to reduce the use of debt because the amount of debt will increase the company's risk.

The amount of debt will increase company risk. Managerial ownership is a condition that indicates that the manager owns shares in the company or is a shareholder of the company, which is indicated by the percentage of ownership in the company. shareholders of the company which is indicated by the percentage of ownership shares by the company's management. Managerial ownership is related to agency theory agency theory which states that if the interests of managers and owners can be aligned, managers will not be motivated to improve the quality of accounting information and the informativeness of earnings (Mahoney et al., 2014). informativeness of earnings (Mahadewi and Krisnadewi, 2017).

The purpose of green accounting is to fulfill all forms of corporate responsibility to the environment as a result of the company's operational activities that may cause damage and degradation of the environment. Environmental preservation is beneficial for the surrounding community as well as for the company in the long run. In carrying out its operational activities, the company is required to care about the environment (community). Companies are required to pay attention to the impacts caused in carrying out operational activities to achieve optimal profits. The company is not an entity that only operates for its own interests but must provide benefits to its stakeholders, including creditors, suppliers, customers, government and society (Ghozali and Chariri, 2007: 409).

The results of previous research by Adriana (2022) which examined the effect of implementing green accounting on the company's financial performance explained the results that green accounting partially affects the company's financial performance, this is because companies in increasing profitability continue to make efforts to preserve the environment do not damage the environment and comply with norms and ethics in accordance with sharia principles. Improved environmental performance indicates that the company has implemented environmental accounting properly which will affect the increase in company profitability and has good financial performance. However, this is inconsistent with the results of research by Faizah (2020) studying the effect of Green Accounting Implementation on Financial Performance. Explaining the results that Green Accounting variables have no effect on financial performance as measured using net profit margin. Researchers explain that green accounting proxied

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by environmental activities, environmentally friendly products and environmental performance has no effect on financial performance proxied by net profit margin.

The results of research conducted by Adriana (2021), which state that green accounting partially has a significant effect and on the company's financial performance. The same results are also shown by Damayanti's research (2020), which states that green accounting partially has a significant effect and on the company's financial performance. Meanwhile, research (Faizah, 2020) shows the result that green accounting has no effect on financial performance. This research is the same as research conducted by (Febriany N., 2019), (Landion, 2019) shows that Intellectual Capital has a positive effect on company's financial performance. Meanwhile (Hidayat, 2019) found the results that intellectual capital has no effect on financial performance. The next explanation is that companies that implement green accounting require a special allocation of environmental costs, these costs are considered as expenses that can reduce company profits, these expenses are considered as future investments. This explains that there are differences in the results obtained from previous studies..

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Legitimacy Theory

Legitimacy theory was proposed by Dowling and Pfeffer (1975). This theory explains that companies must ensure that the company's operations are still within the norms accepted by society. This theory is based on the idea that the company will continue its existence if the values in the company are in accordance or in harmony with the values or norms prevailing in society. The company's management system is not only concerned with shareholder rights but also the interests of society and the impact on the environment. Company activities that ignore environmental impacts will conflict with the norms and values prevailing in society. The adverse impact of environmental management by the company will be felt by the surrounding community both directly and indirectly. Therefore, companies must create a good environmental impact management system. Early management of environmental impacts by the company will reduce the risk for the company to get public demands in the future. For this reason, the company discloses the actions taken to reduce these environmental impacts. Disclosure is made by the company through the financial statements prepared by the company.

Intellectual Capital

Intellectual capital is defined as the total of all capabilities and knowledge that help a company to gain and maintain a competitive advantage. a company to gain and maintain a sustainable competitive advantage (Wang, Wang, & Liang, 2014). (Wang, Wang, & Liang, 2014). Intellectual capital is a resource that is intended to contribute to improving performance (Zéghal & Maaloul, 2010), intellectual capital information is more widely disclosed in company reports. intellectual capital that is more widely disclosed in corporate reports should represent a source of of competitive advantage and thus will lead to improved performance of the company. of the company. Intellectual capital has three components: human capital, which is based on human resources; structural capital, which relies on organizational human resources, structural capital that relies on the organization, and capital employed that is based on the coordination of the relationship between the company and its surrounding environment. based on the coordination of the relationship between the company and the surrounding environment (Jardon & Dasilva, 2017). According to Hussinki, Ritala, Vanhala, & Kianto (2017), companies characterized by high intellectual capital and the use of knowledge management practices. and high use of knowledge management practices usually have better performance.

Green Accounting

Green accounting is Environmental accounting is collecting, analyzing, assessing, and preparing reports on environmental and financial data with the aim of reducing environmental impacts and costs. This form of accounting is also important to many aspects of government policy. As a result, environmental accounting has become a key aspect of green business and responsible economic development" (Cohen and Robbins, 2011:190).

Company Performance

Performance measurement according to Anthony and Govindarajan (2007: 441) is the measurement of the results of strategy implementation, and performance results that are considered good will be the standard for measuring future performance. If the indicators that become performance measures increase, it means that the strategy has been implemented properly. According to Jumingan (2014: 239) explains that financial performance is a description of the company's financial condition in a certain period, both regarding aspects of raising funds and channeling funds, which are usually measured by indicators of capital adequacy, liquidity, and profitability..

The Effect of Intellectual Capital on Company Performance

The effect of human capital efficiency on company performance Human capital efficiency shows the amount of value added generated per monetary unit invested in labor to produce company performance. Human capital is the intellectual ability of employees. Nielsen, Bukh, Mouritsen, Johansen, & Gormsen (2006) argue that human capital, represented by for example the skills, knowledge, expertise of employees that help improve company performance. According to Soetedjo & Mursida (2014), the higher the human capital, the higher the company's performance because it will show the effective and efficient utilization and management of the intellectual resources of the company's workforce so as to obtain maximum profit. The results of Nimtrakoon's research (2017) state that human capital efficiency has a significant positive effect on company performance.

H1 = Human capital efficiency has a significant positive effect on company performance.

The effect of structural capital efficiency on company performance Structural capital efficiency is the proportion of the amount of added value accounted for by structural capital. Structural capital is the company's ability to assist employee efforts to produce ideal intellectual capital such as: company operating systems, manufacturing processes, organizational culture and management. According to Soetedjo & Mursida (2014), the higher the structural capital, the company's performance will increase because the company is able to manage its assets optimally because with a good system, structure and procedures, the company can reduce fraud that occurs and customer satisfaction can be increased and can also maximize profits. The results of Hamdan's research (2017), suggest that structural capital efficiency has a significant positive effect on the company's financial performance.

H2 = Structural capital efficiency has a significant positive effect on company performance.

The effect of capital employed efficiency on company performance Capital employed efficiency is the amount of added value of physical and financial assets in the company which measures the efficiency and effectiveness of the company. Capital employed comes from outside the company which can provide more value to companies such as clients, distributors, suppliers, and investors (Sawarjuwono & Kadir, 2003). According to Soetedjo & Mursida (2014), the higher the capital employed, the company's performance will increase because good social relations between the company and outsiders will affect the level of trust of outsiders in the company so that the company can get many benefits such as: client loyalty, good name and power to negotiate so that profit can be maximized. The results of Nimtrakoon's research (2017) state that capital employed efficiency has a significant positive effect on company performance.

H3 = Capital employed efficiency has a significant positive effect on company performance.

The Effect of Green Accounting on Company Performance

Green accounting for company owners has many benefits, one of which is that it can trigger positive developments and can improve the company's name in the eyes of the public. So that this can increase the company's selling value for its products produced by the company. Not only does it increase the company's selling value to consumers but also to investors who have invested their shares in the company. According to Ningsih (2017) in her research has explained that it has been found that green accounting has a significant positive effect on financial performance. As well as research from Adriana (2022) which shows the results of the application of green accounting can affect the company's financial performance. This is because environmental disclosures in the company's annual report can assist users of financial statements in making decisions for company policies or programs related to environmental preservation in the future. Based on the results of research by Nursasi (2017) and Adriana (2022), the researchers proposed the following hypothesis:

H4: Green Accounting Affects Company Performance.

RESEARCH METHODS

Population and Sample

The population in this study are all manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period. The sampling method in this study uses purposive sampling method, namely the sampling method based on certain criteria.

