JEBL

Journal of Economics and Business Letters

JOURNAL OF ECONOMICS AND BUSINESS LETTERS

JOURNAL OF ECONOMICS AND BUSINESS LETTERS

Volume 1, Issue 3, 2021

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Factors affecting profit growth in insurance companies listed on the Indonesia Stock Exchange in 2017-2019

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ABSTRACT

This study aims to examine the factors that affect the company's profit growth. In this study, the factors that influence profit growth are premium income, claim payments and risk based capital. The data used in this study is the annual report of insurance companies listed on the Indonesia Stock Exchange in the 2017-2019 period. This study uses quantitative methods. This study uses multiple linear regression analysis tools. The implications of the research are expected to make a positive contribution to all parties. As a consideration for insurance companies in observing factors that have a direct influence, especially those that are quite significant on the company's profit growth. This research is also expected to be useful for investors and potential investors in seeing opportunities to increase the value of shares held in insurance companies listed on the IDX. The regulator can also assess and supervise the factors that affect profit growth in insurance companies so that problems arising from insurance companies that fail to pay claims do not recur in the future. Insurance companies are expected to present appropriate financial reports so that the information obtained Therefore, the quality of the financial statements must also be considered so that the information obtained can be accounted for. The results of previous studies show that premium income, claim payments and risk based capital significantly affect the profit growth of insurance companies

Keywords: Premium Income, Claim Payments, Risk Based Capital, Profit Growth, Insurance Company

1. INTRODUCTION

In essence, operating profit is one of the main objectives of commercial activities. Various factors can affect the results at the end of a certain period, both internal and external factors. Insurance companies in carrying out their business activities are part of the commercial business of insurance services which aims to gain profit or profit. Some of the company's efforts to support the achievement of these goals is to maximize the factors that can affect increasing profits. With complex management conditions and specifically different from the management of other service businesses, insurance businesses need to get special touch and treatment from experts in the field. As a business that has various kinds of resources in the company and overall all these things are required to always contribute to increase profits and provide a good and optimal performance. Including providing the best service to Policy Holders because they can provide complaints that affect the image of the company. This can indicate that human resources are very influential on the company's success in achieving company goals, including as a supporter of increasing company profits. Human resources have an important function in managing or other resources owned by the company optimally to get the results expected by the company. Companies can maximize employees, including in terms of increasing expertise and skills so that they can carry out their work in good conditions which are ultimately expected to have a positive impact on the company's profit performance. This condition is not only related to physical conditions, but can also relate to other people and the psychological atmosphere in the workplace environment.

A pleasant work atmosphere and work environment can make employees work optimally.

Professional, responsible and honest human resources are a must, this can be sought through coaching or training carried out based on a performance and career system that focuses on employee performance and leads to development in performance and productivity improvement implementation activities. Employee performance improvement can be done in several ways, for example through education, training, providing appropriate compensation, creating a conducive work environment, as well as providing motivation and establishing good work discipline. Through these processes, employees are expected to maximize their responsibilities for their work because employees have been provided with education and training which are certainly related to the implementation of their work.

The performance of the insurance business can be evaluated through the aspects contained in the financial statements. One of the performance evaluations can be seen from the company's success in generating the profits it earns. Profit is the achievement value of a company's financial health and the company's ability to carry out its operational activities to the fullest, measured on a nominal scale (Alamsyah & Wiratno, 2017)

The insurance company's profits can be derived from underwriting surplus, reinsurance commissions, and overall investment returns. So if we trace the factors that affect the level of profit or profit of insurance companies, namely underwriting, investment returns, total premium income, claim expenses, commission expenses, operating expenses, and technical reserves. Profit measurement is not only important to determine company performance but also important as information for profit sharing and investment policy. Therefore, profit becomes information that is seen by interested parties such as company owners, investor managers, creditors, government, employees, and the general public (Juwita & Rindiati, 2020)

2. LITERATURE REVIEW

A. Insurance

Theory According to the law of the Republic of Indonesia number 40 of 2014 concerning insurance, insurance is an agreement between two parties, namely the insurance company and the policy holder, which is the basis for receiving premiums by the insurance company in return for providing reimbursement to the insured or policy holder due to a loss, damage, costs incurred, lost profits, or legal liability to third parties that may be suffered by the insured or the policyholder due to the occurrence of an uncertain event.

Insurance is a tool used to reduce the risk inherent in the economy which combines a number of units that are affected by similar risks in a large enough number with the aim of predicting the possibility that the loss will occur and if the loss does occur it will be shared by all parties who are members of the same group. proportional (Sunyoto & Putri, 2017).

According to the Commercial Code Article 246 "Insurance or coverage is an agreement, by which an insurer binds himself to an insured person, by receiving a premium to compensate him for a loss, damage, or loss of expected profit, which may occur. because of an unspecified event."

The characteristics of insurance are businesses that carry out risk management, a process where company managers identify risks in all parts of the organization that have the potential to cause losses, then develop plans to eliminate or minimize the number of losses that may occur. The purpose of Risk Management is to cause various adverse impacts as a result of the emergence of risk at the lowest cost level in line with the goals and objectives of the company or family. Other experts argue that the purpose of Risk Management is to plan resources effectively in order to restore the balance and effectiveness of the organization's operations after experiencing a very severe loss (Nitisusastro, 2013).

B. Profit Growth

In the company, the profit earned symbolizes the success of a company in running its business. According to Kasmir (2012) profit can be classified into two types, namely:
a. Gross profit (gross profit) is the profit earned before deducting the costs that are the burden of the company
b. Net profit (net profit) is the profit earned by the company after deducting costs which are tax expenses in a period and have been deducted by taxes.

Yusuf & Dansu (2014) define profit as the difference between total income from all assets and total expenditure in managing all portfolio assets and liabilities. Profit is important to investors and management as a source of dividends and growth while for the insured and regulator, profit provides additional security against bankruptcy. Profit as the difference between total income from all assets and total expenditure in managing all portfolio assets. Profit is important to investors and management as a source of dividends and growth while for the insured and regulator, profit provides additional security against bankruptcy. Profit growth is the change in the percentage increase in profit earned by the company. Good profit growth implies that the company is able to manage company finances effectively and efficiently. The increase in company profits will ultimately increase the value of the company, because the higher the company's profit growth means the greater the dividends that the company will pay to shareholders (Simorangkir, 2003).

In this study, profit growth is measured by the following formula:

$$Profit\ Growth\ =\ \frac{Net\ Profit\ for\ The\ Year - Net\ Profit\ Last\ Year}{Net\ Profit\ Last\ Year}\ x\ 100$$

C. Premium Income

According to Law No. 40 of 2014 Premium is an amount of money determined by the Insurance Company or reinsurance company and approved by the Policy Holder to be paid based on the Insurance agreement or reinsurance agreement, or an amount of money determined based on the provisions of the legislation that underlies the mandatory insurance program to obtain benefit.

Premium Income is the amount of premium fund income derived from the sale of insurance policies which is usually measured over a one year period. Premium income is the biggest factor that can affect underwriting profits and results in insurance companies. The premium rate set by the insurance company is based on the amount of risk that will be borne by the company, if the company incorrectly selects the risk and provides the amount of premium to be paid, the premium is not considered sufficient to pay future claims and promised benefits (Sula, 2004).

D. Payment of Claims

Budi (2012) states that an insurance claim is a claim made by the insured party to the insurer for the existence of a binding insurance contract between the parties in guaranteeing the payment of compensation in the event of a disaster experienced by the insured party, which can be claimed if the premium has been paid by the insured party. insured. According to PSAK No. A claim is a compensation paid or an obligation to the insured or an insurance company (ceding company) in connection with a loss. The claim portion received from the reinsurer is a form of "claim recovery". Claim expenses are recognized and recorded along with the incurrence of liabilities to the insured/insurance company (ceding company), i.e. in the period when the compensation agreement is reached to the insured (Anthoni & Yusuf, 2020).

In Maharani (2020) Claims are a number of costs incurred by the insurer on the basis of liability to the insured. In this study, premium income is measured by the total net claim burden. In this study, Risk Based Capital was measured in accordance with the Decree of the Minister of Finance No. 424/KMK.06/2003 with the following formula:

E. Risk Based Capital

Based on the regulation of the chairman of the Capital Market Supervisory Agency (BAPEPAM) and financial institutions number: PER-02/BL/2008, Risk Based Capital is a minimum amount of solvency level that is determined, equal to the amount of funds needed to cover the risk of losses that may arise as a result of deviations in wealth and liability management. According to the Regulation of the Minister of Finance of the Republic of Indonesia Number 53/PMK.010/2012, the amount of mandatory funds guaranteed is set at a minimum of 120%, this percentage is calculated from the total claim burden, especially in the event that the company in question goes bankrupt (collapse).

Autocorrelation tests. Then test the hypothesis by using multiple linear regression analysis which is used to find the relationship and influence between two or more variables on one dependent variable. Multiple linear regression analysis can be used the Definition of Risk Based Capital According to Government Regulation (PP) No. 63 of 2004 states that the RBC health ratio is a measure that informs the level of financial security or health of an insurance company that must be met by a loss insurance company of 120%.

The greater the RBC health ratio of an insurance company, the healthier the company's financial condition. Companies that achieve RBC of 120% will always be in a position to always be able to pay their obligations, especially claims. The fundamental purpose of the Risk Based Capital system as proposed by (Cummins et al., 1995) is to minimize the direct and indirect costs of insolvent insurance companies. A well-designed Risk Based Capital system will help regulators identify weak financial firms, while there is still time to rehabilitate and remove companies experiencing payment problems from the market before they run into large deficits. Such a system should also motivate insurers who would otherwise have inadequate incentives for safety to hold more capital and to reduce the risk of bankruptcy.

$$RBC = \frac{\text{Solvency level}}{\text{minimum level of solvency}}$$

3. METHODOLOGY

This type of research is quantitative research, namely an approach that emphasizes analysis on numerical data (numbers) from the start of data collection and the appearance of the results (Sekaran, 2006). This study uses secondary data sourced from the annual financial statements of insurance companies listed on the Indonesia Stock Exchange in 2017-2019. Data was obtained by accessing the website www.idx.co.id.

The population in this study are insurance companies listed on the Indonesia Stock Exchange for the period 2017-2019. Sampling in this study used a purposive sampling technique, namely sampling using certain criteria. The sampling criteria are as follows:
a. An insurance company that is listed on the IDX and publishes audited financial statements consistently and completely from 2017 to 2019.
b. The financial reporting period ends on December 31 every year.
c. Companies that were not delisted during the observation period.
d. The financial statements use the Indonesian state currency (IDR).
e. Reporting data needed by researchers during 2017-2019.

The data analysis model used in this research is using multiple linear regression which is used for each hypothesis. Data analysis was carried out using the SPSS (Statistical Program for Social Science) Ver. 23. Technical data analysis is carried out by testing the classical assumption used to ensure that the regression equation that has been carried out is linear and valid.

following equation:

$$PL = \beta_0 + \beta_1 PP + \beta_2 PK + \beta_3 RBC + \varepsilon$$

Information:
PL   = Profit Growth;

β_0 = Constant;
β1,β2,β3 = Regression coefficient of each independent variable;
PP = Premium Income
PK = Claim Payment
RBC = Risk Based Capital
ε = Standard Error

Hypothesis testing was carried out to check the significance of the regression coefficients using the F test (simultaneous) and the Individual Parameter Significance test (partial T test).

4. RESULT

Hypothesis testing was carried out to check the significance of the regression coefficients using the F test (simultaneous) and the Individual Parameter Significance test (partial T test).
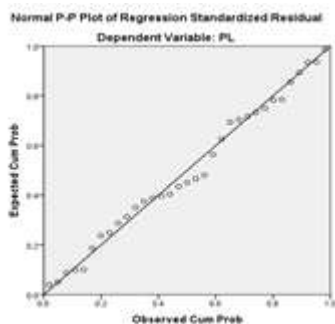

Figure 1. Normality Test Results

Normality test with graphs can be misleading if you are not careful visually it looks normal, even though statistically it can be the other way around (Ghozali, 2011). Therefore, a statistical test is needed, namely the Kolmogorov-Smirnov (K-S) test. If the significance value > 0.05 then the data is normally distributed. The following table describes the Kolmogorov-Smirnov test.

Table 1. Kolmogorov-Smirnov Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		33
Normal Parametersa,b	Mean	.0000000
	Std. Deviation	1.02509847
Most Extreme Differences	Absolute	.096
	Positive	.096
	Negative	-.067
Test Statistic		.096
Asymp. Sig. (2-tailed)		.200c,d

From the table above, it can be seen that the Kolmogorov-Smirnov test results are 0.080 with a significance value of 0.200. These results indicate that the residual data is normally distributed because the significant value is > 0.05, so this result is consistent with the graph analysis in the previous test which states that the regression model meets the assumption ofnormality.

2. Autocorrelation Test
The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding errors in the t-1 period (previous). If there is a correlation, it is called an autocorrelation problem. Autocorrelation arises because successive observations over time are related to each other. This is often found in time series data because of "interference" in the same individual/group in the next period (Ghozali, 2011). The autocorrelation test was carried out by looking at the Durbin-Watson (DW) value.

Table 2. Autocorrelation Test Results
Model Summaryb

Model	Durbin-Watson
1	2.064

Based on the results of the autocorrelation test in the table above, it can be seen that the Durbin-Watson value is 2.064. According to the Durbin Watson table, there is no autocorrelation if the value of du < d < 4-du. So it was found that $1.7298 < 2.064 < 4 - 1.7298$, it was concluded that this regression model had no autocorrelation problem.
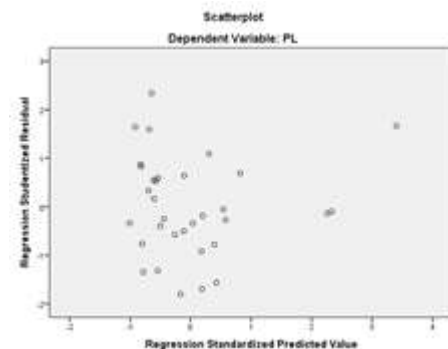
3. Uji Heteroskedastisitas

Figure 2. Heteroscedasticity Test Results

Based on the scatterplot graph in Figure 2 can be seen that the points spread randomly and do not form a certain clear pattern, and are spread both above and below the number 0 on the Y axis. This means that there is no heteroscedasticity in this regression model.

4. Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between the independent variables (independent). A good regression model should not have a correlation between the independent variables. The detection is done by using the tolerance value and VIF (variance inflation factor). If the tolerance value is > 0.10 and VIF < 10, then there is no multicollinearity (Ghozali, 2011).

Table 3. Multicollinearity Test Results
Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	PP	.454	2.202
	PK	.442	2.262
	RBC	.876	1.142

From the table 3, it can be seen that the Variance Inflation Factor (VIF) value of each independent variable does not have a value greater than 10 and a tolerance value > 0.10, so this indicates that the regression model in this study does not contain multicollinearity.

B. Multiple Regression Analysis

Regression coefficient testing aims to test the significance of the relationship between the independent variable (X) and the dependent variable (Y) either simultaneously (F test) or partially (t test) and also with the coefficient of determination test. The multiple linear regression model in this study is as follows:

Table 4. Multiple Linear Regression Analysis Results

		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	7.386	3.267	
	PP	-.450	.177	-.552
	PK	.109	.148	.161
	RBC	.108	.048	.351

From the results of multiple linear regression analysis, the linear regression equation formed is as follows:

$$PL = 7.386 - 0.450PP + 0.109PK + 0.108RBC + e$$

From the multiple linear regression equation above, it can be analyzed as follows:

a. a The constant of 7.386 states that if the independent variable is considered constant, then the firm value is 7.386. This states that the value is positive and the contribution of changes in the independent variable to the dependent variable is quite large.

b. b There is a significant effect between the variable premium income (PP) on changes in the variable profit growth (PL). The result is negative (0.450) which states that the capital structure has a negative and significant effect on profit growth (PL).

c. c Changes in the claim payment variable (PK) has a regression coefficient value of 0.109. The coefficient is positive, meaning that every 1% increase in Claim Payments (PK) will result in an increase in Profit Growth (PL) of 10.9% (with the other independent variables being constant).

d. d There is a significant effect between the variable risk based capital (RBC) on changes in the variable Profit Growth (PL). The result is positive (0.108), it can be concluded that risk based (RBC) has a positive and significant effect on profit growth (PL).

C. T test (Partial Test)

Table 5. t test results

Model		T	Sig.
1	(Constant)	2.261	.031
	PP	-2.550	.016
	PK	.733	.470
	RBC	2.248	.032

The results of the t-test in table 5, from the multiple linear regression equation above, it can be analyzed as follows:

a. From the results of the partial test calculation, the value of tcount = -2.550 > ttable 2.0369 and a significant value of 0.016 <0.05 means that H0 is rejected so that there is a partial influence between the premium income variable (PP) on changes in the profit growth variable (PL). Changes in the premium income variable (PP) have a regression coefficient value of (0.450). These results indicate that the value of the regression coefficient with a negative direction can be interpreted that premium income has a negative effect on profit growth.

b. From the results of the partial test calculation, the value of tcount = 0.733 < ttable 2.0369 and a significant value of 0.470> 0.05, then the hypothesis is not accepted, this means that there is no significant effect between the variable Payment of claims (PK) on changes in the profit growth variable. (PL).

c. From the results of the partial test calculation, the value of tcount = 2.248 > ttable 2.0369 and a significant value of 0.032 <0.05 means that H0 is rejected, meaning that there is

an influence between the variable risk based capital (RBC) on changes in the variable profit growth (PL). The results are positive, it can be concluded that risk based capital (RBC) has a positive effect on profit growth (PL).

D. F Test (Simultaneous Test)

The F test basically shows whether all independent or independent variables included in the model have a joint effect on the dependent/bound variable (Ghozali, 2011).

Table 6. Test Results
ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.756	3	6.919	5.967	.003
	Residual	33.626	29	1.160		
	Total	54.382	32			

a. Dependent Variable: PL
b. Predictors: (Constant), PP, PK, RBC

Using the distribution table F obtained Fcount = 5.967 > Ftable = 2.924 with a significance level of 0.003 <0.05. Thus, it can be concluded that premium income, claim payments and risk based capital simultaneously have a significant effect on profit growth.

F. Coefficient of Determination Test

The R2 test (Coefficient of Determination Test) is useful for measuring how the independent variables (premium income, claim payments and risk based capital) affect the changes that occur in the dependent variable (profit growth).

Table 7. Determination Test Results
Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.618a	.382	.318	1.07682

The table7, shows that the adjusted R Square (R2) value is 0.318 or 31.8%. So this shows that the percentage of the influence of the independent variables (premium income, claim payments and risk based capital) on the dependent variable (profit growth) is 31.8%, the remaining 68.2% is influenced by other variables not included in this study or other factors. -other factors are more dominant.

5. DISCUSSION

Based on the results of descriptive statistical analysis and multiple linear regression testing on the effect of premium income, Claim Payments and risk based capital on Profit Growth as follows:

1. Effect of Premium Income on Profit Growth
The test results show that the capital structure (SM) has a positive and significant effect on firm value. This is in accordance with Agustiranda's research (2019) which also states that there is a significant positive effect of the premium income variable on. Profit growth.
Premium income is obtained from mandatory payments made by the insured party on a regular basis to the insurer in accordance with the agreed agreement. Premium income is the main source of income for insurance companies. Therefore, the size of the premium acquisition will affect profit growth.

