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BOOK OF ABSTRACT

International Conference on Sustainability Accounting and Business 2024

"Circular Economy: The Role of Accounting, Management, and Business in Achieving Sustainability Goals."

Bangsaen,
October 17-18th 2024

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Trisakti School of Management
2024

BOOK OF ABSTRACTS INTERNATIONAL CONFERENCE ON SUSTAINABILITY, ACCOUNTING AND BUSINESS 2024

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Astrid Rudyanto, Regi Muzio Ponziani, Paulina Sutrisno

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WELCOME REMARKS

PRESIDENT OF BURAPHA UNIVERSITY INTERNATIONAL COLLEGE

The honorable:

- Assoc. Prof. Dr. Watcharin Gasaluck, President of Burapha University
- Asst. Prof. Dr. Parinya Nakpathom, the Dean and all the associates Dean of Burapha University International College
- Dr. June Chao
- Prof. Mahbub Zaman
- Prof. Dr. Jang Hyewon,
- Dr. Sudip Debkumar Chatterji,

Distinguished guests, esteemed colleagues, respected speakers, and participants from around the world,

It is a great honor and pleasure to welcome you to the International Conference on Sustainability Accounting and Business 2024. I would like to extend my heartfelt gratitude to each of you for being here, and I am especially thankful to our co-organizers, Burapha University International College and Trisakti School of Management, for their tremendous efforts in making this conference a reality.

This event is more than just an academic gathering. It represents the shared commitment of our institutions to addressing one of the most critical challenges of our time–sustainability. The collaboration between Burapha University International College and Trisakti School of Management serves as a shining example of how we can work together across borders to tackle global issues. It also underscores the importance of building strong international relationships in the pursuit of knowledge, innovation, and sustainable solutions for the future.

In the previous year, this event was hosted by Trisakti School of Management in collaboration with co-hosts from ACCA, Burapha University, ISO University, and University Kebangsaan Malaysia (UKM). This year, we are delighted to continue this valuable collaboration, with Trisakti School of Management and Burapha University serving as co-hosts, together with ITL and ITP. The inaugural event was successfully held at Trisakti School of Management, followed by the second event at Burapha University, Thailand.

Sustainability, especially in accounting and business, demands a forward-thinking mindset–one that prioritizes not only financial growth but also social and environmental well-being. As academics, researchers, and professionals, we bear the responsibility of shaping the next generation of leaders who will continue this work. Together, we can contribute to a world where businesses succeed while also fostering a more equitable and sustainable future.

Through this conference, we are forging a path toward sustainable education, where knowledge is shared, ideas are nurtured, and innovation is encouraged. I am confident that the discussions and exchanges that will take place here today will inspire new ideas and foster meaningful collaborations that will have a lasting impact on our communities.

I am also excited about the opportunity to strengthen the partnership between our institutions and to continue to build bridges across cultures and borders. By working together, we can advance sustainability in education and beyond, ensuring that we are all equipped to meet the challenges of the future.

Once again, thank you for being here. I look forward to the insightful discussions and new friendships that will emerge over the course of this conference. Let us continue to work together toward a future that is not only prosperous but also sustainable.

Thank you.

WELCOME REMARKS

CHIEF EXECUTIVE OF ICSAB 2024

The honorable:

- Assoc. Prof. Dr. Watcharin Gasaluck, President of Burapha University
- Asst. Prof. Dr. Parinya Nakpathom, the Dean and all the associates Dean of Burapha University International College
- Dr. June Chao
- Prof. Mahbub Zaman
- Prof. Dr. Jang Hyewon,
- Dr. Sudip Debkumar Chatterji,

Distinguished guests, esteemed colleagues, respected speakers, and participants from around the world,

Good afternoon.

It is an immense privilege to stand before you today at the International Conference on Sustainability Accounting and Business 2024, hosted by the Burapha University International College, Thailand. As the Executive Director, I would like to begin by expressing my deepest gratitude to Burapha University for hosting this important event, and to all of you for dedicating your time and expertise to advancing the vital conversation on sustainability in accounting and business. Trisakti School of Management is honored to continue its commitment to the crucial dialogue and collaboration that ICSAB fosters. The theme of this conference is one that resonates deeply with the challenges and opportunities our world faces today: how we, as business leaders, accountants, researchers, and educators, can integrate sustainability into the fabric of our global economy and ensure a better future for all.

As we gather here in Thailand for this important conference, let us remind ourselves of the responsibility we all share. The global challenges we face require global solutions, and these solutions must be both innovative and inclusive. Whether we are addressing the impacts of climate change, the growing inequality in our societies, or the depletion of natural resources, we must do so with a sense of urgency and a spirit of collaboration. I encourage all of you to engage deeply in the discussions over the coming days, to ask difficult questions, to challenge the status quo, and to seek out opportunities for collaboration.

As the Executive Director, I am proud of the role our institutions have played in initiating this conference, and I am confident that the insights and ideas generated here will contribute to shaping a more sustainable and equitable future for all. Thank you once again to our hosts, Burapha University, for providing a platform for this important dialogue, and thank you to all of you for your dedication to advancing sustainability in accounting and business. Let us work together to build a future where sustainability is not just a goal, but a way of life. I wish you all a productive and inspiring conference.

Thank you.

Jakarta, October 17th 2024

Dr. Astrid Rudyanto, CSRS., CMA., CAP.

Chief Executive of ICSAB 2024

WELCOME REMARKS

PRESIDENT OF TRISAKTI SCHOOL OF MANAGEMENT

The honorable:

- Asst. Prof. Dr. Parinya Nakpathom, the Dean and all the associates Dean of Burapha University International College
- Keynotes Speakers
- Distinguished guests, esteemed colleagues, respected speakers, and participants from around the world,

Good afternoon.

It is my great honor and privilege to welcome you all to the International Conference on Sustainability Accounting and Business 2024. As the President of Trisakti School of Management, and on behalf of our institution, I am deeply grateful to each one of you for your commitment to advancing sustainability in accounting and business, a field that is not only timely but also imperative for the future of our global economy and society. I would like to our heartfelt gratitude to the Burapha University International College, Thailand, for hosting this event and for their invaluable collaboration in bringing this conference to life. We are deeply appreciative of the warm welcome and excellent platform you have provided, allowing us to engage in this crucial dialogue about sustainability in business and accounting. Today, we gather here under the banner of a shared vision: to explore and innovate ways to create a more sustainable world through the lens of accounting and business. The essence of this conference is rooted in the belief that the role of business and accounting must evolve in the face of the urgent environmental, social, and economic challenges we face today.

The Role of Sustainability in Business and Accounting

For decades, business and accounting have played critical roles in shaping the global economy. But the traditional profit-driven models that once defined success are now being reexamined, as we confront the realities of climate change, inequality, and resource depletion. The principles of sustainability are no longer optional; they are essential. At its core, sustainability seeks to harmonize economic activity with environmental stewardship and social well-being. But how do we integrate sustainability into the frameworks of accounting and business? How can we ensure that businesses are not just profitable but also responsible? These are the questions we must address, and it is our responsibility as educators, researchers, and practitioners to provide the answers.

The time has come to expand our understanding of value creation. No longer can we afford to view profit as the sole indicator of success. We must also consider the impact businesses have on the environment and society at large. Businesses must adopt a more sustainable approach, measuring success not just by financial outcomes but by environmental and social outcomes as well. Accountants have a unique and critical role in this transformation. Traditionally, the accounting profession has been focused on financial reporting, ensuring that companies provide accurate and transparent information to their stakeholders. But now, accountants must go beyond financial metrics. They must also report on sustainability indicators, helping businesses to account for their environmental and social impact.

The Rise of ESG and Integrated Reporting

One of the most promising developments in this area has been the rise of Environmental, Social, and Governance (ESG) criteria. ESG reporting is now becoming a mainstream practice, with investors, regulators, and consumers demanding more transparency and accountability from businesses. The movement towards integrated reporting–where financial and non-financial data are combined to give a holistic view of a company's performance–represents a significant shift in how businesses are evaluated. ESG is not just a trend; it is a new paradigm that forces businesses to reflect on their purpose and the impact they have on the world.

As a business school, Trisakti School of Management is deeply committed to supporting this transition. We recognize that our role is not only to educate the future accountants, managers, and business leaders of tomorrow, but also to prepare them to face the challenges of the 21st century. In our classrooms, we are integrating sustainability principles, encouraging students to think critically about how businesses can contribute to solving global problems while still achieving financial success. We understand that a thriving, sustainable economy must be built on transparency, integrity, and responsibility, values that are at the heart of accounting and business education. But we also recognize the need for innovative thinking and bold action.

Collaboration and Innovation

This conference brings together a diverse group of professionals, academics, and thought leaders from across the globe. The very essence of innovation lies in collaboration–working together to share ideas, challenge assumptions, and develop new approaches. That is what makes this gathering so exciting. Each of you brings valuable perspectives and expertise to the table, and I encourage you to engage deeply with one another during this conference. Whether you are a researcher presenting your latest findings, a business leader sharing your sustainability journey, or a policymaker looking for solutions to national or global challenges, your contribution matters. Through collaboration, we can develop the frameworks and tools necessary to embed sustainability into business practices. Through open dialogue, we can bridge the gap between theory and practice, ensuring that the research we conduct leads to real-world change. And through partnerships, we can create a ripple effect, empowering companies, communities, and countries to work towards a sustainable future.

The Role of Educational Institutions

We believe that education plays a central role in shaping the future. Our mission is not just to impart knowledge, but to inspire and equip students with the skills and mindset needed to lead in an increasingly complex world. Our programs should be designed to cultivate ethical leaders who can drive change and lead organizations towards sustainable practices. Through this conference, we reaffirm our commitment to fostering a culture of sustainability, both within our institution and beyond. But we cannot do this alone. The role of educational institutions is complemented by the contributions of industry, government, and civil society. Together, we must build a strong ecosystem that supports sustainability across all sectors. This is why partnerships between academia and industry are so critical–they allow for the sharing of knowledge, the testing of ideas, and the scaling of successful initiatives.

A Call to Action

Ladies and gentlemen, the challenge before us is immense, but the opportunity is even greater. The decisions we make today will determine the future of our planet and our society. Each of us has a role to play in building a sustainable future. Whether you are an academic researching new sustainability models, a business leader implementing ESG strategies, or a policymaker shaping regulations, your work is essential. Together, we can shift the business paradigm towards one that values not just profit, but people and the planet.

I would once again like to express our sincere thanks to Burapha University International College for their partnership and their gracious hosting of this event. Your support has been instrumental in making this conference possible, and we are grateful for the strong collaboration between our institutions. As we embark on this conference, let us be bold in our thinking, innovative in our approach, and collaborative in our efforts. The world is watching, and the future depends on the actions we take today. Thank you for being here, for your dedication to this important cause, and for your commitment to shaping a better, more sustainable world. I wish you all a successful and productive conference.

Thank you.

Jakarta, October 17th 2024

SEKOLAH TINGGI ILMU EKONOMI STIE TRISAKTI

Dr. H. Aulia Danibrata, S.E., M.M.

President of Trisakti School of Management

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COMMITTEE OF ICSAB 2024

POSITION	NAME
Advisor	Dr. H. Aulia Danibrata, S.E., M.M. Dr. Tita Deitiana, M.M., CFP. Yulius Kurnia Susanto, S.E., M.Si., CIQnR. Dr. Wibisono Soediono, S.E., M.B.A., CMA. Asst. Prof. Dr. Parinya Nakpathom
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Field Trip	Asst. Prof. Dr. Krittipat Pitchayadejanant
Public Relations	Ms. Waraporn Theerasak

EVENT SCHEDULE OF ICSAB 2024

THURSDAY-FRIDAY / 17 – 18th OCTOBER 2024

BURAPHA UNIVERSITY INTERNATIONAL COLLEGE

Day I	Thursday, October 17th 2024	Venue/Moderator
08.30-09.00	Registration/Photo	BUUIC Lobby Area
09.00-09.50	Pre-opening speech: Dr. Astrid Rudyanto, *Chief of ICSAB 2024* Welcome Speech: Dr. Aulia Danibrata, *President of Trisakti School of Management* Opening Speech: BUU President	Room no. 203 MC - BUUIC Ajarn Jimmy and Ajarn Waraporn
09.50-10.00	Thai Dance (BUUIC will absorb cost)	
10.00-12.00	Keynote Speakers: 1. Dr. June Cao (Curtin University of Australia/Pacific Accounting Review) Topic: Indonesian Accounting Research: Integrating Contemporary Perspectives with Social, Economic, and Environmental Imperatives 2. Prof. Mahbub Zaman (Hull University, UK) Topic: ESG and Sustainability Reporting: Global Reforms and Organisational Reality 3. Prof. Jang Hyewon (Andong National University) Topic: Development of Local Cultural Content and Its Competitiveness as Tourism Resources - Focusing on the World Heritage Festival of Gyeongsangbuk-do, Korea 4. Dr. Sudip Debkumar Chatterji Topic: Integrating Sustainability Reporting in Accounting Practices: Aligning with SDG 12 to Foster a Circular Economy	Moderator: Dr. Regi Muzio Ponziani (1&2) and Dr. Tita Deitiana, S.E., M.M., CFP. (3&4)
12.00-13.00	Lunch Break	
13.00-14.30	Offline Parallel Session 1 Theme: below	Room No. 608 BUUIC
13.30-15.00	Online Session via Zoom x 5 for conference* 1. Repesea Room 2. Room no. 206 Theme: below	3. Repesea 3rd flr. 4. Room no. 206 TSM 1. Room no.1 name 2. Room no.2 name BUUIC - technical team
14.30-14.45	Coffee Break for Offline Parallel Session	
14.45-16.00	Continue Offline Parallel Session 2 Theme: below	Onsite: Room no. 601/608

Day I	Thursday, October 17th 2024	Venue/Moderator
15.15-16.30	Online Session via Zoom x 5 for conference*	Online: Repsea & Room no. 206
17.00-17.30	Best Paper and Best Presenter Award	Will be sent via email
18.00-end	Dinner and Networking	Venue will be advised

Notes:
*Online Parallel Sessions Starts at 13.30 and 15.15
**Offline Parallel Sessions Starts at 13.00 and 14.45

Day II	Friday, October 18th 2024	Venue
08.00-09.00	Check-out Hotel	
09.00-end	City Tour (Pattaya/Bang Saen)	

Community Service

Time	Thursday, October 17th 2024	Venue
13.00-14.30	Theme 1: Workshop on the Cost of Goods Manufactured and Business Viability for SMK Tri Ratna Jakarta Students *By: Nico Alexander, Astrid Rudyanto, Ade Hanifa Putri, Fanny Anggraeni* Theme 2: E-Commerce Business Performance in Retail Companies *By: Fariz Aliyansyah & Yulius Kurnia Susanto* Theme 3: Vision, Mission, Organization, Knowledge and Innovation Management at Anara Hotel Bandara *By: Klemens Wedanaji Prasastyo, Ian Nurpatria Suryawan, & Astrid Rudyanto*	Online at BUUIC building Room IC Seminar 1 3rd flr. TSM - Dr. Rr. Niken Purbasari, S.E., M.Si., CHRA. BUUIC Technical Team
14.45-16.00	The ABCs of Entering Indonesian Market	Onsite at East Park Building TSM – Dr. Aulia Danibrata Dr. Regi Muzio Ponziani Dr. Yohanes Friska Firnanti, S.E., Ak., M.M., M.Ak., CA., CertDA. Arton Briyan Prasetio, S.M., M.M., CMA. Alvina Theresia BUUIC- Mr. Jirayut P.

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ICSAB 2024

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6	Dr. Oleg Shovkovyy	Burapha University International College
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34	Aji Dedi Mulawarman	Jurnal Akuntansi Multiparadigma
35	Dr. Rinawati., S.Pd., M.M	International Journal Administration, Business & Organization (IJABO)
36	Dr. Annaria Magdalena M, SE., MM., MPd	Riset Jurnal

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12	Asst. Prof. Dr. Krittipat Pitchayadejanant	Burapha University International College
13	Ms. Kasemsri Ittipong	Burapha University International College

PRESENTATION SCHEDULE OF

ICSAB 2024

ONLINE SESSION 1

ROOM	MODERATOR	No	PAPER CODE	MANUSCRIPT'S TITLE	AUTHOR NAME	INSTITUTIONS
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		2	CSG02	THE EFFECT OF GREEN ACCOUNTING IMPLEMENTATION AND FINANCIAL PERFORMANCE ON CORPORATE SUSTAINABILITY: EVIDENCE FROM INDONESIA	Silvia Eka Putri, M.Ak., CAP, Michele Kurniawan Yap, S.Ak., Andrey H. Pulungan, MComm., Ak., CA., ACPA., CPA (Aust.)	Sampoerna University, Sampoerna University, Sampoerna University
		3	CSG03	THE INFLUENCE OF BOARD OF DIRECTORS' CHARACTERISTICS AND OTHER FACTORS ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE	Elvira, Annisa Kanti, S.E., M.Ak., RSA., BKP.	Trisakti School of Management, Trisakti School of Management
		4	ACC07	FINANCIAL CONDITION, EFFECTIVENESS OF THE AUDIT COMMITTEE AND OTHER FACTORS ON AUDIT REPORT LAG	Valencia, Muh. Arief Effendi, SE, Msi, Ak, QIA, CPMA, CA, Asean CPA, CACP.	Trisakti school of Management, Trisakti school of Management
		5	CSG06	CORRUPTION UNDER SIEGE: THE PIVOTAL ROLE OF GOVERNMENT CONTROL AND OVERSIGHT IN INDONESIAN REGIONS, EMPOWERED BY PUBLIC ACCOUNTABILITY	Rizky Tisa Safitri Sinaga, S.E. Dr. Gemi Ruwanti, M.Si., Ak., CA., CPA., Dr. Muhammad Maladi, S.E., M.M., Dr. Saifhul Anuar Syahdan, S.E., M.Si., Ak.,	STIE Indonesia Banjarmasin, STIE Indonesia Banjarmasin, STIE Indonesia Banjarmasin

					CA., Dr. Riswan Yudhi Fahrianta, S.E., M.Si.	
Room 2 13.30-15.00	Irwanto Handojo, S.E., M.Si., CertDA.	1	ACC04.	THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY, BOARD REPUTATION, AND GENDER IN OVERCOMING FINANCIAL DISTRESS DURING COVID-19	Ratana Dewi Darmawan, S.Ak., Yuliani Almalita, S.E., M.Ak	Trisakti School of Management, Trisakti School of Management
		2	ACC11	THE EFFECT OF PENTAGON FRAUD ON FRAUDULENT FINANCIAL STATEMENT	Shabirah Safa Chorirunisa, Kartina Natalylova	Trisakti School of Management, Trisakti School of Management
		3	ACC08	INVESTMENT FACTORS AND MANAGERIAL OWNERSHIP INFLUENCES ON FIRM VALUE	Samuel Lukiyanto, SE, Rudi Setiadi Tjahjono, SE,Ak,MM, CPA,CA,CPMA,CIFRS,Asean CPA	Trisakti School of Management, Trisakti School of Management
		4	FIN03	INTERNAL FACTORS AFFECTING DIVIDEND POLICY IN CONSUMER NON CYCLICAL INDUSTRY	Ivan Joel Napoleon, CRA, Nila Pusvikasari, S.E., M.M., CFP., CRP.	Trisakti School of Management, Trisakti School of Management
Room 3 13.30-15.00	Dr. Maris Agung Triandewo, S.E., MA., CMA.	1	MKT 01	FACTORS AFFECTING BRAND LOYALTY IN GEN Z CUSTOMER OF BCA BANK IN JAKARTA	Marsella Soraya, Denny Septa Haryanti	Trisakti School of Management, Trisakti School of Management
		2	MKT07	SERVICE QUALITY AS THE KEY TO LOYALTY: A STUDY OF APP-BASED TRANSPORTATION USERS IN INDONESIA	Dr. Astri Rumondang Banjarnahor, S.H., S.E., M.M., Dr. Juliater Simarmata, S.E., M.M., M Syaifal Anuggrah Illahi, Mhd Ahli Akbar	Institute Transportation and Logistics Trisakti, Instiute Transportation and Logistics Trisakti, Institute Transportation and Logistics Trisakti
		3	MKT04	FACTORS INFLUENCING AIRLINE TICKET CHOICE: A CASE STUDY OF SUPER AIR JET	Dr. Reni Dian Octaviani, Cut Keumala, M.M., Rut Monica, S.E., Maryana Refo, S.E.	Institute Transportation and Logistics Trisakti, Instiute Transportation and Logistics Trisakti, Institute Transportation and Logistics Trisakti