Operational Definition of Variables

Dependent Variable Financial Performance

The company's financial performance was chosen in this study because it is to see whether social responsibility activities for companies can have an impact on company profitability. Financial performance in this study is measured using ROA (Return On Asset). The formula used to measure this variable is as follows

$$ROA = \frac{\text{Net Profits}}{\text{Total Asset}}$$

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Independent Variable of Intellectual Capital

The measurement of intellectual capital in this study is based on the main components of VAICTM, namely VAHU (Value Added Human Capital), STVA (Structural Capital Value Added) and VACA (Value Added Capital Employed). This formulation is the sum of the previously mentioned coefficients, namely VAICTM (Value Added Intellectual Coefficient), which is a method of measuring intellectual capital components as follows:

Output = Revenue (products and services)

Input = All expenses (except employee expenses)

VA = Output – Input

HC = Human capital (labor burden)

SC = Structural capital (VA-HC)

CE = Customer capital (equity and net profit)

VAHU = VA/HC

STVA = SC/VA

VACA = VA/CE

VAICTM = VAHU + STVA + VACA

Description:

VAICTM = Value Added Intellectual Coefficient

VAHU = Value Added Human Capital

STVA = Structural Capital Value Added

VACA = Value Added Capital Employed

Independent Variable Green Accounting

Green accounting variables can be measured using the content analysis method. If the company has a prevention cost component, internal failure cost component, external failure cost and environmental development & research cost in the annual report, each indicator will be given a value of 1 so that the total score is 4. If there is no environmental cost component in the annual report, it will score 0 (Chasbiandani et al., 2019). After the score is determined, the amount of disclosure level is as follows:

$$\text{Disclosure} = \frac{\text{number of fulfill disclosure}}{\text{maximum number}}$$

Analysis Method

Data The data analysis technique needed in this research is multiple regression analysis. The data collected was then analyzed using SPSS version 26 starting from descriptive statistical tests, classical assumption tests used are normality tests, multicollinearity tests, heteroscedasticity tests and autocorrelation tests and hypothesis testing.

RESULTS AND DISCUSSION

Description of Research Data

The population in this study were all manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2023. The sampling method in this study used purposive sampling method, which is a sampling method based on certain criteria. Table I shows that the samples that met the sampling criteria in this study were 40 companies with 137 observations.

Table I
Research Sample

Sample Criteria	Number of Samples
Manufacturing companies listed on the Indonesia Stock Exchange in 2020-2023	132
Not available complete annual reports during 2020-2023	(34)
Available consecutive complete annual report reports during 2020-2023	98
Does not have complete data related to the variables in the study	(58)
Number of sample companies	40

Source: Data processed 2023

Descriptive Statistics

Descriptive statistical data results are used to describe research data in the form of mean, minimum, maximum and standard deviation of each variable. This research data is described as follows:

Table 2
Descriptive Statistics

Variable	Minimum	Maximum	Average	Standard Deviation
Human Capital Efficiency (HC)	-0,73253	0,52670	0,02915	0,08619
Structural Capital Efficiency (SC)	-41,6561	65,7640	3,04922	4,37981
Capital Employed Efficiency (CE)	-0,59273	0,98273	0,15019	0,14231
Green Accounting (GA)	0.500000	1.00000	0.78333	0.21326
Company Performance (CP)	0.000000	1.25000	0.09000	0.17898

Source: Data processed 2023

Normality Test Results

Table 3
Data Normality Test Results

<i>One Sample Kolmogorov-Smirnov test</i>	
<i>Asymp Sig (2-tailed)</i>	Description
0,323	Normal distributed dat

Source: Data processed 2023

Based on table 3, it can be seen that the results of the calculation using the One Sample Kolmogorov-smirnov test for Unstandardized Residual have an Asymp Sig (2-tailed) value greater than 0.05 so that the data used in this study are normally distributed.

Multicollinearity Test Results

Table 4
Multicollinearity Test Results

No	Variable	Tolerance	VIF	Description
1	Human Capital Efficiency (HC)	0,569	1,758	Multicollinearity Free
2	Structural Capital Efficiency (SC)	0.623	1.465	Multicollinearity Free
3	Capital Employed Efficiency (CE)	0.721	1.575	Multicollinearity Free
4	Green Accounting (GA)	0,735	1,360	Multicollinearity Free

Source: Data processed 2023

Based on table 4 above, it is concluded that all research variables have VIF < 10 and Tolerance value > 0.10, which means that there are no symptoms of multicollinearity in the regression equation model.

Heteroscedasticity Test Results

Table 5
Heteroscedasticity Test Results

No	Variable	Sig	Description
1	Human Capital Efficiency (HC)	0,065	Heteroscedasticity Free
2	Structural Capital Efficiency (SC)	0,075	Heteroscedasticity Free
3	Capital Employed Efficiency (CE)	0,054	Heteroscedasticity Free
4	Green Accounting (GA)	0,081	Heteroscedasticity Free

Source: Data processed 2023

Based on Table 5, it can be concluded that there are no symptoms of heteroscedasticity in the research variables.

Hypothesis Testing Results

Table 6
Hypothesis Test Results

Variable	coefisient	t-test	Sig	Result
Human Capital Efficiency (HC)	0,840	2,111	0,039	Accept
Structural Capital Efficiency (SC)	0,721	2,123	0,035	Accept
Capital Employed Efficiency (CE)	0,726	2,121	0,036	Accept
Green Accounting (GA)	0,624	2,130	0,037	Accept
R Square	0,525			
Adjusted R²	0,494			
F	17,127			
Sig.	0,000			

Source: Data processed 2023

Based on the regression results in table 7, it can be seen that the F statistical value in the model is 17.127 with a significance value of 0.000. The probability value of 0.000 is smaller than 0.05, indicating that the model used in the study is feasible to use. Based on table 7, it can be seen that the value of Adj. R2 value of 0.494 which indicates that 49.4% of the variable use of accounting information can be explained by the human capital efficiency (HC) variable. Variable Structural Capital Efficiency (SC), Variable Capital Employee Efficiency (CE) and variable green accounting (GA) while the remaining 50.6% is explained by other variables not contained in this study.

Pembahasan

The effect of human capital efficiency on company performance

Human capital efficiency shows the amount of value added generated per monetary unit invested in labor to produce company performance. Human capital is the intellectual ability of employees. Nielsen, Bukh, Mouritsen, Johansen, & Gormsen (2006) argue that human capital, represented by for example the skills, knowledge, expertise of employees that help improve company performance. According to Soetedjo & Mursida (2014), the higher the human capital, the higher the company's performance because it will show the effective and efficient utilization and management of the intellectual resources of the company's workforce so as to obtain maximum profit.

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The effect of capital employed efficiency on company performance

Capital employed efficiency is the amount of added value of physical and financial assets in the company which measures the efficiency and effectiveness of the company. Capital employed comes from outside the company which can provide more value to companies such as clients, distributors, suppliers, and investors (Sawarjuwono & Kadir, 2003). According to Soetedjo & Mursida (2014), the higher the capital employed, the company's performance will increase because good social relations between the company and outsiders will affect the level of trust of outsiders in the company so that the company can get many benefits such as: client loyalty, good name and power to negotiate so that profit can be maximized.

Green accounting affects company performance

Green accounting for company owners has many benefits, one of which is that it can trigger positive developments and can improve the company's name in the eyes of the public. So that this can increase the company's selling value for its products produced by the company. Not only does it increase the company's selling value to consumers but also to investors who have invested their shares in the company. Nursasi (2017), in his research has explained that it has been found that green accounting has a significant positive effect on financial performance. As well as research from Adriana (2022) which shows the results of the application of green accounting can affect the company's financial performance.

This is because environmental disclosures in the company's annual report can assist users of financial statements in making decisions for company policies or programs related to environmental conservation in the future.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of the research to determine the application of Intellectual Capital green accounting, and company performance with the Manufacturing Company that has been done, it can be concluded as follows:

- Physical capital (VACA), human capital (VAHU), structural capital (STVA) are significant components in forming Intellectual Capital in the company. Furthermore, Intellectual capital has a positive and significant effect on the financial performance of companies in the financial sector in Indonesia.
- Green accounting affects financial performance. the application of green accounting can affect the company's financial performance. This is because environmental disclosures in the company's annual report can assist users of financial statements in making decisions for company policies or programs related to environmental conservation in the future.

Suggestion

Based on the results of the conclusions described above, the following are things that can be used as academic advice and practical advice, namely:

- Academic advice Further research can add other variables that can affect financial performance and add research objects and research periods.
- Practical advice It is hoped that this research can be a consideration for investors so that in deciding on investments, they also consider the environmental responsibilities that have been carried out by the company, so that the company can be more concerned about increasing its environmental responsibility. Companies should also include the environment as a cost or asset in the annual report so that the financial information produced can be more efficient and get a positive image.