2. The Effect of Claim Payments on Profit Growth
The test results show that Claim Payment (PK) has no significant effect on profit growth, so H0 is accepted. This condition is in line with research conducted by Kusuma, (2013) which states that claim payments have no significant effect on profit growth. Payment of claims is the submission of the insured's rights to the insurer in obtaining rights in the form of loss coverage according to a previously made agreement or contract. Where a claim is a submission process carried out by the insured in getting the sum assured for obligations that have been fully implemented to the insurer in the event of a loss.
Based on the results of the research above, it is found that the claim payment variable has no significant effect on profit growth. This can explain that any increase or decrease in claim payments does not affect the increase or decrease in profit growth. The increase in profit is not affected by the payment of claims paid by the company to the insured. This is because the cost of paying claims is not calculated by the company as investment capital. Because the cost of paying claims has been prepared on the company's own capital which is set where the minimum solvency level of the company has been regulated in the law of the republic of Indonesia on insurance of 120% so that the payment of claims does not affect the company's profit income.

3. Effect of Risk Based Capital on Profit Growth
The test results show that Risk Based Capital (RBC) has a positive and significant effect on profit growth. The results of this study are in line with the results of research from Agustiranda (2019), which states that there is a significant positive effect of the risk-based capital variable on the profits of general insurance companies in Indonesia.
The increase in Risk Based Capital will affect the level of trust of prospective customers in choosing the insurance service because a high number of Risk Based Capital indicates that the company has a high level of financial health so that the company is considered to be able to fulfill payments for insurance claims. With increasing customer trust, it will certainly increase customer interest in using the company's insurance services so

that it will increase the company's income on premiums and the company's profit growth can increase.

6. CONCLUSION

Based on the formulation of the problem, theoretical basis, hypotheses and the results of the tests that have been carried out, it can be concluded as follows:
1. Variables of premium income, claim payments and risk based capital have a simultaneous and significant effect on the dependent variable, namely profit growth. This can be proven based on the results of the F test which shows good results and as expected by the author.

2. Premium income (PK) has a positive and significant effect on profit growth. This study shows that the profit of insurance companies can be influenced by the premium income obtained by the company. The results of this study are in line with the results of Agustiranda's research (2019).

3. Claim Payment (PK) has no significant effect on profit growth. The results of this study are in line with the results of research by Kusuma (2013), Muthmainah (2015). This can explain that any increase or decrease in claim payments does not affect the increase or decrease in profit growth.

4. Risk based capital (RBC) has a positive and significant effect on profit growth. The results of this study are in line with the results of Agustiranda's research (2019). This means that the increase in Risk Based Capital will affect the level of trust of prospective customers in choosing the insurance service so as to increase profit growth.

7. SUGGESTION

The results of this study have limitations and shortcomings that need to be improved and developed for further research. The suggestions that can be submitted based on this research are as follows:
1. Share the results
Research shows that the company's management should increase the company's risk-based capital in order to get the level of trust from customers in paying insurance claims. In addition, an increase in risk-based capital will attract new potential customers which will affect the premium income received by the company which the company can invest in to earn corporate profits.

2. For Further Researchers
Further researchers should add other independent variables that can affect Profit Growth such as underwriting, in addition, further researchers should increase the time period of the study.

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Factors that influence on audit delay (case study on LQ-45 company listed on the Indonesia Stock Exchange 2016-2019)

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ABSTRACT

This study aims to analyze the effect of company size, KAP size, and profitability on audit delay. The population used is all LQ 45 companies listed on the Indonesia Stock Exchange (IDX) in the 2016 to 2019 period. Sampling was 17 companies. The research method in this study uses descriptive statistical analysis and multiple linear regression analysis with 3 classical assumption tests. The results of this study indicate that the firm size variable has a significant positive effect on audit delay, and the profitability variable has a negative and significant effect on audit delay. Meanwhile, the KAP size variable has no effect on audit delay. Taken together, all variables (firm size, firm size, and profitability) also have an effect on audit delay.

Keywords: Company Size, KAP Size, Profitability, Audit Delay

1. INTRODUCTION

The development of the business world in Indonesia in recent years has been very rapid. This is indicated by the number of companies listed on the Indonesia Stock Exchange as go public companies. In the January 2020 period, there were 677 companies listed on the Indonesia Stock Exchange. Every company that has been listed on the IDX is required to submit financial statements that have been prepared.

Financial statements are one of the most important instruments in a company. Especially for companies that have gone public, financial reports that have been audited by public accountants have become a must to be published. The timely submission of financial statements is very important because it becomes the basis for decisions for investors. If the delay in submitting financial statements is too long, then the value of the information contained in the report is considered to be less relevant.

It is stated in the Financial Services Authority Regulation Number 29/POJK.04/2016 concerning the annual report of issuers or public companies whose statements submit an annual report to the Financial Services Authority no later than 4 (four) months after the financial year ends. If the company does not comply with these regulations, it will be subject to administrative sanctions. In accordance with Government Regulation No. 45 of 1995 concerning the Implementation of Activities in the Capital Market Sector Chapter XII article 63 letter e that every public company listed on the Indonesia Stock Exchange (IDX) will be subject to a fine of Rp. 1,000,000.00 (one million rupiah). for each day of delay in the submission of financial reports with a total fine of a maximum of Rp. 500,000,000.00 (five hundred million rupiahs).

In order to avoid these administrative sanctions, the company seeks to submit an annual report less than the time limit given by the Financial Services Authority (OJK). However, in reality there are still many companies that are late in submitting their

annual reports. As revealed by the records of the Indonesia Stock Exchange (IDX) as of August 8, 2019, there were still 107 companies/issuers that had not submitted their annual financial reports. However, several companies were late in submitting because the companies recorded financial statements for different financial years, namely in March, May, and June. If the company is late in publishing financial statements, it can indicate a problem in the financial statements. Delayed information can cause a negative reaction from capital market players, one of which is from the investor side as the party who has the ownership rights of the company. Because in general investors think that the delay in financial statements is a bad sign for the company's health condition.

The timeliness of the submission of financial statements is one of investors' benchmarks for the condition of a company. The delay in submitting financial statements is allegedly able to give negative opinions to shareholders. The possibility of poor financial conditions or low profit levels is the cause of delays in the submission of financial statements.

In the past few years, there have been many cases of delays in the submission of annual financial reports by issuers that have been listed on the IDX. This is an indication that there are problems in the financial statements that require a longer audit completion time than usual. In 2015 IDX reported that there were 52 issuers that had not submitted audited financial reports as of December 2014. In 2016 IDX noted that there were 63 listed companies or issuers who had not submitted the 2015 annual report on time until May 2, 2016. In 2017 the IDX stated that there were 70 public companies or issuers that had not submitted their financial statements for the first quarter of 2017. In 2018 the IDX stated that there were 18 companies that had not submitted their financial statements for the third quarter of 2018. In 2019 IDX stated that there were 107 companies that had not submitted their financial reports. Various studies on audit delay have been carried out. In this study, the factors that were re-examined were the effect of firm size, KAP size, and profitability on audit delay.

The reputation factor or the size of the KAP is also one of the factors influencing audit delay. The size of the KAP is divided into two, namely the big four KAP and the non-big four KAP. KAP the big four is believed to be able to work more efficiently in planning audits, has more human resources, and is more experienced in conducting audits. This is in line with research conducted by Amani & Waluyo (2016) which states that the size of KAP has a significant effect on audit delay.

The next factor is profitability, companies that experience losses tend to delay the issuance of annual financial reports to avoid stakeholder concerns. On the other hand, profitable companies tend to speed up the issuance of financial statements because this is seen as good news and will increase stakeholder confidence. Thus, it can be concluded that a high level of profitability will negatively affect audit delay. This is in accordance with research conducted by Amani & Waluyo (2016) which shows that company profitability has an effect on audit delay.

However, this is not in line with research conducted by Apriyana & Rahmawati (2017) which states that company profitability does not have a significant effect on audit delay.

Based on previous research, there is still a research gap that shows the diversity of research results on the factors that affect audit delay. On this basis, the authors re-examined the factors of company size, KAP size, and profitability on audit delay with LQ-45 companies listed on the Indonesia Stock Exchange for the 2016-2019 period as the object of research. IDX was chosen as the data source in this study on the basis of rationalization that IDX is the only representative stock market in Indonesia.

2. LITERATURE REVIEW

A. Agency Theory
This theory was first coined by Jensen & Meckling (1976) who stated the relationship between shareholders (stakeholders) as principals and management as agents. Management is a party contracted by shareholders to work in the interests of shareholders. Because they are elected, the management must be accountable for all their work to the shareholders. According to Liviani (2016) the agency relationship which is one of the oldest and most common forms of social interaction arises when there is a separation of the management function and the ownership function, where one party (agent) acts as a representative of another party (principal) in decision making. The separation of management and ownership functions will cause agency problems due to differences in interests.

B. Audit
Agoes (2012) defines audit as an examination carried out critically and systematically, by an independent party, on the financial statements that have been prepared by management, along with accounting records and supporting evidence, with the aim of being able to provide an opinion regarding the fairness of the report. the finances. Audit is a systematic process that aims to obtain and evaluate evidence collected on statements or assertions about economic actions, events and see the level of relationship between statements or assertions and reality, and communicate the results to interested parties. In practice, the Financial Statements must go through an audit process before they are finally published. In general, financial statements need to be audited so that the financial information presented in the financial statements is fair to all interested parties (Ikatan Akuntan Indonesia, 2009).

C. Audit Type
Agoes (2012) defines the types of audits in terms of the extent of the examination, audits are divided into:

1. General Audit (General Audit)

A general examination of the financial statements conducted by an independent KAP with the aim of being able to provide an opinion on the fairness of the financial statements as a whole. The audit must be carried out in accordance with the Professional Standards of Public Accountants or ISA or the Small Business Entity Audit Guidelines and take into account the Indonesian Accountant Code of Ethics, the Professional Public Accountant Code of Ethics and Quality Control Standards.

2. Special Audit (Special Audit)

A limited audit (according to the request of the auditee) conducted by an independent KAP, and at the end of the audit the auditor does not need to give an opinion on the fairness of the financial statements as a whole. The opinions given are limited to certain items or issues being examined, because the audit procedures carried out are also limited. For example, KAP is asked to check whether there is fraud in the collection of accounts receivable in the company. In this case, audit procedures are limited to examining accounts receivable, sales, and cash receipts. At the end of the audit, the KAP only provides an opinion on whether or not there is fraud in the collection of accounts receivable in the company. If there is fraud, how big is the amount and what is the mode of operation.

Judging from the type of examination (Soekrisno, 2012), audits can be divided into:

1. Management Audit (Operational Audit)

An examination of the operating activities of a company, including accounting policies and operational policies that have been determined by management, to determine whether the operating activities have been carried out effectively, efficiently, and economically.

2. Compliance Audit

An examination conducted to determine whether the company has complied with the applicable regulations and policies, both those set by the company's internal parties (management, board of commissioners) and external parties (Government, BApepam LK, Bank Indonesia, Directorate General of Taxes, and others -other). The examination can be carried out by either the KAP or the Internal Audit Division.

3. Internal Audit (Internal Audit)

Examinations carried out by the internal audit department both on the company's financial statements and accounting records, as well as compliance wit predetermined management policies. Examinations conducted by internal auditors are usually more detailed than general audits carried out by KAP. Internal auditors usually do not give an opinion on the fairness of financial statements, because parties outside the company consider that the internal auditor who is an insider is not independent.

4. Computer Audit

Examination by KAP of companies that process their accounting data using the Electronic Data Processing (EDP) System. There are 2 (two) methods that can be used by the auditor:

D. Auditing Standard

Agoes (2012) states that there are three major groups of audit standards, namely:

1. General Standard

The general standards are personal and relate to the auditor's requirements and the quality of his work, and differ from standards relating to the conduct of field work and reporting. Personal standards or general standards apply equally in the field of field work implementation and reporting.

2. Fieldwork Standard

Field work standards are related to the implementation of field work audits, starting from audit planning and supervision, understanding and evaluating internal control, collecting audit evidence through compliance tests, substantive tests, analytical tests, to the completion of field work audits.

3. Reporting Standards

Reporting standards relate to issues of communicating audit results, namely:

a. The auditor's report must state whether the financial statements have been prepared in accordance with generally accepted accounting principles in Indonesia.

b. The auditor's report must indicate or state, if there is an inconsistency in the application of accounting principles in the preparation of financial statements for the current period compared to the application of these accounting principles in the previous period.

c. Informative disclosures in the financial statements should be considered adequate, unless otherwise stated in the auditor's report.

d. The auditor's report must contain an opinion on the financial statements taken as a whole or an assertion that such a statement cannot be given. If an opinion in its entirety cannot be given, then the reasons must be stated. In the event that the name of the auditor is associated with the financial statements, the auditor's report must contain clear instructions regarding the nature of the audit work performed, if any, and the level of responsibility assumed by the auditor.

E. Audit Delay

Kartika in Armansyah & Kurnia (2015) explain that audit delay is the length of time for completion of the audit from the end of the company's fiscal year to the date the audit report is issued. If the audit delay is longer, the possibility of delays in submitting financial statements will be even greater. According to Dyer and Mc Hugh in Halim (2000) there are three delays in submitting financial statements, including:

1. Preliminary lag, which is the number of days interval between the end of the financial year and the date of receipt of the preliminary financial statements by the stock exchange.

2. Auditor's signature lag, which is the number of days interval between the end of the financial year and the date the auditor's report is signed.

3. Total lag, which is the number of days interval between the end of the financial year and the date of receipt of the annual financial statements published on the stock exchange.

Timeliness is a quality related to the availability of information when it is needed. The time between the date of the financial statements and the audit report (audit delay) reflects the timeliness of the submission of financial statements. Information that is actually of great value can become irrelevant irrelevant if it is not available when it is needed.

Timeliness of information implies that information is available before it loses its ability to influence or make a difference in decisions. Information should be submitted as early as possible so that it can be used as a basis to assist in making economic decisions and to avoid delays in making those decisions.

Audit Delay = Audited Report Date – Financial Year End Date (31 December 201x)

F. Company Size
Company size is the size of a company that is influenced by several things, including operational complexity, variability, and the intensity of the company's transactions which will certainly affect the speed in presenting financial statements to the public. The size of the company in this study is measured by using the value of assets (Yusuf & Suherman, 2021).

Elvienne & Apriwenni (2019) states that audit delay has a negative relationship with company size using total assets as a proxy. This means that the greater the company's assets, the shorter the audit delay. The reason is first, large companies will have good internal control so that they can minimize errors when preparing financial statements, making it easier for auditors to audit financial statements. Second, large companies have the financial resources to pay a larger audit fee in order to get faster audit services. And thirdly, large-scale companies tend to come under pressure from both investors, capital supervisors, and the government. Therefore, large companies are required to immediately publish the company's financial statements so that they can be immediately used for business decision making.

Large companies usually have a shorter audit delay than small companies. This is caused by several factors, namely the management of large-scale companies tend to be given incentives to reduce audit delay, because these companies are closely monitored by investors, capital supervisors from the government. These parties are very interested in the information contained in the financial statements. The measurement of total assets in this study is seen from the total assets of the company.

G. Public Accounting Firm Size
Companies in submitting a report or information on the company's performance to the public so that it is accurate and reliable are asked to use the services of a KAP and to increase the credibility of the report, the company uses the services of a KAP that has a reputation or good name. This is usually indicated by a KAP affiliated with a large universally accepted KAP known as the Big Four Worldwide Accuonting Firm or Big Four.

The Big Four is a group of four of the largest professional services firms worldwide, offering accounting-related services, such as auditing, assurance, taxation, management consulting, advisory, actuarial, and corporate finance. The groups included in the big four are as follows:

1. Deloitte Touche Tohmatsu
2. Price waterhouse Coopers (PwC)
3. Ernst & Young (EY)
4. Klynveld Peat Marwick Goerdeler (KPMG)

Ariyanto (2018) found that audit delay does not have a negative effect on the size of KAP. This is assumed because the KAP affiliated with the Big Four KAP (large KAP) has many more competent specialist workers, but due to the large number of clients handled, the longer the audit process carried out by the Big Four KAP. On the other hand, non-Big Four KAPs tend to accept fewer clients in their audit period. However, non-Big Four KAPs do not have as many specialists as Big Four KAPs, which results in longer audits being carried out. In contrast to the results of research conducted by Amani & Waluyo (2016), that there is an influence between the size of the KAP on audit delay.

KAP size is measured using a dummy variable, namely companies audited by KAP affiliated with the big four KAP are given a dummy value of 1 and companies audited by KAP not affiliated with the big four KAP are given a dummy value of 0.

G. Profitability
Profitability shows the ability of a company to generate profits, both in relation to sales, assets, and certain share capital (Yusuf & Suherman, 2021). The company's profitability is seen from the net profit (net profit/loss after tax). According to Gitman and Joehnk in Pranata & Kurnia (2013) profitability is the relationship between revenue and costs generated by utilizing assets effectively in the production process. Companies that can generate profits or have higher profitability tend to be more timely in their financial reporting. Profitability is good news and managers will tend to report profits faster than losses. This is because the publication of these earnings can have an impact on stock prices and other indicators.

This is in line with the opinion of Ashton and Elliot in Armansyah & Kurnia (2015) that there are several reasons that encourage the decline in the publication of financial statements, namely reporting profit or loss as an indicator of good news and bad news on the company's managerial performance in a year.

According to Kasmir (2016) the profitability ratio is a ratio that assesses the company's ability to seek profit. If the company announces a loss or a low level of profitability, it will bring a negative reaction from the market by decreasing the assessment of the company's performance. However, it is different for companies that will announce profits. Companies that announce earnings will have a positive impact on the assessment of other parties on the company's performance. Profit or loss reporting can be used as an indicator of good news or bad news on management performance for one year. ROA can be calculated by the following formula:

Return on Assets (ROA) = Net Profit / Total Assets

H. Hypothesis

Based on research conducted by Saemargani & Mustikawati (2015) shows that company size has a significant positive effect on audit delay. The larger the size of the company, the more assets the company has, so there will be more audit samples that must be examined. Because the more audit samples that must be examined, there will be a possibility of increasing the period of completion of the audit carried out by the auditor. So it can be said that the larger the size of the company, the longer the audit delay.

H1: Firm size has a positive effect on audit delay.

The size of the KAP is reflected in the performance in the audit process in accordance with audit standards so that the audit results can be useful for decision making by users of financial statements. Faster audit time is a way for the firm to maintain its reputation so as not to lose clients. However, all KAPs in Indonesia carry out almost the same audit procedures, which are based on auditing standards, and comply with the applicable legal provisions in Indonesia. According to Kurniawan & Laksito (2015) the size of KAP has a negative effect on audit delay. This means that the audit delay of companies audited by the big four KAPs is shorter than that of companies audited by non-big four KAPs.

H2: KAP size has a negative effect on audit delay.

Profitability is the company's ability to earn profits in relation to sales, total assets, and own capital. Companies that have a high level of profitability tend to accelerate the publication of their financial statements because it can increase the value of the company. According to Amani & Waluyo (2016) states that profitability has a significant effect on audit delay. Companies that experience losses tend to need an auditor, in order to start the auditing process later than usual. This shows that the higher the company's profitability.

H3 : Profitability has a negative effect on audit delay

The size of the business is large, the audit delay tends to be short because the bigger the company, the company has a good internal control system so that it can reduce the error rate of financial statements, making it easier for auditors to audit financial statements. The size of KAPs that include the big four KAPs tend to present audits faster than non-big four KAPs because they have a good name that must be at stake. The higher the profitability, the audit delay tends to be short because high profitability is good news so the company will not delay in publishing the company's financial statements.

H4 : Firm size, KAP size, and profitability simultaneously have an effect on audit delay.