		4	MKT05	MARKETING STRATEGY FOR OFFSHORE VESSELS IN INDONESIA	I Ketut Laba, Dr. Juliater, S.E., M.M.	Institute Transportation and Logistics Trisakti, Institute Transportation and Logistics Trisakti, Institute Transportation and Logistics Trisakti
Room 4 13.30-15.00	Dr. Riha Dedi Priantana, S.E., Ak., M.Si., CA., CMA., AseanCPA	1	CSG07	POLITICALLY CONNECTED FIRMS AND THE CASH FLOW SENSIVITY OF CASH: INTERNATIONAL EVIDENCE	Dr. Yuanto Kusnadi, Phd, CPA (Aust)	Singapore Management University
		2	FIN01	DETERMINANTS OF HEDGING DECISIONS IN INFRASTRUCTURE SECTOR PERIODE 2012-2022	Kezia Yulina Putri S.M., CRA, Nila Pusvikasari, S.E., M.M., CFP., CRP.	Trisakti School of Management, Trisakti School of Management
		3	FIN02	DETERMINANTS OF CAPITAL STRUCTURE OF ENERGY SECTOR LISTED ON INDONESIAN STOCK EXCHANGE	Owen Sebastian, S.M., Stella, S.E., M.M., CFP.	Trisakti School of Management, Trisakti School of Management
		4	ACC09	EARNINGS MANAGEMENT: FINANCIAL MOTIVATION AND FIRM CHARACTERISTIC IN PANDEMIC PERIOD	Ignatius Archell Ersaputra Bagaskara, S.Ak., Nico Alexander, S.E., Ak., M.Ak., CA., CAP	Trisakti School of Management, Trisakti School of Management
Room 5 13.30-15.00	Denta Felli Ananda, S.E., M.B.A., CHRA.	1	PFM04	FACTORS AFFECTING TEACHER PERFORMANCE IN TWO VOCATIONAL SCHOOLS	Angelica Caroline Cen, Surahman Pujianto, S.PSI., M.M.	Trisakti School of Management, Trisakti School of Management
		2	PFM05	PERCEIVED ORGANIZATION SUPPORT AS A KEY FACTOR IN IMPROVING EMPLOYEE PERFORMANCE (CASE STUDY OF PALM OIL PRODUCTION)	Ardika Dwi Prayoga, Yupiter Gulo, S.E., M.M., CRP., CHRA., Nurti Widayati, S.E., M.H., CHRA.	Trisakti School of Management, Trisakti School of Management, Trisakti School of Management
		3	ECO02	TIMES SERIES ANALYSIS ON THE RESPONSES OF BANKS	Cleophila M.G.T.Soegijanto, Fellyn Liang, Veliana Theola, Dr. Regi Muzio Ponziani	Trisakti School of Management, Trisakti School of Management,

				DEPOSIT TO MACROECONOMIC FACTORS IN INDONESIA		Trisakti School of Management, Trisakti School of Management
		4	MKT11	FACTORS AFFECTING CUSTOMER LOYALTY ON ALFAMART CUSTOMER IN BEKASI	Ahmad Basil, Arton Briyan Prasetyo, Aulia Danibrata	Trisakti School of Management, Trisakti School of Management, Trisakti School of Management

ONLINE SESSION 2

ROOM	MODERATOR	No	PAPER CODE	MANUSCRIPT'S TITLE	AUTHOR NAME	INSTITUTIONS
Room 1 15.15-16.45	Dr. Muhammad Faisal	1	ACC12	TOP MANAGEMENT'S CULTURAL AND GENDER DIVERSITY ON FIRM PERFORMANCE	Arya Kwikamto, S.Ak., CAP, Dr. Deasy Ariyanti Rahayuningsih, S.E., M.Si., CSRS; CSRA; CHRA	Trisakti School of Management, Trisakti School of Management
		2	ACC10	THE FRAUD DIAMOND IN ACTION: PREDICTING FINANCIAL MISREPORTING IN INDONESIA	Gracella Irwana, S.Ak., Nicken Destriana, S.E., M.Si.	Trisakti school of Management, Trisakti school of Management
		3	ACC19	THE EFFECT OF COMPANY VALUE ON INCOME SMOOTHING WITH FIRM SIZE AS MODERATING VARIABLE	Diva Sheena, Arwina Karmudiandri, S.E., M.Ak., CFP., CertDA	Trisakti School of Management, Trisakti School of Management
		4	ACC20	THE IMPACT OF COMPANY GROWTH AND OTHER FACTORS ON EARNING MANAGEMENT	Happy Dihati Boma, Dewi Kurnia Indrastuti	Trisakti School of Management, Trisakti School of Management

		5	ACC21	COMPANY OPPORTUNISTIC BEHAVIOR: CORPORATE GOVERNANCE AND EARNINGS MANAGEMENT	Leititya, Friska Firnanti, S.E., Ak., M.M., M.Ak., CA., CertDA.	Trisakti School of Management, Trisakti School of Management
Room 2 15.15-16.45	Yulius Kurnia Susanto, S.E., M.Si., CQnR	1	MKT10	THE EFFECT OF SERVICE RECOVERY AND RELATIONAL SELLING BEHAVIOR ON LOYALTY WITH TRUST AND SATISFACTION AS MEDIATION ON BCA BANK CUSTOMERS IN WEST JAKARTA	Kenny Hendrayana, Muwafick Hidayat	Trisakti School of Management, Trisakti School of Management
		2	MKT09	FACTORS AFFECTING CUSTOMER SATISFACTION OF BRI MOBILE USERS IN DKI JAKARTA	Sekar Ranum Kinanthi, Dr. Maris Agung Triandewo, S.E., MA., CMA.	Trisakti School of Management, Trisakti School of Management
		3	MKT03	FACTORS AFFECTING REPURCHASE INTENTION ON SOCO BY SOCIOLLA USERS IN JAKARTA	Catherine Nathalie, S.M., Irma Satya Indriyanti, S.E., M.M.	Trisakti School of Management, Trisakti School of Management
		4	HRD01	THE ROLE OF JOB SATISFACTION AS A VARIABLE MADIATING THE INFLUENCE OF ORGANIZATIONAL COMMITMENT ON EMPLOYEE OF THE OUTSOURCING COMPANY	Zalfa Mutiara Balsamalah, Dr. Rr. Niken Purbasari, S.E., M.Si., CHRA., Yupiter Gulo, S.E., M.M., CRP., CHRA.	Trisakti School of Management, Trisakti School of Management, Trisakti School of Management
Room 3 15.15-16.45	Dr. Nurul Aisyah Rachmawati, S.E., M.S.Ak.	1	CSG09	DIRECTORS' LOCATIONS AND THE ROLE OF EDUCATION ON CEO POVERTY EXPERIENCE ON CSR	Aprilia Devana, Dr. Astrid Rudyanto, CSRS; CMA; CAP; CGBA; CSP	Trisakti School of Management, Trisakti School of Management

		2	ACC16	THE INFLUENCE OF GOOD CORPORATE GOVERNANCE AND OTHER FACTORS TO TAX AVOIDANCE	Diva Janistya, Dr. Julisar, S.E., Ak., M.M., CA., CertDA.	Trisakti School of Management, Trisakti School of Management
		3	ACC15	PERCEIVED EASE OF USE OF E-FILING TAX SYSTEM - A SYSTEMATIC LITERATURE REVIEW	Nisma Ariskha Masdar,SE.,M.Ak, Prof. Dr. Mediaty, S.E., M.Si., Ak., CA., Dr. Grace T. Pontoh, S.E., Ak. M.Si., CA., Dr. Sri Sundari, S.E.,M.Si. Ak., CA., Dr. Aini Indrijawati, SE., M.Si., Ak., CA., CWM	Hasanuddin University dan Universitas Islam Makasar, Hasanuddin University, Hasanuddin University, Hasanuddin University, Hasanuddin University
		4	ACC03	THE INFLUENCE OF TAX PLANNING, DEFERRED TAX EXPENSE, AND OTHER FACTORS TO EARNINGS MANAGEMENT	Felysia Wijaya, SE., Aries Jonathan, SE., M.Ak.	Trisakti School of Management, Trisakti School of Management
		5	ACC06	EXAMINING DETERMINANTS OF CORRUPTION AND MONEY LAUNDERING AT THE INDIVIDUAL LEVEL IN INDONESIA	Andrey Hasiholan Pulungan, M.Comm., Ak., CA., ACPA., CIIQA., CPA (Aust.), Hardhana Setiawan, S.Ak., Faris Windiarti, M.S.Ak., S.Pd.	Sampoerna University, Politeknik Bina Madani, Sampoerna University
Room 4 15.15-16.45	Nico Alexander, S.E., Ak., M.Ak., CA., CAP.	1	FIN05	MANAGING PROFIT AND LIQUIDITY TO OPTIMIZE A FIRM'S CAPITAL STRUCTURE: AN EMPIRICAL STUDY OF INDONESIAN FOOD AND BEVERAGE COMPANIES	Wulan Suci Ramadhia Putihta, Erika Jimena Arilyn, S.E., M.M., CRP., CPF., CFP., CSA	Trisakti School of Management, Trisakti School of Management
		2	ACC13	THE INTERNAL FACTORS AFFECTING FIRM VALUE IN FOOD AND BEVERAGES	Jessica, Beny, S.E., M.B.A., R.S.A., C.R.P., Dr. Agustinus Sri Wahyudi	Trisakti School of Management, Trisakti School of Management, Trisakti School of Management

				SUBSECTOR ON INDONESIA STOCK EXCHANGE		
		3	ACC02	AUDIT REPORT LAG: INQUIRIES INTO AUDIT RISK, GOVERNANCE RISK COMPLIANCE, AND EARNINGSTHE INFLUENCE OF GOOD CORPORATE GOVERNANCE AND OTHER FACTORS TO TAX AVOIDANCE	Anastasia Angelica Halim, Novia Wijaya, S.E., M.Si., Certda.	Trisakti School of Management, Trisakti School of Management
		4	ACC01	ESOP AND COMPANY CHARACTERISTICS AFFECTING EARNINGS	Evelyne, Yulius Kurnia Susanto, S.E., M.Si., CIQnR.	Trisakti School of Management, Trisakti School of Management
Room 5 15.15-16.45	Dr. Ian Nurpatria Suryawan, S.E., M.M.	1	PFM01	EFFECT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE	Khautal Khafidh Muslim Aliventyno, Dr. Ian Nurpatria Suryawan, S.E., S.H., S.I.P., S.A.P., M.M.	Trisakti School of Management, Trisakti School of Management
		2	PFM02	ENHANCING EDUCATION: THE PRINCIPAL'S APPROACH TO INCREASE PARTICIPATION AND AWARENESS AT MADRASAH TSANAWIYAH ARRAHMATUL ABADIYYAH - ALALAK SELATAN BANJARMASIN	Dr. Soelistijono Boedi S.E. M.Si. Ak, Dr. Muhammad Maladi S.E., M.M, Didi Wahyudi M.M., Dr. Yanuar Bachtiar, S.E. M.Si, Dr. Ibrahim Daud. M.S	STIE Indonesia Banjarmasin, STIE Indonesia Banjarmasin, STIE Indonesia Banjarmasin, STIE Indonesia Banjarmasin, STIE Indonesia Banjarmasin
		3	PFM03	ORGANIZATIONAL COMMITMENT: IS IT A BOOSTER FOR EMPLOYEE PERFORMANCE IN PROPERTY INDUSTRY?	Deby Claudia, Denta Felli Ananda, S.E., M.B.A., CHRA.	Trisakti School of Management, Trisakti School of Management
		4	MAN02	SUSTAINABLE GROUND HANDLING: TRANSITIONING	Mustika Sari,SE,Mmtr, Ph.D, Muhammad Zaenal Arifin, Singgih Perdana Putra	Institute Transportation and Logistics Trisakti, Institute Transportation and Logistics

				TO ELECTRIC GROUND SUPPORT EQUIPMENT		Trisakti, Institute Transportation and Logistics Trisakti

ONLINE COMMUNITY SERVICE

ROOM	MODERATOR	No	PAPER CODE	MANUSCRIPT'S TITLE	AUTHOR NAME	INSTITUTIONS
13.00-14.30	Dr. Rr. Niken Purbasari	1	CMS01	WORKSHOP ON THE COST OF GOODS MANUFACTURED AND BUSINESS VIABILITY FOR SMK TRI RATNA JAKARTA STUDENTS	Nico Alexander, S.E., Ak., M.Ak., CA., CAP, Dr. Astrid Rudyanto, CSRS; CMA; CAP; CGBA; CSP, Ade Hanifa Putri., S.Ak., M.Ak., CAP, Fanny Anggraeni, S.E., M.Ak., CAP., CertDA.	Trisakti School of Management, Trisakti School of Management, Trisakti School of Management, Trisakti School of Management
		2	CMS02	E-COMMERCE BUSINESS PERFORMANCE IN RETAIL COMPANIES	Fariz Aliyansyah, Yulius Kurnia Susanto, S.E., M.Si., CIQnR.	Trisakti School of Management, Trisakti School of Management
		3	CMS03	VISION, MISSION ORGANIZATION, KNOWLEDGE AND INNOVATION MANAGEMENT AT ANARA HOTEL BANDARA	Dr. Klemens Wedanaji Prasastyo, S.E., M.M., Dr. Ian Nurpatria Suryawan, S.E., M.M., Dr. Astrid Rudyanto, CSRS; CMA; CAP; CGBA; CSP	Trisakti School of Management, Trisakti School of Management, Trisakti School of Management

OFFLINE SESSION 1

ROOM	MODERATOR	No	PAPER CODE	MANUSCRIPT'S TITLE	AUTHOR NAME	INSTITUTIONS

Room 1 13.30-14.30		1	CSG01	THE MEDIATION ROLE OF SUSTAINABILITY PERFORMANCE IN GREEN INVESTMENT AND FIRM VALUE : EMPIRICAL EVIDENCE IN INDONESIA	Astrid Maharani, S.E., M.Ak., CSRS., CSRA., CSP., CRA., Prof. Dr. Dian Agustia, SE., M.Si., Ak., CMA., CA., Alfiyatul Qomariyah, S.Ak., MBA., Ph.D.	Universitas Airlangga, Universitas Muhammadiyah Jember, Universitas Airlangga, Universitas Airlangga
		2	CSG04	A STAKEHOLDER LENS ON EMPLOYEE ENGAGEMENT: CONTENT ANALYSIS OF SUSTAINABILITY REPORTS IN INDONESIA	Iwan Suhardjo, SE, M.Si, Ak, CPA, CMA, PhD Cand., Dr. Meiliana Suparman, Femin Lovitasari, Felicia	Universitas International Batam, University of Canterbury, Universitas International Batam, Universitas International Batam
		3	CSG10	ADOPTION OF GREEN INNOVATION STRATEGY TO GET COMPETITIVE ADVANTAGE AND ITS IMPACT ON SMALL BUSINESS SUSTAINABILITY IN LAMPUNG PROVINCE, INDONESIA	Dorothy Rouly Haratua Pandjaitan, Nurul Husna, Ernie Hendrawaty, Angga Febrian	University of Lampung, University of Lampung, University of Lampung, University of Lampung

OFFLINE SESSION 2

ROOM	MODERATOR	No	PAPER CODE	MANUSCRIPT'S TITLE	AUTHOR NAME	INSTITUTIONS
Room 1 14.45-16.00		1	ECO01	ANALYSIS OF LABOR MARKET DYNAMICS IN INDONESIA (1986-2022): AN IMPLEMENTATION OF KEY INDICATORS OF THE LABOUR MARKET (KILM) BY ILO	Thomson Sitompul, S.E., M.E.K.K	Universitas Pelita Harapan
		2	COM02	THE IMPACTS OF ETHICAL AWARENESS, THE PERCEIVE SERIOUSNESS OF WRONGDOING, RATIONALISATION ON WHISTLEBLOWING INTENTION	Andriati Fitriningrum Sip. MM, MA. PhD, Andrey Hasiholan Pulungan MCom, Dini Apti Nirbaya Ahmad	Sekolah Tinggi Manajemen PPM, Sampoerna University, Sampoerna University
		3	ACC18	EMPLOYEES' PROSOCIAL BEHAVIOUR, WHISTLEBLOWING, AND THE COMPANY'S EXTERNAL CHANNELS	Andriati Fitriningrum, Andrey Hasiholan Pulungan, Dr. Tita Deitiana , Sarini Azizan	Sekolah Tinggi Manajemen PPM, Sampoerna University, Trisakti School of Management, The Australian National University

ABSTRACT PAPER

ACCOUNTING (ACC)

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ECO_02

TIMES SERIES ANALYSIS ON THE RESPONSES OF BANKS DEPOSIT TO MACROECONOMIC FACTORS IN INDONESIA

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Abstract: This study aims at modeling the error correction equation for deposit in conjunction with money supply, exchange rate, and interest rate. The data collected were monthly data extending from January 2015 until June 2024. All the data were available on Bank Indonesia and OJK's websites. The research method used was error correction model and impulse response function. Upon first examination, it was found out that the data were not stationary. Therefore, they need to be first differenced for further testing. However, there was cointegration in the data and therefore we could conclude that banks deposit has a long-term fundamental relationship with money supply, exchange rate, and interest rate. Error correction model shows that 45% of error will be corrected in a period. Therefore, it needs 2-2 months to fully recover the deposit from deviations. Impulse response function showed that deposits in the banking system will decrease whenever there is a shock on money supply and exchange rate. This shows how people in the rural and urban areas will hold more cash amid high uncertainty in the economy. However, deposit will go up when shocks impose interest rate. This shows how people are enticed by volatility in exchange rate.

Keywords: Impulse Response Function; Deposit; Error Correction; Cointegration

INTRODUCTION

An important industry that can impact how well an economy is doing is the banking sector. Banks arrange funds from affluent segments of the population and allocate them to underserved segments. To make sure that the credits are given to the productive sectors that can repay them, banks need to have sound risk management procedures. In this sense, banks have facilitated the effective distribution of resources, which in turn supports the smooth operation of the economy as a whole. More economic growth can be achieved through the movement of capital, goods, and services when banks carry out their duties more effectively (Nguyen, 2022; Irawan, Kusuma, & Irawan, 2021; Zeqiraj et al, 2020). However, unstable banking will obstruct and disrupt the flow of capital inside a nation, which can be detrimental to both economic expansion and public welfare. It is evident that the primary means of funding the banking sector is the receipt of deposits from depositors and the distribution of those deposits to borrowers in the form of credits or loans (Soehaditama, 2023). Banks require depositor trust in order to be able to draw in deposits. Deposits are the banks' obligation to depositors, and they will be utilized to fund organizations or people that require liquidity (Burhanudin, 2022; Fungacova, Kerola, & Weill, 2022). Deposit insurance is necessary because deposits are crucial to the banks' capacity to preserve economic trust and promote economic progress (Nikolaj, Drazenovic, & Buterin, 2022).