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ANALYSIS OF THE LEVEL OF E-GOVERNMENT IMPLEMENTATION AND FACTORS THAT INFLUENCE IT (EMPIRICAL STUDY OF REGIONAL GOVERNMENT IN CENTRAL JAVA)

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ABSTRACT

The new public management is an attempt by the government to improve public accountability, transparency, and more effective and efficient performance. The application of e-Government is an innovation by local governments to realize the achievement of new public management. Not only has the aim of transparency and accountability, the use of the e-Government application system is also expected to be able to improve the performance of local governments with the principle of value for money. The purpose of this study is to analyze the factors that influence the implementation of e-Government in the Regional Government of Central Java and the relationship of each of these factors to the implementation of e-Government. The research was conducted using quantitative research methods with data analysis using EViews. The population and sample use data on the implementation of e-government and the factors that influence it in the district/city governments of Central Java province, in 2019 and 2021. The results show that local revenue (PAD) has a positive effect on the level of implementation of e-Government, spending capital has no effect on e-Government implementation, local government financing has a positive effect on e-Government implementation, regional per capita income (PDRB) has no effect on implementation e-Government, the level of public education has no effect on e-Government, and the population has no effect on the implementation of e-Government.

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INTRODUCTION

Reforms in public sector organizations in Indonesia began with the implementation of the idea of New Public Management (NPM). The application of NPM is carried out to improve performance in the public sector, one of which is the implementation of e-government. Technological developments have encouraged improvements in the quality of government services, effective and efficient public services can be provided through e-government. The implementation of e-government in each country is different, so not all countries have the ability to obtain the same results from e-government development (Defitri et al., 2020; Doran et al., 2023). In 2003, the Indonesian Government issued a regulation on e-government, namely Presidential Decree no. 3 of 2003. The purpose of issuing Presidential Decree no. 3 of 2003 is that e-government is intended to ensure the integration of electronic document and information management and processing systems in developing a transparent public service system. Implementing e-government in developing countries has challenges from internal and external factors. Challenges from external factors include the level of corruption and the size of government organizations. Furthermore, internal factors are the characteristics of society and the quality of e-government itself. Apart from that, the level of public education and the quality of infrastructure are also challenges in implementing e-government (Samuel et al., 2020). Furthermore, other obstacles to implementing e-government are related to the complexity of government organizations and the government's capacity to fund e-government (Gallego-Álvarez et al., 2010). Meanwhile in Indonesia, there are several obstacles and challenges in implementing e-government, namely obstacles in the areas of regulations and implementation

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guidelines, quality of human resources, limited facilities and infrastructure (Wulansari & Inayati, 2019). Then, if we look at financial factors, it is found that Regional Original Income (PAD) influences the implementation of e-government (Napitupulu, 2015). Previous research shows that the main determining factor for e-government adoption is the benefits and convenience obtained by the public which influence people to use e-government services. Perceived ease of use of e-government, facilitating conditions and trust positively influence perceived usefulness. Social influence, facilitating conditions and trust positively influence the ease of use of e-government (Chen & Aklikokou, 2020). On the other hand, e-government performance factors are related to adequate organizational infrastructure, social environment, community economy and technology that supports e-government implementation. E-government performance issues such as education, internet availability, level of ICT infrastructure development, income level or economic situation of society, and ensuring people's freedoms are protected are basic and important for the smooth implementation of e-government and adoption of e-government services (Mensah, 2020).

Thus, research on e-government implementation can be categorized into three groups, namely the influence of e-government implementation on an output, evaluation of e-government implementation, and factors that influence e-government implementation. The urgency of this research is to examine the relationship between factors that influence the implementation of e-government in the Central Java Regional Government. It is hoped that this research can provide an overview and input for the government, especially district/city governments in Indonesia regarding the factors that influence the implementation of e-government. Different from previous research, this research uses the Local Government in Central Java as the research subject. Local governments are agencies that are directly affected by changes in government regulations, in this case the implementation of e-government. The factors studied are regional income, capital expenditure, financing, per capita income, community education level, community population.

This research uses Regency/City Governments in Central Java as a sample. These districts/cities were chosen as samples because their SPBE index ranking decreased by more than 45% from 2019 to 2021. Based on this, this research reviews the extent of e-government implementation in districts/cities in Central Java and examines the influence of local revenue, capital expenditure, local government financing, regional per capita income, community education level, and community population on the level of e-implementation. E-government in Local Governments in Central Java.

The Theory of Institutional Isomorphism

In the institutional theory of isomorphism, there are three types, namely coercive, mimetic and normative isomorphism. Coercive isomorphism shows the process by which an organization adopts certain features (traits) due to coercion (pressure) from the state, other organizations or society. Pressure on organizations can be formal or informal. Examples of coercive isomorphism include pressure from the central government or donors, namely as funders. This pressure can be felt as force, persuasion or an invitation to join in an agreement. Coercive isomorphism tends to form obedience that is not true or just a formality because the motivation is only to follow and fulfill the rules (DiMaggio & Powell, 1983).

Normative isomorphism is a process of change that originates from professionalization. Professionalization is a joint effort carried out by human resources in an organization to determine the conditions and methods of work carried out based on thought and legitimacy. The development of professionalization can be done in two ways, namely education and legitimacy based on cognitive as well as professional development and elaboration that forms a new model. Furthermore, the mimetic isomorphism mechanism occurs due to imitation. This occurs when an organization experiences uncertainty about how to process something. In this situation, an organization will imitate other organizations by conducting benchmarking, comparative studies or using consultant services (DiMaggio & Powell, 1983).

This research uses coercive, normative and mimetic isomorphism because it fits the research context, namely external pressure and internal institutional factors caused by the existence of these two types of isomorphism. The concept of institutional isomorphism in public sector entities emphasizes the principle of compliance with regulations, executive policies and public expectations. This condition of uncertainty indicates the existence of strategic arrangements with the influence of external environmental factors and internal environmental factors which are manifested by normative pressure to form good management. Management is committed to developing its profession and controlling it by implementing a professional code of ethics or compliance scale.

Regional Original Income (PAD)

The importance of Regional Original Income (PAD) in implementing e-government is necessary because if regional economic prosperity is high, then regional governments have adequate financing to serve their communities through implementing e-government because implementing e-government requires large costs (Gallego-Álvarez et al., 2010; Napitupulu, 2015). In line with research (Utami et al., 2019) that local revenue has a significant influence on e-government implementation. This research has an impact on the smooth implementation of e-government. Therefore, the government should maximize efforts to increase PAD so that the PAD obtained can be allocated to the implementation of e-government. Because, implementing e-government requires large costs in its implementation. The government must also pay attention to things that can increase PAD so that it can increase the implementation of e-government. Original regional income is one of the main sources used by regional governments to run their government which aims to develop the region, so that the fulfillment of facilities and infrastructure in the framework of regional development is influenced by the amount of income obtained. E-government in its implementation usually requires large costs. This makes it possible that if regional economic welfare is good, the government will have sufficient costs in financing to serve the community through the implementation of e-government (Oktaviani & Indra Arza, 2020; Sipahutar, 2017; Utami et al., 2019). Thus, the first hypothesis is as follows:

Ha1 = Regional original income has a positive effect on the level of e-government implementation.

Regional Government Capital Expenditures

Adequate financial capacity facilities will support the level of e-government implementation (Napitupulu, 2015; Samuel et al., 2020). This means that the amount of regional capital expenditure has a positive effect on e-government implementation. Apart from that, the higher the amount of capital expenditure, the higher the level of e-government implementation. This is because the higher the amount of capital expenditure, the higher the share of capital expenditure that will be allocated to meet e-government implementation needs (Sipahutar, 2017). So the second hypothesis is as follows:

Ha2 = Capital expenditure has a positive effect on the level of e-Government implementation.

Local Government Financing

Regional government financing can support the implementation of e-government because it is related to external demands which have expectations of open use of regional government financing in a transparent manner. Therefore, it is important to use e-government as a tool for disclosing financial information to the public by publishing reports that reflect the government's financial condition (Alenezi et al., 2017; Ashaye & Irani, 2019; Mayasari, 2016; Napitupulu, 2015). Financial support and proper planning and budgeting are required in e-government implementation, so that internal financial problems, such as lack of adequate funding arrangements have consequences for poor implementation, often leading to unfinished projects and higher maintenance costs (Alenezi et al., 2017; Ashaye & Irani, 2019). Based on the explanation above, the third hypothesis is as follows:

Ha3: Local government financing has a positive effect on the implementation of e-government.

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Regional Income Per Capita

Local governments with higher levels of per capita income will have a higher level of political oversight and tend to demand more accountability from the public (Elkadi, 2013). Regional governments that have high per capita income have high demands for accountability. This demand for accountability is of course in line with the demand for transparency of financial information which of course can be more easily provided to the public through the provision of information on the official regional government website (Giroux & McLelland, 2003; Manoharan & Ingrams, 2018; Mutiha, 2017). Thus, the fourth hypothesis is as follows:

Ha4: Regional per capita income has a positive effect on the level of e-government implementation.