3. METHODOLOGY

This study uses secondary data. Secondary data is data obtained in a ready-made form, has been collected and has been processed by other parties, usually in the form of publications. The data used in this study is secondary data in the form of audited financial statements and listed on the Indonesia Stock Exchange. The data was obtained from www.idx.co.id in 2016-2019.

The population used in this study are companies listed on the 2016-2019 LQ-45 Index which are listed on the Indonesia Stock Exchange. According to Sugiyono (2016), population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined to be studied and then conclusions are drawn. The sampling technique used in this research is purposive sampling, which means that the research sample meets certain sample criteria as desired by the researcher. Purposive sampling is a sampling technique with certain criteria where the sample is deliberately selected to represent the population. These criteria are as follows:
1. Companies classified as LQ 45 in a row from 2016 to 2019.
2. Does not have an independent auditor's report in the financial statements for the 2016-2019 period.
3. Does not include banking companies.

In this study the authors used descriptive statistical analysis techniques, classical assumptions, multiple linear regression analysis, coefficient of determination and hypothesis testing. Multiple linear regression analysis, which is a statistical method commonly used to examine the relationship between a dependent variable and several independent variables. The regression model used is as follows;

$$Y = \beta + \beta_0 X1 + \beta_1 X2 + \beta_2 X3 + \varepsilon$$

Information:
Y = Audit Delay
β_0 = Constant;
$\beta1, \beta2, \beta3$ = Regression coefficient of each independent variable;
X1 = Company Size
X2 = KAP Size
X3 = Profitability
ε = Standard Error

Hypothesis testing was carried out to check the significance of the regression coefficients using the F test (simultaneous) and the Individual Parameter Significance test (partial T test).

4. RESULT

A. Descriptive Statistical Analysis

The results of descriptive statistics show the minimum (min), maximum (max), average (mean), and standard deviation of each variable, both dependent and independent variables.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Company Size	68	5,57	21,17	16,2137	2,73662
Profitability	68	,01	46,66	9,6915	11,19519
Audit Delay	68	29,00	113,00	73,7500	16,86237
Valid N (listwise)	68				

KAP Size

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	,00	17	25,0	25,0	25,0
	1,00	51	75,0	75,0	100,0
	Total	68	100,0	100,0	

Source: SPSS 24 output (2021)

Based on the table above, the results are described as follows:

a. The results of the descriptive analysis of the company size variable obtained a total of 68 data, with a maximum value (max) of 21.17 and a minimum value (min) of 5.57 with an average (mean) of 16,2137 and a standard deviation of 2,73662. .

b. The results of the descriptive analysis of the profitability variable with 68 data have a maximum value (max) of 46.66 and a minimum value (min) of 0.01 with an average (mean) of 9.6915 and a standard deviation of 11,19519.

c. The results of the descriptive analysis of the audit delay variable with the same amount of data are 68, have a maximum value (max) of 113.00 and a minimum value (min) of 29.00 with an average of 73.7500 and a standard deviation of 16.86237.

d. The KAP size factor is assigned a dummy value of 0 for KAPs that are not affiliated with the big four KAPs and a dummy value of 1 for KAPs affiliated with the big four KAPs. The results of descriptive statistics show that as many as 17 samples or 25.0% of all samples were audited by KAPs not affiliated with the big four KAPs and as many as 51 samples or 75.0% of all samples were audited by KAPs affiliated with the big four KAPs.

B. Classic assumption test
1. Normality test

Table 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		68
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	15,60374079
Most Extreme Differences	Absolute	,094
	Positive	,085
	Negative	-,094
Test Statistic		,094
Asymp. Sig. (2-tailed)		,200[c,d]

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

The results of the normality test above show the Asymp value. Sig. (2-tailed) of 0.200 which is above the 0.05 significance level, it can be concluded that the data is normally distributed.

2. Heteroscedasticity Test

Figure 1. Heteroscedasticity Test Results

The scatterplot graph above shows that there is no particular pattern on the graph. The points on the graph are relatively evenly distributed, which means that there is no heteroscedasticity disorder in the model in this study.

3. Multicollinearity Test

Table 3. Multicollinearity Test Results
Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Company Size	,964	1,037
	KAP Size	,931	1,075
	Profitability	,961	1,041

a. Dependent Variable: Audit Delay

Based on the table above, the calculation results show that all independent variables have a Tolerance value of 0.10. The VIF value based on the calculation results shows that all independent variables have a VIF value 10. Thus, it can be concluded that all independent variables in this study do not occur multicollinearity.

B. Multiple Regression Analysis

Regression coefficient testing aims to test the significance of the relationship between the independent variable (X) and the dependent variable (Y) either simultaneously (F test) or partially (t test) and also with the coefficient of determination test. The multiple linear regression model in this study is as follows:

Table 4. Multiple Linear Regression Analysis Results Coefficients

		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	52,560	12,952	
	Company Sze	1,546	,726	,251
	KAP Size	,576	4,635	,015
	Profitability	-,445	,178	,295

a. Dependent Variable: Audit Delay

From the results of multiple linear regression analysis, the linear regression equation formed is as follows:

$$Y = 52{,}560 + 1{,}546 (X1) + 0{,}576 (X2) - 0{,}445 (X3) + \varepsilon$$

From the multiple linear regression equation above, it can be analyzed as follows:

a. The regression coefficient value of the firm size variable (X1) is 1.546, this means that if there is an increase in firm size as measured by total assets, it will increase the audit delay for 1.546 days.

b. The regression coefficient value for the KAP size variable (X2) is 0.576, which means that if the company audited by KAP is the big four, the audit delay will increase for 0.576 days.

c. The value of the regression coefficient of the profitability variable (X3) is -0.445, which means that every increase in profitability will reduce the audit delay for 0.445 days.

C. T test (Partial Test)

The results of the t-test in table 4, from the multiple linear regression equation above, it can be analyzed as follows:

a. Based on the results of the t test, it can be seen that the firm size variable (X1) has a significance value of 0.037, meaning that there is a significant positive effect of firm size on audit delay, because the significance value is above 0.05, and the regression coefficient value is positive. Thus it is stated that the first hypothesis is accepted.

b. Based on the results of the t test, the significance value for the variable size of KAP (X2) is 0.901, far above 0.05. Therefore, the second hypothesis does not have the effect of KAP size on audit delay. Thus it is stated that the second hypothesis is rejected.

c. Based on the results of the t test, the significance value for the profitability variable (X3) is 0.015, below 0.05. This result means that profitability has a negative and significant effect on audit delay. Thus it is stated that the third hypothesis is accepted.

D. F Test (Simultaneous Test)

The F test basically shows whether all independent or independent variables included in the model have a joint effect on the dependent/bound variable (Ghozali, 2011).

Table 5. Test Results
ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2737,809	3	912,603	3,580	,019[b]
	Residual	16312,941	64	254,890		
	Total	19050,750	67			

a. Dependent Variable: Audit Delay
b. Predictors: (Constant), Profitabilility, Company Size, KAP Size

The test results above show the value of Sig. 0.019. The significance value is below the level of 0.05 indicating that the independent variables together (simultaneously) have a significant effect on audit delay.

F. Coefficient of Determination Test

The R^2 test (Coefficient of Determination Test) is useful for measuring how the independent variables affect the changes that occur in the dependent variable.

Table 6. Determination Test Results
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,379a	,144	,104	15,96527

a. Predictors: (Constant), Profitabilility, Company Size, KAP Size
b. Dependent Variable: Audit Delay

The table 6 shows the effect of the independent variables, namely company size, KAP size, and profitability, on the dependent variable, namely audit delay. The value of Adjusted R Square is 0.104, which means the ability of the independent variable to explain the dependent variance is 10.4%, in the research model. Meanwhile, 89.6% of the variance of the dependent variable has not been able to be explained by the four independent variables in this study.

5. CONCLUSION

Based on the results of the partial test (t test) and the simultaneous test (F test) of the research and discussion in the previous section, the following conclusions are obtained:

1. Firm size has a significant positive effect on audit delay in LQ 45 companies in 2016–2019 with a significance result of 0.037 below 0.05 and a regression coefficient of 1.546. This shows that the larger the size of the company being audited, the longer the audit delay will be, this is related to the more samples that must be taken and the wider the audit procedures that must be taken. So, the bigger the company size, the shorter the audit delay.

2. The size of KAP has no effect on audit delay in LQ 45 companies listed on the Indonesia Stock Exchange in 2016–2019 with a significance value of 0.901, far above 0.05. This shows that KAPs affiliated with Big Four KAPs and Non-Big Four KAPs have the same good audit quality and are independent of the audit opinions they issue, because KAPs that have a good reputation will always maintain their reputation and are always objective and independent in their work.

3. Profitability has a significant negative effect on audit delay in LQ 45 companies listed on the Indonesia Stock Exchange in 2016–2019 with a significance value of 0.015, far below 0.05 and a regression coefficient value of -0.445. This is because the greater the profits obtained by the company, the shorter the audit delay, because the company wants to convey the good news to its shareholders.

4. Simultaneous test results show that company size, KAP size, and profitability have a joint influence on audit delay in LQ 45 companies listed on the Indonesia Stock Exchange in 2016–2019. This shows that the larger the size of the company, the longer the audit delay. This is because the larger the size of the company, the more information it contains and the greater the pressure to process that information. The size of KAPs that include big four KAPs tend to present audits faster than non-big four KAPs because they have a good name that will be at stake. While the greater the profitability, the audit delay tends to be short, because high profitability is good news so the company will not delay in publishing its financial statements.

6. SUGGESTION

The suggestions that can be submitted based on this research are as follows:
1. This study only uses 3 independent variables, namely company size, KAP size, and profitability, therefore further research should add variables to be studied so that research results will be better in predicting audit delays more accurately.
2. Future research is expected to use other types of companies as objects of research to see the effect of variables on other companies.
3. For further research, it is expected to be able to add or vary the independent variables considering the value of the coefficient of determination in this study is only 10.4%.

4. For public companies, it is advisable to give the auditor flexibility to do field work before the closing date of the book. The company is also expected to help the auditor's work smooth by providing data that must be prepared in a timely manner, providing correct and reasonable answers to the auditor's questions so that the audited report can be issued faster.

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The effect of liquidity ratio, activity ratio, and profitability ratio on accounting profit with firm size as a mediation

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ABSTRACT

One of the important parameters in the financial statements used to measure management performance is profit. Financial ratios as one of the information in the financial statements are used to measure the company's financial performance as proxied by profit. This study aims to analyze the effect of liquidity ratios, activity, and profitability on accounting profit with firm size as a mediating variable on issuers of the consumer goods sector in 2016 - 2020. The research method used is path analysis with the AMOS 23.00 software analysis tool. The results show that the liquidity ratio has no effect on accounting profit, the activity ratio has a significant effect on accounting profit, the profitability ratio has a significant effect on accounting profit, and company size only mediates the liquidity ratio on accounting profit.

Keywords: Company Size, KAP Size, Profitability, Audit Delay

1. INTRODUCTION

The main purpose of a company being established is to be able to increase the welfare of the owner, therefore the company must increase the wealth it has. The company's wealth can increase, one of which is by obtaining profits. The profit obtained by the company is of course not only for a time, but this profit must at least occur continuously (Dwimulyani & Shirley, 2018). The development of the business world demands information as the basis for making business decisions in the current era of globalization. In this case, accounting plays a role in providing useful information for business people (investors). Information about profit is a component of the company's financial statements (Kurniawati, 2016).

Financial reports are a communication medium for companies with external parties and are needed by various parties for decision making (Dwimulyani & Shirley, 2018). In detail, there are three objectives of financial statements. The first objective is

to the ability of financial statements to provide useful information in making investment and credit decisions. The second objective is useful in forecasting future cash flow and earnings prospects. The last objective is to provide information about company resources, claims to these resources, and changes in these resources (Indahyanti & Wijaya, 2014).

One of the important parameters in the financial statements used to measure management performance is profit. So far, investors use the company's profit data in the past as a tool to predict future profits and until now profits are still the main concern for estimating the performance or accountability of company management. Investors still assume that companies with high profits have a high level of performance and will ultimately provide a high rate of return for investors (Widiyoko & Hadi, 2005). Profit is an additional economic capacity (prosperity) which is marked by an increase in capital in an accounting period originating from the company's production operations, in a broad sense it can be consumed or withdrawn by the entity or

owner of capital without reducing the initial economic capacity of capital (Fernando, 2016).

Financial ratios are very important for external analysis that assesses a company based on published financial statements. This assessment includes issues of liquidity, solvency, profitability, management efficiency and the company's prospects in the future. Financial ratio analysis is also useful for internal analysis to assist management in making evaluations of the company's operating results, correcting errors and avoiding situations that can cause company financial difficulties (Hapsari, 2004). Financial ratios as one of the information in the financial statements are used to predict the company's financial performance or profit in the future. Changes in financial performance indicators will affect financial policy for further activities, such as policies regarding dividends, debt payments, allowances, investments, and maintaining the continuity of company activities (Syamsudin & Primayuta, 2009).

In general, financial ratios that are commonly used as benchmarks by investors can be grouped, including liquidity ratios, solvency ratios, profitability ratios, and activity ratios (Hidayat, 2015). Financial ratios are relationships that indicate industrial activity. The source of financial ratios is the company's financial statements which are only meaningful when compared to other information. Financial ratios help individuals understand the company's performance compared to its competitors and are often used to measure performance (Pasupati, 2020).

The activity ratio is used to measure the level of efficiency in the utilization of the company's resources, or to assess the company's ability to carry out its daily activities. This ratio is also known as the asset utilization ratio, which is the ratio used to assess the effectiveness and intensity of the company's assets in generating sales. Furthermore, total asset turnover is a ratio used to measure how much sales will be generated from each rupiah of funds embedded in total assets (Aisyah et al., 2017), the higher the total asset turnover, the more effective it is. the company's total assets generate sales. If the perpetrators of company management activities cannot maximize the use of company assets, company sales cannot be maximized, so profits will decrease.

The profitability ratio describes the ability of the company's management to manage the company, the company can survive depending on the performance of management. If one of the financial ratios decreases, difficulties will hit the company, including debts not being paid on time, difficulties in getting credit, and finally a decline in company performance (Idawati,2017). The profitability ratio also shows how effectively a company operates so as to generate profits or profits for the company. In general, the higher the ratio, the more efficient the company in reducing existing costs so as to increase profits (Usmar, 2018).

Another factor that affects profit is the size of the company, companies with growing profits can strengthen the relationship between the size or size of the company and the level of profits obtained where companies with growing profits will have large amounts of assets so as to provide greater opportunities in generating profitability (Fernando, 2016).

Company size is the company's ability to face uncertainty. Companies with large sizes are relatively more stable and more able to generate profits compared to small companies and companies with small sizes generally have a low level of efficiency and higher financial leverage. Small company sizes are considered to practice more earnings management than large companies. This is because small companies tend to want to show the condition of companies that always perform well so that investors invest in the company (Ghofir & Yusuf, 2020). Large companies pay more attention to the public so that they will be more careful in carrying out financial reporting so that the impact on the company reports its condition is better (Pagulung in Fernando, 2016). Investors who are cautious (risk adverse) tend to invest in large companies because they have a lower level of risk (Sunarto & Budi, 2009).

Sunarto & Budi (2009) citing Beaver, et al stated that company size can also be used as a proxy for the level of stock uncertainty, large-scale companies tend to be known by the public so that information about the prospects of large-scale companies is relatively easier for investors to obtain than small-scale companies. . The level of uncertainty that will be faced by potential investors regarding the future of the company will be minimized with the increasing amount of information obtained.

The size of the company can be determined from the number of assets owned, the profits obtained by companies that have a large size will tend to have ease in entering the company, and market capacity (Ghofir & Yusuf, 2020). The greater the total assets of the company, the profit earned and the market capacity of the company, the greater the size of the company (Habibah & Andayani, 2015). Companies with low and high total assets will continue to spur profit growth to create a good impression about the company to users of financial statements, because high total company assets will cause the company's capital to increase and to increase and encourage investors to assess the company and ultimately investors will invest their capital. to the company. With the large number of total assets owned by the company, it is certainly very influential on sales and increasing company profits (Fernando, 2016).

2. LITERATURE REVIEW

A. Accounting Profit
The concept of economic profit is a change to a better, healthier, more prosperous state or a more popular term is better offness that occurs over a certain period of time. However, the measure of economists in calculating changes in well being or better offness is not clearly defined in terms of operational terminology

that can be applied within the company (Dwimulyani & Shirley, 2018). While the concept of profit according to accounting is the difference between the realization of income derived from company transactions in a certain period minus the costs incurred to obtain that income (Harahap in Dwimulyani & Shirley, 2018). Profit in a company is generally divided into 3 forms, namely: gross profit, operating profit, and net profit, where each profit indirectly affects one another. Therefore, changes in profits need to be analyzed to find out the causes of these changes, both favorable changes (increases) and unfavorable changes (decreases), so that conclusions can be drawn and or necessary actions are taken for future periods. Earnings analysis can be done using trend analysis techniques, namely comparing company profits for several periods (Dwimulyani & Shirley, 2018).

Profit is one measure of operating activity. Profit figures are usually reported in the income statement for a period along with other components such as revenues, expenses, gains and losses. Companies that have relatively stable earnings make it possible to predict the amount of estimated future earnings and these companies will usually pay a higher percentage of their profits as dividends than companies with fluctuating profits (Kurniawan et al., 2013).

Operating profit or commonly referred to as operating profit is a measure of the company's profit from ongoing operating activities. The higher the operating profit, the company can maintain its viability, and can operate the company. In daily activities, working capital is most needed by the company to finance its operating activities, and the working capital that has been used is expected to return to the company along with the marketing results of its production (Putra et al., 2019).

Profit is the increase in wealth or profits obtained by a company in a period. Profit is very useful for owners and management of the company. Because profits can be used for the welfare of the company and also as additional capital in order to increase the company's production. Furthermore, profit can be viewed as a change in net assets. The profit obtained by the company for the coming year cannot be ascertained, whether the profit for the coming year will increase or decrease (Avivah, 2018).

B. Liquidity Ratio

The Liquidity Ratio in this study is proxied by the Current Ratio (Yusuf & Suherman, 2021). The effect of the Current Ratio on profit growth is that the higher the Current Ratio value, the lower the net profit generated by the company because a high Current Ratio indicates an excess of current assets which is not good for the company's profitability. Current Ratio is a ratio used to measure the company's ability to meet its short-term financial obligations. The higher the Current Ratio indicates the effectiveness of the company in paying off its short-term obligations. So that the company can avoid the inability to pay obligations, which can lead to an increase in the burden of fines, a decrease in costs will increase profits (Kurniawan et al., 2013).

This current ratio shows the level of short-term creditor security, or the company's ability to pay these debts. The company's ability to pay current debt with current assets will affect the consideration of prospective creditors in providing short-term credit to the company. By knowing the current ratio of the company, the easier it is to find out the possibility of granting

credit by creditors. Credit provided by creditors can facilitate the company's activities, so that it is easier for the company to generate profits. Thus, by knowing the company's current ratio, the easier it is to find out the possibility of lending by creditors, the easier it is to estimate the smoothness of the company's activities in generating profits (Hidayat, 2015).

A high CR indicates an excess of current assets so that the net profit generated is less than the excess of fixed assets (Wardhani, 2019), the higher the Current Ratio means the greater the company's ability to meet short-term financial obligations. So that in the end the company will find it easier to get a profit (Hidayat, 2015). CR is formulated as follows, namely:

$$CR = \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

C. Activity Ratio

Activity Ratio is a ratio that describes the company's activities in running a business. One of the activity ratios is the ratio of Total Assets Turn Over, which is a ratio that describes the sales turnover of the company's total assets. This ratio can also be used to measure how efficiently these assets have been used to earn income or profit (Hidayat, 2015).

