CONTEMPORARY EXPLORATION OF SOCIAL SCIENCES INQUIRIES WITH NEW APPROACHES IN THE POST-PANDEMIC ERA 1

Editors

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CONTENTS

CHAPTER 1

The Effect of Organizational Commitment on Individual Creativity Mediated by Organizational Citizenship Behavior and Knowledge Sharing in Indonesia Banking Industry

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ABSTRACT

Every company is required to be creative in generating ideas or innovations for the company. The importance of creativity for companies will make it easier to improve sustainability and renewal within companies. In the banking industry, the high expectations and demands for improving corporate innovation performance in turn encourage banks to be able to actively innovate banking products and services, especially in order to increase customer and/or debtor satisfaction. Banks that are unable to adapt to a rapidly changing environment and respond to a variety of new product and service innovations due to the rapid development of technology and digital transformation, will be left out in business competition in the banking industry community and will slowly begin to be left behind by customers. This study was aimed to analyze the effect of Organizational Commitment on Individual Creativity mediated by Organizational Citizenship Behavior (OCB) and Knowledge Sharing of Indonesian Banking Industry. The data used in this study is primary data collected using a questionnaire with a total sample of 171 Indonesian Banking Industry employees was determined using a purposive sampling technique. Data were analyzed using descriptive statistical analysis and a structural equation model processed with the Amos program 22.

Keywords: Individual Creativity, Knowledge Sharing, Organizational Citizenship Behavior, Organizational Commitment.

1. INTRODUCTION

The rapid change in the strategic environment that is currently happening, especially as a result of advances in technology and information, has given rise to various forms of product innovation and new corporate services, including in this case the banking industry. The implication is that every bank is required to be adaptive in facing various creative processes of new innovations that are happening at this time, so that the company's performance can be achieved optimally according to the vision and mission, amidst the current increasingly competitive business climate.

Currently, advances in technology and information have disrupted the conventional functions of products and services in the banking industry into new business models and behaviors. This is reflected in the increasingly widespread use of digital-based technology innovations, such as payment for e-commerce transactions, transfers between accounts and across banks, e-money, credit, priority customer services, etc. through mobile banking applications, from opening an account to by utilizing bank products and services. Its use is carried out practically by using web-based technology, including through smartphone access with various new features that provide many benefits and conveniences for bank customers and debtors, without the need to physically come to the location of the bank's office to carry out these financial transactions.

To be able to foster the process of innovation in the banking industry, individual creativity is considered to be a very important factor to continue to develop and evaluate its implementation on an ongoing basis. Therefore, company management needs to make efforts to be able to build and encourage the creative attitude of employees to be more proactive in conveying ideas and ideas regarding various product innovations and new banking services, as well as actively finding solutions in solving complex problems in order to support company performance.

The high expectations and demands for increased corporate innovation performance in the banking sector have in turn encouraged banks to be able to actively carry out various innovations in banking products and services, especially in order to increase customer and/or debtor satisfaction. Banks that are unable to adapt to a rapidly changing environment and respond to various new product and service innovations due to the rapid development of technology and digital transformation, will be left out in business competition within the banking industry community and will slowly begin to be abandoned by their customers.

Every company is required to be creative in generating ideas or innovations for the company. The importance of creativity for companies will make it easier for companies to increase continuity and renewal in their companies. Business competition requires banking employees to be creative and analytical in finding solutions to solving problems, having lots of ideas for product development, and being creative in making work procedures for each task is an important thing that every employee must have.

2. LITERATURE REVIEW

2.1 Organizational Commitment (OC)

Novita et al. (2016) stated that a situation where an employee is in line with the goals of the organization is organizational commitment. OC can effectively promote the exchange of knowledge, experiences and ideas (Szczepanska-Woszczynaz, 2014). In addition, OC can also provide a positive and better atmosphere/environment to facilitate the consequences of an organization or individual. Panggabean and Sancoko (2015) argue that organizational commitment is a situation in which an employee sided with a particular organization and its goals and desire to maintain membership in that organization. According to Panggabean (2018) organizational commitment is the tendency to be bound in a consistent line of activity, because it considers the costs of carrying out other activities.

Organizational commitment is the desire of company employees to be identified with their organization. There are three forms of OC, namely affective commitment, continuance, and normative. Affective commitment is when an employee is passionately involved with the organization and is less likely to quit; continuance commitment is when an employee considers whether to consider staying or leaving the company and finally chooses to stay; and normative commitment is the moral or ethical obligation of an employee to stay (Velickovic et al., 2014).