Level of Education

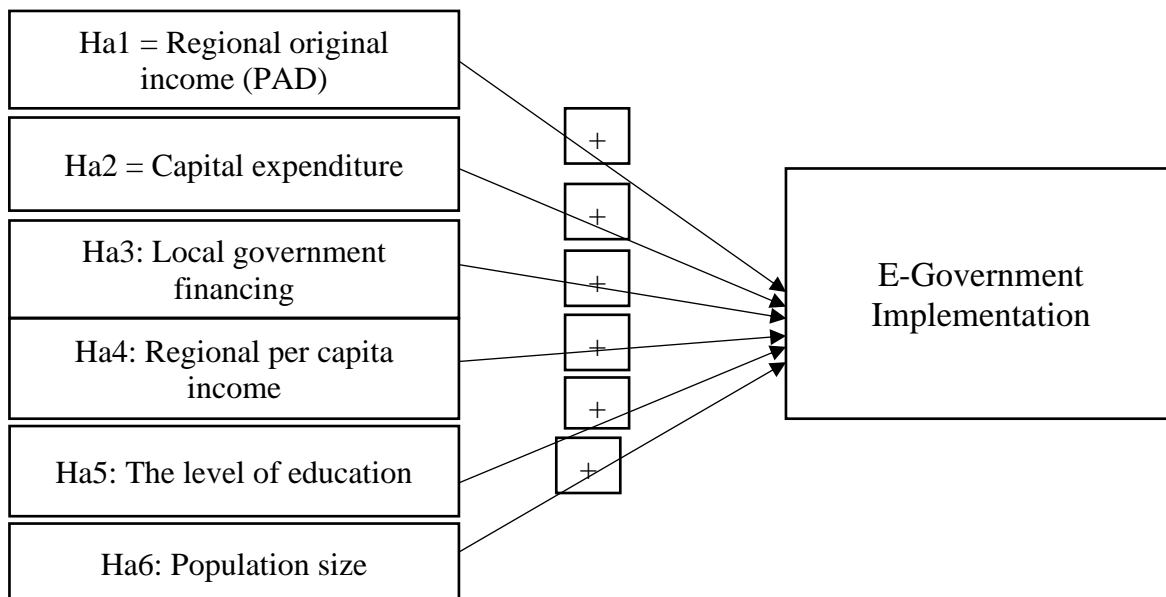
The socio-economic factor that influences the decision to use e-government services is the level of education. Because, the level of education is a very important predictor of e-government use. People who have a high level of education prefer to use the internet for all e-Government activities (Gounopoulos et al., 2020). The level of education greatly influences people's ability to access information technology, so it will also influence the success of e-government implementation (Samuel et al., 2020). Thus, the fifth hypothesis is as follows:

Ha5: The level of public education has a positive effect on the level of e-government implementation.

Total Population

Local governments with larger populations tend to adopt e-government technology than local governments with smaller populations. Because local governments that have larger populations tend to have greater demands for providing public services and improving information services (Elkadi, 2013). E-government users cover a wide population, both government circles, citizens and business circles, so that ultimately a mutually beneficial relationship is created (Dewi & Jayanti, 2017). Thus the sixth hypothesis is:

Ha6: Population size has a positive effect on the level of e-government implementation.



RESEARCH METHODS

This type of research is quantitative research and examines the analysis of the level of e-government implementation and the factors that influence it (empirical study of regional government in Central Java). This research method uses multiple linear regression analysis methods. The data analysis method in this research uses statistical calculations, namely by using Eviews software.

Population and sample

The population and sample in this study are data on the implementation of e-government and the factors that influence it in the district/city governments of Central Java province, totaling 35 districts/cities in 2019 and 2021. The sampling technique used was census sampling / saturated sample, from all districts/cities registered in Central Java Province.

Variable Operationalization

Independent Variable

a. Regional original income (PAD)

Based on Law no. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments, namely Regional Original Income (PAD) is revenue obtained by regions from sources within their own regions which are collected based on regional regulations in accordance with applicable laws and regulations. In this research PAD is measured using the following formula:

$$\text{PAD} = \text{Regional Tax Results} + \text{Regional Levy Results} + \text{Regional Owned Company Results} + \text{Other Regional Wealth Management Results} + \text{Other Legitimate Regional Original Income}$$

b. Capital Expenditures

Capital Expenditure according to PP No. 71 of 2010, namely that capital expenditure is regional government expenditure whose benefits exceed 1 budget year and will increase regional assets or wealth and will further increase routine expenditure such as maintenance costs in the general administration expenditure group. The measurement of capital expenditure in research uses realized capital expenditure

c. Local Government Financing

Capital Government Financing are all Regional General Cash Account expenditures, including providing loans to third parties, government capital participation, repayment of loan principal within a certain fiscal year period, and the formation of reserve funds.

d. Per Capita Regional Income

Per capita regional income is the average income per head of population in districts and cities in Central Java from year to year. Data comes from the Central Java Central Statistics Agency (BPS).

e. Community Education Level

Education level is measured using the School Enrollment Rate (APS), which is the percentage of the population still attending school according to age group without paying attention to educational level.

f. Population

The population is measured based on the total population in districts/cities in Central Java, data taken through the website of the Central Statistics Agency (BPS).

Dependent Variable

E-Government is an information technology application using the internet and digital media which is run by the government for the purposes of distributing information from the government to the public, business partners, employees, business entities and related institutions which is done online. E-Government is measured using the results of the Electronic Based

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Government System (SPBE) ranking carried out by the Ministry of Communication and Information.

Table 1. Variable Operationalization

Variable	Indicator
Regional original income	Realization of Original Regional Income in 2020-2021 (PAD)
Capital Expenditures	Realization of Capital Expenditures in 2019 and 2021 (CE)
Local Government Financing	Realization of Financing in 2019 and 2021
Per Capita Regional Income	GDP Per Capita Based on Constant Prices 2019 and 2021 (PDRB)
Community Education Level	School Enrollment Rates for Ages 19-24 in 2019 and 2021 (APS)
Population	Total population of districts/cities in 2019 and 2021 (POP)
Implementation of E-government	Electronic-based government system (SPBE) index value for 2019 and 2021

RESULTS AND DISCUSSION

Normality test

The normality test is carried out to test whether in the regression model the independent variable and dependent variable or both have a normal distribution or not. If the variables are not normally distributed, the statistical test results will decrease (Ghozali, 2018).

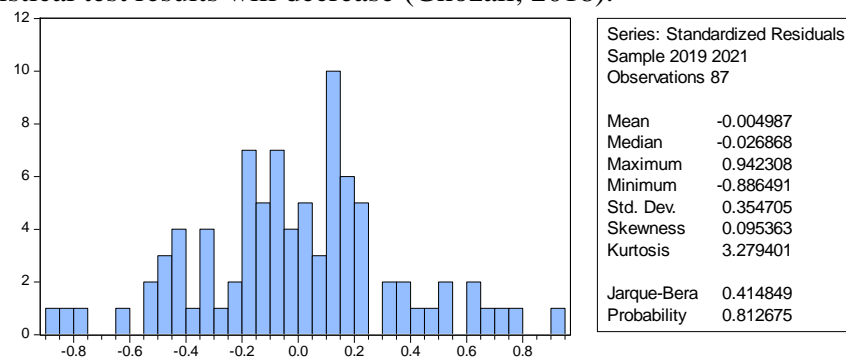


Figure 1. Normality Test Results

In Figure 1, the Jarque-bera value is 0.414849 with a probability value of 0.812675. So it can be concluded that the model in this study has a normal distribution, because the probability value of 0.812675 is greater than 0.05.

Multicollinearity Test

Table 2. Multicollinearity Test Results

PAD	0.012767	0.703142	1.000000 0	0.526892	0.123820	0.421445
BM	-0.174218	1.000000	0.703142	0.257022	0.009378	0.581514
FIN	0.074786	0.009378	0.123820 0	0.097609	1.000000	0.143650
PDRB	0.361698	0.257022	0.526892 2	1.000000	0.097609	-0.187571
APS	1.000000	-0.174218	0.012767 7	0.361698	0.074786	-0.474845
POP	-0.474845	0.581514	0.421445 5	-0.187571	0.143650	1.000000

Source: Results of statistical data processing (2023)

Based on the results of the multicollinearity test, there are no symptoms of multicollinearity in the research model because there are no high correlation values between the independent variables, namely not exceeding 0.90 (Ghozali, 2018).

Heteroscedasticity Test

Table 3. Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.510864	0.286501	1.783113	0.0784
PAD	3.77E-11	1.40E-10	0.270050	0.7878
BM	1.29E-10	2.55E-10	0.504743	0.6151
FIN	1.45E-10	2.15E-10	0.672621	0.5031
PDRB	-0.001474	0.001810	-0.814563	0.4177
APS	-0.001859	0.003511	-0.529634	0.5978
PO	-1.35E-07	8.63E-08	-1.564688	0.1216

Source: Results of statistical data processing (2023)

Heteroscedasticity is a classic assumption test that is used to see whether there are deviations from assumptions in the regression model. This deviation is caused by the unequal variance of the residuals for all observations in the regression model. The condition that needs to be met is the absence of heteroscedasticity deviations.