Total asset turnover is a ratio used to measure how efficiently all company assets are used to support sales activities by comparing sales with total assets, which means that the higher the asset turnover, the more efficient the use of company assets. Total asset turnover reflects the company's ability to measure the level of efficiency in the use of company resources in carrying out daily activities. The higher total asset turnover indicates a higher profit increase (Puspasari et al., 2017).

Total asset turnover ratio measures the company's activity and ability to generate sales through the use of these assets. This ratio can also be used to measure how efficiently these assets have been used to earn income so that this ratio can be used to predict future profits. The effect of the ratio of Total Assets Turn Over (TATO) on changes in the company's net income is that the faster the turnover rate of its assets, the net income generated will increase, because the company is able to utilize these assets to increase sales which affect revenue. The increase in income can increase the company's net profit (Hidayat, 2015).

The effect of the Total Asset Turn Over (TATO) ratio on changes in the company's net income is that the faster the turnover rate of its assets, the net profit generated will increase, because the company can already utilize these assets to increase sales which affect revenue (Hidayat, 2015). Activity ratio is proxied by Total asset turnover (TATO). TATO illustrates how effectively the company uses all assets to create sales and profits. The calculation of this ratio is:

$$TATO = Sales/Total\ Assets$$

D. Profitability Ratio

Profitability ratios describe the company's ability to generate profits relatively. Relative here means that profit is not measured in absolute terms, but compared with other elements or benchmarks, because large profits do not necessarily describe large profits (Yusuf & Suherman, 2021). The benchmarks that can be used are income, funds and capital. Profitability ratio where this ratio describes the company's ability to earn profits, the higher the profitability, the higher the probability of the company making profits in the future period. The activity ratio is a ratio that describes the company's operational activities in obtaining sales or income, the higher the activity ratio, the higher the possibility of the company to earn profits (Hidayat, 2015).

Profitability is the ability of management to earn profit. To obtain above-average profits, management must be able to increase revenues and reduce all expenses on these revenues. This means management must expand market share at a favorable price level and eliminate non-value added activities. Profit growth is influenced by several factors, including: First, the size of the company. The bigger the company, the higher the accuracy of the expected profit growth. The second age of the company. Newly established companies lack experience in increasing profits, so the accuracy is still low. If the company has a high level of debt, then managers tend to manipulate earnings so as to reduce the accuracy of profit growth. The high level of sales in the past, the higher the level of sales in the future, the higher the profit growth. Changes in past earnings. The greater the change in profits in the past, the more uncertain the profits obtained in the future (Napitupulu, 2019).

Profitability ratio, the ratio used is the net profit margin used to measure the rupiah profit generated by the sale of each rupiah and measure all efficiency, both production, administration, marketing, financing, prices and management taxes. The higher the ratio indicates the company's ability to generate high profits at a certain level of sales. Return on equity is one of the financial ratios often used by investors to analyze stocks. This ratio shows the effectiveness of the company's management team in making profits from the shareholders of the funds invested (Napitupulu, 2019).

In this study, the profitability ratio is proxied by Return On Equity (ROE). ROE is used to measure profitability from the perspective of shareholders which shows how many rupiahs are earned from net income for every rupiah invested by shareholders. ROE is formulated as follows:

$$\text{Return on Equity} = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

E. Company Size

Company size is an increase from the fact that large companies will have large market capitalization, large book values and high profits. Meanwhile, small companies will have a small market capitalization, small book value and low profits. Company size describes the size of the company. the size of the business in terms of the field of business being carried out, the determination of the size of the company can be determined based on total sales, total assets, average sales levels (Dewi & Wirajaya, 2013).

Company size in general can be interpreted as a scale that classifies the size of a company in various ways, including expressed in total assets, total sales, stock market value, and others. Larger companies have a greater incentive to smooth earnings compared to smaller companies because larger companies are subject to scrutiny (tighter supervision from the government and the general public) (Sunarto & Budi, 2009). Company size is the size of the company seen from the amount of equity value, sales value or asset value. Company size is basically a grouping of companies into several groups, including large, medium and small companies (Riyanto, 2013). Company scale is a measure used to reflect the size of the company based on the company's total assets. Company size is a measure of the size of the assets owned by the company so that large companies generally have large total assets (Ghofir & Yusuf, 2020). Large companies can more easily access the capital market than small companies. The larger the size of the company, the easier it is to get external capital in larger amounts, so investors are interested in investing in the company so as to increase the value of the company. With the availability of these funds, it makes it easier for companies to carry out investment opportunities (Sunarto & Budi, 2009).

Company size describes the size of the company. The size of the business is viewed from the field of business being carried out. Determination of the size of the company can be determined based on total sales, total assets, average level of sales (Yusuf & Suherman, 2021). Company size is a value that shows the size of the company. Company size shows the size of the company. Company size is the average total net sales for the year to several years. In this case the sales are greater than the variable costs and fixed costs, then the amount of income before tax will be obtained. Conversely, if sales are less than variable costs and fixed costs, the company will suffer losses (Ula et al., 2018).

According to Riyanto (2013) a large company whose shares are very widely spread, any expansion of share capital will only have a small effect on the possibility of loss or displacement of control from the dominant party to the company concerned. Thus, large companies will be more daring to issue new shares in meeting the need to finance growth based on sales, compared to small companies.

$$\text{Company Size} = \text{LnTotal\_Asset}$$

F. Framework And Hypotheses

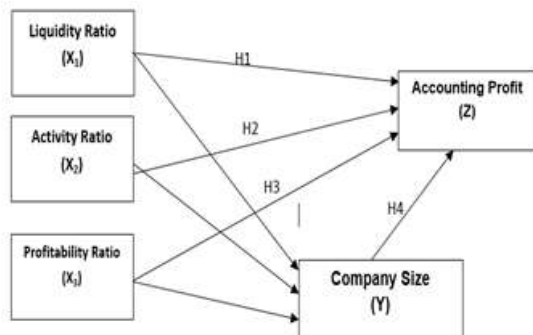The framework of thought in this study can be described as follows:

Figure 1. Framework

Hypothesis

H1   There is a Significant Effect of Liquidity Ratio on Accounting Profit

H2   There is a Significant Effect of Activity Ratio on Accounting Profit

H3   There is a Significant Effect of Profitability Ratios on Accounting Profit

H4   There is a Significant Effect of Liquidity Ratios, Activities and Profitability on Accounting Profits through Firm Size Variables.

3. METHODOLOGY

A. Sampling Method

The population in this study is the financial statements for the 2016-2020 period of all issuers of the consumer goods sector listed on the Indonesia Stock Exchange (IDX) contained in the Indonesia Stock Exchange (IDX) for the 2016-2020 period as many as 41 companies. The sample selection in this study used the purposive sampling method, which is a sampling technique with certain considerations and criteria tailored to the research objectives (Sugiyono, 2016). The criteria in this study are as follows:

Table 1. Sample Selection Criteria

No.	Criteria	Amount
1.	Consumer goods sector companies listed on the Indonesia Stock Exchange 2016-2020	41
2.	Consumer goods sector companies listed on the Indonesia Stock Exchange in 2016	(6)
3.	Consumer goods sector companies that have negative retained earnings or suffer losses during the 2016-2020 period	(16)
	Number of Samples	**19**
	Number of Observations (19 x 5)	**95**

Based on the sample requirements above, the sample companies are as follows:

Table 2. Research Sample

No	Code	Name	IPO Date
1	CEKA	PT Wilmar Cahaya Indonesia Tbk.	09-Jul-96
2	DLTA	Delta Djakarta Tbk	12-Feb-84
3	DVLA	Darya-Varia Laboratoria Tbk	11-Nop-94
4	GGRM	Gudang Garam Tbk	27-Agust-90
5	HMSP	HM Sampoerna Tbk	15-Agust-90
6	ICBP	Indofood CBP Sukses Makmur Tbk	07-Okt-10
7	INDF	Indofood Sukses Makmur Tbk	14-Jul-94
8	KLBF	Kalbe Farma Tbk	30-Jul-91
9	MERK	Merck Tbk	23-Jul-81
10	MLBI	Multi Bintang Indonesia Tbk	17-Jan-94
11	MYOR	Mayora Indah Tbk	04-Jul-90
12	ROTI	Nippon Indosari Corpindo Tbk	28-Jun-10
13	SIDO	PT Industri Jamu dan Farmasi Sido Muncul Tbk	18-Des-13
14	SKBM	Sekar Bumi Tbk	05-Jan-93
15	SKLT	Sekar Laut Tbk	08-Sep-93
16	TSPC	Tempo Scan Pacific Tbk	17-Jun-94
17	ULTJ	Ultra Jaya Milk Industry Tbk	02-Jul-90
18	UNVR	Unilever Indonesia Tbk	11-Jan-82
19	WIIM	Wismilak Inti Makmur Tbk	18-Des-12

The issuers' financial report data that became the research sample were audited financial statements of companies for 2016-2020 obtained from the Indonesia Stock Exchange website, namely www.idx.co.id.

B. Data Analysis Technique

The analysis method uses Path Analysis with the AMOS 23.00 Software Tool. Data analysis in quantitative research is based on a statistical approach. According Ghozali (2011) path analysis is a further development of multiple and bivariate regression analysis. To calculate the mediating effect of firm size on the liquidity ratio, activity ratio, and profitability ratio to accounting profit, the Sobel test is used, with the following formula:

$$Sab = \sqrt{b^2 Sa^2 + a^2 Sb^2 + Sa^2 Sb^2}$$

Description:

Sat : The size of the standard error of indirect effect

a : Independent variable path (X) with intervening variable (Y1)

b: Path of intervening variable (Y1) with dependent variable (Y2)

sa : Standard error coefficient a

sb : Standard error coefficient b

To test the significance of the indirect effect, we need to calculate the t value of the coefficient with the following formula:

$$t = \frac{ab}{sab}$$

This t-count value is compared with the t-table value, if the t-count value > the t-table value, it can be concluded that there is a mediation effect.

4. RESEARCH RESULT

A. Descriptive Statistics

Table 3. Descriptive Statistics of Liquidity Ratio

Liquidity Ratio

N	Valid	95
	Missing	0
Mean		3,081375
Median		2,547100
Mode		,6056ᵃ
Std. Deviation		1,9225564
Minimum		,6056
Maximum		8,6378
Sum		292,7306

a. Multiple modes exist. The smallest value is shown

Sumber : Data diolah dengan SPSS 23.00
Source: Data processed with SPSS 23.00

Based on the results of data processing in table 3. The liquidity ratio variable obtained has an average of 3.0813, the median of 2.57. The minimum value is 0.605 and the maximum value is 8.63.

Table 4. Descriptive Statistics of Activity Ratio

Statistics

Activity Ratio

N	Valid	95
	Missing	0
Mean		1,269534
Median		1,204500
Mode		,4458ᵃ
Std. Deviation		,5692262
Minimum		,4458
Maximum		3,1048
Sum		120,6057

a. Multiple modes exist. The smallest value is shown
Source: Data processed with SPSS 23.00

Based on the results of data processing in table 4. The activity ratio variable obtained has an average of 1.269, the median of 1.204. The minimum value is 0.4458 and the maximum value is 3.10.

Table 5. Descriptive Statistics of Profitability Ratio

Statistics

Profitability Ratio

N	Valid	95
	Missing	0
Mean		,290047
Median		,171000
Mode		,1826
Std. Deviation		,3904760
Minimum		,0007
Maximum		2,2545
Sum		27,5545

a. Multiple modes exist. The smallest value is shown

Source: Data processed with SPSS 23.00

Based on the results of data processing in table 5. The profitability ratio variable obtained has an average of 0.290, the median of 0.171. The minimum value is 0.0007 and the maximum value is 2.2545.

Table 6. Descriptive Statistics of Accounting Profit

Statistics

Accounting Profit

N	Valid	95
	Missing	0
Mean		2520,073152
Median		699,894700
Mode		,7236ᵃ
Std. Deviation		3573,2525643
Minimum		,7236
Maximum		13932,0300
Sum		239406,9494

a. Multiple modes exist. The smallest value is shown
Source: Data processed with SPSS 23.00

Based on the results of data processing in table 6. The accounting profit variable obtained has an average of 2520.073, the median is 699.894. The minimum value is 0.7236 and the maximum value is 13932,030.

B. Path Analysis

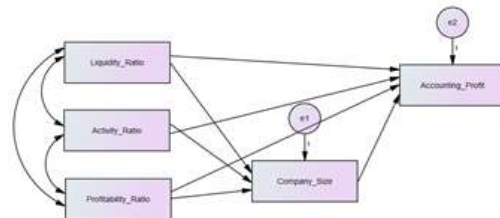The initial image of the path analysis is as follows:

Figure 1. Initial Research Model

The results of the conformity test (goodness of fit) are based on the following table:

Table 7. Result of Conformity Level Measurement

Goodness of Fit	Admission Limit	Results	Conclusion
Chi – Square	The smaller, the better	0,000	Good Fit
RMSEA	0,05 <RMSEA<0,08	0,039	Good Fit
TLI	0,80<TLI<1	1,000	Good Fit
GFI	0,80<GFI<1	1,000	Good Fit
NFI	0,80<NFI<1	1,000	Good Fit

Source: Data processed with SPSS 23.00

From Table 7, chi square 0.000 (small), RMSEA value of 0.0039 (below 0.05), NFI 1,000 (> 0.8), TLI 1,000 (> 0.8) and NFI 1,000 (> 0.80) all criteria included in the good fit conclusion so that hypothesis testing can be continued.

Hypothesis testing from the results of data processing with AMOS 233, can briefly be seen in the following figure:
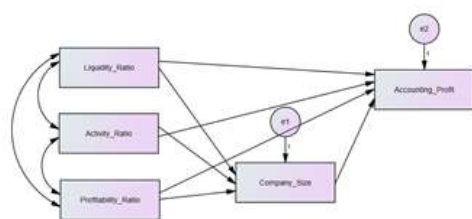
Figure 2. Final Research Model

To clarify the results of data processing in Figure 2, a summary table of path analysis is presented:

Table 8. Results of Regression Weight
Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Company_Size	<---	Profitability_Ratio	-,102	,435	-,234	,815	
Company_Size	<---	Activity_Ratio	,015	,285	,054	,957	
Company_Size	<---	Liquidity_Ratio	-,180	,087	-2,067	,039	
Accounting_Profit	<---	Liquidity_Ratio	178,159	101,416	1,757	,079	
Accounting_Profit	<---	Activity_Ratio	1615,932	324,893	4,974	***	
Accounting_Profit	<---	Profitability_Ratio	1614,700	495,937	3,256	,001	
Accounting_Profit	<---	Company_Size	1862,450	117,622	15,834	***	

Source: Processed Data (2021)

From the results of data processing in table 7, it can be seen the results of hypothesis testing as follows:
1. Effect of Liquidity Ratio on Accounting Profit
2. Based on table 7, the P Value is 0.079, greater than 0.05(0.079 > 0.05), thus it can be concluded that the Liquidity Ratio has no effect on Accounting Profit.
3. Effect of Activity Ratio on Accounting Profit
    Based on table 7, the P Value is 0.000, smaller than 0.05 (0.000 <0.05), thus it can be concluded that the Activity Ratio has a significant effect on Accounting Profit.
4. The Effect of Profitability Ratios on Accounting Profit
    Based on table 7, the P Value is 0.001, smaller than 0.05 (0.001 < 0.05), thus it can be concluded that the Profitability Ratio has a significant effect on Accounting Profit.

Furthermore, to test the hypothesis of the influence of firm size as a mediator of liquidity ratios, activity ratios, and profitability ratios to accounting profits, it can be calculated using the Sobel test, the results of which can be seen in the following table.

Table 9. Sobel Test Results

Variabel	Test Statistics	P-Value
X1 => Y => Z	2,051	0.0402
X2 => Y => Z	0.052	0.958
X3 => Y => Z	0.2344	0.814

Source: Processed Data (2021)

Based on calculations using the Sobel test, company size only significantly mediates the liquidity variable, because the p-value of 0.0402 is smaller than 0.05 (0.0402 <0.05) while in other variables the p-value is greater of 0.05.

5. DISCUSSION

1. Effect of Liquidity Ratio on Accounting Profit
Liquidity is the company's ability to meet short-term obligations that must be met immediately. Estimates in current assets, especially cash, short-term investments, receivables and inventories often affect the level of liquidity, where the greater the cash, short-term investments, inventories and receivables, the higher the company's ability to meet obligations that must be met (Rudikson et al., 2018). The results showed that the liquidity ratio had no effect on accounting profit. The results of this study are in accordance with the research of Syamsudin & Primayuta (2009), Rudikson et al., (2018) and Idawati (2017). This phenomenon is explained by Rudikson et al (2018) that liquidity indicators are related to current assets and current liabilities. To increase the number of current assets, especially cash, short-term investments, inventories and receivables, food and beverage companies must spend more capital invested, resulting in a higher cost of capital borne by the company and an impact on lowering profitability. Another reason is that increasing the number of current assets actually results in the company having to pay more for its short-term debt, so that it will affect the smaller the profitability obtained by the company.

2. Effect of Activity Ratio on Accounting Profit
The activity ratio proxied by total asset turnover measures the company's activity and ability to generate sales through the use of these assets and measures how efficiently these assets have been used to earn income (Puspasari et al., 2017). The results showed that the Activity Ratio had a significant effect on Accounting Profit. The results of this study are in accordance with the research of Syamsudin & Primayuta (2009), Handayani & Hadi (2019) and Puspasari et al., (2017). Total asset turnover has a significant effect in this study indicating the company is able to rotate its total assets effectively, in other words, the company has used all of its assets to create sales that can generate profits.

3. The Effect of Profitability Ratios on Accounting Profit
Profitability describes the company's ability to generate profits. Profitability is a factor that should receive important attention because to be able to carry on its life a company must be in a state of profitable (Lestari, 2020) The results show that the profitability ratio has a significant effect on accounting profit. The results of this study are in accordance with Usmar's research, (2018). The results of this study are in accordance with signaling theory, which states that a high level of profitability is a positive signal to the market, especially to investors to invest, because high profitability describes good company prospects. In addition, a high level of profitability illustrates that the company's performance is good. Good company performance will increase company profits (Lestari, 2020)

4. Effect of Liquidity Ratio, Activity Ratio, and Profitability Ratio on Accounting Profit
The results of the study show that company size only significantly mediates the liquidity variable, Lestari (2020) states that company size will strengthen the influence of company profitability in increasing company profits, large

companies have reached the maturity stage and companies are relatively more stable so that they are able to generate greater profits than large companies. with small companies. companies with large sizes will be easier to generate profits, the company's profit level is high. Companies with a larger size have good performance and systems to manage, control and manage their assets. Therefore, the company will easily generate profits, and with a good system the company will generate increasing and stable profits.

6. CONCLUSIONS

The conclusions of this study are:
1. The liquidity ratio has no effect on accounting profit for issuers of the consumer goods sector on the Indonesia Stock Exchange.
2. The activity ratio has a significant effect on accounting profit for issuers of the consumer goods sector on the Indonesia Stock Exchange.
3. Profitability ratios have a significant influence on accounting profits for issuers of the consumer goods sector on the Indonesia Stock Exchange.
4. Company size mediates the effect of the liquidity ratio on accounting profit on issuers of the consumer goods sector on the Indonesia Stock Exchange.
5. Company size does not mediate the effect of activity ratio on accounting profit on issuers of the consumer goods sector on the Indonesia Stock Exchange
6. Company size does not mediate the effect of profitability ratios on accounting profit on issuers of the consumer goods sector on the Indonesia Stock Exchange.