Deposits are the banks' obligation to depositors, and they will be utilized to fund organizations or people that require liquidity. Deposit insurance is necessary because deposits are crucial to banks' capacity to promote economic growth and uphold confidence in the economy (Nikolaj, Drazenovic, & Buterin, 2022). Interest spread is what banks will receive from this business. The banks' profit will increase as a result, increasing their profitability. Thus, interest rates will have a significant impact on banks (Angori, Aristei, & Gallo, 2019; Adao et al., 2022; Rathnayake et al., 2022; Segev, et al., 2022). A rise in interest rates could encourage depositors to make larger deposits in the banking system. They take this action in an effort to optimize their profits from the interest rate increase. As a result, there will be less money in the economy and more money in the financial system. Banks are able to charge lenders more due to this increase in interest rates. Banks will therefore receive higher interest rates. However, because bank loans have large costs during periods of interest rate increases, lenders might be hesitant to borrow money from them.

A rise in interest rates may also force banks to build up larger capital reserves in order to handle the rising delinquency rate. Conversely, a drop in interest rates will make borrowing money from banks more affordable while simultaneously making conserving money seem pointless. In order to stabilize several macroeconomic variables, the regulator–in this example, central banks–influences the interest rate through the implementation of its monetary policy (Ozili, 2023; Arintoko & Kadarwati, 2022; Handayani & Kacaribu, 2021; Mentari, Hayati, & A. G., 2018). As deposits enable a bank to be liquid and disburse loans, hence generating profits (Duong, Le, & Le, 2023; Nguyen & Nguyen, 2022), we aim to examine the variables that influence the amount of deposits within a bank. There is still a dearth of literature in this field. Maulayati et al. (2020) used the VECM model with an Indonesian sample of Islamic commercial banks. They discovered that while the Industrial Production Index (IPI), inflation, and the exchange rate all have long-term effects on deposits, the exchange rate only had a short-term impact. In this study, we look into how Indonesian commercial banks' deposits are affected by the exchange rate, inflation, money supply, and IPI.

RESEARCH METHOD

The study's data set spans the months of January 2015 through June 2024. These are monthly figures that include the money supply, interest rate, total third-party funds (as a measure of deposits) in commercial bank, and the USD/IDR exchange rate. The websites of OJK and Bank Indonesia provided the data. In this study, we will examine the dynamic link between bank deposits, money supply, exchange rate, and interest rate in Indonesia using the vector error correction model and impulse response function. It is well known that steady data is necessary for VECM and IRF. In order to determine if the variables are stationary or not, we shall do a stationarity test. Stationarity tests will be performed on each variable. The stationarity test equation will be:

$$\Delta y_t = \alpha + \Upsilon y_{t-1} + \lambda_t + v_t$$
$$\Delta y_t = \alpha + \Upsilon y_{t-1} + v_t$$
$$\Delta y_t = \Upsilon y_{t-1} + v_t$$

The variable being checked for stationarity is denoted by yt in the equations above. The three stationarity tests in the stationarity equation are the stationarity test with trend and constant, the stationarity test with only constant, and the stationarity test without trend and constant. The visual examination of the data will determine the equation that is used. After the stationarity test, we'll determine the lag length. The Schwarz Information Criterion (SIC) will be used to determine the lag length. Because it penalizes longer lags than other criteria like the

Akaike Information Criterion (AIC), SIC has an advantage over others. We will run a cointegration test after determining the lag length. If a long-term causal relationship exists between the independent factors and the dependent variable, it will be found by a cointegration test. The cointegration test equation is:

$\Delta e_t = \Upsilon e_{t-1} + v_t$

In the above equation, e_t is the residual derived from the regression that involves deposit (DPK) as the dependent variable, interest rate (INT), money supply (MS), and exchange rate (EXR) as the independent variables. However, the regressions of the dependent and independent variables may use a constant, a constant and a trend, or no constant and no trend (depending on the visual inspection). Therefore, the equations to derive residuals are:

$e_t = DPK_t - b_1MS - b_2EXR - b_3INT$

$e_t = DPK_t - \alpha - b_1MS - b_2EXR - b_3INT$

$e_t = DPK_t - \alpha - b_1MS - b_2EXR - b_3INT - \delta_t$

Finally, we construct VECM. The VECM model (assuming that the variables are nonstationary and cointegrated) is:

$\Delta DPK_t = \delta(DPK_{t-1} - b_1MS_{t-1} - b_2EXR_{t-1} - b_3INT_{t-1}) + \Delta MS + \Delta EXR + \Delta INT$

RESULT AND DISCUSSION

Firstly, we will conduct visual inspection on each variable. We plot each variable according to time on x axis and total volume (value) on y axis. Figure 1 below displays the time-series plots of each variable.

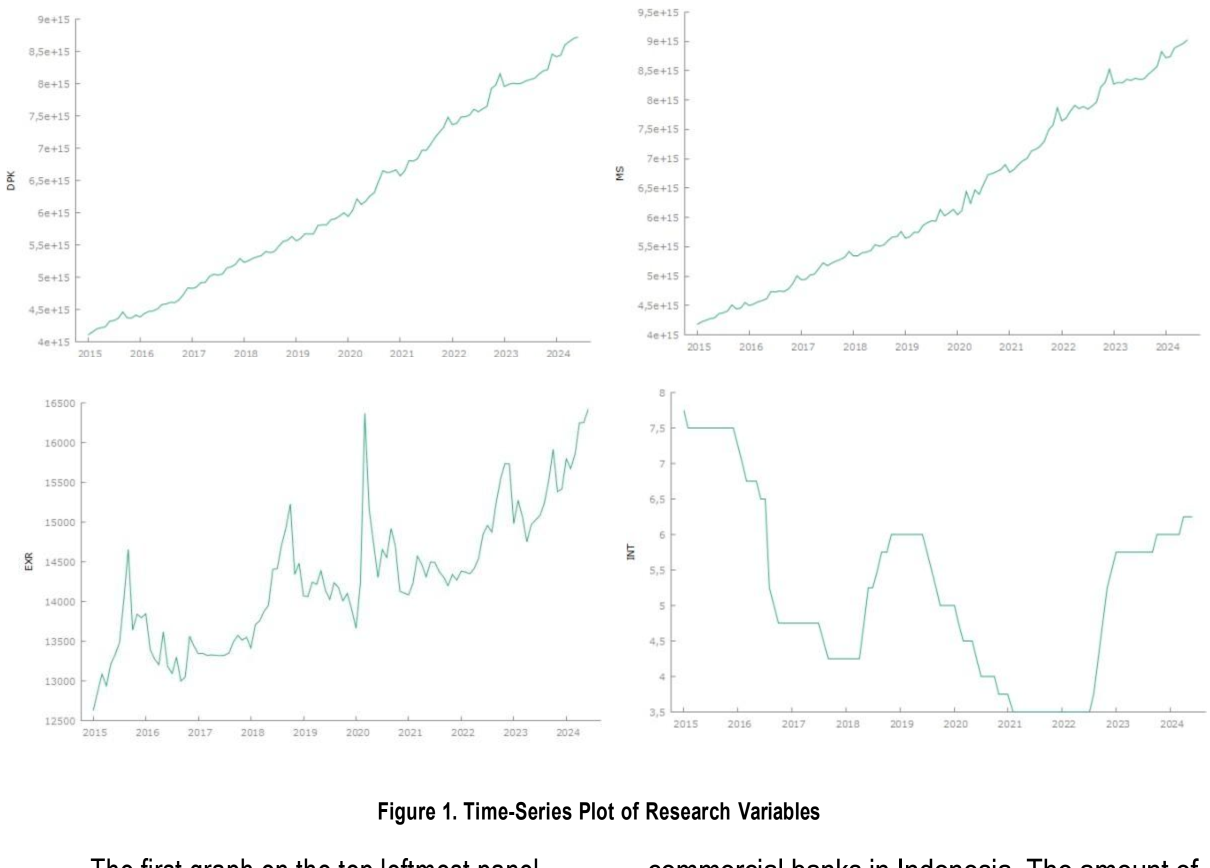

Figure 1. Time-Series Plot of Research Variables

The first graph on the top leftmost panel shows the movement of third party funds in the commercial banks in Indonesia. The amount of third-party funds is steadily increasing. In the beginning of the research period, the amount of third party funds in the commercial banking system is around IDR 4,100 trillion. At the end of research period it amounts to 8,722 trillion. The plot of third-party funds shows only a little volatility along the way. The second panel on the top right is about money supply. This shows how much money outstanding in the economy. For the most part, it has been a steady increase in money supply. It begins with IDR 4,000 trillion in 2015 and peaks around IDR 8,700 trillion in 2023. At the end of 2023, the amount of money supply was approaching IDR 9,000 trillion.

The third graph on the lower left part of figure 1 represents the plot for exchange rate of USD/IDR. The rate has always been increasing. The volatility is high and obvious. The rate begins with IDR 12,600 per USD. In the midst of 2015 and 2018, the exchange rate surges and reaches IDR 14,600 and IDR 15,100 per USD. After this surge, rapid decline follows. In the early part of 2020, the exchange rate abruptly rises again. This marks the beginning of the pandemic. In the midst of 2022 and 2023 there are again sudden increases in the exchange rate. The last panel on the lower right shows the plot for interest rate. Interest rate was very high in the beginning of the research period. It reached almost 8%. It decreases significantly approaching 2018 in which it stood at 4.5%. In 2019, there was an increase in interest rate before declining again during COVID. It is apparent that the central bank adopted loose monetary policy during the pandemic because the interest rate is close to 0. Now the interest creeps up again and reaches 6%. Next we conduct stationarity test for individual variables.

The stationarity test results are displayed in Table 1. With the exception of exchange rate (EXR), all variables are nonstationary at this level. EXR's stationarity at level is shown by a p-value less than 0.05. All of the variables are then first-differenced. The variables are retested for stationarity after differencing. All variable are stationary at first difference this time. Since we have conducted individual test of stationarity, now we test for cointegration.

Table 1. Stationarity Test

	At Level		At First Difference	
	Coefficient	**P-Value**	**Coefficient**	**P-Value**
DPK	-0,0240426	0,948	-1,19367	**0,000**
MS	-0,0319746	0,934	-1,34587	**0,000**
EXR	-0,264553	**0,001**	-1,10319	**0,000**
INT	-0,0172772	0,768	-0,424151	**0,024**

***significant at 0.01
**significant at 0.05
*significant at 0.1
Source: Processed Data, 2024

The test for cointegration will require the testing of the following equation:

$$\Delta e_t = \gamma_1 e_{t-1} + \gamma_2 \Delta e_{t-1}$$

The variable e is the residual from the equation in which DPK is the dependent variable and MS, EXR, and INT are the independent variables. The result is as follows:

$$\Delta e_t = -1.4857 e_{t-1}^{***} + 0.08613 \Delta e_{t-1}$$
$$(0.1581) \qquad (00956)$$

The above results show that the variables are cointegrated because the coefficient for et-1 is significant at 0.01 level. This has huge consequence. This means all the variables share similar stochastic trends and they never diverge too far from each other. When the central bank change the level of interest rate or money supply or take the policy to alter exchange rate, the policy is transmitted to the economy and influence the amount of deposits within the banking system. Next we will construct error correction model. The equation for the error correction model is as follows:

$$\Delta DPK_t = \beta_0(DPK_{t-1} + 105.2582 - 0.9258MS - 29.2446EXR + 4.3742INT) + \gamma_1\ \Delta MS_t + \gamma_2\ \Delta EXR_t + \gamma_3\ \Delta INT_t$$

The exact relationship is depicted by the following table. In the following table, we will conduct regression with Error Correction Model (DPK as the dependent variable).

From the table 2 we can see that the error correction term is significant with a p value of 0.0000. In this regard, MS and EXR are also significant. The coefficient for the error correction term is negative. This is in conjunction with the econometric theory that error correction term should be ngative and less than 1 (in absolute term). This indicates that if the value of ΔDPK_{t-1} deviates from the long-term value, it will auto correct instantly in the next period. The error-correction mechanism will occur until it converges with the long-term value. The percentage of DPK recovered during the error correction mechanism is 45% in a period. Theoretically it takes between 2 to 3 periods to recover from deviation of long-term value. The error-correction model is:

$$\Delta DPK_t = -0.4512(DPK_{t-1} + 105.2582 - 0.9258MS - 29.2446EXR + 4.3742INT) + 0.7024\ \Delta MS_t + \ \Delta EXR_t + \gamma_3\ \Delta INT_t$$

Table 2. Error Correction Model

	Coefficients	Standard Error	t Stat	P-value
Error Corection	-0,451210732	0,082105421	-5,495504736	0,0000
MS	0,70234053	0,039262133	17,88849661	0,0000
EXR	22523813601	10573211246	2,130271786	0,0354
INT	1,63166E+12	1,75928E+13	0,092746149	0,9262

The following is the result of Impulse Response Function.

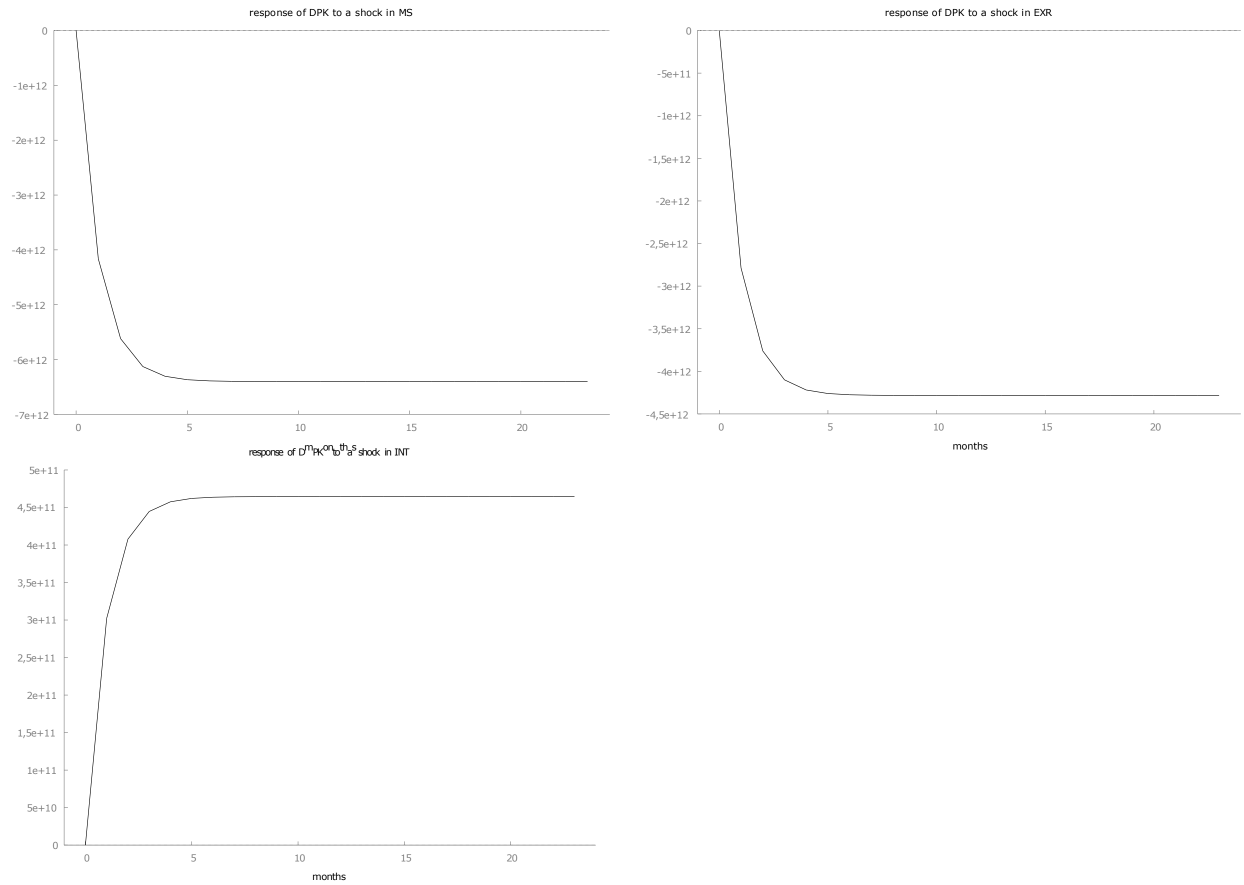

Figure 2. Impulse Response Function of Banks Deposit

The first panel on the top left shows how deposit responds to shock occurring to money supply. DPK will respond negatively to the shocks. This means that the amount of deposit in the banking system will drop instantly. This indicates that people are withdrawing money amidst uncertainty in the money supply. The response will stabilize after 2-3 months in the negative region. The response of deposit to shocks in exchange rate is exactly the same as it was to money supply. The deposit will go down which indicates the proclivity to hold cash as a buffer when exchange rate is uncertain. The response will stabilize after 2-3 months. The last panel shows the response of deposit to shocks in interest rate. In the long-run deposit will increase amidst uncertainty in interest. This shows how people try to benefit from volatilities in interest rate. Since volatility creates the opportunity to gain financial benefit.

CONCLUSION

This research attempts to investigate the response of deposits in the commercial banks on shocks happening to inflation, money supply, and exchange rate. The result shows that there is a fundamental link between deposit, money supply, exchange rate, and interest rate. Money supply and exchange rate exerts their influence on deposit in the short term. Deposit will decline instantly when there are shocks occurring to money supply and exchange rate. In terms of interest rate, the influence is more of long-term. It takes around 5-6 months for deposit to react and stabilize to shocks occurring to interest rate. This research also proves that there is an error correction mechanism happening to banks deposit. When deposit deviates from its long-term value, around 45% of error correction will happen in a period. Therefore, it takes at least 2-3 months for deposit to fully error correct itself. Future research may endeavor to segregate among various kind of banks, for example foreign banks or state-owned banks and investigate the response of funds deposited within it to shocks.

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FIN_05

MANAGING PROFIT AND LIQUIDITY TO OPTIMIZE A FIRM'S CAPITAL STRUCTURE: AN EMPIRICAL STUDY OF INDONESIAN FOOD AND BEVERAGE COMPANIES

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***Abstract*:** The aim of this study is to identify the influence of profitability, tangibility, sales growth, business risk, and liquidity on capital structure of the top 15 food and beverage listed companies in Indonesia from 2013 to 2022. The data used in the study are collected from the published corporate annual reports. The study uses a random effect model based on the results of the Hausman test and the Lagrange multiplier test to investigate its objectives, and the research hypotheses were tested by using a panel regression analysis and appropriate research instruments that signifies a firm's conditions. The study found that profitability and liquidity negatively influences the capital structure, while sales growth has a positive impact on firm's capital structure. Profitable firms tend to reduce its debt by using its own liquid cash so the debt source of capital structure would decrease, also the liquidity of asset would be used optimally to generate profits without dependence on external capital sources while the company pays off any existing loans, especially long-term loans. The findings of this study can help managers adopt efficient practices and identify optimal capital structure, so this capital structure research is re-examined due to contradictions in the prior research's findings.