Selection of Panel Data Regression Models

Common Effect Model (CEM)

Below are the results of the Common Effect Model (CEM) test to compare with the test results of the Fixed Effect Model (FEM) or Random Effect Model (REM).

Table 4. Common Effect Model Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.397422	0.459193	5.220950	0.0000
PAD	4.79E-10	2.24E-10	2.141829	0.0352
BM	-6.10E-10	4.09E-10	-1.489774	0.1402
FIN	9.15E-10	3.45E-10	2.652204	0.0096
PDRB	-0.002160	0.002900	-0.744907	0.4585

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APS	0.005312	0.005627	0.944038	0.3480
POP	1.77E-08	1.38E-07	0.128171	0.8983

Source: Results of statistical data processing (2023)

Fixed Effect Model (FEM)

Below are the results of the Fixed Effect Model (FEM) test to compare with the test results of the Common Effect Model (CEM) and Fixed Effect Model (FEM) or Random Effect Model (REM).

Table 5. Fixed Effect Model Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.195785	3.316455	1.566668	0.1240
APS	-0.044494	0.048152	-0.924019	0.3603
BM	-1.17E-10	6.18E-10	-0.188904	0.8510
PAD	4.69E-10	7.99E-10	0.586873	0.5602
PDRB	-0.016474	0.036542	-0.450819	0.6542
FIN	1.11E-09	3.96E-10	2.810423	0.0072
POP	1.02E-06	1.46E-06	0.698820	0.4882

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.658378	Mean dependent var	2.843563
Adjusted R-squared	0.361316	S.D. dependent var	0.383782
S.E. of regression	0.306709	Akaike info criterion	0.779430
Sum squared resid	4.327251	Schwarz criterion	1.941525
Log likelihood	7.094792	Hannan-Quinn criter.	1.247370
F-statistic	2.216298	Durbin-Watson stat	2.183012
Prob(F-statistic)	0.004864		

Source: Results of statistical data processing (2023)

Below are the test results of the Random Effect Model (REM) to compare with the test results of the Common Effect Model (CEM) and Fixed Effect Model (FEM).

Table 6. Random Effect Model Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.482591	0.567583	4.373965	0.0000
APS	0.004109	0.006940	0.592040	0.5555
BM	-5.39E-10	4.26E-10	-1.265064	0.2095
PAD	4.34E-10	2.58E-10	1.681507	0.0966
PDRB	-0.002097	0.003754	-0.558564	0.5780
FIN	9.47E-10	3.09E-10	3.060461	0.0030
POP	1.31E-08	1.65E-07	0.079598	0.9368

	S.D.	Rho
Cross-section random	0.223402	0.3466
Idiosyncratic random	0.306709	0.6534
Weighted Statistics		
R-squared	0.138890	Mean dependent var 1.855501
Adjusted R-squared	0.074306	S.D. dependent var 0.335164
S.E. of regression	0.303182	Sum squared resid 7.353534
F-statistic	2.150553	Durbin-Watson stat 1.756139
Prob(F-statistic)	0.056505	
Unweighted Statistics		
R-squared	0.145617	Mean dependent var 2.843563
Sum squared resid	10.82230	Durbin-Watson stat 1.499706

Source: Results of statistical data processing (2023)

Of the three regression models that can be used to estimate panel data. So, the regression model with the best results will be used in analyzing multiple linear regression. So in this research, to find out the best model to use in analyzing whether it is the Common Effect Model, Fixed Effect Model (FEM) or Random Effect Model (REM), a test is carried out first using the Chow Test and the Hausman Test.

Chow Test

The Chow test is carried out by comparing or choosing which is best between the common effect model or the fixed effect model. Decisions are made by looking at the probability value (p) for cross-section F. If the p value is > 0.05 then the model selected is the common effect model. However, if $p < 0.05$ then the model chosen is the Fixed Effect Model.

Table 7. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.024514	(34,46)	0.0131
Cross-section Chi-square	79.591230	34	0.0000

Source: Results of statistical data processing (2023)

Based on the Chow Test Table above, both Crosssection f and Chi Square probability values are smaller than alpha 0.05 so they reject the null hypothesis. So to show fixed effects, the best model to use is a model using the fixed effects method. Based on the results of the Chow test which rejected the null hypothesis, the Hausman test was then carried out.

Hausman Test

The Hausman test is carried out to compare or choose which is the best between the Fixed Effect Model or Random Effect Model. Decisions are made by looking at the probability value (p) for cross-section F. If the p value is > 0.05 then the selected model is the Random Effect Model. However, if $p < 0.05$ then the model chosen is the Fixed Effect Model.

Table 8. Hausman Test Results
 Correlated Random Effects - Hausman Test
 Equation: Untitled
 Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.664648	6	0.7220

Source: Results of statistical data processing (2023)

Based on the Hausman Test Table above, the Crosssection f and Chi Square probability values are greater than alpha 0.05 so they are unable to reject the null hypothesis. So it shows that the best model to use is a model using the Random Effect Model.

Multiple Regression Test

Table 9. Multiple Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.482591	0.567583	4.373965	0.0000
PAD	4.34E-10	2.58E-10	1.681507	0.0966
BM	-5.39E-10	4.26E-10	-1.265064	0.2095
FIN	9.47E-10	3.09E-10	3.060461	0.0030
PDRB	-0.002097	0.003754	-0.558564	0.5780
APS	0.004109	0.006940	0.592040	0.5555
POP	1.31E-08	1.65E-07	0.079598	0.9368

Source: Results of statistical data processing (2023)

$$SPBE = 2,482591 + 4,34E-10PAD - 5,39E-10BM + 9,47E-10FIN - 0,002097PDRB + 0,004109APS + 1,31E-08PO + e$$

The panel data regression equation above can be explained as follows:

- a. The constant of 2.482591 means that if the independent variable is constant then the dependent variable (SPBE) is 2.482591.
- b. The regression coefficient for the PAD variable (original regional income) is 4.34E-10, meaning that if other independent variables have constant values and PAD increases by 1 unit, SPBE will increase by 4.34E-10.
- c. The regression coefficient for the variable BM (capital expenditure) is -5.39E-10, meaning that if the value of other independent variables is constant and BM (capital expenditure) increases by 1 unit, SPBE will experience a decrease of -5.39E-10.
- d. The regression coefficient for the variable FIN (local government financing) is 9.47E-10, meaning that if the value of other independent variables remains constant and regional government financing increases by 1 unit, SPBE will experience an increase of 9.47E-10.

- e. The regression coefficient for the GRDP/PDRB variable (regional income per capita) is - 0.002097, meaning that if the value of other independent variables is constant and GRDP experiences an increase of 1 unit, SPBE will experience a decrease of 0.002097.
- f. The regression coefficient for the APS variable (school participation rate) is 0.004109, meaning that if the other independent variables have constant values and APS increases by 1 unit, SPBE will experience an increase of 0.004109.
- g. The regression coefficient for the PO (population) variable is 1.31E-08, meaning that if the value of other independent variables remains constant and the population increases by 1 unit, SPBE will experience an increase of 1.31E-08.

Results and Discussion

t-test

The t test was carried out to partially test the influence of the independent variable on the dependent variable. This test is carried out by looking at the probability value with the following criteria:

- a. If the probability value is <0.10 then it is declared influential
- b. If the probability value is > 0.10 then it is declared to have no effect

Table 10. t test results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.482591	0.567583	4.373965	0.0000
PAD	4.34E-10	2.58E-10	1.681507	0.0966
BM	-5.39E-10	4.26E-10	-1.265064	0.2095
FIN	9.47E-10	3.09E-10	3.060461	0.0030
PDRB	-0.002097	0.003754	-0.558564	0.5780
APS	0.004109	0.006940	0.592040	0.5555
POP	1.31E-08	1.65E-07	0.079598	0.9368

Source: Results of statistical data processing (2023)

The first hypothesis is that local revenue (PAD) has a positive effect on the level of e-government implementation. Based on the t test results in table 8, the probability value of PAD (X1) is 0.0966, which is lower than α 0.10 with a t-statistic value of 1.681507. This means that PAD (X1) has a positive effect on e-government (Y), so it can be concluded that the results of the first hypothesis (H1) which states that PAD has a positive effect on e-government is accepted.