6. SUGGESTION

The suggestions that can be given based on this research are:
1. Investors should pay attention to activity ratios and profitability ratios in investing funds, because based on research results, these variables are able to affect accounting profit, specifically the liquidity variable, in companies that have large company sizes, have a significant impact.
2. Further research, it is better to add variables that can affect accounting profit, such as solvency ratio, leverage, and so on.

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The effect of service quality on Indosat product sales level at the Deliz Cell outlet

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ABSTRACT

Analysis of Service Quality on Indosat Product Sales Level at Deliz Cell Outlets. This research is qualitative in nature, where in this study the focus of research is the community who uses Indosat products. In this study the authors use a descriptive problem formulation, where the researcher explores what is the basis and causes and social situations that occur in society towards loyalty using Indosat products. People who use Indosat products, their information or testimony is taken at one of the pulse outlets in the area of Jalan Setiabudi, Pamulang Timur with the brand Deliz Cell, and at the same time the outlet represents the data source or the resource person in this study including the researchers themselves. From the results of qualitative research conducted by Rıanti, it is hoped that the author will get a bright spot and clarity on the real problems that occur in the social environment of Indosat product users who are loyal to the Indosat brand, and it is hoped that later they will get a concrete picture of why people tend to use Indosat products in particular. in the area of East Pamulang and its surroundings, more specifically, customers who shop at Deliz Cell outlets.

Keywords: Service Quality, Sales Level

1. INTRODUCTION

The development of business enterprises in the current era of globalization is increasingly rapid, this is indicated by the level of competition between companies that is getting higher and tighter (Sukawirantini & Farhaeni, 2019), in order to win the competition, every business is required to always be sensitive to changes that occur in the world. market and must be able to create creative ideas so that the products offered can be attractive to consumers, so that what consumers want can be fulfilled properly and the company can survive in winning the competition (Sumawardani et al., 2016). Marketing sector plays an important role in delivering products to consumers, this marketing field includes excellent service activities, price structures, promotions, and distribution systems, where each of

these activities supports each other's existence (Gusrizaldi & Komalasari, 2016).

Currently, there is also a very rapid development of communication technology in Indonesia, creating a new battle in the business world, especially in the field of telecommunication services. With a large population, Indonesia has become a potential product marketing area for companies engaged in products and services, especially telecommunications services (Putra, 2014).

Cellular cards have been known for a long time, by the people of Indonesia as a communication tool to support cellular phones or cellphones, various companies that serve cellular communications. Currently, Indonesia has 7 cellular operators, namely PT. Hutchison 3 Indonesia (Tri), PT. XL Axiata (XL),

PT. Indosat (Indosat), PT. Sampoerna Telekomunikasi Indonesia (Ceria), PT. Cellular Telecommunications (Telkomsel), PT. Smartfren and PT. Bakrie Telecom. This is a competition between operators in order to find a target market is getting tighter, with various languages, tricks and marketing strategies applied in publishing their products, operators are getting more creative in finding customers and market share. On the other hand, the more service providers or providers that appear, the more people become smart and observant in choosing a good brand or service provider, both in terms of quality, quality and perceived service (Yuniaris, 2011).

In the face of competition, service to consumers becomes very important for the life of a company, because without consumers, there will be no buying and selling transactions between the two (Sasangka, 2018). Sales play an important role in the existence of a company, Increased sales will increase the profitability of the company that is becoming indicators of a healthy company (Ricky et al., 2019). The services provided to consumers are a reflection of the good or bad of a company in the eyes of consumers. Service is one of the factors that can boost a company's market share (Hardjono & Winata, 2017).

The company's ability to sell its products determines success in making a profit, if the company is not able to sell then the company will experience losses (Hardjono & Winata, 2017). Therefore, of course, what will be the choice of smart customers later is a provider that is able to provide excellent service quality and the best network that is able to fulfill a customer's expectations and desires, according to the level of interest and needs (Putra, 2014).

Improving service quality is also a strategy in winning the competition. Offering products with relatively higher quality and relatively the same price as competitors can be capital for the company to expand its market share. One of the main values that customers expect from producers is the highest quality of service and services (Hamidah & Setiawan, 2014). Ramadani's research (2017) concludes that improving service quality can be provided by providing fast service so that customers don't wait too long to get what they want and if the service they want is fulfilled, buying and selling transactions can be carried out. The results of research by Suhandi et al., (2021) stated that service quality can be improved by providing clearer time estimates to customers and being committed to ensuring service time. The results of Riana's research (2021) strengthen the hypothesis that the perception of service quality has a positive effect on sales levels.

Service quality is an important component that must be considered, the term service quality certainly cannot be separated from the perception of quality. Service can be said to be of high quality or not actually quality based on the assessment of the services provided (Kamaludin et al., 2020). Sukawirantini & Farhaeni (2019) Quoting the opinion of Kotler, the level of sales is goods sold in the form of money for a

certain period of time which includes a good service strategy. Research on service quality and price is quite influential on sales, it is expected that companies pay attention to service quality and price (Bahari & Tissaeni, 2016). Ramli (2020) argues that to improve service quality, it can be done by increasing the attractiveness in terms of product quality by comparing other similar and similar products in the same class, so that optimal results can be obtained in terms of differentiating from other products but with the same features so as to attract consumers' interest.

Service quality is all forms of activities carried out by the company in order to meet consumer expectations. Service in this case is defined as the service delivered by the service owner in the form of convenience, speed, relationship, ability and hospitality aimed at the attitude and nature of providing services for customer satisfaction (Hardjono & Winata, 2017). Service quality is a dynamic condition related to products, services, processes, humans and the environment where the quality assessment is determined at the time of service delivery (Kamaludin et al., 2020).

Kamaludin et al., (2020) citing Zeithaml's opinion stating that the difference between perceptions and expectations is what is used as the basis for the Servqual scale, which is based on five quality dimensions, namely (1) tangibles, including employees, equipment, physical facilities and means of communication; (2) reliability, namely the ability to provide the promised service on time and satisfactorily; (3) responsiveness, the ability of staff to assist customers and provide responsive service; (4) assurance, including ability, free from danger, risk or doubt, and courtesy; (5) empathy, which includes an ease in making good communication relationships and understanding the needs of customers.

Sukawirantini & Farhaeni (2019) stated that in order to increase the level of sales, the company should always continue to improve the quality of service, by always bringing up new innovations or ideas, and it is also necessary to review product prices. Where the company should continue to do research or sales surveys about prices. The company can also educate about the benefits that will be obtained, such as improved customer service, better guarantees, increased materials used, this is so that the level of sales expected by the company can be achieved optimally.

Indosat is a cellular phone card provider company which is currently experiencing turbulence in the midst of intense competition. With the shift of customers from enlightened to informed informed and finally empowered, the type of customer that will be faced by Indosat–M3 as a new cellular service provider from Indosat is a very critical and very demanding customer. Transparent global information has also driven a shift in consumer behavior from wanting to need and then shifting to hope. The company sees that most of the customers it faces today are smart customers. If the company does not have the ability to meet consumer preferences and expectations, it will seek and get it from competitors, both direct and indirect

competitors. In other words, the consumer shift must be seen by the company carefully. Inaccuracy in seeing consumer changes and mistakes in anticipating these changes are certainly very fatal for the company. If this error occurs, it is possible that value migration will occur and consumers will leave the company for competitors (Komari, 2016).

Based on the reviews above, the authors are interested in analyzing service quality on the level of sales of Indosat products, but this research is limited to the area of Jalan Setiabudi and its surroundings by conducting a case study or data collection at one of the outlets in the Jalan Setiabudi Pamulang Timur area, namely the "Deliz Cell" outlet. "In this study, the author wants to get accurate information or a real picture of the consumption of Indosat products in the area.

2. RESEARCH FOCUS

The research is aimed at customers using Indosat cards (Mentari and IM3 cards), who always subscribe to pulse shopping at one of the outlets on Jalan Setiabudi, East Pamulang, where the researchers collect data or arguments from some credit buyers, in order to more accurately assess the results of the author's research. Because in qualitative research the priority is updating information or data that is developing in the field or social situations, then researchers can formulate problems to be discussed with a view to better understanding symptoms that are still unclear, unobservable, dynamic and complex, so that after examined to make it clearer what is in the social situation. There is also the formulation of the problem that the researcher puts forward:

1. What are the tips for serving customers in order to get satisfaction?
2. Does the quality of service affect customer satisfaction?
3. How is customer loyalty to Indosat products?
4. Does excellent service affect the level of sales?
5. Does the quality of service affect the intention to return?

3. SOCIAL SITUATION

The social situation studied in this study is a pulse outlet located on Jalan Setiabudi, East Pamulang, Pamulang District. a pulse outlet that happened to be Deliz Cell, this outlet has been operating since six years ago, to be precise, in July 2015 until now. and as direct resource persons for the owners and customers who shop, and the staff at the outlet as well as the researchers themselves who are participating as resource persons. And those who represent the sample in this study are all involved in the research process, namely customers, owners, guests, friends who visit the outlet including daily transaction data records at the outlet itself, as a reference material for comparing user levels from several providers. which exists.

4. LITERATURE REVIEW

A. Quality of Service

Service quality according to Lupiyoadi & Hamdani (2006) can be defined how far the difference between reality and customer expectations for the services they receive or obtain. According to Syukri (2014) service is the company's ability to provide services accurately, reliable and trustworthy, responsible for what is promised, never give excessive promises and always give promises.

Nurhasyim in Lingga (2013) mentions several excellent service behaviors in the public sector as follows:
1. The best service from the government to customers or service users.
2. Excellent service exists when there is a service standard.
3. Excellent service if it exceeds the standard or equals the standard. Meanwhile, for those who do not have the best service standards, services that are close to what are considered standard services and services that are carried out optimally.
4. Customers are society in the broad sense of external and internal society.

Sukawirantini & Farhaeni (2019), citing Parasuraman's opinion, revealed that there are five main indicators that affect service quality, namely:
1. Direct Evidence (Tangibles)
   In a form of service quality that the company pays attention to, there is a dimension called tangibles or direct evidence. Direct evidence here can be interpreted as how the company's or producer's ability to show their existence or ability when dealing directly with consumers.
2. Reliability (reliability)
   Every employee has reliable abilities, knows about the ins and outs of work procedures, work mechanisms, corrects various deficiencies or irregularities. who are not in accordance with work procedures and are able to show and provide correct direction to any form of service that has not been understood by the community, so that it has a positive impact on the service.
3. Responsiveness
   The desire of staff and employees to help customers and provide responsive service. Responsiveness here means how the company responds to all things related to consumers.
4. Guarantee (assurance).
   In the field of marketing, assurance or guarantee is a company whose main business is receiving/selling services, transferring risk from other parties, and earning profits by sharing risk among a large number of its customers.
5. Empathy (empathy)
   The individual attention that the company gives to customers such as the ease of contacting the company, the ability of employees to communicate with customers is the definition of empathy in marketing.

Consumers feel the quality and satisfaction of the services provided, loyalty will be embedded by itself in the community and will have a good or positive impact in the future to always use products that are considered capable of providing expectations according to their wishes and needs.

B. Sales Rate

Sales is emphasizing activities on the product, the company first makes the product and then tries to sell it, is oriented to how to achieve the maximum sales volume, and the plans are usually short-term (Manap, 2016).

The definition of sales volume is the number of sales activities of a product or service produced by the company in a certain time measure (Hardjono & Winata, 2017). Sales is an interaction between individuals who meet face to face aimed at creating, improving, controlling or maintaining an exchange relationship so that it is profitable for the other party. The term sales volume has undergone various changes over the years. At first, entrepreneurs used the term to denote the direction of the sales force or also called sales management, later, the term was interpreted more broadly by selling from all marketing activities, physical distribution, selling pricing and product planning but now the term has been differentiated. by showing marketing activities selling their products (Swastha, 2014).

Sukawirantini & Farhaeni (2019) Quoting Kotler's opinion, indicators of the level of sales include:

1. Product
Product design is that they are required to work like "eyes" in the company and constantly provide suggestions for improvement that product design needs. It is one of the main tasks of sales management.

2. Price
The nominal amount of money or other means of exchange is in accordance with the profit of the producer which must be paid by the buyer (consumer) in order to obtain his needs. One way producers can attract buyers to be willing to buy in large quantities is to set prices on the products that have been produced.

3. Distribution (Distribution)
Distribution or what is often referred to as distribution is the delivery of goods to several people or to several places. The wider the range of food distribution, the more it affects sales volume.

4. Promotion
Communication activities by the company to increase sales volume. Various kinds of promotions that exist include advertising, exhibitions, demonstrations, and other efforts that are persuasive.

5. Quality
The totality of facilities and characteristics of a product or service that satisfies a need, expressed or implied. Where quality includes products, human services, processes and the environment. Where quality can affect consumer satisfaction so that it has an impact on sales volume.

5. METHODOLOGY

In this study, the sampling technique used was purposive sampling and snowball sampling. In this study, which is the main research instrument, researchers will go directly to the field, both in the grand tour question, focus selection stage, collecting data, analyzing and making conclusions.

Data collection techniques in this study are observation and interviews and by using primary sources in natural conditions (natural setting) and more emphasis on observation and unstructured interviews. In this study the author will use the data analysis technique proposed by Spradley (2007) there are four stages in analyzing the data, namely:

1. Domain Analysis
Domain analysis in general is to find out a comprehensive general picture of the social situation being studied or the object of research. The data are obtained from the grand tour and mini tour questions. The result is a general description of the object to be studied, which has never been known before. The results obtained are not deep, they are still on the surface, but they have found the domains or categories of the social situation under study.

2. Taxonomy Analysis
Taxonomy analysis is an analysis of the entire data set, thus the domain that has been determined to be a cover term by the researcher can be described in more detail to find out its internal structure.

3. Compensatory Analysis
Compensational analysis is carried out by looking for specifics on each internal structure by contrasting elements. This is done by selected interviews with contrasting questions.

4. Cultural Theme Analysis
Analysis of cultural themes is done by looking for the relationship between the domains and how the relationship with the whole and then expressed into the theme / title of the study.

6. RESEARCH RESULT

Based on the formulation of the problem that the researcher proposed in the previous discussion, then after further observations were made using the technique or method above, the researcher got an overview or results that would be outlined in this study. The results of the study indicate that the social behavior of people who are enthusiastic about Indosat products is based on public trust in the service of this product, both in signal services or in networks that are always ON to remote villages.

The community considers Indosat to be able to connect their friendship with family and relatives wherever they are in the archipelago, with a good signal and voice clarity produced by a strong network, making the community feel served and their hopes fulfilled for long-distance communication. In other words, Indosat is able to provide good service and quality so that Indosat's products are embedded in the hearts of the people.

Armstrong et al., (2014) stated that in accordance with the product concept, consumers will favor products that offer the best product quality, best performance and best characteristics and organizations must devote their energies to continuous product improvement. Product quality is the most important and basic thing that must be considered by a company so that its products are favored by customers or consumers who try it, and the quality and quality of the product will instill personal loyalty to the people who have felt satisfaction from the products they use. The public feels that the services provided by Indosat are quite good, both in terms of service quality and existing quality, Indosat's services are considered sufficient to meet the needs of the user community, because the main key to customer satisfaction cannot be separated from service and quality or the service and quality of the product itself. This is what Indosat always pays attention to so that Indosat has a place in the hearts of the people and consumers.

Loyalty to Indosat products in the East Pamulang area is quite high, this fact can be seen from the large number of Indosat card users in the East Pamulang community and its surroundings, from data obtained at one outlet on Jalan Setiabudi Pamulang Timur and compared to other products, from an average Deliz Cell's average sales of at least 80 transactions per day, it is clear that 65% of the transactions are dominated by purchases of Indosat credits/vouchers and the remaining 35% are XL, Axis and Telkomsel products. This means that if the number of users is taken from 80 pulse consumers every day, 52 people use Indosat karts while other card users only consist of 28 consumers. It is clear that Indosat dominates the market because it is more dominant.

From observations or interviews with the public, stating why they trust or are loyal enough to use Indosat rather than other brands because, they have felt the quality of Indosat's services from the past until now people still consider Indosat the best in terms of network and signal, with many BTS in every district/city areas, they rarely find network damage on the Indosat brand, that's where the community's trust or loyalty arises for this product, Indosat is present whenever they need communication, they pay close attention to any packages or programs issued by Indosat, they can feel everything the truth and accuracy of the information from the program itself without promises or advertisements, everything fits exactly as what is promoted by Indosat.

Besides that, there are also some people because of the habit of knowing the Indosat brand from the start and are reluctant to switch to other products. Because friends, relatives, relatives, all use Indosat, and there are also people who feel the quality of Indosat's products and services is better than others, then people's loyalty to Indosat products arises automatically based on their experience.

1. The level of public satisfaction with Indosat products

The level of community satisfaction with Indosat products is very high, from the results of observations and interviews conducted by researchers, an argument that is not much different from each respondent's answer and the author concludes, the level of satisfaction felt by the community is quite good and high, both in terms of signal services and network or in terms of programs and package menus provided by Indosat for its loyal customers. IM3 has Hot Promo packages and cash back up to 100% in the form of credit if you purchase a certain amount of internet packages. The point is that what is felt by the user community is in accordance with what has been promised or promoted by Indosat for the public or consumers who want to use the product, so it is not only promises or advertisements, but the compatibility between expectations and existing reality.

This is enough to make Indosat a product that is close to the community, because if the company wants to get a place in the hearts of consumers, the first thing that the company must maintain is its service quality. consumers and if consumers feel loyal, it will have an impact on subsequent purchases and repeated use and will arise loyalty to use the product on an ongoing basis and if consumers feel more satisfied then they will always recommend the products they use to friends, relatives and other people. close people to use or consume products and services that have been used.

Consumer satisfaction is the result of the accumulation of consumers or consumers in using services or products. Therefore, every new transaction or experience will have an influence on customer satisfaction. Satisfied customers will provide benefits to the company, such as:
a. Buy more and stay loyal longer
b. Buying new types of products
c. Provide new ideas for the company's goods or services

2. Why is it difficult for people to turn to other products

The habit factor can also be a trigger for people to use Indosat products, because as we know, Indosat is one of the leading companies in our country. , thus delivering Indosat as one of the brands that sticks in the hearts of the Indonesian people. From the information from the sources that the authors collect, it can be concluded that why people find it difficult to switch to other operators, because:

a. Habit factor
The custom here explains that, because they are used to using

Indosat products from the past, people are reluctant to change cards or switch to other similar operators, even though the tariffs or prices offered by competitors tend to be slightly cheaper. certain brands, but choose them because the brand feels familiar to them, not because of strong brand loyalty.

b. Environmental and cultural factors

The environment here explains the social interaction of the community itself, because Indosat comes with excellent service for the satisfaction of its loyal customers, so Indosat card users are no less numerous than other operators, so people choose cards that are widely used by friends, relatives, co-workers or relatives, so that communication can run smoothly without obstacles, because using a card with a different operator, it will harm yourself personally if you are going to communicate with colleagues out there, because the rates used are clearly much different if you have different operators. And cultural factors/ Culture plays a role in people's loyalty to Telkomsel's products, including derivative cultures.

c. Satisfaction factor

The satisfaction factor here describes what is obtained and felt by the community towards the use of Indosat's products, which are considered to meet expectations with the existing reality, buyer satisfaction is an element of how close the expectations (expectations) received by a buyer for the products he wears with the perceived performance. (perceived performance) of the product.