***Keywords*:** Capital Structure, Profitability, Tangibility, Sales Growth, Business Risk, Liquidity

Abstrak: *Penelitian ini bertujuan untuk mengetahui faktor-faktor yang memengaruhi struktur modal perusahaan pada 15 perusahaan makanan dan minuman terbesar yang terdaftar pada bursa efek di Indonesia selama periode 2013 sampai 2022. Data yang digunakan dalam penelitian ini dikumpulkan dari laporan tahunan perusahaan yang diterbitkan. Studi ini menggunakan model efek acak berdasarkan hasil tes Hausman dan tes Lagrange Multiplier untuk mencapai tujuan penelitian, dan hipotesis penelitian diuji dengan menggunakan analisis regresi panel dan instrumen penelitian yang tepat untuk menggambarkan kondisi perusahaan. Penelitian ini menemukan bahwa profitabilitas dan likuiditas mempengaruhi struktur modal secara negatif, sementara pertumbuhan penjualan memiliki dampak positif pada struktur modal perusahaan. Perusahaan yang menguntungkan cenderung mengurangi utang mereka dengan menggunakan uang tunai mereka sendiri sehingga struktur modal yang berasal dari utang akan berkurang, juga likuiditas aset akan digunakan secara optimal untuk menghasilkan keuntungan tanpa ketergantungan pada sumber modal eksternal sementara perusahaan membayar semua pinjaman yang ada, terutama pinjaman jangka panjang. Temuan dari studi ini dapat membantu manajer mengadopsi praktik yang efisien dan mengidentifikasi struktur modal yang optimal, sehingga penelitian mengenai struktur modal ini dilakukan kembali karena kontradiksi dalam temuan penelitian sebelumnya*.

Kata kunci: Struktur Modal, Profitabilitas, Tangibilitas, Pertumbuhan Penjualan, Risiko Bisnis, Likuiditas

INTRODUCTION

The COVID-19 pandemic has caused significant changes in the company's operational activities. As a result, many companies fail to meet their main objectives. The company's main goal is to maximize shareholder wealth. In an effort to maximize shareholder wealth, companies can maximize the share price itself. Financial managers play an important role in the process of achieving company goals. Financial managers can make decisions regarding funding. The company's funding decisions are directly related to internal and external funding sources to finance the company's operations. The company's internal funding comes from retained earnings and external funding comes from debt and equity. This funding choice is frequently denoted as a capital structure choice. A capital structure that maximizes its share price is the ideal capital structure. Businesses must weigh the risks and expected returns of their operations to establish a debt-to-equity ratio target to achieve the best possible capital structure.

One measure of a company's capacity to turn a profit is its profitability. Every company desires large profits, thus, profitability is tied to corporate activities. To acquire big profits, the corporation can carry out operational activities in the form of sales (Laviola and Santioso 2021).

Tangibility or asset structure can help a company meet its obligations in the event of bankruptcy because the owned assets can be converted into cash (Suherman et al. 2019). Tangibility reflects part of the amount of assets that can be used as collateral which will affect the size of the company's capital structure (Septiani and Suaryana 2018).

Sales Growth is an indicator to measure future assets based on changes in the value of assets that occur in the company (Oktavina and Manalu 2018). Businesses with higher sales will make money, which they will use to finance their internal operations through retained earnings (Suherman et al. 2019). This will affect the percentage of capital structure that the business has (Zutter and Smart 2019).

Businesses that have higher levels of operational leverage are more likely to experience high levels of cash flow volatility. As a result, as business risk increases, so does the amount of debt that the business has. According to Oktavina and Manalu (2018), businesses with stable product demand, stable input prices, and input prices that keep up with increased costs are likely to face minimum business risks.

Companies can gauge their liquidity levels by looking at how well they can fund their operations and pay their debts. Funds to pay the company's obligations are sourced from the company's funds that affect debts or equity. Liquidity helps the company measure its ability to conduct out operational activities and meet its obligations. (Veridiana and Jonnardi 2019).

The study focuses on food and beverage subsector companies listed on the Indonesian Stock Exchange (BEI). Some reasons for choosing the Food and Beverage sub-sector as the research topic. First, the Food and Beverage subsector has long-term demand and is not affected by the economic cycle. Furthermore, food and drinks are essential human needs, making the Food and Beverage subsector more stable and less subject to economic cycle swings. Second, the PBV value of the subsector company Food and Beverage is more stable because it has not changed significantly. Third, the food and beverage industry's contribution is gradually expanding. Despite the COVID-19 epidemic, a minor increase persisted.

The researchers conducted this investigation from 2013 to 2022, which was a 10-year period. A checklist technique was used to pick the time period, which revealed that the food and beverage subsector had the most total samples between 2013 and 2022. This study replicates Kuč and Kaličanin's (2021) findings. The purpose of this study is to determine the effect of the independent factors of profitability, tangibility, sales growth, business risk, and liquidity on the dependent variable of capital structure.

Trade-Off Theory

This theory describes how tax benefits from debt funding are exchanged for bankruptcy risk. When a company uses trade-offs with its capital structure, it can lower taxes payable. The more debt a company uses, the lower its net profit and amount of tax paid (Brealey et al. 2020). Brigham and Houston (2009) state that a company needs to set its debt ratio target to minimize the impact of potential bankruptcy. Bankruptcy costs are significant when the company's debt level exceeds the ideal level. Furthermore, using debt to raise the stock price can only do so to a limited extent; if it rises above that threshold, the stock price will fall.

Signaling Theory

Signaling Theory is a theory that explains asymmetric information in a company, where managers have more information about prospects than investors (Brigham and Houston 2009). Signaling Theory is related to the selection of funding sources by companies. Using internal funds can send a positive signal to investors. The issue of equity sends a negative signal to investors that the company is concerned about future earnings and that the company's prospects are bleak (Zutter and Smart 2019).

Pecking Order Theory

Pecking Order Theory is a funding sequence used by firms to work on profitable investment initiatives, beginning with the use of retained earnings, then debt, and lastly equity issuance. The Pecking Order Theory states that the majority of a company's investing funds are made up of retained earnings. If the company requires external financing, the proportion of debt funding will be greater than equity. Profitable companies will borrow less (Zutter and Smart 2019). Pecking Order Theory occurs as a result of asymmetric information, in which managers are more knowledgeable about the company's procedures and risks than investors. Asymmetric information influences the funding set and represents the company's funding proportion. The Pecking Order Theory states that firms prefer retained earnings. If the company needs external money, it will first issue debt, followed by securities such as bonds and stock issuance as a last resort. Companies that borrow a minimal quantity of external capital occur because they do not need external investment and have already absorbed their internal funding.

Capital Structure

The capital structure is a combination of debt and equity financing. Brealey et al. (2020) define capital structure as the mix of debt and equity funding. The ideal capital structure is determined by the assets, operations, and state of the company. To attain an efficient capital structure, organizations must first determine their target capital structure, which should include debt, preferred shares, and common shares. The company's capital structure is made up of long-term debt and equity. (Gitman and Zutter 2015, 560). Based on the aforementioned idea, it is possible to deduce that the capital structure is the company's choice of a combination of debt and equity finance. To create an ideal capital structure, the company can set a goal funding allocation and pay attention to the company's position.

Profitability

Profitability is a measure of a company's ability to generate profits over a specific period. According to Brigham and Houston (2009), likelihood indicates the net outcome of funding and operational decisions. Meanwhile, Syafril and Fahmi (2021) define likelihood as a company's potential to generate profits in relation to total assets and its capital. Profitability is the end outcome of the company's strategies and decisions to pursue earnings at the asset and capital levels.

Tangibility

Property, plant, and equipment are all examples of liquid assets (Zutter and Smart 2019, 478). Visibility is a fixed asset that can be handled, like factories, machines, and offices. Fixed assets are more sellable than non-fixed assets (Brealey et al. 2020). Fixed assets are tangible assets acquired in ready-to-use or pre-built form, utilized in the company's operations, not for sale in the framework of the company's routine activities, and have a duration (Seftianne and Handayani 2011). Based on the preceding theory, it is possible to conclude that liquidity is a tangible asset obtained in a ready-to-use or pre-built form that can be touched, such as property (land), factories, offices, machinery, and equipment owned by the company to be used in the company's operations and not to be sold in the context of the company's normal activities, and has a period.

Sales Growth

Sales growth indicates sales increase inside the company in a given year (Kaliman and Wibowo 2017). According to Syafril and Fahmi (2021), sales growth is a change in total assets owned by companies with the potential to grow significantly. Sales growth is a rise in the number of sales from year to year that is used to quantify a company's growth (Umdiana and Claudia 2020). Sales growth can be defined as a change in the company's sales from year to year as a sign of the company's ability to grow to a high level.

Business Risks

Business risk is defined as the risk reflected in a company's cash flow variations before contemplating loan finance. Business risk measures the level of risk in a company's operations, even if debt reserves are not used (Brigham and Houston 2009). According to Sani (2018), business risk refers to a company's exposure to elements that lower earnings or cause failure. Before contemplating debt financing, business risk can be defined as a risk produced by swings in elements that can diminish profitability and cause failure in a company's operations.

Liquidity

Zutter and Smart (2019) define liquidity as a company's capacity to meet its short-term obligations as they mature. According to Brealey et al. (2020), liquidity assesses a company's ability to provide cash. Meanwhile, Veridiana and Jonnardi (2019) define liquidity as a company's ability to sell its assets in a short time and then use the proceeds to meet short-term obligations. Liquidity can be defined as a company's capacity to provide cash to pay its short-term obligations.

The Impact of Profitability on Capital Structure.

Increased profitability demonstrates that the company can retain internal financing, lowering the level of capital structure (Kharismar and Stella 2014). According to Vijayakumaran and Vijayakumaran (2018), organizations with a high probability will prefer debt since it offers tax benefits. Research by Kuč and Kaličanin (2021), Wibowo (2016), also Angelya and Arilyn (2017) demonstrate that profitability impacts capital structure. In contrast, Kharismar and Stella (2014) also Tamam and Wibowo (2017) found that capital structure does not affect capital structure. Based on the reasoning provided above, a hypothesis can be formed:

H_1: Profitability affects the capital structure.

The Impact of Tangibility on Capital Structure.

Companies with substantial liabilities will see an increase in their debt ratio since liquidity is used as security for borrowing debt (Suherman et al. 2019). It may be argued that the larger the asset structure possessed by the company, the higher the capital structure; on the other hand, a company with a low liquidity ratio will have a lower capital structure (Miswanto et al. 2022). Research by Kuč and Kaličanin (2021), Miswanto et al. (2022), and Hidayat et al. (2021) indicates that tangibility influences capital structure. In contrast, Wibowo (2016) and Martini et al. (2021) found that liquidity does not affect capital structure. Based on the reasoning provided above, a hypothesis can be formed:

H_2:Tangibility affects the capital structure.

The Impact of Sales Growth on Capital Structure

A high growth rate suggests that the company is expanding, necessitating further debt financing (Miswanto et al. 2022). Companies with high sales growth rates will increase retained earnings, prompting them to borrow more debt to satisfy the debt ratio objective (Kharismar and Stella 2014). Miswanto (et al. 2022), Vijayakumaran and Vijayakumaran (2018), also Sakr and Bedeir (2019) found that sales growth has an impact on capital structure. However, Kuč and Kaličanin (2021), Angelya and Arilyn (2017), and Gusni et al. (2020) found that sales increase had no impact on capital structure. Based on the explanation given, a hypothesis may be formulated:

H_3: Sales growth affects capital structure.

The Impact of Business Risk on Capital Structure.

Companies with business risks have cash flow swings, thus they avoid debt and instead issue equity (Seftianne and Handayani 2011). If a corporation with a high level of business risk employs a high debt ratio, the company will face significant danger in the future. Companies must minimize their debt ratio to reduce risk (Sakr and Bedeir 2019). Sakr and Bedeir (2019), Sani (2018), and Gusni et al. (2020) found that business risk influences capital structure.Research by Kuč and Kaličanin (2021), Laviola and Santioso (2021), and Umdiana and Claudia (2020) indicate that company risk has little impact on capital structure. Based on the preceding explanation, a hypothesis can be made:

H_4: Business risk affects capital structure.

The Impact of Liquidity on Capital Structure

Companies with high liquidity will use less debt as a source of funding, decreasing their capital structure. This is consistent with the Pecking Order Theory (Gusni et al. 2020). In contrast, the trade-off theory contends that enterprises with strong liquidity will borrow more debt to meet their on-time payment obligations, hence boosting capital structure (Cevheroglu-Pickle 2018). Research by Kuč and Kaličanin (2021), Angelya and Arilyn (2017), and Gusni et al. (2020) indicates that liquidity has an impact on capital structure. In contrast, Andayani and Suardana (2018), Seftianne and Handayani (2011), as well as Veridiana and Jonnardi (2019), demonstrate that liquidity does not affect capital structure. Based on the preceding explanation, a hypothesis can be made:

H_5: Liquidity affects capital structure.

METHOD

The study was conducted using causality research (casual study) to determine the influence of independent variables which are profitability, sales growth, business risk, and liquidity on dependent variables which is capital structure. The purposive sampling strategy was used in this investigation. Purposive sampling is a strategy for selecting samples based on specific criteria or special selection (Siyoto and Sodik 2015). The data collection technique carried out in this study uses secondary data. Secondary data in this study is obtained through IDX websites, IDN and company websites as well as journals and books that can support this research. The method used in conducting this study is multiple linear regression with the Eviews and SPSS 25 programs as data analysis test tools.

The data used in this study is panel data. The sample of this research consist of 15 companies with 150 data selected by purposive sampling method, the data is processed and tested using panel data regression in Eviews 12 with random effect model for the hypothesis testing.

Capital Structure

To determine the capital structure of the research object, this study employs total leverage (TL). Total leverage is computed by dividing total liabilities by total assets. According to Kuč and Kaličanin's (2021) research, overall leverage is computed as:

$$\text{Total Leverage} = \frac{\text{Total Liabilitas}}{\text{Total Aset}}$$

Probability

In this study, Return on Asset (ROA) is used to calculate probability. ROA is computed by dividing after-tax revenue by the total assets of the company. Hidayat et al. (2021) found that the formula for calculating ROA is:

$$\text{ROA} = \frac{\text{Earnings After Tax}}{\text{Total Aset}}$$

Tangibility

In this study, tangibility is calculated using the Fixed Asset Ratio. FAR is determined by comparing fixed assets to total assets. Suherman et al. (2019) found that FAR can be computed as:

$$\text{FAR} = \frac{\text{Fixed Asset}}{\text{Total Aset}}$$

Sales Growth

Sales growth is the change and development of a company's total assets over a certain period. According to Kuč and Kaličanin's (2021) research, sales growth is estimated as:

$$\text{Sales Growth} = \frac{\text{Sales t}-\text{Sales t}-1}{\text{Saes t}-1}$$

Business Risk

The degree of operating leverage (DOL) is used in this study to quantify business risk. The difference between EBIT and sales changes is used to measure business risk. According to Gusti et al. (2020), business risk can be computed as follows:

$$\text{Business Risk} = \frac{\frac{\text{EBIT t}-\text{EBIT t}-1}{\text{EBIT t}-1}}{\frac{\text{sales t}-\text{sales t}-1}{\text{sales t}-1}}$$

Liquidity

In this study, the current liquidity ratio is used. Liquidity is calculated by comparing the company's current assets with its current obligations. Kuč and Kaličanin's (2021) research suggests that liquidity can be calculated as:

$$\text{Liquidity} = \frac{\mathit{Current\ Asset}}{\text{Current Liabilities}}$$

RESULTS

Table 1. Descriptive Statistical Results

Variable	N	Mean	Median	Maximum	Minimum	Stdr.Dev.
TL	150	0,510055	0,520488	0,967015	0,140557	0,150947
ROA	150	0,051431	0,046932	0,221789	-0,117666	0,056296
FAR	150	0,37258	0,377192	0,634074	0,120119	0,110136
GROWTH	150	0,113424	0,096195	0,832657	-0,362186	0,180646
DOL	150	1,202993	1,399902	93,33037	-113,5348	16,37457
CR	150	1,58722	1,377584	4,843616	0,169147	0,861298

Table 2. Results of the t test

Variable	Coefficient	Std.Error	t-Statistic	Prob
C	0,697657	0,042185	16,538040	0,000000
ROA	-0,966856	0,144021	-6,712870	0,000000
FAR	-0,154480	0,077927	-1,738133	0,083900
GROWTH	0,069699	0,026806	2,600149	0,010100
DOL	0,000160	0,000289	-0,554520	0,579900
CR	-0,059930	0,010680	-5,611626	0,000000

Based on the outcomes of the data collection, 15 organizations were chosen as a sample, with 150 research data given in Table 1. The median value of the capital structure variable (TL) is 0.520488, while the mean value is 0.510055. The maximum value is 0.967015, while the smallest value is 0.140557, and the standard deviation is 0.150947.

The profitability variable (ROA) has an average value of 0.051431 and a median value of 0.046932. The highest value is 0.221789, the lowest value is -0.117666, and the standard deviation is 0.056296.

The tangibility variable (FAR) has an average value of 0.37258 and a median value of 0.377192. The highest value is 0.634074, while the lowest value is 0.120119, with a standard deviation of 0.110136.

The median value for the sales growth variable (GROWTH) is 0.096195, while the mean value is 0.113424. The highest value is

0.832657, while the lowest value is -0.362186, with a standard deviation of 0.180646.

The business risk variable (DOL) has a mean of 1.202993 and a median of 1.399902. The maximum value is 93.33037, while the minimum value is -113.5348, with a standard deviation of 16.37457.

The liquidity variable has an average of 1.58722 and a median of 1.377584. The highest value is 4.843616, the lowest is 0.169147, and the standard deviation is 0.861298.

Based on Table 2, the regression model in this investigation can be expressed as follows:

TL = 0.697657 - 0.966856 ROA - 0.154480 FAR + 0.069699 GROWTH - 0.000160 DOL - 0.059930 CR + e

Profitability (ROA) has a 0.000000 probability. The probability value (0.0000) is less than alpha (0.05), indicating that H_1 is accepted. It may be inferred that the independent variable of profitability has an impact on the dependent variable of capital structure in food and beverage firms listed on the Indonesia Stock Exchange from 2013 to 2022. Research by Kuč and Kaličanin (2021), Wibowo (2016), and Margaretha and Ramadhan (2010) supports the notion that profitability impacts capital structure.

Tangibility (FAR) has a probability of 0.083900. This signifies that the probability value (0.083900) exceeds the alpha value (0.05), implying that H_2 is rejected. It is possible to conclude that there is no influence between the independent variables of liquidity and the dependent variables of capital structure in food and beverage firms listed on the Indonesia Stock Exchange from 2013 to 2022. This is consistent with the findings of Gusni et al. (2020), Hanayani and Suardana (2018), Laviola and Santioso (2021), and Martini et al. (2021), who all concluded that liquidity has no effect on capital structures.

Sales growth (GROWTH) has a 0.010100 probability. The probability value (0.010100) is less than alpha (0.05), implying that H_3 is accepted. It is possible to conclude that the independent factors of sales growth influence the dependent variables of capital structure in food and beverage companies listed on the Indonesia Stock Exchange from 2013 to 2022.This is consistent with research undertaken by Miswanto et al. (2022), Sani (2018), and Sakr and Bedeir (2019), which found that sales growth influences capital structure.