Based on the test results, it can be explained that the higher the PAD, the greater the SPBE value or electronic-based government system index value, which means that the local government has good e-government implementation. Several research results show that if you have adequate PAD, it will be better for implementing e-government in the area. Because, implementing e-government requires large funds for its implementation. Thus, the government needs to create a budget item for e-government. The results of this research are the same as the explanation of the hypothesis that the higher the total local original income (PAD), the higher the level of e-government implementation. This is in line with research studies that found that the variable local revenue (PAD) has a positive effect on e-government (Sipahutar, 2017; Utami et al., 2019).

The second hypothesis is that capital expenditure (BM) has a positive effect on the level of e-government implementation. Based on the results of the t test in table 10, the probability value of BM (X2) is 0.2095, which is higher than α 0.10 with a t-statistic value of -1.265064. This shows that BM (X2) has no effect on e-government (Y), thus it can be concluded that the second hypothesis (H2) which states that capital expenditure has a positive effect on e-government is rejected. This result can be explained that regulations are not yet supportive and the budget allocation is not

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adequate for capital expenditure allocated for e-government implementation. The lack of influence on capital expenditure can occur because the proportion of capital expenditure allocated for e-government implementation is still very small, compared to other asset expenditure. Based on Minister of Home Affairs Regulation Number 13 of 2006, capital expenditure includes all forms of expenditure incurred in connection with the purchase or procurement, or construction of fixed assets with a practical value of more than twelve months, and in government activities (Novitasari et al., 2022; Ordiyasa, 2015).

The third hypothesis is that local government financing has a positive effect on e-government implementation. Based on the t test results in table 10, the probability value of PY (X3) is 0.0030, which is lower than α 0.10 with a t-statistic value of 3.060461. This means that PY (X3) has a positive effect on e-government (Y), so it can be concluded that the third hypothesis (H3) which states that local government financing has a positive effect on e-government is accepted. The availability of adequate financial resources can support the implementation of e-government. Funding for e-government in regional governments comes from Regional Original Income (PAD). Fund allocations for e-government implementation are allocated for providing internet networks, maintaining information systems, and maintaining supporting facilities such as computers, laptops, and printers (Pérez-Morote et al., 2020; Wiwin, 2022).

The fourth hypothesis is that regional per capita income has a positive effect on the level of e-government implementation. Based on the results of the t test in table 10, the GDP probability value (X4) is 0.55780, which is higher than α 0.10 with a t-statistic value of 0.558564. This means that GRDP (X4) has no effect on e-government (Y), so it can be concluded that the results of the fourth hypothesis (H4) which states that regional per capita income has a positive effect on the level of e-government implementation is rejected. The existence of Gross Regional Domestic Product (GRDP) is very important for a region to know the economic conditions of its region. The calculation of regional per capita income is the total GRDP divided by the population. However, high community income does not always have an impact on the demand for transparency in regional financial management. So, it can be concluded that a region with a high GRDP does not necessarily implement e-government, because there is a lack of demand for the use of e-government from the public (Sophia Dewi, 2013).

The fifth hypothesis proposed is that the level of public education has a positive effect on the level of e-government implementation. Based on the results of the t test in table 10, the probability value of APS (X5) is 0.5555, which is higher than α 0.10 with a t-statistic value of 0.592040. This means that APS (X5) has no effect on e-government (Y), so it can be concluded that the results of the fifth hypothesis (H5) which states that the level of public education has a positive effect on the level of e-government implementation is rejected.

In this study, education level is represented by the School Enrollment Rate (APS) for the 19-24 year age group. In Indonesia, 19-24 years old is the age group when someone takes higher education at a university. Thus, it is hoped that it will have high public awareness. However, a high level of education does not guarantee public awareness and concern regarding the ease of accessing information provided by the government. High levels of education are not always accompanied by awareness of the importance of transparency and public accountability. Moreover, some students have the principle of focusing on learning which is only focused on their role in studying and studying, so that their social acumen is considered to be still weak. Weak social acumen causes them to be indifferent to the community's right to public accountability (Sophia Dewi, 2013).

The sixth hypothesis proposed is that population size has a positive effect on the level of e-government implementation. Based on the results of the t test in table 10, the probability value of PO (X6) is 0.9368, which is higher than α 0.10 with a t-statistic value of 0.079598. This means that PO (X5) has no effect on e-government (Y), so it can be concluded that the results of the sixth hypothesis (H6) which states that the level of public education has a positive effect on the level of

e-government implementation is rejected. These results are in line with research which states that there is no positive relationship between population size and E-government implementation. This is because the government's accountability is not seen from how large the population is but based on its obligation to serve the wider community (Rizhaldy, 2021; Verawaty, 2015).

CONCLUSIONS AND SUGGESTION

Based on the results of research analysis, it shows that local revenue (PAD) has a positive influence on the level of e-government implementation. This means that local governments that have high PAD will also have better levels of e-government implementation. Because, to implement e-government requires large funds. The second result, capital expenditure (BM) has no effect on e-government implementation. Capital expenditure is not allocated maximally for the implementation of e-government, so that high or low amounts of capital expenditure have no effect on the implementation of e-government. The third result shows that local government financing has a positive effect on e-government implementation. This means that the availability of adequate financial resources can support the implementation of e-government. Funding for e-government in regional governments can be sourced from Original Regional Revenue (PAD). The fourth analysis shows that regional per capita income (GRDP) has no effect on the implementation of e-government (Y), a region with high GRDP does not guarantee the implementation of e-government, due to the lack of use of e-government by the community. The fifth analysis result is that the level of public education has no effect on e-government, so it can be concluded that a high level of education does not guarantee public awareness and concern for the ease of accessing information provided by the government. The sixth analysis shows that population size has no effect on e-government implementation. This is because the government's accountability is not based on the size of the population but based on its obligation to serve the wider community.

The limitation of this research lies in the 2020 sample which was not used because the e-Government assessment was only carried out in a few regions, this is because in 2020 the Covid 19 pandemic occurred so that the e-Government budget assessment was diverted to dealing with the Covid-19 pandemic. Further research can examine differences in e-Government implementation before and after the Covid-19 pandemic phenomenon. During Covid-19, people tend to use technology to access various information.

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THE ROLE OF POLITICAL, LEADERSHIP AND HUMAN RESOURCE QUALITY FACTORS ON BUDGETING CONFLICT MANAGEMENT IN LOCAL GOVERNMENT

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ABSTRACT

This study aims to provide empirical evidence on the Influence of Political Factors, Leadership and Human Resource Quality on Budgeting Conflict Management in Local Government. The object of research is to focus on the Regional Government of Lebong Regency, Bengkulu Province. The population in this study is all members of the DPRD and TAPD in Lebong Regency, the sample in this study uses a purposive sampling method with respondents of the Head, Secretary, Kabid, Head of Subdivision and Analysts in Bappeda, BKD and Setda, BANGGAR consisting of members of Commission I, II and III in the DPRD of Lebong Regency. This study was tested using multiple linear regression analysis. The results showed that Political Factors affect budgeting conflict management in Lebong Regency Government and Human Resource Quality also affect Budgeting Conflict Management in Lebong Regency Government. However, for Leadership, it does not affect Budgeting Conflict Management in Lebong Regency Government. Research implications This research is expected to provide additional information and understanding of what affects budgeting conflict management. The limitation of this study is the leadership variable questionnaire, namely the questionnaire statement section has not fully represented the leadership variables that will affect budgeting conflict management. Furthermore, data collection, information provided by respondents through questionnaires sometimes does not show true opinions, the results of the study are very dependent on the results of the questionnaires disseminated which allows biased tendencies to still exist.

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INTRODUCTION

The budget is a work guideline and goals to be achieved by the organization in the future, and is a central component of management accounting in the public sector for planning, coordinating, organizing and controlling activities. Budgets reflect organizational activities whose emphasis is on the short term (Henley D., 1992). Through the budget, government management can control the implementation of operational activities directed at implementing strategies in order to realize the vision and mission of the Regional Government.

The relationship between the Regional Government and the Regional People's Representative Council has changed since the era of regional autonomy in Indonesia, this change also has implications for the increasing role of the DPRD. Especially at the planning stage or formulation of budget policies and budget ratification. The budgeting stage is very important because an ineffective and performance-oriented budget can derail the planning that has been prepared.

Public sector budgets are an instrument of accountability for the management of public funds and the implementation of programs financed from public money (Mardiasmo, 2005). Based on the Regulation of the Minister of Home Affairs (Permendagri) No. 13 of 2006, *unified budgeting* is the preparation of an annual financial plan carried out in an integrated manner for all types of expenditures to carry out government activities based on the principle of achieving efficient

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allocation of funds. The budgeting mechanism has been regulated in a number of laws and regulations, including Law No. 32 of 2004 concerning Regional Government on amendments to Law No. 22 of 1999, Government Regulation (PP) No. 58 of 2005 concerning Regional Financial Management, and Permendagri No. 13 of 2006 concerning Guidelines for Regional Financial Management which later underwent revision to Permendagri No. 59 of 2007 concerning Amendments to Permendagri No. 13 of 2006 concerning Guidelines Regional Financial Management, Permendagri No.32 of 2008 concerning Guidelines for Budgeting for Regional Expenditure Preparation in 2009.