Indosat products have made it easy and comfortable for them to communicate long distances, so because what is expected is felt to be in accordance with the reality received or felt, some even feel very satisfied and happy with what they get from this Indosat product service, because they consider what perceived to exceed what they expected before, then automatically a sense of satisfaction arises in him and if a sense of satisfaction is felt then loyalty is created by itself and is loyal to the use of a product. This Indosat card, so they are reluctant to use or switch to other products even if it's just a trial and error.

6. CONCLUSION

The results of the study concluded that there are important factors of service quality that can increase sales levels. Those factors include:

1. Customer Service Situation

The most common customer service situation we encounter is a customer or client seeking help so it is very important to get the interaction or help right. A customer seeking help will not only feel that he or she has been treated well but will be even better off buying a product or service from the business we are in, in terms of selling Indosat cards. There are some tips in terms of serving customers, namely:

Based on the results of data processing in table 5. The profitability ratio variable obtained has an average of 0.290, the median of 0.171. The minimum value is 0.0007 and the maximum value is 2.2545.

a. Available at the right time

The first way to make a customer feel valued is to acknowledge him or her as soon as possible. So when someone enters the office, you must immediately say hello and pay attention to their needs. Stop doing anything as soon as possible. However, if you are still busy picking up the phone or something else, you can ask the customer to wait politely first.

b. Greet customers in a friendly but appropriate manner.

Make eye contact, smile and say something like, "Hello, how can I help you today?" stop there. Let the customer respond.

c. Assist customers by directly handling customer requests/ solving customer problems.

Actively listen to customers. Show that you're actively listening to your customers by making eye contact, nodding, or even writing notes. Ask questions explaining when the customer finished speaking, if necessary to get more details that will allow you to address the customer's concerns. Don't cut off the customer conversation.

2. Service quality affects customer satisfaction

Quality service plays an important role in shaping consumer satisfaction, besides that it is also closely related to creating profits for business actors. The higher the quality of service provided by Deliz Cell, the higher the satisfaction felt by customers.

3. Customer loyalty to a product

Consumer/customer loyalty is an emotional relationship between consumers and companies based on the consumer's love for the products and services offered and evidenced by the desire to repurchase (Barnes, 2003). continuous and mutually beneficial relationship between the seller and the customer.

4. xcellent service has implications for the level of sales.

Excellent service or also called excellent service is doing the best possible service to customers, so that customers feel satisfied. Or another definition mentions excellent service, namely doing the best possible service to customers or consumers so as to create a sense of satisfaction and in the end can boost sales, this also applies to Deliz Cell which is always loyal to serve wholeheartedly so that customers feel satisfied.

5. Service quality affects the intention to return (Repatronage Intention).

Quality of service, as well as customer loyalty affect the intention to repurchase a product as well as Indosat products. Customer Loyalty is the variable that has the most dominant influence on repurchase intentions. For this reason, a product must strive to improve its quality, as well as carry out new innovations so that it cannot compete with its competitors.

From the results of data processing in table 7, it can be seen the results of hypothesis testing as follows:

1. Effect of Liquidity Ratio on Accounting Profit
2. Based on table 7, the P Value is 0.079, greater than 0.05(0.079 > 0.05), thus it can be concluded that the Liquidity Ratio has no effect on Accounting Profit.
3. Effect of Activity Ratio on Accounting Profit
   Based on table 7, the P Value is 0.000, smaller than 0.05 (0.000 <0.05), thus it can be concluded that the Activity Ratio has a significant effect on Accounting Profit.
4. The Effect of Profitability Ratios on Accounting Profit
   Based on table 7, the P Value is 0.001, smaller than 0.05 (0.001 < 0.05), thus it can be concluded that the Profitability Ratio has a significant effect on Accounting Profit.

Furthermore, to test the hypothesis of the influence of firm size as a mediator of liquidity ratios, activity ratios, and profitability ratios to accounting profits, it can be calculated using the Sobel test, the results of which can be seen in the following table.

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Effect of leadership and work discipline to employee performance through the job satisfaction as intervening variable in National Civil Service Agency Regional Office X Denpasar

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ABSTRACT

The purpose of this study was to determine the performance of employees at the National Civil Service Agency Regional Office X Denpasar which is influenced by leadership and work discipline through job satisfaction. The population in this study was employees in executive positions within the National Civil Service Agency Regional Office X Denpasar. The number of samples used in this study was 56 as determined by purposive sampling. The results from this research shows that leadership has a positive and significant effect on job satisfaction, work discipline has a positive and significant effect on job satisfaction, leadership has no significant effect on performance, work discipline has a positive and significant effect on performance, job satisfaction has a positive and significant effect on employee performance, the indirect effect of leadership on performance through job satisfaction has a positive but not significant effect, the indirect effect of work discipline on performance through employee job satisfaction at National Civil Service Agency Regional Office X Denpasar has a positive and significant effect.

Keywords: Leadership, Work Discipline, Job Satisfaction, and Performance.

1. INTRODUCTION

Human resources are very important for organizations because they have talent and creativity so they can think and act as the organization wants to achieve the goals that have been set. The process of achieving organizational goals and objectives is supported by the performance level of existing human resources. To improve the performance of human resources, organizations must know the factors that affect performance so that organizations can print quality human resources to achieve organizational goals.

Quality human resources must have good leadership and discipline so that they are expected to make a positive contribution to the organization. Leadership is a person's ability to control or influence other people or different communities towards the achievement of certain goals (Fahmi et al., 2018). In an organization, leaders who have good leadership can positively influence the organization they lead. Another study, it was also proved that there is a very strong relationship between leadership and employee performance (Yuniarti & Suprianto, 2020). However, in a study conducted by Tongo-Tongo (2014) leadership was proven to have no significant relationship with performance.

To improve the performance of human resources, leadership alone is not enough but requires a high level of discipline from employees. Work discipline is an attitude of respect for the company's rules and regulations, which exist within the employee, which causes him to voluntarily adapt to the company's rules and regulations (Edi, 2009). Work discipline affects performance, other research has been carried out and

obtained the results that work discipline has a positive and significant effect on employee performance (Udayanto et al., 2015), as well as research conducted by Sutrisno et al. (2016) also getting results increasingly the higher the work discipline carried out by employees, the higher the effect on employee performance.

Employee job satisfaction in an organization is influenced by the employee's work environment both between employees and the relationship between employees and their superiors. The definition of job satisfaction according to Robbins and Judge states that job satisfaction is a positive feeling about work as a result of evaluating the characteristics of the job (Nurwijayanti et al., 2019). In this study, it was concluded that job satisfaction has a positive and significant effect on employee performance so that organizations must pay attention to things that make employees feel satisfied in carrying out their work.

The National Civil Service Agency Regional Office X Denpasar is one of the agencies of the State Civil Service Agency in the region, and carries out some of the duties and functions of the State Civil Service Agency in the field of fostering and administering the management of the State Civil Apparatus in the Provinces of Bali, West Nusa Tenggara, and East Nusa Tenggara.

From the results of initial interviews obtained from employees of the National Civil Service Agency Regional Office X Denpasar, the existing leadership in the organization is currently quite good, and leadership has performed its role well, as seen from the leadership who often communicates with subordinates, provides direction to subordinates, and gives advice or suggestions. subordinates, motivate and move employees to a job, besides that the leadership also accepts creative ideas and ideas from subordinates, but the performance of employees in providing services to both internal and external parties is still not as expected. This can be seen from the results of the community satisfaction index distributed to stakeholders who are the object of service at the National Civil Service Agency Regional Office X Denpasar, and there are still complaints with services at the National Civil Service Agency Regional Office X Denpasar, such as the delay in determining the approval notes for the promotion of civil servants in several regions. This is supported by data on the completion of promotion reports, where there are still many remaining completions of promotion proposals. Thus, it will result in the delay of Regional Civil Servants and Central Civil Servants in the working area of the National Civil Service Agency Regional Office X Denpasar in receiving the decision letter for the promotion of the employee concerned.

2. LITERATURE REVIEW

a. Leadership

Leadership is the ability to influence a group towards achieving goals, (Robbins, 1996). Leadership is a relationship in which one person, namely the leader, influences other parties to work together voluntarily to perform related tasks to achieve what the leader wants (Anoraga & Widiyanti, 2003). Leadership is also said to be an activity that influence the behavior of others, or the art of influencing human behavior both individually and in groups, Thoha, 2010).

Thus, it can be concluded that leadership is an effort to influence many people through appropriate communication to achieve goals, how to influence people with instructions or orders, actions that cause others to act or respond and cause positive change, an important dynamic force that motivates and coordinates organizations to achieve goals, and the ability to create confidence and support among subordinates so achieve organizational goals.

b. Work Discipline

In carrying out one's work, one must have good discipline. Good discipline reflects a person's sense of responsibility towards his tasks assigned to him (Hasibuan, 2002). This encourages work passion, morale, and the realization of the goals of the company, employees, and society. Therefore, every manager always tries to ensure that his subordinates have good discipline. A manager is said to be effective in his leadership if his subordinates are disciplined. Regulations are needed to provide guidance and counseling for employees to create good order in the company. With good discipline, morale, work morale, efficiency, and work effectiveness of employees will increase. This will support the achievement of the company's goals, employees, and society. The company has difficult to achieve its goals if employees do not comply with the company's regulations. Company discipline is said to be good if most employees obey the existing regulations.

c. Job satisfaction

Job satisfaction is an emotional attitude that is pleasant and loves his job. This attitude is reflected in work morale, discipline, and work performance (Priyono & Marnis, 2008). Job satisfaction can also be expressed as an employee's emotional state where there is a meeting point between the value of remuneration for work by the company and the level of remuneration desired by the employee.

Job satisfaction is not always a strong motivational factor for achievement, because employees who are satisfied at work do not necessarily increase their work performance. However, organizational managers need serious attention to the problem of job satisfaction. Employee job satisfaction is often considered a strong determinant of employee turnover. However, employees' perception of unfair treatment is a stronger predictor than job satisfaction. If employees feel they are being treated unfairly by the organization, pressure will arise as a result. The perception of injustice causes an unpleasant emotional atmosphere that can reduce employees to work optimally which ultimately has an impact on efforts to leave the organization.

d. Performance
Today's organizational performance has become a public spotlight, because of the emergence of a climate of democratization and openness. Conceptually, performance can be seen from two aspects, "namely" employee performance is the result of individual work in the organization and organizational performance. Organizational performance is the priority work achieved by an organization. Employee performance and organizational performance are closely related. The achievement of organizational goals that are used or carried out by employees who play an active role as actors in achieving organizational goals.

In addition, performance is also said to be the result of work in quality and quantity achieved by an employee in carrying out his duties by the responsibilities given to him (Mangkunegara, 2013).

3. METHODOLOGY

Quantitative research was used in this research. Quantitative research can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, and data analysis is quantitative/statistical, to test predetermined hypotheses (Sugiyono, 2013). This study was conducted to measure the leadership, work discipline, job satisfaction, and performance of existing employees at National Civil Service Agency Regional Office X Denpasar. In this study, 56 questionnaires were distributed to employees of National Civil Service Agency Regional Office X Denpasar, questionnaires received were 50 questionnaires and 6 questionnaires did not return.

4. RESULT

a. Validity and Reliability Test
The validity test was used to determine the respondent's interpretation of each question or statement contained in the research instrument. A validity test was conducted on respondents using the product-moment correlation analysis. If the product-moment correlation value of each instrument is positive and the magnitude is 0.3 and above, then the indicator can be said to be valid.

A reliability test was conducted to test the respondents' interpretation of the questions or statements contained in the research instrument which was indicated by the consistency of the answers given. The limit value used to assess an acceptable level of reliability was 0.60. The results of the validity and reliability tests can be measured using the IBM SPSS Statistics 25 as follows:

Table 1 Recapitulation of Validity and Reliability Tests

Variable	Cronbach's Alpha	Indicator	Correlation coefficient	Note:
Leadership (X1)	0.817 (Reliable)	Fair	0.492**	Valid
		Support the achievement of goals1	0.712**	Valid
		Support the achievement of goal 2	0.867**	Valid
		Catalyst	0.796**	Valid
		Creating a sense of security	0.601**	Valid
		Source of inspiration	0.716**	Valid
		Organization representative	0.614**	Valid
Work Discipline (X2)	0.840 (Reliable)	Time Discipline1	0.852**	Valid
		Discipline of time2	0.634**	Valid
		Discipline regulations1	0.813**	Valid
		Discipline rules2	0.733**	Valid
		Discipline of responsibility1	0.598**	Valid
		Responsible Discipline	0.716**	Valid
		Work discipline	0.710**	Valid
Job satisfaction (M)	0.835 (Reliable)	The work itself1	0.515**	Valid
		The work itself	0.634**	Valid
		Salary1	0.559**	Valid
		Salary2	0.772**	Valid
		Promotion1	0.833**	Valid
		Promotion2	0.683**	Valid
		Supervision	0.758**	Valid
		coworker1	0.612**	Valid
		coworkers2	0.657**	Valid
Performance (Y)	0.767 (Reliable)	Output quantity	0.683**	Valid
		Output quality1	0.783**	Valid
		Output quality 2	0, 619**	Valid
		Output quality 3	0.552**	Valid
		Presence1	0.635**	Valid
		Presence2	0, 415**	Valid
		cooperative1	0, 642**	Valid
		Cooperative2	0, 671**	Valid

Source: data processed by IBM SPSS Statistics 25

Based on the recapitulation of the calculation results of the product-moment correlation value of each question/statement item in table 1, the results obtained are above 0.3. This means that all the questions/statements in the questionnaire can be said to be valid. Based on the recapitulation of the results of the calculation of the Cronbach's alpha value of each variable in table 1, the results obtained are above 0.60. This means that all variables in the questionnaire can be said to be reliable.

b. Assessing the Outer Model or Measurement Model
There are three criteria in the use of data analysis techniques with Smart PLS to assess the outer model, namely Convergent Validity, Discriminant Validity, and Composite Reliability. Convergent Validity of the measurement model with indicator reflection is assessed based on the correlation between item score/component score estimated using Smart PLS Software. Individual reflexive measures are said to be high if they correlate more than 0.70 with the construct being measured. However, according to Ghozali (2008) for research in the early stages of developing a measurement scale for a loading value of 0.5 to 0.6 is considered sufficient. In this study, a loading factor limit of 0.60 will was used.

Table 2 Outer Loadings (Measurement Model)

Variables/Indicators	Beginning model	Modification
Leadership		
Fair	0.564	0.605
Support1	0.667	0.662
Support2	0.851	0.850
Catalyst	0.696	0.668
Safe	0.507	
Inspiration	0.724	0.710
representative	0.753	0.760
Work Discipline		
time1	0.833	0.811
time2	0.561	
Rule1	0.810	0.797
Rule2	0.742	0.751
Responsibility1	0.617	0.636
Responsibilities2	0.766	0.806
Work	0.741	0.761
Job satisfaction		
Job1	0.524	
Job2	0.576	
Salary1	0.487	
Salary2	0.736	0.690
Promotion1	0.861	0.908
Promotion2	0.700	0.710
Supervision	0.791	0.795
coworker1	0.667	0.752
coworkers2	0.697	0.795
Performance		
Quantity	0.730	0.779
Quality1	0.805	0.827
Quality2	0.584	
Quality3	0.463	
Presence1	0.662	0.628
Presence2	0.322	
cooperative1	0.694	0.735
Cooperative2	0.701	0.752

Source: data processed by SmartPLS 3.3.3

The results of data processing using Smart PLS are shown in Table 2. The value of the outer model or the correlation between the construct and the variable initially did not meet convergent validity because there were still many indicators with a loading factor value below 0.60. Modification of the model was modified by issuing indicators that have a loading factor value below 0.60. The modified model as shown in Table 2 shows that all loading factors have values above 0.60, so the constructs for all variables have not been eliminated from the model.

c. Discriminant Validity
Discriminant validity is used to ensure that each concept of each latent variable is different from other variables. The model has good discriminant validity if each loading value of each indicator of a latent variable has the largest loading value with other loading values on other variables. The results of the discriminant validity test are obtained as follows:

Table 3 Discriminant Validity (Cross Loading) Values

	Work Discipline	Leadership	Job satisfaction	Performance
Fair	0.302	0.605	0.451	0.201
Salary2	0.460	0.319	0.690	0.326
Inspiration	0.245	0.710	0.402	0.136
Catalyst	0.205	0.668	0.240	-0.003
Presence1	0.577	0.272	0.380	0.628
Work	0.761	0.188	0.469	0.637
cooperative1	0.484	0.055	0.519	0.735
Cooperative2	0.476	0.169	0.463	0.752
Quality1	0.636	0.227	0.474	0.827
Quantity	0.629	0.218	0.372	0.779
Support1	0.127	0.662	0.211	0.091
Support2	0.101	0.850	0.368	0.058
Rule1	0.797	0.397	0.443	0.487
Rule2	0.751	0.257	0.489	0.560
Promotion1	0.470	0.552	0.908	0.495
Promotion2	0.308	0.609	0.710	0.343
comrade1	0.350	0.316	0.752	0.574
comrades	0.316	0.222	0.775	0.426
Supervision	0.487	0.450	0.795	0.545
Responsibility1	0.636	0.332	0.258	0.574
Responsibilities2	0.806	0.151	0.398	0.616
representative	0.348	0.760	0.443	0.397
time1	0.811	0.263	0.278	0.557

Source: data processed by SmartPLS 3.3.3

From Table 3 it can be seen that the loading factor value for each indicator of each variable has a loading factor value that is greater than the loading factor value when associated with other variables. This means that each variable has good discriminant validity.

d. Evaluating Reliability and Average Variance Extracted (AVE)
The validity and reliability criteria can also be seen from the reliability value of a construct and the Average Variance Extracted (AVE) value of each construct. A construct is said to have high reliability if its value is 0.70 and the Average Variance Extracted (AVE) is above 0.50.

In Table 4, the Composite Reliability and Average Variance Extracted (AVE) values will be presented for all variables.

Table 4 Composite Reliability and Average Variance Extracted (AVE)

|	Composite Reliability	Average Variance Extricated (AVE)
Work discipline	0.892	0.582
Leadership	0.860	0.509
Job satisfaction	0.899	0.601
Performance	0.862	0.558

Source: data processed by SmartPLS 3.3.3

Based on Table 4, it can be concluded that all constructs meet the reliable criteria. This is indicated by the composite reliability value above 0.70 and the Average Variance Extracted (AVE) above 0.50 as recommended criteria.

e. Structural Model Testing (Inner Model)
Evaluation of the structural model or inner model aims to predict the relationship between latent variables. The structural model is evaluated by looking at the percentage of variance explained by looking at the R-Square value for endogenous latent constructs and Average Variance Extracted (AVE) for predictiveness using resampling procedures such as jackknifing and bootstrapping to obtain stability from the estimate.

Figure 1. Structural Model
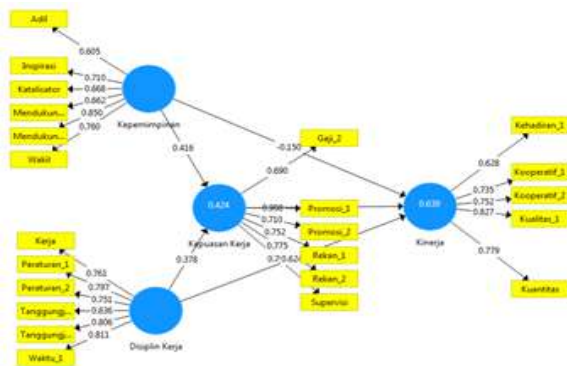
Source: data processed by SmartPLS 3.3.3

Assessing the model with Smart PLS begins by looking at the R-square for each dependent latent variable. Table 5 is the result of the R-square estimation using Smart PLS.