2.2 Organization Citizenship Behavior (OCB)

Organizational citizenship behavior is an extra role attitude that is neither nominated nor required by formal job responsibilities and is reflected in an employee voluntarily helping other employees in their work to promote employer excellence without expecting reward for it (Cem-Ersoy et al, 2015). Susanti and Wimbarti (2012) OCB describes prosocial behavior used to show inclinations and friendliness in dealing with one another, this is due to that person and their sense of volunteering to share knowledge in order to help between employees. Based on the above understanding, it can be concluded that OCB is a word that reflects a positive and beneficial attitude that is carried out by employees, they do it without coercion in other words of personal volition, this attitude can provide support to fellow co-workers and can provide benefits to the company.

2.3 Knowledge Sharing (KS)

Knowledge sharing is used as a coordination mechanism. According to Lee (2018) knowledge is skills, facts, ideas, and understanding that can influence an organization, team, and individual. According to Lee (2018) sharing knowledge is not a goal, but a medium used to achieve goals. When using all his abilities for the benefit of his organization, knowledge management is very important for individuals. The right way to get the right ability, to the right individual, and also at the right time, and to help someone in terms of sharing and utilizing information to make a decision to increase the performance of an organization, this is the definition of knowledge management according to Girard. and Girard (2015).

Knowledge management has an impact on corporate and individual performance. One activity that has a positive, useful and very broad impact on the company is knowledge sharing. KS is used as the main activity in knowledge management. According to Paulin and Suneson (2012) the procedure for exchanging knowledge, both exchanges carried out by two individuals or more than two, where the first person talks about knowledge and the other person assimilates knowledge, this is also called KS. In Lee's research (2018), knowledge sharing has a good relationship with team, individual and corporate performance, efficiency, and expenses. If you go through the KS stages effectively and with the support of other employees, you can increase your creativity to create innovation in drawing efficient conclusions, working together, and thinking creatively (Lee, 2018).

2.4 Individual Creativity (IC)

For a long time, research on creativity has focused on individual creativity. However, there is much to be said about distinguishing social creativity as a separate type of creativity. Some creative tasks can be managed by a single individual, but many tasks require collaboration between people with different skills. In two studies, individual creativity and social creativity even have a negative correlation (Eisele, 2017). According to Hanaysha (2022), creativity is an act that generates new ideas, inventions, promotions, valuable products, services and useful concepts. In connection with the above understanding, it can be concluded that IC is a form of employee initiation to be able to proactively convey various ideas, opinions and thoughts in.

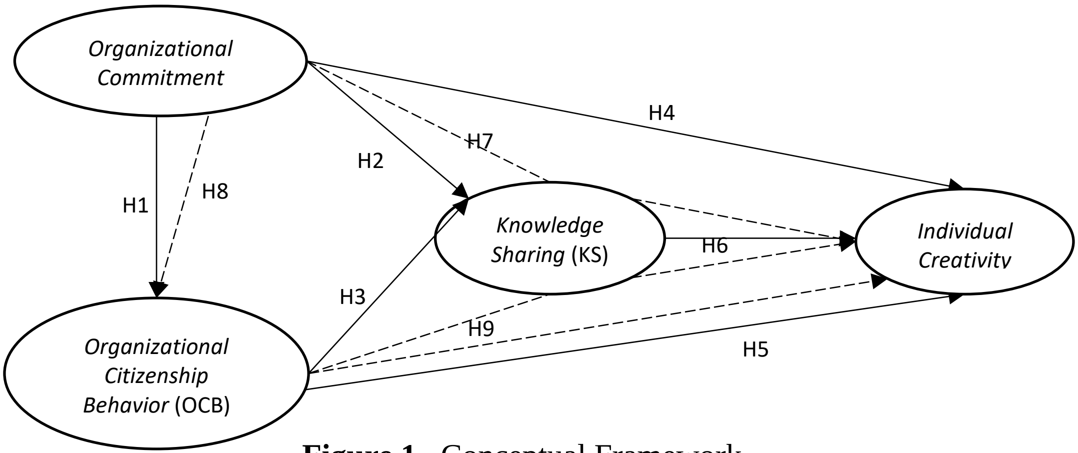

Figure 1. Conceptual Framework

As stated by Kurniawan (2015) OCB has an attachment to the results of the workings of an organization such as organizational commitment, leader-member exchange, employee involvement, and employee quality. In addition, Kurniawan (2015) also stated that if an organization has an obligation to make it better for its members, it will encourage the creation of OCB behavior from its employees. The statement above is linear with the results of observations that have been researched by Chang et al, (2021) they found that OC has an influence on OCB towards 139 indigenous workers in indigenous peoples' organizations (IPPO's) in Taiwan, which is an organization that has the aim of promoting the development of knowledge and the creative economy of indigenous peoples. Likewise the results of observations that have been researched by Uddin et al, (2016) who also found results that OC has an influence on the OCB of employees who have worked in various companies in developing Asian countries. Therefore for the first hypothesis to be tested in this study, namely:

H1: OC has a positive effect on employee OCB.