This budgeting mechanism involves various parties who have different backgrounds both from the level of understanding of the budget and from the interest in the budget. This inauguration is believed to cause synchronization in the budget-making process, namely between APBD documents and KUA-PPAS documents. Synchronization between APBD documents and KUA-PPAS documents is common in almost every local government (Amirudin, 2009). Amirudin identified the factors that affect the synchronization between these documents, namely human resource capacity, budgeting politics, planning and supporting information. The results of the study also revealed that when entering the discussion of the commissions, there were many additional activity proposals and requests for budget shifts from one activity to another which ultimately caused significant differences between the APBD document and the KUA-PPAS document. This phenomenon has implications for the dissynchronization between the APBD document set and the previously prepared KUA PPAS. Related to the huge legislative role in budgeting, there are allegations of reallocation in the budget because politicians have personal interests or conflicts of interest in budgeting.

This budgeting conflict is included in the negotiation conflict between parties in interest group relations, as the explanation of budgeting conflicts identified from Robinson's (2019) research is relevant to the concept of conflict proposed by several previous researchers (Pondy, 1967; Amason, 1996; Rahim, 2002), which concludes that among the types of conflicts in formal organizations are negotiating conflicts between parties in interest group relations; bureaucratic conflicts between the parties and superior-subordinate relations; and system conflicts between parties with lateral or working relationships. Budgeting conflicts can be caused by several factors. The first influencing factor is the political factor. Abdullah (2006) alleged that the legislature's enormous political power caused discretion over the use of income not in accordance with public preferences.

The problem when examined based on the views of Sastroatmodjo (1995) there are two levels of political orientation that affect political behavior, namely systems and individuals. Weaknesses in the role of the legislature in regional financial supervision may occur due to weaknesses in the political system or individuals as political actors. In the behaviorism approach, it is individuals who are seen as actually carrying out political activities, while the behavior of political institutions is basically the behavior of individuals with certain patterns. Therefore, to explain the behavior of an institution that needs to be examined is not the institution, but its leadership style because of the background of individuals who actually control the institution (Adzani, 2014).

Another factor influencing budgeting conflicts is leadership. Effective leadership must provide direction to efforts in achieving the goals of a unit (Ikhsan & Muhammad, 2005). The success of a unit largely depends on leadership qualities. Successful leaders anticipate change with all their might, seize all opportunities, motivate their followers to achieve high levels of productivity, correct poor performance and push the organization toward its goals. Furthermore, Robbins and Judge (2015) said that leadership styles are a way for leaders to influence others / subordinates in such a way that the person is willing to do the leader's will to achieve organizational goals even though personally it may not be liked.

Another factor influencing budgeting conflicts is the quality of human resources. If human resources who carry out budgeting do not have the required capacity and quality, it will cause obstacles in the implementation of their duties. The resulting information becomes information that lacks or has no value, including reliability. Political, leadership and human resource quality factors in this budgeting conflict have been studied by several previous researchers. The results of some of these studies were in Amirudin (2009), conducting a study where researchers only identified factors that affect the dissynchronization of APBD documents with KUA-PPAS documents that will cause budget conflicts. The results of the study found that there are four (4) factors that cause dissynchronization between APBD documents and KUA-PPAS documents, namely Human Resource Quality, Budgeting Politics, Planning and Supporting Information. Then in Basri's research (2021), Fardian (2014) which states that political factors that are a clash of conflicts of interest have a positive effect on financial reporting transparency. Research conducted by Abdullah (2006) also states that politics affects regional budgeting. Then a study discussing leadership was conducted by Kalsum (2021), which found that leadership style partially affects the budget gap. And research discussing the quality of human resources was conducted by Viranti (2020), and Syarifah (2013) which found that the quality of human resources affects budgeting.

Theoretical Framework and Hypothesis Development

Conflict theory

Conflict Theory is a theory that views that social change does not occur through a process of adjustment of values that bring change, but occurs due to conflict that produces compromises that are different from the original conditions. Conflict theory sees that each element contributes to social distancration. Conflict theory also considers that the order that exists in society is only caused by pressure or coercion of power from above by the ruling class.

The most influential thought or the basis of this conflict theory is the thought of Karl Marx. In the 1950s and 1960s, conflict theory began to spread. There are several basic assumptions of this conflict theory. Conflict theory is the antithesis of functional structural theory, where functional structural theory strongly emphasizes order in society. Conflict theory looks at infighting and conflict in social systems. Conflict theory sees that society will not always be in order. The proof is that in any society there must have been conflicts or tensions. Then conflict theory also looks at dominance, coercion, and power in society. Conflict theory also talks about different authorities. These varying authorities result in superordination and subordination. The difference between supersubordination and subordination can cause conflicts due to differences in interests.

According to Asiah (2017), research and conflict management activities are carried out based on conflict theories. Conflict theory is a theory that can be used to understand the process of conflict. This theory is structured based on the assumption that the process of conflict interaction occurs through phases with certain patterns and within a certain period of time. The process of conflict in the form of actions and reactions of parties to the conflict that occur in successive phases, one phase precedes the other. This phase starts from the causative factors, then conflicts occur and their resolution.

Conflict theory explains that conflict can occur due to many causes, such as differences in values, interests and goals, as well as competition to win something. Conflict can be any form of conflicting or opposing interactions caused by several factors from within. By having the support of political parties with a majority in the DPRD, the preparation and determination of the regional budget will be faster. This is because regional heads and DPRD members who support have committed moral hazard to the people. In order for the APBD submitted by the regional government to be approved, the APBD will include elements of interest of DPRD members that cause large errors in budgeting. These conflicts often occur in a unit whether it occurs due to differences of opinion, conflict of roles or conflicts of interest. So that the dynamics that arise from it often make it difficult as well as a challenge for leaders in anticipating it.

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Political factors

The political factor is the power in regulating and making regulations, as well as government rules. Political factors are also a consideration for the transparency of financial reporting. Political factors play an important role in important positions in government structures, political factors play a role in making regulations and rules in the government (DiMaggio & Powell, 1983).

Politics is an activity to earn, to develop, use power and other resources to obtain desired outcomes in situations where there is uncertainty or disagreement about a choice (Jones, 1995). According to Heywood (2002), political factors are the activities of a nation that aims to create, maintain, and amend general rules that govern its life, which means it cannot be separated from the symptoms of conflict and cooperation. With this definition, Andrew Heywood implicitly reveals that political society in the process of interaction of public decision-making is also inseparable from conflicts between individuals and individuals, individuals with groups, and groups with other groups. To resolve conflicts to their liking, individuals or subunits often have to engage in political behavior to increase their power and influence. There are certain views of members of the organization about political behavior in organizations, among which are the following: First, behavior to influence outside the formal system or is illegal and often stealthy. Second, behavior is designed to benefit a particular person or group at the expense of the interests of the organization. Third, behavior designed to gain and maintain power, possibly through divisive means and opposition or conflict.

Leadership

Leadership is the ability to influence a group towards achieving a goal (Robbin, 2006). Leadership is a very important factor in influencing organizational performance because leadership is the main activity with which organizational goals can be achieved. In general, leadership is defined as a process of influencing the activities of individuals or groups to achieve goals in a particular situation. From this definition it appears that leadership is a process, not a person. The process in leadership includes three factors, namely the leader, followers, and the situation factor. The interaction of these three factors results in achievement and satisfaction (Indriyo, 1997). In achieving system goals, all systems are driven and led by leadership. In order for everyone in the system to have the competencies and behaviors necessary to achieve the system's goals, they are governed by the culture of the system.

According to Hemhil and Coons, leadership is the behavior of an individual who leads the activities of a group to a goal to be achieved together (Yani, 2013, p. 17). According to Schermerhorn in Edison (2016, p. 89) leadership is the process of inspiring others to work hard to accomplish important tasks. Leadership is the behavior or method chosen and used by the leader in influencing the thoughts, feelings, attitudes and behaviors of members of his subordinate organization (Nawawi, 2003). Kartono (2003, p. 45) states that leadership is a person who has a certain superiority, so he has the obligation and power to move others to make joint efforts to achieve a certain goal. Based on the description above, the researcher concluded that leadership is a behavior or action of someone who motivates others to always work diligently in order to get maximum results.