Table 5. Value of R-Square

Variable	R-Square
Job satisfaction	0.424
Performance	0.639

Source: data processed by SmartPLS 3.3.3

Based on Table 5, it can be concluded that the model of the influence of leadership and work discipline on employee job satisfaction is 0.424, which can be interpreted that the variability of the job satisfaction construct that can be explained by the variability of the leadership construct and work discipline is 42.4%, while the rest is 57.6 % is explained by variables outside of this study.

Likewise with the model of the influence of leadership, work discipline, and job satisfaction on the performance of National Civil Service Agency Regional Office X Denpasar employees of 0.639, which can be interpreted that the variability of employee performance constructs can be explained by the variability of the constructs of training, work environment and motivation of 63.9% while the rest of 36.1% is explained by other variables outside of this study.

f. Hypothesis test
The significance of the estimated parameters provides very useful information about the relationship between the research variables. The basis used in testing the hypothesis is the value contained in the output result for Path Coefficients. Table 6 provides the estimated output for structural model testing.

Table 6 Output Result for Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (|O/STERR|)	P-Values
Work discipline → Job satisfaction	0.378	0.392	0.134	2,830	0.005
Work discipline → Performance	0.624	0.633	0.108	5,804	0.000
Leadership → Job satisfaction	0.416	0.418	0.126	3,311	0.001
Leadership → Performance	-0.150	-0.148	0.184	0.814	0.416
Job satisfaction → Performance	0.348	0.339	0.108	3,239	0.001

Source: data processed by SmartPLS 3.3.3

In PLS statistical testing of each hypothesized relationship is carried out using simulation. In this case, the bootstrapping method was used for the sample. Testing with bootstrapping is also intended to minimize the problem of abnormal research data. The test results with bootstrapping from the PLS analysis are as follows:

1) Hypothesis Testing 1 (Leadership has a significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar)
   The results of testing the first hypothesis indicate that the influence of the leadership variable on job satisfaction shows a path coefficient value of 0.378 with an at-count value of 2.830 and a P-Values value of 0.001. The t-count value is greater than the t-table (1.960) and the P-Values value is smaller than the 0.05 alpha level. These results mean that leadership has a positive and significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar which means that it is by the first hypothesis where leadership has a significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar. This means Hypothesis 1 is accepted.

2) Hypothesis Testing 2 (Work discipline has a significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar)

The results of testing the second hypothesis indicate that the influence of the work discipline variable on job satisfaction shows a path coefficient value of 0.378 with an at-count value of 2.830 and a P-Values value of 0.005. The t-count value is greater than the t-table (1.960) and the P-Values value is smaller than the 0.05 alpha level. This result means that work discipline has a positive and significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar which means that it is by the second hypothesis where work discipline has a significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar. This means Hypothesis 2 is accepted.

3) Hypothesis Testing 3 (Leadership has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar)
The results of testing the third hypothesis indicate that the influence of the leadership variable on performance shows a path coefficient value of -0.150 with an at-count value of 0.814 and a P-Values value of 0.416. The t-count value is smaller than the t-table (1.960) and the P-Values value is greater than the 0.05 alpha level. This result means that leadership has no positive and insignificant effect on performance at National Civil Service Agency Regional Office X Denpasar which means it is not by the third hypothesis where leadership has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar. This means Hypothesis 3 is rejected.

4) Hypothesis Testing 4 (Work discipline has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar)
The results of testing the fourth hypothesis indicate that the influence of the work discipline variable on performance shows a path coefficient value of 0.624 with an at-count value of 5.804 and a P-Values value of 0.000. The t-count value is greater than the t-table (1.960) and the P-Values value is smaller than the 0.05 alpha level. These results mean that work discipline has a positive and significant effect on performance at National Civil Service Agency Regional Office X Denpasar which means by the fourth hypothesis where work discipline has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar. This means Hypothesis 4 is accepted.

1) Hypothesis Testing 5 (Job satisfaction has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar)
The results of testing the fifth hypothesis indicate that the effect of job satisfaction on performance shows a path coefficient value of 0.348 with an at-count value of 3.239 and a P-Values value of 0.001. The t-count value is greater than the t-table (1.960) and the P-Values value is smaller than the 0.05 alpha level. These results mean that job satisfaction has a positive and significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar which means by the fifth hypothesis where job satisfaction has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar. This means Hypothesis 5 is accepted.

6) Hypothesis Testing 6 (Leadership has a significant effect on employee performance through job satisfaction at National Civil Service Agency Regional Office X Denpasar)
The results of testing the sixth hypothesis for the indirect effect of leadership variables on performance through job satisfaction can be seen in the following table of Output Results for Specific Indirect Effects:

Table 7 Output Result for Specific Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (|O/STERR|)	P-Values
Work discipline → Job satisfaction → Performance	0.132	0.135	0.069	1,914	0.056
Leadership → Job satisfaction → Performance	0.145	0.138	0.055	2,657	0.008

Source: data processed by SmartPLS 3.3.3

Based on Table 7, the indirect effect of the leadership variable on performance through job satisfaction shows the path coefficient value of 0.145 with an at-count value of 2.657 and a P-Values value of 0.0564. The t-count value is greater than the t-table (1.960) and the P-Values value is greater than the 0.05 alpha level. This result means that the indirect influence of leadership on performance through job satisfaction at National Civil Service Agency Regional Office X Denpasar has a positive but not significant effect which means it is not by the sixth hypothesis where leadership has a significant effect on employee performance through job satisfaction at National Civil Service Agency Regional Office X Denpasar. This means Hypothesis 6 is rejected.

7) Hypothesis Testing 7 (Work discipline has a significant effect on employee performance through job satisfaction at National Civil Service Agency Regional Office X Denpasar)
The results of testing the seventh hypothesis as shown in Table 7, the indirect effect of work discipline variables on performance through job satisfaction shows a path coefficient value of 0.132 with an at-count value of 2.657 and a P-value of 0.008. The t-count value is greater than the t-table (1.960) and the P-Values value is smaller than the 0.05 alpha level. This result means that the indirect effect of work discipline on performance through employee job satisfaction at National Civil Service Agency Regional Office X Denpasar has a positive and significant effect which means that it is by the seventh hypothesis where work discipline has a

significant effect on employee performance through job satisfaction at National Civil Service Agency Regional Office X Denpasar. This means Hypothesis 7 is accepted.

5. DISCUSSION AND IMPLICATIONS

a. Leadership has a significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar. The results of hypothesis testing indicate that leadership has a positive and significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar. The results of this study are in line with research conducted by Nurwijayanti et al. (2019), that leadership has a significant influence on employee performance.

Based on the results of the analysis of the average assessment/response of respondents to the leadership variable, it is included in the high category (3.40 - 4.19) and very high (4.20 – 5.00). The highest rating on the leading indicator is creating a sense of security with an average of 4.36. While the lowest assessment occurred on indicators supporting the achievement of goals with an average of 3.78. Based on these results it can be stated that the ability to create a sense of security by the leadership can have a positive and significant influence on the employees of National Civil Service Agency Regional Office X Denpasar, then it is necessary to increase the provision of education and training for new types of work or the existence of new regulations related to work so that performance will increase.

b. Work discipline has a significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar. The results of hypothesis testing indicate that work discipline has a positive and significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar. The results of this study are in line with research conducted by Supriyadi (2017), work discipline has a positive and significant effect on employee performance.

Based on the results of the analysis of the average assessment/response of respondents to the work discipline variable, it is included in the high category (3.40 - 4.19) and very high (4.20 – 5.00). The highest assessment on the work discipline indicator is the discipline of responsibility 2 with an average of 4.3. While the lowest assessment occurred on the time discipline indicator 2 with an average of 3.98. Based on these results, it can be stated that a large responsibility to complete the workload of employees can provide a high influence on employees so that employees can make a maximum contribution to productivity at work. Then the above causes many employees who come home from work past office hours to be able to immediately complete their work responsibilities.

c. Leadership has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar.

The results of hypothesis testing indicate that leadership has no positive and insignificant effect on performance at National Civil Service Agency Regional Office X Denpasar. The results of this study are not in line with the research by Fahmi et al. (2018), that's the better the leadership, the higher the level of employee performance. But the results of this study are by research conducted by Tongo-Tongo (2014), that Leadership does not influence the performance of members of Detachment A Pioneer Brimob Unit Polda North Sulawesi.

By the results of testing the third hypothesis, it shows that the influence of the leadership variable on performance shows a path coefficient value of -0.150 with an at-count value of 0.814 and a P-Values value of 0.416. The t-count value is smaller than the t-table (1.960) and the P-Values value is greater than the 0.05 alpha level. it can be seen that employees at National Civil Service Agency Regional Office X Denpasar have a performance that is not influenced by the presence of leadership, this is because employees already understand their work and how to find solutions to problems in completing work. On the other hand, the calculation of performance allowances obtained by employees is also based on the performance of each employee.

d. Work discipline has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar. The results of hypothesis testing show that work discipline has a positive and significant effect on performance at National Civil Service Agency Regional Office X Denpasar. The results of this study are in line with research by Paramarta et al. (2018), that work discipline has a significant effect on employee performance Joint Operations PT. Wijaya Karya (Persero) Tbk. – PT. Mirlindo Padu Kencana Pesanggaran and research Tongo-Tongo (2014).

Based on the results Hypothesis testing shows that the effect of the work discipline variable on performance shows the path coefficient value of 0.624 with an at-count value of 5.804 and a P-Values value of 0.000. The t-count value is greater than the t-table (1.960) and the P-Values value is smaller than the 0.05 alpha level. So, it can be seen that employee performance can increase if it is balanced with good work discipline. The work discipline in question is related to time discipline, compliance with applicable rules, responsibility for work, and compliance with orders/directions of the leadership.

e. Job satisfaction has a significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar. The results of hypothesis testing show that job satisfaction has a positive and significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar. The results of this study are in line with research conducted by Nurwijayanti et al. (2019), that Job satisfaction has a positive and significant effect on performance at PT. Wedu Merauke Regency.

Based on the results the fifth hypothesis testing shows that the effect of job satisfaction on performance shows a path

coefficient value of 0.348 with an at-count value of 3.239 and a P-Values value of 0.001. The t-count value is greater than the t-table (1.960) and the P-Values value is smaller than the 0.05 alpha level. Based on these results, it can be stated that job satisfaction felt by employees of National Civil Service Agency Regional Office X Denpasar affects increasing the performance achieved.

f. Leadership has a significant effect on employee performance through job satisfaction at National Civil Service Agency Regional Office X Denpasar. The results of hypothesis testing indicate that the indirect effect of leadership on performance is through job satisfaction at National Civil Service Agency Regional Office X Denpasar positive but not significant effect. The results of this study are in line with the table of research conducted by Nurwijayanti et al. (2019), that job satisfaction becomes an intervening variable the influence between leadership on employee performance.

Based on the results of the hypothesis testing the indirect influence of the leadership variable on performance through job satisfaction shows the path coefficient value of 0.145 with an at-count value of 2.657 and a P-Values value of 0.0564. The t-count value is greater than the t-table (1.960) and the P-Values value is greater than the 0.05 alpha level. Based on the results of these studies indicate that job satisfaction can be a mediating or intervening variable in leadership on the performance of National Civil Service Agency Regional Office X Denpasar employees.

g. Work discipline has a significant effect on employee performance through job satisfaction at National Civil Service Agency Regional Office X Denpasar. The results of hypothesis testing indicate that the indirect effect of work discipline on performance is through employee job satisfaction at National Civil Service Agency Regional Office X Denpasar positive and significant effect. The results of this study are in line with research conducted by Filliantoni et al. (2019), that job satisfaction can be a perfect mediator variable work discipline in its influence on the performance of employees of Indomobil Nissan-Datsun Solobaru.

Based on the results of testing the seventh hypothesis as shown in Table 7, the indirect effect of work discipline variables on performance through job satisfaction shows the path coefficient value of 0.132 with an at-count value of 2.657 and a P-value of 0.008. The t-count value is greater than the t-table (1.960) and the P-Values value is smaller than the 0.05 alpha level. These results mean that job satisfaction can be a mediating variable of work discipline on the performance of National Civil Service Agency Regional Office X Denpasar.

6. CONCLUSION

From the analysis that has been discussed previously, the following conclusions can be drawn.

1. Results Hypothesis testing shows that leadership has a positive and significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar. This means that fair leadership fully supports the achievement of goals, can create a sense of security, is a good example as a representative of the organization capable of providing a positive and significant influence on the employees of National Civil Service Agency Regional Office X Denpasar.

2. Results Hypothesis testing shows that work discipline has a positive and significant effect on job satisfaction at National Civil Service Agency Regional Office X Denpasar. Based on these results it can be stated that good work discipline from all employees provides a positive level of job satisfaction. This work discipline is closely related to obedience to time, regulations, and work responsibilities.

3. Results Hypothesis testing shows that leadership has no positive and insignificant effect on performance at National Civil Service Agency Regional Office X Denpasar. So, it can be concluded that employees at National Civil Service Agency Regional Office X Denpasar have a performance that is not influenced by the presence of leadership, this is because employees already understand their work and how to find solutions to problems in completing work. On the other hand, the calculation of performance allowances obtained by employees is also based on the performance of each employee.

4. Results Hypothesis testing shows that work discipline has a positive and significant effect on performance at National Civil Service Agency Regional Office X Denpasar. So, it can be seen that employee performance can increase if it is balanced with good work discipline. The work discipline in question is related to time discipline, compliance with applicable rules, responsibility for work, and compliance with orders/directions of the leadership.

5. Results Hypothesis testing shows that job satisfaction has a positive and significant effect on employee performance at National Civil Service Agency Regional Office X Denpasar. Based on these results, it can be stated that the job satisfaction felt by the employees of National Civil Service Agency Regional Office X Denpasar from the influence of leadership and work discipline has an effect on increasing the performance achieved.

6. Results Hypothesis testing shows that the indirect effect of leadership on performance through job satisfaction at National Civil Service Agency Regional Office X Denpasar has a positive but not significant effect. This shows that job satisfaction can be a mediating or intervening variable in leadership on the performance of National Civil Service Agency Regional Office X Denpasar employees

7. Results Hypothesis testing shows that the indirect effect of work discipline on performance through employee job satisfaction at National Civil Service Agency Regional Office X Denpasar has a positive and significant effect. These results mean that job satisfaction can be a mediating variable of work discipline on the performance of National Civil Service Agency Regional Office X Denpasar.

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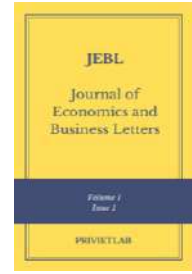
The effect of service quality and satisfaction on customer loyalty at Kumon East Jakarta

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ABSTRACT

This study aims to determine Service Quality and Satisfaction Customer Loyalty at the Kumon Seulawah Raya Jaatiwaringin Course - East Jakarta. The population in this study were all customers of the Kumon Seulawah Raya Jatiwaringin course. Researchers used the accidental sampling method with a sample of 83 people from the population of Kumon Seulawah Raya Jatiwaringin Course Customers. Instrument testing in this study uses validity and reliability tests, while the analytical method used is multiple linear regression with t- test and F test and coefficient of determination (R^2) test. In this study, an analysis was carried out using the SPSS for windows version 24.0 computer application. Based on the regression analysis, the model (regression equation) formed is $Y = 1.760 + 0.166X1 + 0.361X2$. The results of the analysis on the t -test, the Service Quality variable (X1) shows the results of the t-count value of 3.011 > t-table of 1.990 and a significant value of 0.003 <0.05 then Ho1 is rejected and Ha1 is accepted, meaning that there is a positive and partially significant effect between Quality Service with Customer Loyalty. While the Customer Satisfaction variable (X2) shows the results of the t-count value of 4.712 > t-table of 1.990 and a significant value of 0.000 <0.05 then Ho2 is rejected and Ha2 is accepted, meaning that there is a positive and partially significant effect between Customer Satisfaction and Customer Loyalty Kumon Seulawah Raya Jatiwaringin. In the results of the F test analysis, the value of F-count is 20.144 > Ftable is 3.11 with a significant level of 0.000 <0.05, then Ha is accepted. So that it can be said that the service quality variable (X1) and the customer satisfaction variable (X2) has a positive and significant effect on customer loyalty (Y). The results of the analysis of determination (R^2) are known that the value of R Square is 0.335. This shows that 33.5% of the independent variables consisting of Service Quality and Customer Satisfaction affect the dependent variable, namely Customer Loyalty. The remaining 66.5% is influenced by other variables not examined.

Keywords: Customer Satisfaction, Customer Loyalty

1. INTRODUCTION

The current era of globalization, many advances and changes occur in the modern business world. The changes that occur are marked by the mindset of a developing society, technological advances, and lifestyles that cannot be separated from the influence of globalization. These advances and changes indirectly require us to be able to balance it in everyday life. The influence of the times is that a lot of goods and services have emerged that offer various advantages and uniqueness of each of these products and services.

This makes consumers have many choices in using goods and services offered by producers. But for producers, this is a form of threat because the more products and services offered, the tougher the competition in the business world. This increasingly fierce competition requires business people to be able to maximize the performance of their companies to compete in the market. To overcome this, the company must have a strong marketing strategy in marketing its goods and services so that it can survive in business competition. One of the service industries that is currently developing is tutoring services or educational institutions.

Indirectly, conditions like this can increase competition among similar tutoring services in terms of offering the best products and services to meet consumer needs. This situation requires parents to be more selective in choosing the type of tutoring that has good quality. It is not easy to be the best, price is also the element that is most often taken into account by consumers.

Service quality is an important factor that Kumon must pay attention to achieve customer satisfaction. Service quality is a dynamic condition related to service products, people, processes, and environments that can meet or exceed consumer expectations. Good service quality must also be implemented for the survival of a company, whether or not the quality of service of goods or services depends on the ability of producers to consistently meet consumer expectations.

To increase loyalty, companies must increase the satisfaction of each customer and maintain that level of satisfaction in the long term. To increase satisfaction, companies must add value that can make them get what they pay for or more than they expect so that they can survive and lead to repeat purchases, recommendations, and an increased proportion of spending. From the description above, it can be concluded that customer loyalty is the level of the customer's role in the services provided by the Kumon Course organizer after comparing the performance or perceived results with their expectations. Loyal customers are an important asset for the company.

There is an important relationship between service quality and customer loyalty. This relationship is especially strong when the customer is highly satisfied. Thus, the Kumon Course manager who truly aims to satisfy his customers is not enough to generate customer loyalty, therefore the Kumon course manager must aim more than satisfying, namely satisfying the hearts of his customers.

Service
The customer is the main focus in carrying out excellent service, therefore, in this case, the customer plays an important role in measuring the services provided by the company (Frimayasa, 2017a).

Service (customer service) in general is any activity that is intended or intended to provide satisfaction to customers, through this service the desires and needs of customers can be fulfilled. In the Indonesian Dictionary it is explained that service is an effort to serve the needs of others, while serving is helping to prepare (helping what someone needs). In essence, service is a series of activities that process. As a service process that takes place regularly and continuously covering the entire life of people in society, the process of meeting needs through the activities of others.

According to (Rahman, 2017), "Good service in a company will create satisfaction for customers, therefore a company must have a special strategy to manage services well". The occurrence of

competition to seize the market to increase sales brings a positive change in the business world because they compete in providing the best service for each customer. It changed the perception of many people who initially clung to products and sales to marketing.