Tandayong and Edalmen (2019) state that in order to advance a company, it requires a high level of commitment by individuals regarding sharing knowledge in order to advance the company. A situation where employees choose to side with an organization with several goals and a desire to keep themselves a member of the organization, this is the definition of organizational commitment according to Robbins and Judge (2017). According to Tandayong and Edalmen (2019) that OC is a factor that influences KS. This is in accordance with the statement of Chang et al (2021) who concluded that OC encourages employees to share knowledge with each other in order to improve their organizational performance. From the observations that have been researched by Tandayong and Edalmen (2019) it is found that OC has an influence on the KS of employees of PT Katopas Jaya Abadi. So, in this study the following hypothesis was established:

H2: OC has a positive effect on employee KS.

Putra and Adnyani (2018) state that KS is a method of knowledge management that is used in providing opportunities for employees in the organization to exchange ideas, experiences and knowledge with other members in the organization and in realizing KS in the organization must be with a strong will from employees and supported by the organization. OCB is one of the factors that affect an employee's KS. This is in accordance with the statement of Susanti and Wimbarti (2012) OCB describes prosocial behavior used to show inclinations and friendliness in dealing with one another, this is due to that person and their sense of volunteering to share knowledge in order to help between employees. Tea and Sun (2012) and Chang et al, (2021) found that OCB had a positive relationship with KS. Many scholars further assert that KS is one of the most important outcomes of OCB (Taghvaee-Yazdi and Eynal, 2015; Dehghani et al, 2015). However, so far there is no agreement on their causality. Because of this, in this study the following hypotheses were established:

H3: OCB has a positive effect on employee KS.

Organizational commitment is the psychological attachment of employees to the organization. A situation where employees choose to side with an organization with several goals and a desire to keep themselves a member of the organization, this is the definition of organizational commitment according to Robbins and Judge (2017). Previous studies have shown the relationship with organizational commitment and employee creativity, however, may be moderated by several additional organizational variables rather than fixed. Taking Klau's research (2021) shows employees with high commitment will show high creativity. The above statement is in accordance with the results of observations that have been researched by Sothan et al, (2016) found that OC affected the creativity of 353 hotel workers from 17 hotels in Cambodia. Therefore, in this study, the hypothesis is set as follows:

H4: OC has a positive effect on employee IC.

Hanaysha et al, (2022) explained that OCB which describes a person's willingness to contribute cooperative efforts to the organization is necessary for the effective achievement of organizational goals to be another aspect that requires attention in order to increase employee creativity. When an employee feels part of an organization, they will try to show their OCB behavior and this will affect employees in showing their creative behavior (Akturan and Cekmecelioglu, 2016). This statement is in accordance with the results of research conducted by Hanaysha (2022) which found that OCB affects employee creativity at work. Therefore, in this study, the hypothesis is set as follows:

H5: OCB has a positive effect on employee IC.

KS in an organization becomes an important thing in the framework of developing knowledge, ideas and experiences among employees in the organization (Soda et al, 2017). According to Wang and Zatrick (2019) and Bhatti et al, (2021) sharing knowledge between employees makes employees more aware of the goals and strategic processes of the organization and will bring out creative attitudes from employees to contribute to company development. Research conducted by Zhao et al, (2021) found that outbound KS has an effect on IC. Other results were found by Bhatti et al, (2021) and Joo et al, (2022) also found that KS had an effect on the IC of workers in the Pakistani pharmaceutical industry. Therefore, in this study, the hypothesis is set as follows:

H6: KS has a positive effect on employee IC.

Employee creativity according to Amanda (2020) is the main foundation for increasing the level of efficiency and productivity of an organization then carrying out organizational strategy and maintaining the future sustainability of the group or organization, therefore the group or organization can develop and maintain itself in an enviroment that very large competition as it is today. Klau (2021) provides a statement that employees who do not have a stand for their organization have a difficult tendency to have creativity in the work activities they carry out.