Business risk (DOL) has a probability of 0.579900. This suggests that the probability value (0.579900) exceeds alpha (0.05), implying that H_4 is rejected. It is possible to conclude that the independent variables of business risk do not influence the dependent variables of capital structure in food and beverage companies listed on the Indonesia Stock Exchange from 2013 to 2022. This is consistent with the findings of Umdiana and Claudia (2020), Laviola and Santioso (2021), and Septiani and Suaryana (2018), who found that business risk had no effect on capital structure.

The likelihood of liquidity (CR) is 0.000000. The probability value (0.000000) is less than alpha (0.05), implying that H_5 is accepted. It can be inferred that the independent variables of liquidity have an impact on the dependent variables of capital structure in food and beverage firms listed on the Indonesia Stock Exchange between 2013 and 2022. Research by Kuč and Kaličanin (2021) and Astuti (2018) supports the idea that liquidity affects capital structure.

CONCLUSION

The purpose of this study is to determine the impact of independent variables such as profitability, asset structure, sales growth, business risk, and liquidity on the dependent variables of capital structure in Food and Beverage companies listed on the Indonesia Stock Exchange (IDX) between 2013 and 2022. Based on the study and testing conducted, it is possible to conclude that the variables of profitability, sales growth, and liquidity have an impact on the capital structure's dependent variables.

The capital structure is unaffected by the independent variables of corporate profitability and risk.

Several limitations apply to this investigation. The variables employed in this study, which included 5 independent variables (profitability, profitability, sales growth, business risk, and liquidity), have limitations. This study examines 15 firms and 150 samples of data from the Food and Beverage subsector listed on the Indonesia Stock Exchange (IDX) between 2013 and 2022. The number of studies is restricted to ten years (2013-2022), so it cannot explain the company's long-term state. Furthermore, a positive autocorrelation was seen in this investigation.

Based on the constraints stated, the researcher makes many recommendations for additional research into the capital structure. First, include other variables that are thought to influence the capital structure. Second, broaden the sample so that research can be conducted by drawing from different subsectors listed on the Indonesia Stock Exchange. Finally, an additional study is suggested to extend the research period to characterize the company's long-term state.

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ACC_09

EARNINGS MANAGEMENT: FINANCIAL MOTIVATION AND FIRM CHARACTERISTIC IN PANDEMIC PERIOD

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Abstrak: Manajemen laba merupakan praktik untuk memperbaiki kinerja perusahaan yang buruk sehingga terlihat memiliki kinerja yang baik. Informasi kinerja tersebut dibutuhkan oleh investor terkait dengan pengambian keputusan berinvestasi. Investor akan lebih tertarik dengan kinerja yang baik dan hal ini yang mendorong manajemen perusahaan untuk melakukan manajemen laba. Manajemen laba dianggap sebagai jalan keluar untuk menunjukan peningkatan kinerja ditengah penurunan kinerja di masa pandemi. Oleh karena itu penelitian ini dilakukan untuk mendapatkan bukti empiris mengenai pengaruh motivasi keuangan dan karakteristik perusahaan terhadap manajemen laba. Motivasi keuangan diukur menggunakan profitabilitas, *leverage*, pertumbuhan penjualan, kas bebas. Karakteristik perusahaan di ukur menggunakan ukuran perusahaan dan umur perusahaan. 66 perusahaan *cyclical* dan *non-cyclical* terpilih sebagai sampel penelitian selama 2020-2022 dengan menggunakan *purposive sampling* dan hipotesis di uji menggunakan analisis regresi data panel. 2020 hingga 2022 merupakan periode pandemi *covid* 19. Hasil regresi menunjukan bahwa untuk memenuhi kinerja yang baik, manajemen keuangan akan dimanfaatkan walaupun akan menyesatkan pengguna dan perusahaan-perusahaan besar cenderung akan melakukan manajemen laba untuk menjaga ekspektasi dari investor. Hasil penelitian ini memberikan kontribusi teori terkait dengan faktor yang dapat mendorong manajemen untuk melakukan manajemen laba.

Kata Kunci: Manajemen Laba, Rasio Keuangan, Karakteristik Perusahaan.

***Abstract*:** *Earnings management is a strategy employed to enhance the apparent performance of a company that is actually underperforming. This performance data is crucial* *for investors when making investment decisions. Investors are naturally more attracted to positive performance, which in turn motivates company management to engage in earnings management practices. Earnings management is seen as a means to demonstrate improved performance amidst declining performance during the pandemic. Consequently, this research was undertaken to gather empirical evidence on the impact of financial incentives and company attributes on earnings management. Financial incentives are gauged by profitability, leverage, sales growth, and free cash flow, while company attributes are assessed by company size and age. A total of 66 cyclical and non-cyclical companies were purposively selected as research samples from 2020 to 2022, and hypotheses were tested using panel data regression analysis. 2020 to 2022 is the covid 19 pandemic period. The regression findings indicate that, in order to achieve positive performance, financial management will be employed, even if it misleads users, and larger companies are inclined to engage in earnings management to meet investor expectations. The outcomes of this study contribute to the understanding of the factors that drive management to engage in earnings management.*

Keyword: *Earnings Management, Financial Ratio, Firm Characteristics.*

INTRODUCTION

Today's intense business competition has pushed companies to enhance their performance in order to create value and ensure long-term sustainability. Earnings management, which involves manipulating financial statements to meet specific targets and present a more favorable financial performance, is a common practice among companies aiming to attract stakeholders' attention and maintain their trust for investment purposes (Hanandika et al. 2022). In Indonesia, many companies, including PT Tiga Pilar Sejahtera Food, engage in earnings management to uphold their economic performance. This public company operates in various industries, including the food sector, and reported an inflation in pre-tax funds, depreciation, amortization, and other company funds in 2017.

Company performance is often evaluated based on its profitability. In order to enhance company performance and attract potential investors, companies may engage in earnings management practices. Factors such as free cash flow and sales growth play a significant role in influencing these actions. Companies facing financial constraints or declining sales may seek external funding from investors. Moreover, the level of debt can impact earnings management strategies, as higher debt levels increase the company's risk of bankruptcy. Therefore, companies may resort to earnings management to ensure financial stability and mitigate risks. Additionally, the age and size of a company can also influence its approach to earnings management. Companies with a long operating history and a large scale of operations are likely to have more experience in implementing effective earnings management techniques.

The impact of the Covid-19 pandemic further exacerbated the decline in company performance. Even financially stable companies were not immune to the negative effects of the pandemic. To mitigate the financial challenges faced during the 3-year decline, companies resorted to earnings management as a strategy to maintain financial stability. Both large and small companies have participated in this practice. In conclusion, earnings management is primarily conducted to ensure the financial stability of a company. The financial health of a company plays a crucial role in influencing investors' decisions to invest. A strong financial position sends a positive signal to investors, while a weak financial condition may deter potential investments. In addition to financial considerations, this study also explores the characteristics of the companies involved in the research.

Agency Theory

Agency theory delineates the dynamic between shareholders and managers within an organization. It posits that shareholders serve as the principal, delegating authority to management as the agent. As elucidated by Godfrey et al. (2021, 362), agency theory encapsulates the mutual agreement between management (agent) and the principal (authorizer) to facilitate decision-making processes within a company. Managers, in their capacity as agents, often harbor interests that diverge from the company's objectives, thereby potentially disregarding the interests of shareholders as principals. Millenia and Tjhai (2021) underscore that the agent-principal relationship may lead to the prioritization of personal interests over those of shareholders (principals). Under certain circumstances, an agent's actions that deviate from the principal's directives can result in the agent possessing more information about the company's future prospects than the principal. This informational asymmetry, as delineated by Zutter and Smart (2021, 672), characterizes the disparity in information between the agent and the principal.

Moreover, agency theory delves into the various agency problems that arise within organizations. These problems encompass different types of conflicts: Type 1 involves a discord between the owner (principal) and management (agent) when the latter fails to act in accordance with the owner's interests, prioritizing personal agendas over the owner's objectives. Type 2 entails a conflict between majority and minority shareholders, where information asymmetry prevails, granting majority shareholders access to more information than their minority counterparts, thereby disadvantaging the latter.

Profitability and Earnings Management

Profitability refers to a company's capacity to generate a profit. It signifies the company's ability to earn a profit based on the assets or capital it possesses (Arifin and Destriana 2016). Profitability serves as a key driver for management to engage in earnings management. A company's profitability, which showcases its capability, should demonstrate strong performance. Profitability is deemed favorable when the profit derived from the company's operations is substantial. Consequently, Maricar and Almalita (2022) conducted profit value manipulation to exhibit significant profitability. Research conducted by Kalbuana et al. (2022), Florencia and Susanty (2019), Edison and Nugroho (2020), Susanto and Yangrico (2020), Chandra and Huang (2021), Sari et al., (2022) revealed that high profitability is indicative of heightened earnings management. Drawing from the aforementioned research findings, the formulated hypothesis is:

H_1 An Increase in profitability is associated with an increase in the level of earnings management.

Sales Growth and Earnings Management

Sales growth refers to the increase in sales levels between different financial reporting periods. Companies experiencing sales growth above the average are considered to have rapid sales growth. This situation necessitates additional funds to enhance operational activities, which cannot be fully supported by internal funding sources. As a result, companies seek external funding to meet their financial needs. In order to attract investors, companies may engage in financial reporting manipulation to present a favorable performance and financial position, thereby facilitating the acquisition of external funding. Research conducted by Susanto and Yangrico (2020), Edison and Nugroho (2020), as well as Chandra and Huang (2021) indicates that growing companies often resort to earnings management practices to secure funds from investors for financing their operations. Consequently, the hypothesis formulated is:

H_2 An Increase in sales growth is associated with an increase in the level of earnings management.

***Free Cash Flow* dan Manajemen Laba**

Free cash flow represents the cash that remains after necessary investments have been made, and can therefore be distributed to stakeholders and creditors (Hanandika et al. 2022). Managers typically aim to invest these funds, while shareholders expect the surplus to be distributed to enhance their welfare. A higher level of free cash flow indicates stronger financial health for a company, whereas a lower level suggests financial difficulties. In order to ensure sufficient cash availability, companies may engage in earnings management to attract funds from investors (Firnanti et al., 2019). Research by Hanandika et al. (2022); Herlambang *et al*. (2017); Pradipta (2019); Florencia and Susanty (2019) suggests that companies with limited free cash flow may resort to earnings management strategies to maintain cash flow. Based on the findings of the aforementioned studies, the following hypothesis is formulated:

H_3 A decrease in free cash flow is associated with an increase in the level of earnings management.

Leverage and Earnings Management

Leverage is a measure of how much a company relies on debt to fund its investment and operational activities (Yunieatha and Palupi 2017). A company with high leverage, indicating a large long-term debt, is at a higher risk of bankruptcy. To prevent violating debt agreements, which could harm the company's reputation in the market and undermine its ability to borrow on favorable terms, businesses may turn to manipulating their earnings (Iatridis & Kadorinis, 2009). Firnanti et al. (2019) suggest that higher leverage levels lead to an increased likelihood of engaging in earnings management practices. Conversely, a low leverage level signifies that the company's total debt is lower than its total assets, making it easier for the company to repay its debts and reducing the motivation for earnings management. Research conducted by Lazzem & Jilani (2018), Florence and Susanty (2019), Edison and Nugroho (2020), Susanto and Yangrico (2020), and Maricar and Almalita (2022) supports the notion that high leverage is associated with an increase in earnings management activities. Therefore, the hypothesis derived from the aforementioned research findings is:

H_4 An Increase in leverage is associated with an increase in the level of earnings management.

Firm Size and Earnings Management

Company size is a crucial factor in determining the impact and recognition of a company within the market. Various indicators such as the number of employees, total sales, total assets, and funding can be used to gauge the size of a company (Felicya and Sutrisno 2020). Larger companies tend to have a more significant influence on the public due to their widespread recognition compared to smaller companies. Consequently, decisions made by large companies are closely scrutinized, leading to more meticulous and accurate financial reporting (Yunietha and Palupi 2017). Moreover, it is observed that larger companies are less likely to engage in profit management practices. This is attributed to the ample capital resources available within these companies, reducing the need for earnings management (Susanto and Yangrico, 2020; Chandra and Huang, 2021; Maricar and Almalita, 2022). The findings from the aforementioned studies suggest that the hypothesis formulated is:

H_5 An Increase in firm size is associated with a decrease in

the level of earnings management.

Firm Age and Earnings Management

The duration of a company's existence, from its founding to the commencement of operational activities, is a crucial factor for potential investors. Investors tend to favor companies with a longer company age, as they are perceived to have more experience and better job prospects. Such established companies are believed to have the potential for higher profits (Agustia and Suryani 2018). Kalbuana et al. (2022) also suggest that companies with a longer history are adept at identifying trends from previous periods and utilizing them for earnings management. Therefore, it is posited that companies with a longer company age are more proficient in carrying out earnings management practices based on their extensive management experience (Agustia and Suryani 2018). In light of the foregoing, the hypothesis formulated is:

H_6 An Increase in firm age is associated with an increase in the level of earnings management.

The subsequent illustration depicts a figure derived from the research framework.

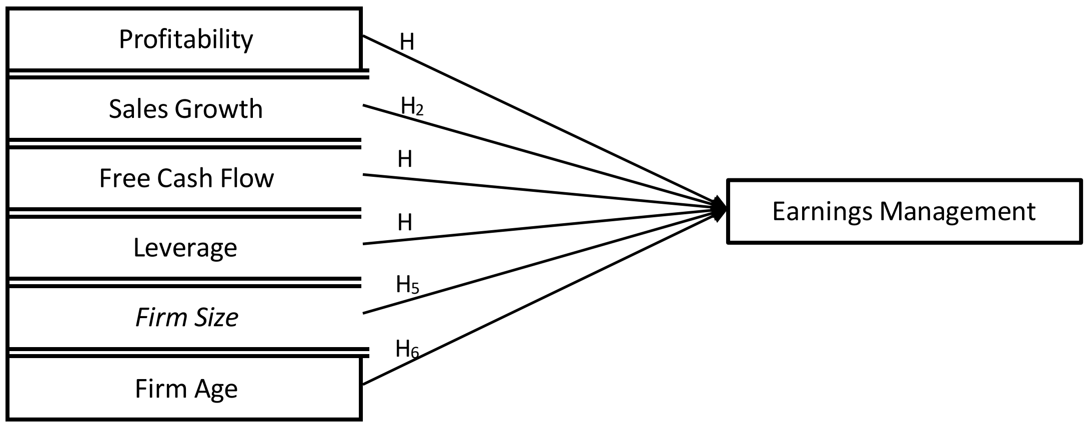

Figure 1. Research Framework

METHOD

In the research period of 2020-2022, a total of 66 companies were chosen as research samples from the consumer cyclicals and consumer non-cyclicals sectors listed on the Indonesia Stock Exchange (BEI). The selection of the research sample was conducted through purposive sampling method. Here is the list of companies selected for the research

Table 1. Sample Selection Procedure

No	Description	Total
1.	During the research period, companies in the consumer cyclicals and consumer non-cyclicals sectors that were listed on the Indonesia Stock Exchange were examined.	191
2.	Companies that do not present financial reports as of December 31	(16)
3.	Companies that not to employ the Rupiah currency	(13)
4.	Companies that experience losses	(96)
	Total Company	**66**
	Research Period	**3 Tahun**
	Total Sample	**198**

Table 2. Definition Variable

Variable	Definition	Measurement	Source
Earnings Management (EM)	Earnings management refers to the actions taken by a manager to inflate or deflate profits in the financial statements of a company, ultimately serving the	$TACCit = NI_{it} - CFO_{it}$ $TACCit/A_{it-1} = \alpha_1 (1/A_{it-1}) + \alpha_2 (\Delta REV_{it}/A_{it-1}) + \alpha_3 (PPE_{it} - A_{it-1})$ $NDA_{it} = \alpha_1 (1/A_{it-1}) + \alpha_2 [(\Delta REV_{it} - \Delta REC_{it})/A_{it-1}) + \alpha_3 (PPE_{it} - A_{it-1})$ $DACCit = TACCit/A_{it-1} - NDA_{it}$	(Dechow et al., 1995)

	manager's own self-interests rather than accurately reflecting the company's financial performance to stakeholders.		
Profitability (PROF)	Profitability refers to a company's ability to generate profits within a specific financial period.	$$ROA = \frac{\text{Net Income}}{\text{Total Aset}}$$	Kalbuana *et al.* (2022).
Sales Growth (GROWTH)	Sales growth serves as an indicator of a firm's achievements in the preceding timeframe as depicted in financial statements, aiding in forecasting future expansion.	$$SG = \frac{\text{Sales (t) - Sales (t-1)}}{\text{Sales (t-1)}}$$	Firnanti *et al.* (2019).
Free Cash Flow (FCF)	Free cash flow refers to the cash flow that remains after deducting	$$FCF = \frac{\text{Operating Cash Flow - Investing Cash Flow}}{\text{Total Asset}}$$	Firnanti *et al.* (2019).

	investments, which can then be distributed to stakeholders and creditors.		
Leverage (LEV)	Leverage is a financial metric that evaluates the relationship between debt and assets, illustrating the extent to which assets are funded by borrowed funds.	$DTA = \frac{\text{Total Debt}}{\text{Total Asset}}$	Kalbuana *et al.* (2022).
Firm Size (SIZE)	Company size is determined by evaluating the scale of a company, which can be gauged through different indicators like workforce size, revenue, and asset value.	SIZE = LN (Total Asset)	Firnanti *et al.* (2019)

Firm Age (AGE)	The age of a company is determined by the period starting from its establishment to the point at which it becomes capable of conducting its day-to-day operations.	AGE = Research Year - Establishment Year of the Comp	Firnanti *et al.* (2019)

RESULT

The subsequent information displays the outcomes of descriptive statistics and the results of hypothesis testing using panel data with common effect model, presented as follows.

Table 3 Decriptive Statistic Variable

Variabel	N	Minimum	Maksimum	*Mean*	Std. Deviasi
EM	198	-0,2283	0,8394	0,0045	0,1756
PROF	198	0,0002	0,4930	0,0800	0,0705
SG	198	-1,000	2,6552	0,1258	0,3325
FCF	198	-0,3179	0,4114	0,0384	0,1149
LEV	198	0,0004	0,8835	0,3914	0,2056
SIZE	198	26,2828	32,8264	29,2188	1,5165
AGE	198	6	116	40,5758	24,1733

The descriptive statistics table demonstrates that the average profitability, sales growth, and free cash flow values are quite modest for the company as a whole, largely due to the negative impact of the pandemic on its performance. In contrast, a relatively high leverage ratio indicates that the company utilizes loans extensively for its operational needs.

Table 4 Hypothesis Result

Variabel	Predicted	B	t-statistic	Prob.
PROF	+	0,9295	11,0545	0,0000*
SG	+	-0,0349	-2,1745	0,0309*
FCF	-	-0,6959	-13,7919	0,0000*
LEV	+	-0,0241	-0,9248	0,3562
SIZE	-	0,0067	1,9184	0,0565**
AGE	+	-0,0000	-0,6915	0,4901
C		-0,2195	-2,2044	0,0287
F				43,3553
Prob (F)				0,0000
Adj R^2				0,5633

The findings from the hypothesis testing revealed that earnings management is utilized for financial reasons. This is evidenced by the fact that profitability has a favorable impact on earnings management. Companies engage in earnings management with the aim of enhancing company performance through the reporting of substantial profits. Substantial profits serve to attract investors to invest in the company. Furthermore, the company's free cash flow has an adverse impact on earnings management. This suggests that in the event that the company lacks sufficient cash, it will resort to earnings management in order to secure funding from investors. Enhancing free cash flow due to its significant impact on company value (Gusmiarni et al., 2020).