According to Suwatno (2014), leadership styles are various patterns of behavior preferred by leaders in the process of influencing followers. Leadership style is the way a leader acts and/or how to influence his members to achieve certain goals (Edison, 2016, p. 93). The following are some of the existing leadership styles:

1. Charismatic leadership
2. Transformational Leadership
3. Participatory Leadership

4. Autocratic leadership

Quality of Human Resources

The quality of human resources is the ability of human resources to carry out the duties and responsibilities given to them with adequate education, training, and experience. According to Amirudin (2009), the quality of human resources is the ability of executive and legislative members in carrying out their respective functions and roles in the policy-making process in regional financial management. To assess the quality of human resources in carrying out a function, including accounting, can be seen from the level of responsibility and competence of these resources. Responsibilities can be seen from or stated in the job description. The job description is the basis for carrying out duties well. Without a clear job description, these resources cannot perform their duties properly. While competence can be seen from educational background, trainings that have been followed, and from skills expressed in the implementation of duties.

Conducting these trainings is carried out for the development of human resources which in essence is directed to improve quality, which in turn in the process of formulating policies in regional financial management will be better. According to Matutina (2001) Quality of work refers to the quality of human resources which includes the following components:

1. Knowledge
2. Skills
3. Ability.

Conflict Management

Conflict management is a way that can be used from parties involved in conflicts or third parties to deal with disputes between two or more people or two or more groups in order to find bright spots for the problem (Siswanto, 2011), while conflict management according to Mulyono (2009) is a way done by leaders in stimulating conflicts, reducing conflicts and resolving conflicts that aim to improve individual performance and productivity organization.

In carrying out tasks, a manager inevitably faces conflicts. Such conflicts can occur between the leader and his followers; conflict among his followers; and conflicts between members of the organization internally as well as conflicts caused by parties outside the organization externally. Conflicts also occur due to economic problems or livelihoods by the community. Conflicts occur between farmers and plantation companies or forestry departments and government agencies. Conflicts also occur between one community group and another. Conflicts also occur between students and the government, for example over the increase in fuel prices and tuition fees.

Budgeting Conflicts

Budgeting conflict is basically a matter of making various choices or priorities to do something or not do something. According to Wildavsky and Caiden (2004), budgeting is a process by which different people or interest groups express different desires and make different decisions. When parties compete on different interests and desires for limited budget allocations, this raises the potential for budgeting conflicts.

The form of budgeting conflict identified from Robinson's (2019) research is relevant to the concept of conflict proposed by several previous researchers (Pondy, 1967; Amason, 1996; Rahim, 2002), which concludes that among the types of conflicts in formal organizations are negotiating conflicts between parties in interest group relations; bureaucratic conflicts between the parties and superior-subordinate relations; and system conflicts between parties with lateral or working relationships.

Conflicts in budgeting are concluded as a reflection of risks in budgeting. This is based on the results of data analysis showing that there are several initial conditions that are the source / cause of conflict and at the same time describe potential risks in budgeting. Some of the sources/causes of

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budgeting conflicts are: incompatibility between institutions and budgeting dissynchrony, HR inequality; and conflicts of interest.

Hypothesis Development

- H1: Political factors influence budgeting conflict management.
- H2: Leadership influences budgeting conflict management.
- H3: The quality of human resources affects budgeting conflict management.

RESEARCH METHODS

This study used a quantitative approach with a type of survey research. Multiple linear regression analysis is used to examine the effect of each independent variable on the dependent variable. The regression equation to test the proposed hypotheses is expressed by a multiple regression model as follows:

$$Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where: Y : Conflict Management Budgeting α : Constants b_1, b_2, b_3 : Regression coefficient
 X1 : Political factors X2 : Leadership X3 : Human Resource Quality e : Error term

Population and sample

The population in this study is all members of the Regional People's Representative Council (DPRD) and the Local Government Budget Team (TAPD) in Lebong Regency. However, for sample determination, researchers use the purposive sampling method with the following sample criteria: 1. The respondent is a Member of DPRD who is a member of BANGGAR. 2. Respondents are Officials/Employees who are members of TAPD in preparing regional budgets. 3. Respondents are Officials/Employees who take care of the regional budgeting department. 4. Respondents are Officers/Employees who are included in the technical team and budget team in TAPD.

Types and Methods of Data Collection

This study used primary data obtained directly by means of questionnaires given directly to respondents and filled directly by respondents in front of researchers, then respondents were asked to fill out a statement of willingness on a statement of willingness. Once filled it is then collected directly to the researcher.

RESULTS AND DISCUSSION

The data used in this study are primary data obtained by distributing 44 questionnaires directly to the DPRD and TAPD in Lebong Regency. This research began by conducting a pilot test for 4 days, which began on September 12, 2022 to September 15, 2022. Then continued with research by distributing 44 questionnaires starting from September 19 to September 23, 2022. The distribution of questionnaires is presented in table 4.4 as follows

Table 1
List of Questionnaire Distribution and Returns

Description	Total	Percentage
Questionnaires distributed	44	100%
Questionnaires that did not return	4	10%
Questionnaires returned and processed	40	90%

Source: Data processed in 2022

Hypothesis testing in this study uses multiple linear regression analysis, the results of the analysis can be seen in the following table:

Table 2
Hyphotesis Result

Model		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.955	3.549		.551	.585
	Political factors	.304	.109	.340	2.796	.008
	Leadership	.225	.150	.192	1.502	.142
	Quality of Human Resources	.523	.118	.496	4.424	.000

Source: Data processed in 2022

The results of testing the first hypothesis (H1) show that there is a positive and significant influence of Political Factor variables on Budgeting Conflict Management. This result means that the more frequent or more differences, the more conflicts will always be resolved through compromise, accommodation, or synchronization according to the conflict. As such, there are often differences between TAPD and BANGGAR in budget allocation, but these differences are always resolved through compromise.

The relationship of political factors to conflict theory explains that conflict can occur due to many causes, such as differences in values, interests and goals, and competition to win something. Conflict can be any form of conflicting or opposing interactions caused by several factors from within. By having majority political support in the DPRD, the preparation and determination of the regional budget will be faster. The results of this test are consistent with the research of Basri (2021), Fardian (2014).

The results of testing the second hypothesis (H2) showed that there was no influence on the Leadership variable on Budgeting Conflict Management. This result means that the fulfillment of transformational leadership categories/criteria, namely leadership that has the ability to make decisions, motivate, control subordinates, communicate, control emotionally, and be responsible, does not affect the management of the conflict. This indicates that whether or not the leadership of superiors does not affect its members in the budgeting conflict management process.

The results of this study are not in line with conflict theory which explains that in budgeting, these conflicts often occur in a unit whether it occurs due to differences of opinion, conflict of roles or conflicts of interest. So that the dynamics that arise from it often make it difficult as well as a challenge for leaders in anticipating it. With good communication skills, leaders will easily accommodate various differences of interest or opinions that arise due to conflicts in budgeting. Fitri (2013) stated that often a good leadership style can be contrary to the real situation in a unit even though in theory the better one's leadership style in a unit, the more likely the budget implementation will be successful.

The results of testing the third hypothesis (H3) show that there is a positive and significant influence of Human Resource Quality variables on Budgeting Conflict Management. This result means that the quality of human resources who have knowledge in the field of budgeting, skills, good problem-solving skills and discipline and are responsible for carrying out tasks will produce budgeting conflict management that is appropriate or relevant to the conflicts that occur.

The relationship between the quality of human resources to conflict theory explains that conflict can be any form of conflicting or opposing interaction caused by several factors from within. With human resources that have high knowledge, adequate skills and abilities, will show good quality human resources. The quality and ability of DPRD and TAPD members are also needed so

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that the activities outlined in the APBD are truly beneficial to the community. The problem that often arises is when budgeting carried out so far is still understood as a development division activity. So the resources needed are not only members who just have higher education but also have good skills and abilities in order to be able to carry out the roles and functions that must be carried out properly and optimally.

CONCLUSIONS AND LIMITATIONS

Conclusion

This study was conducted to test and prove the Influence of Political Factors, Leadership and Human Resource Quality on Budgeting Conflict Management in Lebong Regency. From the data and analysis that has been carried out in this study, it can be concluded (1) Political Factors affect Budgeting Conflict Management, the results of this study show that the more frequent or more differences, the more conflicts will always be overcome through compromise, accommodation, or synchronization according to the conflicts that occur. (2) Leadership has no effect on Budgeting Conflict Management. The results of this study show that the fulfillment of transformational leadership categories/criteria does not affect conflict management. (3) The quality of Human Resources affects Budgeting Conflict Management. The results of this study show that the better quality of human resources will result in budgeting conflict management that is appropriate or relevant to the conflicts that occur.

Limitations

The limitation of this study is the leadership variable questionnaire, namely the questionnaire statement section has not fully represented the leadership variables that will affect budgeting conflict management.

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