Knowledge sharing is one of the methods to increase employee commitment to the organization. Knowledge sharing in an organization becomes an important matter in the framework of developing knowledge, ideas and experiences between employees in the organization (Soda et al, 2017). According to Wang and Zatrick (2019) and Bhatti et al, (2021) sharing knowledge between employees makes employees more aware of the goals and strategic processes of the organization and will bring out creative attitudes from employees to contribute to company development. In addition, Tandayong and Edalmen (2019) state that high commitment in an organization can be associated with an individual's willingness to share knowledge in order to advance the company. Observations that have been researched by Sothan et al, (2016) found that Knowledge Sharing is able to mediate the effect of Organizational Commitment on Individual Creativity, so that in this study the hypothesis was set as follows:

H7: OC has a positive effect on employee IC mediated by KS.

Previous studies have shown the relationship with organizational commitment and employee creativity, however, may be moderated by several additional organizational variables rather than fixed. Taking Klau's research (2021) shows employees with high commitment will show high creativity.

Hanaysha et al, (2022) stated that OCB is really needed which describes the willingness of individuals to contribute cooperative effort to an organization, this makes organizational goals more effective, on the other hand it is an aspect that needs attention in order to increase employee creativity. When an employee considers himself part of an organization, these employees will try to show their OCB behavior and this will affect employees in displaying their creative attitude (Akturan and Cekmecelioglu, 2016). This shows that when employee commitment is high it will be able to increase employee creativity which is in line with increased employee OCB behavior. Referring to this, in this study the hypothesis was determined as follows:

H8: OC has a positive effect on employee IC mediated by OCB

Hanaysha et al, (2022) stated that OCB is really needed which describes the willingness of individuals to contribute cooperative effort to an organization, this makes organizational goals more effective, on the other hand it is an aspect that needs attention in order to increase employee creativity. When an employee considers himself part of an organization, these employees will try to show their OCB behavior and this will affect employees in displaying the creative attitude they have (Akturan and Cekmecelioglu, 2016).

Putra and Adnyani (2018) state that KS is a method of knowledge management that is used in providing opportunities for employees in the organization to exchange ideas, experiences and knowledge with other members of the organization. In realizing KS in the organization, it must

be realized with a strong will from the employees and supported by the organization. According to Wang and Zatrick (2019) and Bhatti et al, (2021) the sharing of knowledge between employees makes employees more aware of the goals and strategic processes of the organization and will bring out the creative attitude of employees to contribute to the development of the company. So, in this study the following hypothesis was established:
H9: OCB has a positive effect on employee IC mediated by KS.

3 METHODS

This research is based on previous research conducted by Chang et al, (2021), Zhao et al, (2021), and Hanaysha et al, (2022). The design of this study will use a hypothesis testing design, which is where this study will try to test estimates for the influence of the variables that have been described in the hypothetical design. Cross sectional survey design is the research design used. Furthermore, the analysis in this study is an individual, namely employees in a banking company, carried out at one time or called cross sectional. The objects used in this study are employees who work in the banking industry in Jakarta. The choice of research location was based on the fact that in Jakarta the current development of information and technology has disrupted the conventional functions of products and services in the banking industry with various innovative new business models based on digital technology. Therefore, it is important for every bank to innovate in order to improve company performance by taking into account several influencing factors. Research time to get data in October (2022).

Identification of variables is used to be able to describe the effect of the independent variables, namely organizational commitment and organizational citizenship behavior on knowledge sharing, and their impact on individual creativity. The measurements used for each variable in this study are as follows:

Table 1. Description of Research Variables and Indicators

Variabel	Indikator	Sumber
Organizational Commitment	(1) I will work as optimally as possible above expectations in order to help the success of the company (2) I tell my friends that I work for a great company (3) I find similarities between my values and those of the company. (4) I am proud to tell others to be part of the company. (5) The company really inspires me about the best thing to achieve job performance. (6) I am happy choosing the company where I work according to my considerations before working, compared to other companies. (7) I really care about the future of the company.	Uddin *et al*, (2019)
Organizational Citizenship Behavior	(1) I adjust my time schedule to be able to help colleagues. (2) I try hard to help others so they can integrate into the company. (3) I read and actively follow company developments. (4) I attend an event that is not mandatory, but helps the Company's reputation (5) I make innovative suggestions for improving company functions.	Ritz *et al*, (2014) and Uddin *et al*, (2019)