Additionally, sales growth has a negative impact on earnings management. This indicates that if the company experiences significant sales, it will also report substantial profits, thereby reducing the need for earnings management due to favorable results from the company's operations. Companies that have the ability to generate cash flow from their sales will likely engage in less earnings management practices. Conversely, companies that struggle to generate internal cash flow may resort to earnings management in order to secure funds from external sources (Toumeh et al., 2023). Based on the company's characteristics, only company size has a positive impact on earnings management. Large companies will persist in engaging in earnings management in order to uphold the financial stability and reputation of the company.

CONCLUSION

The primary objective of this research is to gather empirical data on the utilization of earnings management strategies based on financial incentives and company attributes. Through hypothesis testing on a sample of 66 companies in the consumer cyclicals and consumer non-cyclicals sectors listed on the Indonesia Stock Exchange between 2020 and 2022, it was found that companies indeed engage in earnings management practices to safeguard their financial position and capture the interest of investors. Moreover, the study indicates that larger companies tend to employ more aggressive earnings management techniques. However, it is important to note that this study has not explored the impact of financial ratios and other company-specific characteristics on earnings management. Furthermore, the analysis is confined to the Dechow model, neglecting the examination of alternative models to ensure the robustness of the findings. The outcomes of this study offer valuable insights for investors concerning the motivations behind earnings management activities undertaken by companies to ensure financial stability and attract investor attention.

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ACC_01

ESOP AND COMPANY CHARACTERISTICS AFFECTING EARNINGS MANAGEMENT

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Abstract: *This research aims to obtain empirical evidence on the effect of employee stock ownership program (ESOP), leverage, profitability, firm size, managerial ownership, institutional ownership, audit quality, firm age, effective tax rates on earnings management. The population used for this research are all cyclical and non-cyclical firms listed in the Indonesia Stock Exchange (IDX) over the three-year period from 2020 to 2022. Using purposive sampling method, 43 firms are selected, with the total data of 129 data. This research applies multiple regression method to analyze the data. The research findings indicate that ESOP and audit quality have influence on earnings management, while other variables such as leverage, profitability, firm size, managerial ownership, institutional ownership, firm age, effective tax rates do not have significant effect on earnings management. ESOP can influence earnings management because the effect of earnings management will reflect on the benefit received by management. Meanwhile, a high-quality audit can reduce the occurrence of earnings management because they have the capability in terms of experience and procedures which deter earnings management practice.*

Keywords*:* Earnings Management, ESOP, Company Characteristics, Corporate Governance

ACC_02

AUDIT REPORT LAG: INQUIRIES INTO AUDIT RISK, GOVERNANCE RISK COMPLIANCE, AND EARNINGS

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Abstract: *This research aims to acquire empirical evidence of the relationship between audit report lag with factors that include earnings volatility, financial distress, internal audit attributes, company size and income sign, and income smoothing. In addition, it grazes upon the governance, risk, and compliance (GRC) framework to facilitate a more comprehensive discussion. The sample accounts for 440 observations of 110 non-financial firms listed on the Indonesia Stock Exchange (IDX) for the period 2019 to 2022, obtained through purposive sampling. It is subsequently tested using the multiple regression analysis through the IBM SPSS Statistics 25. Empirical results show that financial distress, KAM (key audit matters) disclosure, company size, and sign of income affect audit report lag. These findings indicate that financially secured and large-sized clients experience more expedited audit processes, while loss-making clients are subject to more rigorous procedures. Lastly, KAM disclosure gives rise to a sense of accountability among auditors, encouraging them to strive for higher-quality and more timely audits.*

***Keywords*:** Audit Report Lag, Governance Risk Compliance, Earnings Volatility, Internal Audit, Key Audit Matters

ACC_03

THE INFLUENCE OF TAX PLANNING, DEFERRED TAX EXPENSE, AND OTHER FACTORS TO EARNINGS MANAGEMENT

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***Abstract*: *The accounting standards or techniques chosen by the company can affect the amount of tax paid and profit earned. The selection of accounting standards is what then makes companies prepare their financial statements according to their desired motives. Companies often choose the most favorable accounting standards. This situation often supports management to manipulate financial statements according to the desired needs or perform earnings management. Practices related to earnings management are still common today. This study aims to determine whether company size, leverage, profitability, ownership concentration, management ownership, tax planning, and deferred tax expense affect earnings management. The research object used is non-financial companies in the consumer non-cyclicals and consumer cyclicals sectors that are consistently listed on the Indonesia Stock Exchange during the period 2019 to 2022. The sampling method used in this research is purposive sampling. The sample data obtained was analyzed using a multiple regression approach. With a total of 174 data, 58 companies met the sample requirements. The results showed that tax planning have a negative influence on earnings management, means the lower the profit earned by the company, it reflects lower earnings management, so that tax planning will increase. Company size, leverage, profitability, ownership concentration, management ownership, and deferred tax expense have no influence on earnings management.*

***Keywords*:** Earnings Management, Leverage, Profitability, Ownership Concentration, Managerial Ownership, Tax Planning.

ACC_04

THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY, BOARD REPUTATION, AND GENDER IN OVERCOMING FINANCIAL DISTRESS DURING COVID-19

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Abstract: *The purpose of this study was to determine whether there was an influence of independent variables: corporate social responsibility, gender diversity, profitability, CEO reputation, intellectual capital, leverage, and firm size on financial distress as a dependent variable. The object of this study used cyclical and non-cyclical sector companies listed on the Indonesia Stock Exchange (IDX). The years 2020-2022 were significant because the world experienced a global economic crisis due to the COVID-19 pandemic. This study used the purposive sampling method by setting four sample criteria, so as to obtain a sample of 161 companies with a total data of 483 data. The data analysis method used is multiple linear regresion. The results of this study show that gender diversity has a positive effect on financial distress. CEO reputation and leverage has a negative effect on financial distress. While corporate social responsibility, profitability, intellectual capital, and firm size have no effect on financial distress. This can provide considerations for companies to determine the management structure if economic problems occur such as the occurrence of COVID-19 during 2020 - 2022 which will influence decision making and determining company financial policies to minimize and overcome so that financial difficulties do not occur.*

Keywords*:* Financial Distress, Corporate Social Responsibility, Gender Diversity, CEO Reputation, and Intellectual Capital

ACC_06

EXAMINING DETERMINANTS OF CORRUPTION AND MONEY LAUNDERING AT THE INDIVIDUAL LEVEL IN INDONESIA

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***Abstract*:** *Corruption and money laundering have been persistent issues in Indonesia and beyond, causing significant economic damage to organizations and countries. This study, thus, aims to examine the impact of gender, age, and workplace on the fraudulent activities of perpetrators involved in corruption and money laundering fraud in Indonesia. The study analyzed 310 cases from the Decision Directory of the Supreme Court of the Republic of Indonesia involving individuals engaged in fraudulent activities. Using logistic regression (MLR), the research found that elder fraudsters or individuals involved in fraudulent activities in the public sector are more likely to engage in corruption compared to younger fraudsters or those in the private sector. This research provides valuable insights for academia and practitioners by examining real corruption and money laundering cases in Indonesia to understand the factors that may influence the decision-making process of individuals involved in fraudulent activities. The study concludes that considering factors such as age and workplace could improve the effectiveness of criminal profiles in practical applications. It is essential to identify and prevent these widespread offenses by using such profiles.*

***Keywords*:** Corruption, Individual-Level Determinants, Indonesia, Money Laundering

ACC_07

FINANCIAL CONDITION, EFFECTIVENESS OF THE AUDIT COMMITTEE, AND OTHER FACTORS ON AUDIT REPORT LAG

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Abstract: *The purpose of this study is to obtain empirical evidence and analyze the factors that influence audit report lag in companies operating in the cyclical and non-cyclical consumer sectors on the IDX. The independent variables tested in this research are financial condition, profitability, auditor reputation, audit committee effectiveness, complexity of corporate accounting, audit tenure, CEO turnover, and independent commissioners. This research sample consists of data from 255 companies operating in the cyclical and non-cyclical consumer sectors for the period 2020-2022. This research uses purposive sampling and this research uses multiple regression analysis. The research results show that financial conditions, auditor reputation, and audit tenure have an influence on audit report lag. Profitability, effectiveness of the audit committee, complexity of corporate accounting, CEO turnover and independent commissioners do not influence audit report lag. The implications of this study are that it assists investors in financial report analysis, encourages timely financial reporting by companies, and serves as an important reference for future research.*

Keywords: Audit Report Lag, Financial Condition, Auditor's Reputation, Audit Committee Effectiveness, and Audit Tenure

ACC_08

INVESTMENT AND MANAGERIAL OWNERSHIP EFFECTS ON FIRM VALUE

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***Abstract**: Research of Firm Value is to obtain empirical evidence about the influence of investment and managerial ownership factors on firm value. The investment factors related to profitability, debt to asset ratio, current ratio, firm size, dividend payout ratio and investment decision. Research population of this research are consumer cyclical and non-cyclical companies that listed in Indonesia Stock Exchange from 2020 until 2022. There are 36 companies and 108 data selected as a sample by using purposive sampling method. The sample are tested and analyzed using multiple regression method. Result of this research implies that some investment factors such as profitability, debt to asset ratio, investment decision and managerial ownership factor influence on firm value, while current ratio, firm size, and dividend payout ratio not influencing on firm value.*

Keywords: Firm Value, Profitability, Debt to Asset Ratio, Investment Decision, Managerial Ownership

ACC_09

EARNINGS MANAGEMENT: FINANCIAL MOTIVATION AND FIRM CHARACTERISTIC IN PANDEMIC PERIOD

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Abstract: *Earnings management is a strategy employed to enhance the apparent performance of a company that is actually underperforming. This performance data is crucial for investors when making investment decisions. Investors are naturally more attracted to positive performance, which in turn motivates company management to engage in earnings management practices. Earnings management is seen as a means to demonstrate improved performance amidst declining performance during the pandemic. Consequently, this research was undertaken to gather empirical evidence on the impact of financial incentives and company attributes on earnings management. Financial incentives are gauged by profitability, leverage, sales growth, and free cash flow, while company attributes are assessed by company size and age. A total of 66 cyclical and non-cyclical companies were purposively selected as research samples from 2020 to 2022, and hypotheses were tested using panel data regression analysis. 2020 to 2022 is the covid 19 pandemic period. The regression findings indicate that, in order to achieve positive performance, financial management will be employed, even if it misleads users, and larger companies are inclined to engage in earnings management to meet investor expectations. The outcomes of this study contribute to the understanding of the factors that drive management to engage in earnings management.*

Keyword: Earnings Management, Financial Ratio, Firm Characteristics

ACC_10

THE FRAUD DIAMOND IN ACTION: PREDICTING FINANCIAL MISREPORTING IN INDONESIA

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Abstract:
Fraudulent financial reporting poses a significant threat to the stability and integrity of financial markets, impacting stakeholders' decisions and eroding investor confidence. This study investigates the influence of factors outlined in the fraud diamond framework on the likelihood of fraudulent financial reporting. Using a sample of 269 data points from 90 consumer cyclical and non-cyclical companies listed on the Indonesia Stock Exchange between 2020 and 2022, we examined the relationship between potential predictors of fraudulent reporting (financial targets, financial stability, external pressure, nature of industry, changes in auditors, audit reports, and changes of directors) and fraudulent financial reporting. Our findings indicate that, among the factors studied, only the presence of challenging financial targets significantly correlates with an increased likelihood of fraudulent financial reporting. Other factors examined did not show a statistically significant association. This study provides empirical evidence that unrealistic financial targets can create an environment conducive to financial statement manipulation. The findings underscore the importance of setting achievable targets and implementing robust internal controls to mitigate the risk of fraudulent financial reporting.

***Keywords*:** Fraudulent Financial Reporting, Fraud Diamond, Beneish M-Score Model, Financial Targets.

ACC_11

THE EFFECT OF PENTAGON FRAUD ON FRAUDULENT FINANCIAL STATEMENT

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Abstract:*This study aims to analyze the effect of fraud pentagon on fraudulent financial statements in the consumer cylicals and non-consumer cylicals sectors listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period. Fraud pentagon is the development of fraud triangle and fraud diamond with the addition of arrogance elements as potential factors for fraudulent financial statements. In this study using purposive sampling so that 56 companies in the consumer cyclicals and non-consumer cyclicals sectors were obtained with a three-year period, namely 2020-2022. The results of this study indicate that financial stability and nature of industry have a positive effect on fraudulent financial statements. This shows that the higher value of financial stability and nature of industry can increase the possibility of fraudulent financial statements. There is a negative effect of financial targets on fraudulent financial statements. This shows that the low value of the financial target indicates the lower the profit generated, so that it can increase the possibility of fraudulent financial statements. Further test results show that the variables of external pressure, institutional ownership, effective monitoring, change in auditor, change in director, frequent CEO's picture and quality of external pressure have no effect on fraudulent financial statements.*

Keywords: Fraudulent financial statement, Fraud pentagon, Beneish M-Score.

ACC_12

TOP MANAGEMENT'S CULTURAL AND GENDER DIVERSITY ON FIRM PERFORMANCE

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***Abstract*:** *This research aims to get an empirical evidence that diversity consists of cultural diversity and gender diversity, along other factors have an influence towards firm performance. Several other factors are TMT scale, TMT age, TMT network, TMT tenure, and intellectual capital. Data for this research obtained from the financial statement of the consumer cyclicals and consumer non-cyclicals companies in Indonesia period 2020-2022 and annual report of this company period 2018-2022. This research get 92 companies that met the criteria. This study also explores four Hofstede's cultural dimensions as proxies of cultural diversity as predictors of firm performance. Multiple regression analysis is used to test the hyphoteses. This research finding can be summarized as follows. First, cultural diversity, gender diversity, TMT network, and TMT tenure do not influence the firm performance. Cultural diversity does not influence the firm performance because the majority of companies in Indonesia still led by Indonesian people. Second, TMT scale, TMT age, and intellectual capital have influence the firm performance.*

***Keywords*:** Firm Performance, Cultural Diversity, Gender Diversity, Hofstede's Cultural Dimensions, Multiple Regression Analysis

ACC_13

THE INTERNAL FACTORS AFFECTING FIRM VALUE IN FOOD AND BEVERAGES SUBSECTOR ON INDONESIA STOCK EXCHANGE

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Abstract: *The objective of this study is to find the causal relationship between financial ratios such as return on equity, total asset turnover, debt to equity, current ratio, and firm size to value of the firm. Data for this study came from 42 food and beverage companies listed on the Indonesia Stock Exchange that published their annual financial reports. The total sample for this study was 90, drawn from 10 companies over a period of 9 years. Secondary data was collected from the Indonesian Stock Exchange website with multiple regression analysis using Eviews 12. The research showed that Return on Equity, Total Asset Turnover, and Firm Size have an impact on Firm Value. Meanwhile Debt to Equity Ratio and Current Ratio have no effect on firm value. The results of this study can be used as input for companies to consider improving firm value by maximizing the firm's profitability and its asset to generate profit so that the firm can also increase the size of the firm itself.*

Keywords: *Firm Value, Financial Ratio, Multiple Regression, Food and Beverages*

ACC_15

PERCEIVED EASE OF USE OF THE E-FILING TAX SYSTEM – A SYSTEMATIC LITERATURE REVIEW

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***Abstract*:** *This article aims to conduct a comprehensive analysis of how the construct of perceived ease of use influences the use of technology in both financial and non-financial entities. One of the financial entities in the article about perceived ease of use in the last ten years from several countries comes from the tax aspect. This article uses a systematic literature review of 37 articles indexed in Scopus from 2013 to 2024, using several theories, including Theory of Reasoned Action (TRA), Theory of Planned Behavior (TPB), Technology Acceptance Model (TAM). This article uses quantitative methods and questionnaires in research. The results of the research show that perceived ease of use articles in the last ten years are divided into 2 main categories, namely categories based on financial and non-financial entities, as well as categories based on areas of implementation. Categories based on financial entities consist of several aspects, such as taxation and business aspects. , e-commerce, and financial aspects. Meanwhile, non-financial entities consist of several aspects, including government aspects, social aspects, agricultural aspects and educational aspects. Meanwhile, categories based on implementation areas consist of several sectors, including the financial sector, business sector, education sector and transportation sector. The use of technology in several aspects, especially in the tax aspect, is strongly influenced by one of the Technology Acceptance Model (TAM) constructs. The recommendation for further research is to examine other constructs in TAM such as Perceived Usefulness or Subjective Norms in areas that have not been explored regarding theory, methodology and context framework, especially in the use of financial entities in tax aspects.*

Keyword: Perceived Ease of Use, Technology Acceptance Model TAM), Implementation of Area, Financial and Non-Financial Entitiy, Theory, and Methodology.

ACC_16

THE INFLUENCE OF GOOD CORPORATE GOVERNANCE AND OTHER FACTORS TO TAX AVOIDANCE

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Abstract: *Tax avoidance is very often carried out by companies, consequently, state income through tax collection is smaller than it has to be. For Indonesia, tax is the largest income, therefore this research is very important to strengthen understanding for academics, investors, creditors, and companies themselves regarding tax avoidance so that its practice can be reduced. This study aim is to figure out the effect of financial distress, managerial ownership, size of directors, size of the independent board of directors, audit committee, institutional ownership, and profitability on tax avoidance. ETR (Effective Tax Rate) is the formula to measure tax avoidance. The population in this research are manufacturing companies listed on the Indonesian Stock Exchange (IDX) from 2019 until 2021. Multiple regression analysis was used to test the hypothesis. There are 42 companies that fulfil the criteria, hence the amount of data obtained is 126. The outcome of this research is that tax avoidance influenced by profitability. Meanwhile, tax avoidance is not influenced by financial distress, managerial ownership, size of directors, size of the independent board of directors, audit committee, and institutional ownership.*

Keywords: Tax Avoidance, Financial Distress, Good Corporate Governance, Profitability.