To (Panjaitan, J. E., & Yuliati, 2016), "Quality service plays an important role in creating customer satisfaction, but it is also closely related to creating profits for the company. The higher the quality of services provided by the company, the higher the satisfaction felt by the company.

According to Abedniya, at. all in Mardo, (2016:25) suggests that "The perceived service quality is a scale or measure for companies to measure how much the company has succeeded in providing solutions to customer problems".

According to Lupiyoadi in Rasyid (2017: 212) defines that, "Service Quality (Service Quality) is how far the difference between the expectations and reality of customers for the services they receive or obtain".

Customer satisfaction
Customer satisfaction can be felt after customers compare their experience in purchasing goods/services from sellers or providers of goods/services with the expectations of the buyers themselves. These expectations are formed through their first experience in buying an item/service, comments from friends and acquaintances, as well as promises and information from marketers and competitors.

Marketers who want to excel in the competition must pay attention to customer expectations and customer satisfaction. According to Kotler in Kasmir, (2017: 236), "Mentioning customer satisfaction is an assessment of customers on the use of goods or services compared to expectations before their use". According to Oliver ((Rahman, 2017), "Customer satisfaction is a response to consumer fulfillment. Satisfaction is the result of an assessment from consumers that the product or service has provided a level of enjoyment where this level of fulfillment can be more or less ".

According to Wijayanti (2017: 186), "Satisfaction is the level of one's feelings after comparing the performance of a product or service and the perceived results with consumer expectations". Meanwhile, according to Lupiyoadi et al in (Frimayasa, 2017), "Satisfaction is the main thing. Efforts to satisfy customer needs must be carried out profitably or in a win-win solution, namely a situation where both parties feel that they have won and no one is harmed.

Customer satisfaction or dissatisfaction is the customer's response to the evaluation of the perceived discrepancy between previous expectations and the actual performance of the product that is felt after its use (Frimayasa, 2017b).

Customer satisfaction with a product or service, is actually something that is difficult to obtain if the service company or

industry does not really understand what is expected by consumers (Lupiyoadi, 2016).

Customer loyalty
Loyalty measurement includes an instrumental conditioning approach. The instrumental conditioning approach states that consistent purchases over time indicate brand loyalty. Repeat purchase behavior reflects a strong reinforcement or stimulus so that the measurement of loyal or disloyal patients can be seen from the frequency and consistency of their buying behavior towards a particular brand. Measurement with this approach emphasizes behavior in the past. But this approach has a weakness that is only based on past behavior whereas loyalty is also an estimate of future buying behavior. The behavior measurement method is a direct way to determine loyalty, especially for habitual behavior. Customer loyalty is measured based on purchases made by customers.

The term patient loyalty actually comes from brand loyalty which reflects customer loyalty to a particular brand. Customer loyalty is a measure of customer attachment to a brand. This measure is able to provide an idea of whether or not the patient may switch to another service brand, if the product brand is found to have a change, both regarding price and attributes (Agtovia & Suratriadi, 2017).

According to (Nina 2013), Loyalty is the percentage of people who have bought in a certain time frame and made repeat purchases since the first purchase.

Satisfaction is identified as the thing that determines the amount of one's commitment to a relationship that affects loyalty. Providing services to consumers can occur with the interaction between consumers and employees, this is an activity or a series of activities that are invisible (Ratminto and Winarsih, 2005).

2. METHODOLOGY

This study uses quantitative methods, and descriptive analysis by interpreting the existing data to provide an overview assisted by the SPSS 24.0 application program tools and the various tests carried out include;

1. Descriptive Analysis
Descriptive analysis is a statistic used to analyze data by describing or describing the data that has been collected as it is without the intention of making conclusions that apply to the public. Descriptive analysis can be used if the researcher only wants to describe the sample data, and does not want to make conclusions that apply to the population where the sample is taken.

2. Classical Assumption Test
These classical assumptions must be tested to meet the use of multiple linear regression. After calculating the multiple regression using the SPSS for Windows tool, the classical assumption test was then carried out.

3. Normality Test
Normality test aims to test whether in the regression model, confounding variables or residuals have a normal distribution. There are two ways to detect whether the residuals are normally distributed or not.

4. Multicollierity Test
Multicollinearity test is used to show whether there is a correlation between the independent variables. In research that uses multiple analysis techniques, the independent variables should not be correlated with each other or multicollinearity occurs. Detection of non-occurrence of multicollinearity can be seen in collinearity statistics, provided that if the VIF value of each independent variable is < 10 and tolerance > 0.10, there is no multicollinearity.

5. Heteroscedasticity Test
Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another observation. If the variance of the residual from one observation to another is different, it is called heteroscedasticity. A good regression model is that there is no heteroscedasticity. Whether or not heteroscedasticity occurs can be seen from the scatterplot graph. The statistical test used to detect the presence or absence of heteroscedasticity in this study is the Glejser test, if the significance probability is > 0.05, it can be concluded that there is no heteroscedasticity.

6. Multiple Linear Regression Analysis
Multiple linear regression analysis is a linear relationship between two or more independent variables (X1, X2, ….Xn) with the dependent variable (Y).

7. Individual Significance Test (Test Statistical t)
That is a test to determine the significance of the effect of the independent variable partially or individually on the dependent variable.

8. Simultaneous Significance Test (F)
The F test is a test to determine the effect of the independent variable, namely Service Quality (X1) and Customer Satisfaction (X2) simultaneously on the dependent variable, namely Customer Loyalty (Y).

3. RESULT AND DISCUSSION

VALIDITY TEST
A validity test is used to measure whether or not a questionnaire is valid. A questionnaire is said to be valid if the questions on the questionnaire can reveal something that will be measured by the questionnaire. The variable validity test is declared valid if the value of r-count > r-table. Thus all variables can be declared valid if each tested variable has a correlation coefficient (r-count) greater than rt-able. The criteria used in this study was to use a sample of 83 people (df = n-2), with a significance value of 0.05, r-table 0.2159 was obtained. The following are the results of the validity test using SPSS for windows version 24 calculations for each variable:

Service Quality Variable Validity Test Results

Indicator	r-count	r- table	Information
X1.1	0.494	0.2159	VALID
X1.2	0.722	0.2159	VALID
X1.3	0.609	0.2159	VALID
X1.4	0.643	0.2159	VALID
X1.5	0.595	0.2159	VALID
X1.6	0.633	0.2159	VALID
X1.7	0.725	0.2159	VALID

Source: Data processed by SPSS 24.0

Customer Satisfaction Variable Validity Test Results

Indicator	r - Count	r- table	Information
X2.1	0.705	0.2159	VALID
X2.2	0.780	0.2159	VALID
X2.3	0.739	0.2159	VALID
X2.4	0.775	0.2159	VALID

Source: Data processed by SPSS 24.0

Customer Loyalty Variable Validity Test Results

Indicator	r - Count	r- table	Information
X3.1	0.747	0.2159	VALID
X3.2	0.883	0.2159	VALID
X3.3	0.785	0.2159	VALID

Source: Data processed by SPSS 24.0

Based on the results of the validity test using the SPSS for windows version 24.0 program quality variables of Service Quality, Customer Satisfaction, and Customer Loyalty in the table above it can be said that the respondents' answers to all variable items are valid.

RELIABILITY TEST

A reliability test is a tool to measure a questionnaire which is an indicator of a variable. A questionnaire is said to be reliable or reliable if a person's answers to questions are consistent or stable from time to time. SPSS software for windows version 24.0 provides facilities to measure reliability with statistical tests with Cronbach alpha (α). A variable is said to be reliable if the value of > 0.60. The results of the reliability test for the variables used in the study using SPSS for windows version 24 are shown in the following table:

Variable Reliability Results

| Variable	Cronbach's Alpha	Minimum Cronbach's Alpha	Information
Service Quality (X₁)	0,749	0,60	Reliable
Customer Satisfaction(X₂)	0,738	0,60	Reliable
Customer Loyalty (Y)	0,714	0,60	Reliable

Source: Data processed by SPSS 24.0

Based on the results of the reliability test using the SPSS for windows version 24.0 program, it is known that the Cronbach alpha produced in each research variable is greater than 0.60. That is, all statement items in each variable are reliable.

Normality

In graphical analysis, if the data spread around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, then the regression model meets the assumption of normality. Meanwhile, if the data spreads far from the diagonal and or does not follow the direction of the diagonal line or the histogram graph does not show a normal distribution pattern, then the regression model does not meet the assumption of normality. The statistical analysis is supported by a simple statistical test using the Kolmogorov-Smirnov test. In the Kolmogorov-Smirnov test, it shows a significant value above 0.05, then the residual data is normally distributed. Meanwhile, if the Kolmogorov-Smirnov results show a significant value below 0.05, the residual data is not normally distributed.

Histogram Graph
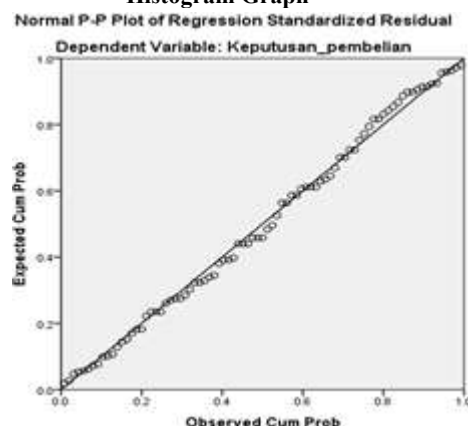
Source: SPSS 24.0 data that has been processed

In the analysis of the graph above, it is seen that the points or data spread around the diagonal line and follow the direction of the diagonal line or the histogram graph shows a normal distribution pattern, then the regression model meets the assumption of normality.

Kolmogrov-Smirnov . Test Results

		Unstandardized Residual
N		83
Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	1.04904593
Most Extreme Differences	Absolute	0.048
	Positive	0.048
	Negative	-0.048
Test Statistic		0.048
Asymp. Sig. (2-tailed)		.200[c,d]

Source: Data processed by SPSS 24.0

In the Kolmogorov-Smirnov test, it shows a significant value of 0.200> 0.05, so it can be concluded that the residual data is normally distributed.

Multicollinearity Test

Multicollinearity test is used to show whether there is a correlation between the independent variables. In research that uses multiple analysis techniques, the independent variables should not be correlated with each other or multicollinearity occurs. Detection of the non-occurrence of multicollinearity can be seen in collinearity statistics, provided that if the VIF value of each independent variable is below 10 and tolerance is above 0.10, then there is no multicollinearity. The results of the multicollinearity test can be seen as follows:

Variable Reliability Results

Variable	Tolerance	VIF	Information
X_1	0,944	1,060	There is not any Multicollinearity
X_2	0,944	1,060	There is not any Multicollinearity

Source: Data processed by SPSS 24.0

Based on the results of the analysis in table 5.10, it is known that the VIF value for the Product Quality variable (X1) is 1.060 and the Promotion variable (X2) is 1.060. The VIF value of the two independent variables shows < 10.00 so this study it is free from the assumption of multicollinearity. And the service quality tolerance value (X1) is 0.944 and the Customer Satisfaction variable (X2) is 0.944 indicating a tolerance value > 0.10, so there is no multicollinearity.

A heteroscedasticity test is conducted to test whether in a regression model there is an inequality of variance from the residual of one observation to another observation. A good regression model is that there is no heteroscedasticity (Ghozali: 2012). One way to see whether there is heteroscedasticity is to use a scatterplot graph.
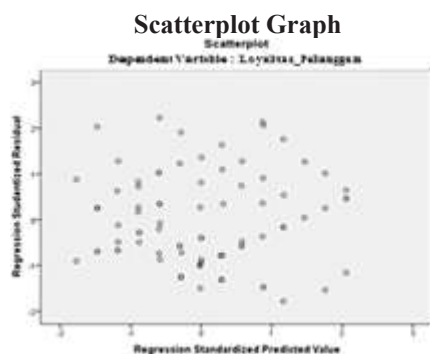
Scatterplot Graph

Source: Data processed by SPSS 24.0

Based on the scatterplot output above, it can be seen that the dots spread above and below or around zero, the dots do not form a pattern. Thus it can be concluded that there is no heteroscedasticity problem.

MULTIPLE LINEAR REGRESSION TEST

Linear regression analysis was used in this study to know the effect of the independent variables consisting of product quality and promotion on the dependent variable, namely purchasing decisions, displayed in the form of a regression equation. Statistical calculations in the multiple linear regression analysis used in this research is to use the computer program SPSS for Windows version 24.0. The complete results of data processing using the SPSS program are in the appendix and are further summarized as follows:

Multiple Liner Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,760	1,900		.927	.357
	Service Quality (X1)	.166	.056	.284	3,011	.003
	Customer Satisfaction (X2)	.361	.077	.441	4,712	.000

Source: Data processed by SPSS 24.0

on the table in column B, constanta (a) is 1,760, Service Quality score (bX1) is 0.166, Customer Satisfaction score (bX2) is 0.361. Based on the data above, it can be said that the constant of 1.760 regression coefficient X1 is 0.166 and the regression coefficient X2 is 0.361 so that it can be written in the form of a regression equation in the form of Standardized Coefficients, the following equation is obtained:

$$Y = 1,760 + 0,166X1 + 0,361X2$$

From the above equation it can be explained that:
a. The constant of 1.760 means that if the service quality (X1) and Customer Satisfaction (X2) the value is 0, then the amount of Customer Loyalty (Y) is 1.760.
b. The regression coefficient of the service quality variable (X1) is 0.166, meaning that if the other independent variables are fixed and Customer Satisfaction (X1) has increased 1 time, then Customer Loyalty will increase by 0.166. The increase in positive value means that there is a positive relationship between service quality and customer loyalty. The higher the quality of the Customers on the Kumon Course, the more the Customer Loyalty on the Kumon Course will increase.
c. An increase of 0.361. The increase in positive value means that there is a positive relationship between customer satisfaction and customer loyalty . The higher the customer satisfaction of the Kumon Course, the higher the Customer Loyalty of the Kumon Course.

From the above equation it can be explained that:
a. The constant of 1.760 means that if the service quality (X1) and Customer Satisfaction (X2) the value is 0, then the amount of .

HYPOTHESIS TESTING

Hypothesis testing in this study was carried out using the SPSS for Windows version 24.0 computer application. The purpose of testing this hypothesis is to determine whether the hypothesis proposed by the author can be accepted or otherwise rejected by two methods, namely partial testing (t test) and simultaneous testing (f test).

PARTIAL TEST (-t-Test)

To show how far the influence of one independent variable individually in explaining the variation of the dependent variable. The following will explain the partial test of each variable:

Hypothesis Testing Results With Partial Test (t-test)

Variabel	t count	Sig.	t table
Service Quality (X$_1$)	3,011	.003	1,990
Customer Satisfaction(X$_2$)	4,712	.000	1,990

Source: Data processed by SPSS 24.0

In the table above, it can be seen in column t that the t value for the service quality variable is 3.011 and the t value for the customer satisfaction variable is 4.712. With the number of respondents as many as 83 people, the value of df (degree of freedom) = n-k (83-3 = 80) with a significant 5% (0.05) so that it can be seen that the ttable value in this study is 1.990. Based on the results of the t-test analysis in this study, it can be explained that:

a. The product quality variable (X1) has a tcount of 3.011, which is significant 0.003 while ttable is 1.990, so tcount > ttable with a significance of less than 0.05, this indicates that the results of this study are Ho1 rejected and Ha1 accepted, meaning that there is a positive and significant effect. partially between service quality and customer loyalty in the Kumon Seulawah Raya Jatiwaringin-East Jakarta course.

b. The customer satisfaction variable (X2) has a tcount of 4.712 which is significant 0.000 while the t table is 1.990, then tcount > t table with a significant less than 0.05, this indicates that the results of this study are Ho1 rejected and Ha1 accepted, meaning that there is a positive influence and partially significant between customer satisfaction and customer loyalty in the Kumon Seulawah Raya Jatiwaringin-East Jakarta course.

SIMULTANEOUS TEST (Test – f)

This test is to determine the effect of Service Quality (X1) and Customer Satisfaction (X2), simultaneously or together on the purchasing decision variable (Y). By using a significance level of 0.05 with df 1 = (k-1) and df2 (n-k-1) with the following information:

Number of respondents (n) = 83 people
Number of variables (k)   = 3
Significance level   = 5%

Degree of frequency df1   = k-1 = 3-1 = 2
Degree of freedom df2   = n-k = 83-3 = 80
There is 2 bases for decision making in the f test, namely:
Based on the calculated f value and f table fcount > ftable then Ho is rejected and Ha is accepted. If fcount < ftable then Ho is accepted and Ha is rejected.

2. Based on the significant value of the results of the SPSS output output
If the significance value is <0.05 then Ho is rejected and Ha is accepted
If the significance value is> 0.05 then Ho is accepted and Ha is rejected.

It is known that the f-table value is 3.11, from the calculation results, the f-count value is obtained. as shown in the following table:

Hypothesis Testing Results With Simultaneous Test (F-Test)

Model	F$_{count}$	Sign	F$_{table}$
Regression	20.144	.000^b	3,11

Source: Data processed by SPSS 24.0

Based on the table above, it can be seen that the Fcount value of 20.144 is greater than Ftable, which is 3.11 with a significant level of 0.000 which is less than 0.05, so Ha is accepted. So that it can be said that the service quality variable (X1) and customer satisfaction variable (X2) have a positive and significant effect on customer loyalty (Y).

Determinant coefficient (R2)

The coefficient of determination (R2) essentially measures how far the model's ability to explain variations in the dependent variable is. The value of the coefficient of determination can be seen in the table below:

Model Determination Coefficient Results Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.579^a	.335	.3 18	1.06208

Source: Data processed by SPSS 24.0

The results of the above calculation can be seen that the value of R Square is 0.335. This shows that 33.5% means that the independent variables consisting of service quality and customer satisfaction affect the dependent variable, namely customer loyalty at the Kumon Seulawah Raya Jatiwaringin-East Jakarta course. The remaining 66.5% is influenced by other variables. which were not researched.

4. CONCLUSION

1. Partially it is known that the Service Quality variable (X1) has a significant influence on Customer Loyalty. This is supported by the magnitude of the t-count value of 3.011 with a significance of 0.003 while the t-table is 1.990, so t-count > t table with a significance of less than 0.05. The results of the regression analysis show that Ho is rejected and Ha is accepted. Thus the first hypothesis (Ha) is accepted.

2. Partially it is known that the Customer Satisfaction variable (X2) has a significant influence on Customer Loyalty. This is supported by the large value of the Customer Satisfaction Variable (X2), the t-count value of 4.712 is significant 0.000 while the t table is 1.990, then t-count > t table with a significant 0.000 <0.05. The results of the regression analysis show that Ho is rejected and Ha is accepted. Thus the second hypothesis (Ha) is accepted.

3. Based on the results of the analysis, it is known that Service Quality (X1) and Customer Satisfaction (X2) have a positive and significant influence on Customer Loyalty (Y). This is supported by the magnitude of F-count of 20.144 > F-table of 3.11 with a significant level of 0.000 <0.05, then Ha is accepted.

4. Based on the analysis of determination (R2), it is known that the value of R Square is 0.335. This shows that 33.5% of the independent variables consisting of Service Quality and Customer Satisfaction affect the dependent variable, namely Customer Loyalty of Kumon Seulawah Raya Jatiwaringin – East Jakarta, the remaining 66.5% is influenced by other variables not examined.

5. Looking at the magnitude of the regression coefficients of the two independent variables, namely the Service Quality variable (X1) and Customer Satisfaction (X2), it is known that the Customer Satisfaction variable (X2) has the greatest influence with a t-count value of 4.712 compared to the Customer Satisfaction variable (X1) with the value of t-count is 3.011.

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