ACC_18

EMPLOYEES' PROSOCIAL BEHAVIOUR, WHISTLEBLOWING, AND THE COMPANY'S EXTERNAL CHANNELS

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Abstract**:** *The purpose of this study is to evaluate the factors that motivate employees' prosocial behaviour to report unethical behaviour through the company's external channels. The whistleblowing diamond model highlights four factors; -- pressures and incentives, opportunity, ability, and rationalisation—that propel whistleblowing and serve as the basis for this study. The impact of technological advancement causes the potential use of social media to report fraud and unethical behaviour. In practice, there are limited studies that specifically indicate whether employees voluntarily do whistleblowing to help others and what the reason is for employees to select the company's external media to blow the whistle. Quantitative research through a survey is done. 157 respondents are analysed with Smart PLS 4. The results reveal that the willingness to report unethical behaviour or fraud is not a prosocial or voluntary action to help others, rather, it is more of a chance to receive a reward, which leads to the decision to choose external media to expose it since social media can disseminate the information without disclosing the identities of the whistleblowers*

Keywords: *whistleblowing, prosocial behaviour, social media, diamond model, fraud*

ACC_19

THE EFFECT OF COMPANY VALUE ON INCOME SMOOTHING WITH FIRM SIZE AS MODERATING VARIABLE

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Abstract**:** *The purpose of this study is to provide empirical evidence regarding the effect of the Cash Holding, Profitability, Financial Leverage, Dividend Policy, and Firm Value as independent variables and also Firm Size as moderating variable that affect income smoothing as dependent variable. The study used population of cyclical and non-cyclical and also transportation and logistic companies listed on the Indonesia Stock Exchange from 2017 to 2022, with sample consisting of 35 companies selected through purposive sampling method. The analysis method used was purposive sampling. The research results showed that cash holding, profitability, dividend policy, firm value, and firm size have no significant effect on income smoothing while financial leverage has positive significant effect on income smoothing and also firm size doesn't moderate profitability and dividend policy effect on income smoothing, while firm size weakens financial leverage effect on income smoothing.*

Keywords**:** Income Smoothing, Cash Holding, Company Value, Firm Size

ACC_20

THE IMPACT OF COMPANY GROWTH AND OTHER FACTORS ON EARNING MANAGEMENT

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Abstract: *The aim of this research is to analyze the factors that influence earnings management. The independent variables considered in this study include company size, company age, profitability, leverage, company growth, audit committee, and audit quality. The dependent variable analyzed is earnings management. The objects used in this research are companies in the consumer cyclicals and non-cyclicals sectors listed on the Indonesia Stock Exchange (IDX) during the period 2020 to 2022. A purposive sampling method was employed, resulting in the collection of data from 201 instances across 67 companies. The findings reveal that profitability positively influences earnings management, while company age, company growth, and audit quality negatively impact earnings management. Conversely, company size, leverage, and the audit committee do not appear to affect earnings management.*

***Keywords*:** Earnings Management, Company Size, Company Age, Profitability, Leverage, Company Growth, Audit Committee, Audit Quality

ACC_21

COMPANY OPPORTUNISTIC BEHAVIOR: CORPORATE GOVERNANCE AND EARNINGS MANAGEMENT

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***Abstract*:** *The purpose of this research is to gather empirical data about the factors that influence earnings management in consumer cyclical and non-cyclical enterprises that are listed on the Indonesia Stock Exchange (IDX). The independent variables used in this research are motivational bonuses, independent commissioners, audit committee, institutional ownership, managerial ownership, audit quality, leverage, firm size, free cash flow, and sales growth. The population of this research focuses on companies in cyclical and non-cyclical consumer sectors that are listed in Indonesia Stock Exchange (IDX) during the period from 2020 to 2022. The research sample consists of 63 companies, and a total of 189 data were gathered using purposive sampling techniques. The hypothesis testing method in this research is multiple regression method. The results of this research indicate that the motivational bonuses have a positive effect on earnings management, while leverage, independent commissioners, and free cash flow have a negative effect on earnings management. The other independent variables such as firm size, audit committee, institutional ownership, managerial ownership, audit quality, and sales growth have no effect on earnings management.*

***Keywords*:** Earnings Management, Motivational Bonuses, Corporate Governance

ABSTRACT PAPER

BUSINESS CORPORATE (COM)

COM_02

THE IMPACTS OF ETHICAL AWARENESS, THE PERCEIVED SERIOUSNESS OF WRONGDOING, RATIONALISATION ON WHISTLEBLOWING INTENTION

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Abstract: *This study examines the impacts of employees' perceived seriousness of wrongdoing, ethical awareness, and rationalisation on whistleblowing intention. Early research emphasising the impact of outside variables including opportunity, pressure, and incentive on the intention to whistleblowing serves as the driving force of this study. The individual's internal elements, which are crucial in determining the intention to whistleblowing, were not disclosed in depth in these earlier studies. The internal employee characteristics that promote whistleblowing are measured by taking into account the rationalisation, ethical awareness, and perceived seriousness of wrongdoing. To examine this study, a quantitative approach using case scenario questionnaires is used. A structural equation modelling (SEM) and partial least square (PLS)4 are used to assess data from 164 respondents from six government officers in Jakarta, Indonesia. The findings of this study indicate that employees' intentions to report unethical situations and actions are not influenced by the perceived seriousness of the wrongdoing; however, when ethical awareness is present, it can be used to rationalise whistleblowing intentions and actions, thereby mitigating the negative effects of the unethical situation on businesses.*

Keywords**:** Perceived Seriousness of Wrongdoing, Ethical Awareness, Rationalisation, Public Sector Officers

ABSTRACT PAPER

CSR AND CG (CSG)

CSG_01

THE MEDIATION ROLE OF SUSTAINABILITY PERFORMANCE IN GREEN INVESTMENT AND FIRM VALUE : EMPIRICAL EVIDENCE IN INDONESIA

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Abstract**:** *This study empirically analysed the role of sustainability performance in mediating the influence of green investment on firm value. The sample comprises 191 firm-years of energy and basic materials companies listed on the Indonesian Stock Exchange from 2016 to 2022. The results prove that green investment has a significantly positive effect on firm value and that sustainability performance mediates the effect of green investment on firm value. This study finds a new cycle in which a company's green investment actions through sustainability performance which are reported in accordance with applicable regulations, produce output, thus increasing firm value. The implication of this study is study provides new insights into the development of stakeholder and legitimacy theories. Second, it proves that stakeholders currently consider sustainability performance to be a mediator from the non-financial side of the company. Third, it is important for companies to focus on aspects that need to be considered while investing. Fourth, this research can provide advice on the importance of sustainability performance in companies as disclosed in their annual or sustainability reports.*

Keywords**:** Firm Value, Green Investment, Legitimacy Theory, Sustainability Performance, Stakeholder Theory

CSG_02

THE EFFECT OF GREEN ACCOUNTING IMPLEMENTATION AND FINANCIAL PERFORMANCE ON CORPORATE SUSTAINABILITY: EVIDENCE FROM INDONESIA

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***Abstract*:** *Rapid industrialization and technological advancements in Indonesia triggered significant concern regarding environmental and communities' health, which address business in Indonesia to adopt sustainable practice. This study, thus, aims to examine the impact of green accounting implementation and financial performance on corporate sustainability in Indonesia. The study analyzed 528 companies listed in Indonesia Stock Exchange from 2019-2022. Using panel data regression, the research found that green accounting implementation positively influence the corporate sustainability, while financial performance proxied by profitability and sales growth negatively influence the corporate sustainability, The study provides valuable insights for academia and practitioners to understand regulatory and policy decision regarding green accounting and sustainability. The study concludes that green accounting and financial performance may affect corporate sustainability as an extension of public understandings on corporate contribution to environment and society.*

***Keywords*:** Green Accounting, Financial Performance, Corporate Sustainability, Indonesia

CSG_03

THE INFLUENCE OF BOARD OF DIRECTORS' CHARACTERISTICS AND OTHER FACTORS ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE

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Abstract: *The purpose of this study is to obtain empirical evidence regarding the effect of the independent variables board size, board independence, gender diversity, firm size, firm age, age of the CEO, dan managerial ownership on corporate social responsibility disclosure. The second objective is to determine the role of corporate social responsibility disclosure on the environment, employees, and other stakeholders. The population of this study are companies in Consumer Non-Cyclicals dan Consumer Cyclicals sectors based on industry pada on Indonesia Stock Exchange (IDX) from 2020 until 2022. The total of this study sample is 173 companies with a total 519 data obtained using purposive sampling techniques. Quantitative data in this study were analyzed using multiple regression methods for hypothesis testing. The result of this study showed that board size and firm size had a positive effect on corporate social responsibility disclosure. meanwhile board independence, gender diversity, firm age, age of the CEO,* dan *managerial ownership had no effect on corporate social responsibility disclosure.*

Keywords*:* Corporate Social Responsibility Disclosure, Board Size, Board Independence, Firm Size, Multiple Regression

CSG_04

A STAKEHOLDER LENS ON EMPLOYEE ENGAGEMENT: CONTENT ANALYSIS OF SUSTAINABILITY REPORTS IN INDONESIA

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***Abstract*: *Sustainability gains traction, but employee engagement, a key factor in a company's success, is often overlooked. This study investigates this gap between employee engagement and sustainability reporting in Indonesia. Using qualitative content analysis, we examine 2023 sustainability reports from 26 largest capitalization companies. Based on Stakeholder Theory lens, we focus on how company address employee engagement in the reports within materiality, strategy, and performance sections. We explore potential industry variations and connections to Sustainalytics' ESG risk ratings. Findings reveal a disconnect between recognizing employee engagement's importance and integrating it into sustainability strategy. The top four employee engagement parameters identified are training, labor rights, diversity, and health and safety (the last two parameters being more prominent in environmentally sensitive industries). Interestingly, industry appears to have a stronger influence on ESG risk ratings than employee engagement within the reports. This study contributes by highlighting employee engagement as a key stakeholder in sustainability reporting. The industry differentiation in engagement focus offers a unique perspective on engagement variations. A limitation is that sustainability reports may not fully capture employee engagement practices. Future research could triangulate with employee surveys for a more inclusive picture. This study empowers stakeholders to demand inclusive sustainability in Indonesia.*

***Keywords*:** Stakeholder Theory, Employee Engagement, Sustainability Strategy, Materiality

CSG_06

Corruption Under Siege: The Pivotal Role of Government Control and Oversight in Indonesian Regions, Empowered by Public Accountability.

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Abstract: *This study aims to empirically examine the impact of the Government Internal Control System (SPIP) on public accountability. The research includes data from all local governments in Indonesia from 2019 to 2021, encompassing 514 districts/cities and 34 provinces. The findings indicate that the Government Internal Control System positively and significantly influences the success of corruption prevention programs. Furthermore, the Government Internal Control System positively and significantly affects public accountability. Additionally, the capabilities of the Government Internal Oversight Apparatus positively and significantly impact both the success of corruption prevention programs and public accountability. Public accountability, in turn, has a positive and significant effect on the achievements of corruption prevention programs. Moreover, the Government Internal Control System's impact on corruption prevention is positively and significantly mediated by public accountability. Lastly, the capabilities of the Government Internal Oversight Apparatus also positively and significantly influence corruption prevention achievements when mediated by public accountability.*

Keywords*:* Government Internal Control System, Government Internal Control Apparatus, Achievement of Corruption Prevention Program, Public Accountability

CSG_07

Politically Connected Firms And The Cash Flow Sensitivity Of Cash: International Evidence

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Abstract: *In this paper, we explore the role of political connections on the cash flow sensitivity of cash using a sample of international firms We find that the cash flow sensitivity of cash is lower for politically connected firms than their non-connected counterparts. Further analyses reveal that our main findings are more pronounced for firms in developed countries, countries with strong legal protection of investors, as well as those with greater extent of corruption. Overall, our empirical results corroborate previous findings on the trade-off theory explanation for corporate cash holdings.*

***Keywords*:** Political connections; Cash flow sensitivity of cash; Legal protection; Corruption

CSG_08

COMPETENCE OF THE BOARD OF DIRECTORS, INDEPENDENT COMMISIONERS, AND SUSTAINABILITY PERFORMANCE: COMPOSITE INDICATORS APPROACH

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Abstract: *This study aims to obtain empirical evidence about the causes of sustainability performance in Indonesia which is relatively low compared to other countries and provide solutions. The research was conducted on mining and agriculture sector companies listed on the Indonesia Stock Exchange for period 2016-2021. The research sample was selected using a purposive technique and the total observations amounted to 366. The results showed that the competence of the board of directors consisting of composites of educational, CSR competencies, and financial competencies affected sustainability performance. The competence of the board of directors moderated by independent commissioners is proven to have a negative effect on sustainability performance. The availability of sustainability performance data is still limited. Future research can add other data as a proxy for sustainability performance and add interview methods to obtain data. This study contributes to the literature on agency theory evidence that the competence of the board of directors, which is a composite indicator can improve sustainability performance. The originality of this study is that the use of composite indicators of board competence is different from previous studies that used a single indicator.*

Keywords: Competence of the Board of Directors, Independent commissioners, Sustainability performance, Composite indicator approach.

CSG_09

DIRECTORS' LOCATIONS AND THE ROLE OF EDUCATION ON CEO POVERTY EXPERIENCE ON CSR

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***Abstract*:** *This study aims to provide empirical evidence that CEO poverty experience moderated by CEO educational background, and locations of directors impact Corporate Social Responsibility. To test the hypotheses, this research uses the fixed effect multiple regression method with the Driscoll Kraay Standard Error to analyze 250 firm-year observations for the period of 2020-2022 from energy and basic materials companies listed on the Indonesia Stock Exchange (IDX). The result shows that CEO poverty experience has a positive influence on corporate social responsibility (CSR); however, this influence is weakened when CEO educational background is taken into account. Locations of directors negatively impact CSR. Robustness test using other measurements of CEO poverty shows that the results are robust. The CEO educational background weakened CEO poverty experience toward CSR performance in both models and locations of directors also impact CSR in a negative manner.*

***Keywords*:** CEO Poverty Experience; CEO Education; Directors' Locations; Stakeholder Theory; CSR

CSG_10

ADOPTION OF GREEN INNOVATION STRATEGY TO GET COMPETITIVE ADVANTAGE AND ITS IMPACT ON SMALL BUSINESS SUSTAINABILITY IN LAMPUNG PROVINCE, INDONESIA

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Abstract**:** *This study aims to determine how the adoption of green innovation strategy as measured by green product innovation and green process innovation affects competitive advantage and has an impact on the sustainability of small businesses in Lampung Province. This research method analysis is PLS-SEM uses SmartPLS. There are 100 respondent micro, small and medium entreprises (MSMEs) owner in Lampung Province The results of this study indicate that green product innovation and green process innovation have a significant effect on competitive advantage, competitive advantage has a significant effect on sustainability performance, green products have no direct effect on sustainability performance but have a significant effect through competitive advantage, and green process innovation has a significant effect both directly and through competitive advantage on sustainability performance.*

Keywords**:** Green Innovation, Green Product Innovation, Green Process Innovation, Competitive Advantage, Sustainability Performance**.**

ABSTRACT PAPER

FINANCE (FIN)

FIN_01

DETERMINANTS OF HEDGING DECISIONS IN INDONESIA INFRASTRUCTURE SECTOR PERIODE 2012-2022

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Abstract *: The purpose of this study is to provide empirical evidence of the effect of cash flow, firm size, liquidity, leverage, profitability, and public ownership on hedging decisions. This research is a development of two previous research that have been done before. The data used in this research are financial report data of infrastructure sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2012 to 2022. The method used in sampling is purposive sampling using three criteria, the amount of data used by researchers is 286 from 26 companies. The tests carried out by this study used the logit model (logistic regression), the Hosmer and Lemeshow test, and hypothesis testing in analyzing the data. The results of this research indicate that leverage and profitability variables have a positive effect on hedging decisions. Meanwhile, the liquidity variable has a negative effect on hedging decisions, and other variables, namely cash flow, firm size and public ownership, have no effect on hedging decisions.*

Keywords*:* Hedging decisions, liquidity, leverage, profitability, logistic regression

FIN_02

DETERMINANTS OF CAPITAL STRUCTURE OF ENERGY SECTOR LISTED ON INDONESIAN STOCK EXCHANGE

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Abstract: *This study aims to investigate the influence of profitability, tangibility, size, growth, and liquidity as independent variable on capital structure as dependent variable. The object of this research is energy sector listed on Indonesian Stock Exchange in 2010-2022. The sample of this study are 117 sample data that contains 9 companies that met the criteria and were obtained using a purposive sampling method. The sample were tested and analysed using descriptive statistics and multiple regression analysis with the help of statistical tools namely EViews 10. The results of this study indicate that tangibility, size, and liquidity have an effect on the capital structure. While other variables such as profitability and growth have no effect on the capital structure.*

Keywords: Capital Structure, Profitability, Tangibility, Size, Growth, Liquidity

FIN_03

INTERNAL FACTORS AFFECTING DIVIDEND POLICY IN CONSUMER NON-CYCLICAL INDUSTRY

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Abstract: *This research are conducted to examine the influence of internal factors of company on Dividend Policy. The independent variables in this study are Firm Size, Profitability, Growth Opportunity, Financial Leverage, and Liquidity. Research object will focus on companies in the Consumer Non Cyclical industry listed in Indonesia Stock Exchange (IDX) that consistently paid dividends during the period 2012-2022. A total of 10 companies were selected as the research sample through purposive sampling. Data analysis was performed using multiple linear regression. Based on the analysis results, it can be concluded that Firm Size, and Financial Leverage do not have an effect on Dividend Policy, while Profitability, Growth Opportunity, and Liquidity have a negative effect on Dividend Policy.*

***Keywords* :** Dividend Policy, Firm Size, Profitability, Growth Opportunity, Financial Leverage, Liquidity.

FIN_05

MANAGING PROFIT AND LIQUIDITY TO OPTIMIZE A FIRM'S CAPITAL STRUCTURE: AN EMPIRICAL STUDY OF INDONESIAN FOOD AND BEVERAGE COMPANIES

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***Abstract*:** *The aim of this study is to identify the influence of profitability, tangibility, sales growth, business risk, and liquidity on capital structure of the top 15 food and beverage listed companies in Indonesia from 2013 to 2022. The data used in the study are collected from the published corporate annual reports. The study uses a random effect model based on the results of the Hausman test and the Lagrange multiplier test to investigate its objectives, and the research hypotheses were tested by using a panel regression analysis and appropriate research instruments that signifies a firm's conditions. The study found that profitability and liquidity negatively influences the capital structure, while sales growth has a positive impact on firm's capital structure. Profitable firms tend to reduce its debt by using its own liquid cash so the debt source of capital structure would decrease, also the liquidity of asset would be used optimally to generate profits without dependence on external capital sources while the company pays off any existing loans, especially long-term loans. The findings of this study can help managers adopt efficient practices and identify optimal capital structure, so this capital structure research is re-examined due to contradictions in the prior research's findings.*

***Keywords*:** Capital Structure, Profitability, Tangibility, Sales Growth, Business Risk, Liquidity

ABSTRACT PAPER

HUMAN RESOURCES DEPARTMENT (HRD)

HRD_01

THE ROLE OF JOB SATISFACTION AS A VARIABLE MADIATING THE INFLUENCE OF ORGANIZATIONAL COMMITMENT ON EMPLOYEE OF THE OUTSOURCING COMPANY

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Abstract: *Companies today continue to be faced with highly competitive competition in the business world. This condition requires companies to make efficiency in various efforts and strategies. Various ways and efforts are made by companies to create efficiency, one of which is by reducing the number of permanent workers, even having to close several branches of the company that are considered unprofitable. The purpose of this research is to analyze the effect of Organizational Justice and Transformational Leadership on Organizational Commitment and Job Satisfaction as intervening variables. This object of this research was conducted in one of The Outsourcing Company in Indonesia. The sample of this research was 112 employees using a convenient sampling technique, and the data collection technique is by spreading the questionnaires using a Likert scale. This study uses a structural model, which will test the role of mediating variables. The analysis technique used in this study is SEM (structural equation model) with SMART-PLS The research results that there is an effect of Organizational Justice on Organizational Commitment, whereas Transformational Leadership does not. There is an influence of Organizational Justice and Transformational Leadership on Job Satisfaction, there is also an influence between Job Satisfaction and Organizational Commitment. Job Satisfaction has a role as a mediator between the influence of Organizational Justice on Organizational Commitment, but does not have a role in mediating the relationship between the influence of Transformational Leadership on Organizational Commitment.*

Keywords: Organizational Justice, Transformational Leadership, Job Satisfaction, Organizational Commitment

ABSTRACT PAPER

MANAGEMENT (MAN)

MAN_02

SUSTAINABLE GROUND HANDLING: TRANSITIONING TO ELECTRIC GROUND SUPPORT EQUIPMENT

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Abstract: *The research aims to find out how the adoption of Electric Ground Support Equipment (eGSE) in the future can provide efficiency and emission reductions in every flight operation at airports. The problem of the research is the environmental impact and cost inefficiency of using fossil fuel-based GSE in the aviation industry. To resolve the problem, the research will use quantitative methods with cost-benefit analysis, where the data is collected from secondary sources, specifically price comparison data for electric GSE and fossil fuel GSE and their respective maintenance costs. The result is that the transition from conventional fossil fuel-based Motorized Ground Support Equipment to electric Motorized GSE in the aviation sector offers a viable solution for companies driven by both economic and environmental factors. This transition is expected to lead to significant reductions in emissions and operational costs.*

Keywords*:* Ground Support Equipment, cost-benefit analysis, Aviation

ABSTRACT PAPER

MARKETING (MKT)

MKT_01

FACTORS AFFECTING BRAND LOYALTY IN GEN Z CUSTOMERS OF BCA BANK IN JAKARTA

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Abstract: *The purpose of this study is to determine the influence of Social Media Marketing Activities, Brand Trust, Brand Image, and Brand Loyalty on customer Gen Z Bank BCA in Jakarta. This study uses primary data sourced from questionnaires with who meet the requirements obtained is 261. The method used in this study using Structural Equation Modeling (SEM) with SmartPLS 3.0 program. The result obtained in this study show that the Social Media Marketing Activities variable has no influence on Brand Loyalty. The Social Media Marketing Activities variable has an influence on Brand Trust and Brand Image. The Brand Trust variable has an influence on Brand Loyalty. The Brand Image variable has an influence on the Brand Loyalty of Gen Z customers Bank BCA in Jakarta*.

Keywords : Social Media Marketing Activities, Brand Trust, Brand Image, Brand Loyalty

MKT_03

FACTORS AFFECTING REPURCHASE INTENTION ON SOCO BY SOCIOLLA USERS IN JAKARTA

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Abstract: *This study aims to examine the influence of Informative Content, Perceived Ease of Use, Trust, and Entertainment on Repurchase Intention with Utilitarian Shopping Value, Hedonic Shopping Value, and Digital Satisfaction as mediating variables among SOCO by Sociolla application users in Jakarta. The form of this research are descriptive research and causality research. The variables are measured using seven-point likert scale. Sampling was conducted using purposive sampling technique and 225 respondents who met the criteria were taken. Structural Equation Modeling-Partial Least Square was used to processing the data. The research results show that there is an influence of Informative Content and Perceived Ease of Use on Utilitarian Shopping Value, then there is also an influence of Trust and Entertainment on Hedonic Shopping Value. After that, there is an influence of Utilitarian Shopping Value and Hedonic Shopping Value on Digital Satisfaction. Furthermore, there is an influence of Digital Satisfaction on Repurchase Intention. For this reason, companies must pay more attention to user's Digital Satisfaction so that Repurchase Intention among users of the SOCO by Sociolla application in Jakarta will increase.*

Keywords: Informative Content, Perceived Ease of Use, Trust, Entertainment, Repurchase Intention

MKT_04

FACTORS INFLUENCING AIRLINE TICKET CHOICE: A CASE STUDY OF SUPER AIR JET

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Abstract**:** *This study aims to explore the factors influencing consumers' purchasing decisions, specifically focusing on lifestyle, ease of use, and web quality. The problem addressed is the growing need to understand how these factors impact consumer behavior in the digital age, particularly in the airline industry. A quantitative method was employed, collecting data through questionnaires from 160 respondents who are passengers of Super Air Jet airlines at Soekarno-Hatta International Airport. The data was analyzed using SMARTPLS (Partial Least Square) 4.0. The findings reveal that lifestyle, convenience, and web quality significantly affect purchasing decisions. The discussion emphasizes that businesses, especially in the airline sector, must prioritize enhancing user experience and aligning with consumer lifestyle preferences to improve customer satisfaction and competitiveness. The implications suggest that improving web quality and ensuring a seamless purchasing process can lead to increased consumer trust and loyalty.*

Keywords Lifestyle, Web Quality, Ease of Use, Purchase Decision

MKT_05

MARKETING STRATEGY FOR OFFSHORE VESSELS IN INDONESIA

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Abstract: *This research explores the marketing strategies and operational improvements of PT. Pertamina Trans Kontinental (PTK) in Indonesia's offshore vessel industry using a qualitative method for in-depth analysis. The study focuses on product differentiation, flexible pricing, and digital marketing, demonstrating how these strategies enhance PTK's competitive edge. A SWOT analysis identifies PTK's strengths, weaknesses, opportunities, and threats, offering valuable insights for industry practitioners. However, the research is limited to PTK and the Indonesian offshore vessel market, potentially not fully capturing the dynamics of non-captive markets or other regions. Future studies should expand the scope to include external variables and address the challenges of technology implementation and market changes, ensuring the long-term relevance of the findings.*

Keywords: Offshore Vessel, Marketing Strategy, Swot Analysis

MKT_07

SERVICE QUALITY AS THE KEY TO LOYALTY: A STUDY OF APP-BASED TRANSPORTATION USERS IN INDONESIA

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Abstract:*The rapid growth of app-based transportation services has revolutionized urban mobility by offering unparalleled convenience, flexibility, and efficiency. This study investigates the simultaneous effects of service quality and promotional strategies on customer satisfaction and loyalty within the Indonesian app-based transportation market. Using a structured survey distributed to 682 respondents from Java, Bali, and Sumatra the study employs Structural Equation Modeling (SEM) to analyze the relationships among price, promotion, service quality, customer satisfaction, and loyalty. Findings reveal that while price and promotion significantly influence perceived service quality, the service quality itself plays a critical role in driving customer satisfaction and loyalty. The results underscore the importance of balancing pricing strategies, promotional efforts, and service quality enhancements to sustain customer engagement and foster brand loyalty. The study offers practical insights for transportation service providers aiming to optimize customer experiences in an increasingly competitive market.*

Keywords: App-based transportation, service quality, promotional strategies, customer satisfaction, customer loyalty.

MKT_09

FACTORS AFFECTING CUSTOMER SATISFACTION OF BRI MOBILE USERS IN DKI JAKARTA

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Abstract : *The purpose of this study is to analyze and test whether factors such as Trust, Mobile Interface Usability, Accessibility and Perceived Risk can affect Customer Satisfaction of BRI Mobile users in DKI Jakarta. This research was conducted with a descriptive and causal approach, and the variables were measured using a five-point Likert scale with a convenience sampling technique with 150 respondents. Data analysis was carried out using multiple linear regression statistical test tools. The findings show that Mobile Interface Usability and Perceived Risk influence positively on Customer Satisfaction; however, Trust and Accessibility have no influence on Customer Satisfaction. The practical implications of this research indicate that two out of the four variables—Trust and Accessibility—do not affect Customer Satisfaction. Therefore, to improve Customer Satisfaction with the use of BRI Mobile, aspects related to these two variables need to be enhanced, such as expanding the infrastructure coverage of BRI Mobile, which can facilitate easier and more efficient access to the service for customers. These efforts are expected to improve users' trust in BRI Mobile. When users find that the service is easily accessible, it can form a foundation for building trust in the reliability and quality of the service.*

Keywords: Trust, Mobile Interface Usability, Accessibility, Perceived Risk, Customer Satisfaction, Mobile Banking.

MKT_10

THE EFFECT OF SERVICE RECOVERY AND RELATIONAL SELLING BEHAVIOR ON LOYALTY WITH TRUST AND SATISFACTION AS MEDIATION ON BCA BANK CUSTOMERS IN WEST JAKARTA

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Abstract*: The purpose of this paper is to investigate the relationship between service recovery and relational selling behavior on trust and satisfaction in the banking industry. Specifically, the mediating role of trust and satisfaction on the relationship between service recovery, relational selling behavior and loyalty is empirically examined. The object used in this research is BCA Bank customers in the West Jakarta area. The method used to select the sample in this study was purposive side then 232 respondent data were taken which were BCA Bank customers. Then the method used in this research is structural equation modeling (SEM) and Mediation. The results obtained in this study Service Recovery mediated by Trust has a negative effect on Loyalty, the Mediating effect of Satisfaction on Loyalty has a negative effect, while the rest is positive.*

Keywords: Service Recovery, Relational Selling Behavior, Satisfaction, Trust, Loyalty.

MKT_11

FAKTOR YANG MEMENGARUHI CUSTOMER LOYALTY PADA KONSUMEN ALFAMART DI BEKASI

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Abstract *the main objective of this research is to analyze the role of selling unpackaged food products in building loyalty in the food retail sector. The method used to test a series of hypotheses, quantitative research was carried out on adults in Bekasi who regularly buy food products in supermarkets. The participants in this research population are adult consumers who buy food products from Alfamart. The research was conducted in Bekasi using snowball sampling.As a result of this research, the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique (SmartPLS; v.3.2.9) was used to analyze the validity and reliability of the measurement model and evaluate the structural model.Conclusion This study extends the literature on the impact of sustainable practices on customer loyalty, by focusing on packaging-free food products provided by food retail stores.*

Keywords : Brand Image, Packaging Free Practices, Satisfaction, Customer Loyalty

ABSTRACT PAPER

PERFORMANCE MEASUREMENT (PFM)

PFM_01

EFFECT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE

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Abstract: *In the organizational journey, the company needs to understand how leadership can influence performance. This research aims to determine the role of effective leadership in influencing the performance of employees at PT. X. The population in this study is the employees of PT. X, totaling 82 employees. Researchers used a questionnaire to collect primary data using a non-probability sampling approach distributed to 75 employees of PT. X. The data analysis method in this study uses Structural Equation Modeling (SEM). The data shows that there is a positive influence of transformational and delegative leadership on Employee Performance at PT. X. Meanwhile, transactional, autocratic, and democratic leadership styles do not influence Employee Performance at PT. X. It is recommended that PT. X strengthen the implementation of transformational and delegative leadership styles. The importance of leadership training focusing on transformational aspects such as motivation, inspiration, building a shared vision, and attention to task delegation.*

Keywords: Transformational, Transactional, Autocratic, Democratic, Delegating, Employee Performance

PFM_02

ENHANCING EDUCATION: THE PRINCIPAL'S APPROACH TO INCREASE PARTICIPATION AND AWARENESS AT MADRASAH TSANAWIYAH ARRAHMATUL ABADIYYAH – ALALAK SELATAN BANJARMASIN

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Abstract. *The participation and awareness of education among students at Madrasah Tsanawiyah Arrahmatul Abadiyyah have been identified as critical areas requiring improvement. The principal's strategic approach to addressing these challenges forms the focus of this study. Utilizing a qualitative research methodology, the study gathered data through interviews, observations, and document analysis to explore the effectiveness of various strategies implemented by the principal. Materials used in this study included interview transcripts, observation notes, and school records. The results indicated that the principal employed a multifaceted strategy that involved community engagement, teacher development programs, and student incentive schemes. These initiatives have led to a noticeable increase in student participation and heightened awareness of the importance of education. The discussion highlights the importance of leadership in educational settings and the need for tailored strategies to address specific challenges. Furthermore, it emphasizes the role of community involvement and teacher support in fostering an environment conducive to learning.*

Keywords: Educational Participation, Principal's Strategy, Awareness, Madrasah Tsanawiyah

PFM_03

ORGANIZATIONAL COMMITMENT: IS IT A BOOSTER FOR EMPLOYEE PERFORMANCE IN PROPERTY INDUSTRY?

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Abstract: *The objectives of this study is to find the effect of work motivation and job satisfaction on employee performance with the mediation of organizational commitment at PT.X. The research object is head office employee of PT. X which involves 96 individuals. The data sampling method is saturated sampling and the data collection method is using on line questionnaires with Likert scale of point 1-5. This study uses Partial Least Squares Structural Equation Modeling (PLS-SEM) as the analysis method. Hypothesis testing result from the data analysis in this research is shown that work motivation affects employee performance, organizational commitment does not effects employee performance, job satisfaction effect employee performance, work motivation does not effects organizational commitment, job satisfaction effect organizational commitment, there is no mediation effect of organizational commitment from the influence of motivation to performance, and there is no mediation effect of organizational commitment from the influence of job satisfaction to employee performance. The identification of mediating factors and their impacts on employee performance provides valuable implications for both human resource management theoretical domain specifically in performance management and practice in the company specifically in property industry*

Keywords: Motivation, Job Satisfaction, Employee Performance, Organizational Commitment

PFM_04

FACTORS AFFECTING TEACHER PERFORMANCE IN TWO VOCATIONAL SCHOOLS

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Abstract: *The purpose of this research is to know the influence of leadership, motivation, and work discipline on teacher performance at School X & Y. The sample in this study were 58 teachers, which provides a more specific picture of the factors that influence teacher performance in the context of education in Indonesia.. This research uses purposive-sampling technique. Data collection was carried out by distributing questionnaires to respondents and using a Likert scale. The result of data analysis on this study shows that-leadership, motivation and work discipline have a positive effect on teacher performance at School X & Y. Novelties that can be explained as contributions to the local context, namely by focusing on the world of education, so that it is expected to provide relevant insights for the context of education in Indonesia, which may differ from research in other countries or regions. This adds to the existing literature with data and analysis that are specific to the region. The implications of this study include: developing better school policies related to leadership, motivation, and work discipline; designing training programs to improve teacher performance; opportunities for further research with broader variables and respondents; and becoming a reference for other schools in implementing best practices in human resource management in education.*

Keywords*:* Leadership, Motivation, Work Discipline, Teacher Performance

PFM_05

Perceived Organization Support as a Key Factor in Improving Employee Performance (Case Study of Palm Oil Production)

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Abstract: *The purpose of this study was to determine the effect of recognition, appreciation, and work stress on employee performance with perceived organizational support as a mediator. This research uses causality research. The research data were collected from 98 respondents from companies producing palm oil in Indonesia, and using a Likert scale on a scale of 5, the research data were processed using the data analysis method of variance-based structural equation modeling with partial least squares (PLS-SEM). The results showed a significant effect on recognition, appreciation, and work stress on perceived organizational support and employee performance, and perceived organizational support had a significant impact on employee performance. It also shows that the variable perceived organization support mediates the effect of recognition, appreciation, and work stress on employee performance.*

Keywords*:* Recognition, Rewards, Job Stress, Perceived Organization Support, and Employee Performance.

ABSTRACT PAPER

ECONOMICS (ECO)

ECO_01

ANALYSIS OF LABOR MARKET DYNAMICS IN INDONESIA (1986-2022): AN IMPLEMENTATION OF KEY INDICATORS OF THE LABOUR MARKET (KILM) BY ILO

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Abstract: *The researcher provides new evidence from Badan Pusat Statistik and International Labor Organization data on how labor market dynamics vary in labor market in Indonesia based on the ILO publication, 17 Key Indicators of the Labor Market 2015, which shows statistics on the main indicators in the dynamics of the labor market. Result shows that In Indonesia, the LFPR (Labor Force Participation Rate) for young people (15-19) is relatively low and reaches a peak among men (20-29) and then begins to decline substantially for older people (60+). Japan, as a developed country that is still in the Asian region, has a 2022 LFPR of 60.21%, this is because LFPR is the percentage of the labor force to the working age population. The total population of Indonesia aged 15 years and over is higher than Japan. In Indonesia, based on the number of people working in the sector, for the period 1986 to 2022, the agricultural sector is the most volatile sector. The highest proportion of informal employment in the non-agricultural sector is experienced by those with low education and the lowest is experienced by university graduates. Compared to Laos, Thailand and Cambodia as neighboring countries and developing countries, Indonesia is the country with the highest unemployment rate. Over the period 1991 to 2022, youth unemployment rates increased sharply for both men and women. The characteristics of unemployment in Indonesia based on unemployment show that the unemployed with high education (ILO concept: Intermediate and Advanced) are higher than the unemployed with low education (basic education).*

Keywords: KLIM, LFPR, Unemployment, Economic Sector

ECO_02

TIMES SERIES ANALYSIS ON THE RESPONSES OF BANKS DEPOSIT TO MACROECONOMIC FACTORS IN INDONESIA

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Abstract: *This study aims at modeling the error correction equation for deposit in conjunction with money supply, exchange rate, and interest rate. The data collected were monthly data extending from January 2015 until June 2024. All the data were available on Bank Indonesia and OJK's websites. The research method used was error correction model and impulse response function. Upon first examination, it was found out that the data were not stationary. Therefore, they need to be first differenced for further testing. However, there was cointegration in the data and therefore we could conclude that banks deposit has a long-term fundamental relationship with money supply, exchange rate, and interest rate. Error correction model shows that 45% of error will be corrected in a period. Therefore, it needs 2-2 months to fully recover the deposit from deviations. Impulse response function showed that deposits in the banking system will decrease whenever there is a shock on money supply and exchange rate. This shows how people in the rural and urban areas will hold more cash amid high uncertainty in the economy. However, deposit will go up when shocks impose interest rate. This shows how people are enticed by volatility in exchange rate.*

Keywords: Impulse Response Function; Deposit; Error Correction; Cointegration

ABSTRACT PAPER

COMMUNITY SERVICE (CMS)

CMS_01

CMS_01

Workshop on the Cost of Goods Manufactured and Business Viability for SMK Tri Ratna Jakarta Students

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Abstract: *The educational program at SMK Tri Ratna Jakarta focuses on cultivating entrepreneurial skills among students. They are required to develop products for sale, preparing them for entrepreneurship upon graduation. Various aspects of entrepreneurship are covered, including the calculation of Cost of Goods Manufactured and business feasibility. Accurate determination of Cost of Goods Manufactured is crucial for predicting potential profits, as errors in this process can lead to financial losses. Business feasibility is assessed through metrics such as payback period and Break Even Point. Recognizing the lack of information on these topics among students, the author initiated training sessions on Cost of Goods Manufactured calculation and business feasibility at SMK Tri Ratna Jakarta. The training sessions employed lecture and discussion methods to impart knowledge. The outcome of these sessions was enhanced understanding among students regarding the components of Cost of Goods Manufactured and methods for determining business feasibility using two different approaches. Students actively engaged in the training, demonstrating enthusiasm by asking numerous questions about Cost of Goods Manufactured calculations and business feasibility assessments for their products.*

Keyword: Cost of Goods Manufactured, Selling Price, Enterpreneurship, Business Feasibility.

CMS_02

E-COMMERCE BUSINESS PERFORMANCE IN RETAIL COMPANIES

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Abstract: *This article is to prove the performance of e-commerce business in retail and distribution companies. The researcher was directly involved with the company by conducting an internship. Internship activities at the company's partner are activities carried out to provide a forum for internship participants to contribute to the company's business activities, mainly retail companies. The work that has been worked for approximately five months, the author has contributed and also obtained results and learning from the internship program. Starting from technical skills in the tools used during work, to soft skills and hard skills that are honed during the internship program. Furthermore, with several evaluations there is expected to be able to become a development material for the organizers, participants to company partners in the internship program.*

Keywords: Marketplace, Vertical Brand, Corporate Partner, Retail

CMS_03

VISION, MISSION ORGANIZATION, KNOWLEDGE AND INNOVATION MANAGEMENT AT ANARA HOTEL BANDARA

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Abstract**:** *Vision and mission are important for organizations in determining the goals of the organization, because vision is an important element in the organization because it is part of strategic planning. Innovation is a view that assumes that organizations use ideas and external and internal paths, by having good knowledge, they can make good innovations. The training conducted at the Anara Airport Hotel Bandara Soekarno Hatta uses a case study approach on how to create a good vision and mission. Evidently, by following the training provided by the instructors, the participants understand and comprehend how to create a good vision and mission and how to work in a compact team in order to create good synergy in order to achieve good organizational goals.*

Keywords**:** Vision, mission, knowledge, innovation.