Variabel	Indikator	Sumber
Knowledge Sharing	(1) When I have learned something new, I tell my co-workers about it. (2) When colleagues have learned something new, they tell me about it. (3) In the company where I work, knowledge sharing among colleagues is a common thing. (4) I share information with colleagues when they request it. (5) I share expertise with colleagues when they ask me to. (6) Colleagues at the company share knowledge when I ask them to. (7) Colleagues at the company share expertise when I ask them to.	Zhao *et al*, (2021)
Individual Creativity	(1) I enjoy finding solutions to complex problems (2) I enjoy sharing new product ideas. (3) I enjoy engaging in analytical thinking. (4) I enjoy creating new procedures for work assignments.	Zhao *et al*, (2021)

This study uses an interval scale as a measurement scale using a Likert research questionnaire with 5 points, namely: 1 = Strongly Disagree; 2= Disagree; 3 = Simply Agree; 4= Agree;= Strongly Agree. The Likert scale is used to measure attitudes, opinions and perceptions of a person or group of people about social phenomena. Respondents choose one of the five alternative answers that are tailored to the circumstances of the subject. The questionnaire was distributed online using the Google Form link sent via social media.

The sampling method used is non-probability sampling, namely the sampling technique by giving equal opportunities to respondents. This is taking into account that the sample for this research is based on certain considerations and the sample obtained is not taken randomly and has predetermined criteria. In connection with this, the sampling selection technique used is purposive sampling technique. The criteria for the respondents who were sampled were employees who worked in banking in the Jakarta area and had worked for at least the last 1 year. Other criteria, namely working at the following three state-owned banks, namely Bank Mandiri, Bank BNI and Bank BTN. Hair Jr. et al, (2017) recommends using a minimum sample size of 5-10 times the number of question items included in the questionnaire. The number of statements in this study was 23. With the number of statements of 23, the respondents in this study were 23 x 5 = 115 respondents to 23 x 10 = 230 respondents so that according to these criteria, the number of respondents in this study ranged from 115-230 respondents. From the research questionnaire that was distributed to the three respondent banks, namely Bank Mandiri, Bank BNI and Bank BTN, a total of 171 research questionnaires were obtained which had been filled in completely by the respondents so that the results could be processed and analyzed with a response rate of 100%.

4 RESULTS

4.1 Instrument Testing

To show the extent to which the measuring device is used to measure what is being measured is also called validity. Measuring validity is carried out by calculating the correlation of the values obtained from each statement item with the total value of the individual. The item or statement is valid if the decision making at the time of conducting the validity test is obtained from the value of the rcount (corrected item - total correlation) greater than the rtable value of 0.151, with a df value equal to 169–2 = 167; $\alpha = 0.05$, and vice versa. According to the results of the calculation of the validity test of organizational commitment variables, organizational citizenship behavior, individual creativity, and knowledge sharing with a total of 23 statement items as shown in table 2 below.

Table 2. Validity Test Results

Indicator	r count	r table	Criteria
OC1	0.661	0.151	Valid
OC2	0.501	0.151	Valid
OC3	0.696	0.151	Valid
OC4	0.550	0.151	Valid
OC5	0.693	0.151	Valid
OC6	0.659	0.151	Valid
OC7	0.610	0.151	Valid
OCB1	0.439	0.151	Valid
OCB2	0.610	0.151	Valid
OCB3	0.770	0.151	Valid
OCB4	0.619	0.151	Valid
OCB5	0.723	0.151	Valid
KS1	0.621	0.151	Valid
KS2	0.621	0.151	Valid
KS3	0.486	0.151	Valid
KS4	0.658	0.151	Valid
KS5	0.561	0.151	Valid
KS6	0.661	0.151	Valid
KS7	0.770	0.151	Valid
IC1	0.551	0.151	Valid
IC2	0.689	0.151	Valid
IC3	0.658	0.151	Valid
IC4	0.561	0.151	Valid

Source: Data Processing Results (2022)

To find out related to the consistency of the data then used the reliability test. Doing this test is used to measure the reliability of a questionnaire by conducting an assessment of the Cronbach's alpha value. A variable can be said to be reliable if it has a Cronbach's alpha value > 0.6. In table 3 it can be seen that all statements from the research variables are reliable because the value of Cronbach's alpha has a value of > 0.6. In this context, the question items describe the variables of organizational commitment, organizational citizenship behavior, individual creativity, and knowledge sharing.

Table 3. Reliability Test Results

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Criteria
OC1	99.57	87.902	0.661	0.936	Reliable
OC2	99.70	86.841	0.501	0.938	Reliable
OC3	99.80	85.015	0.696	0.935	Reliable
OC4	99.64	88.244	0.550	0.937	Reliable
OC5	99.78	84.985	0.693	0.935	Reliable
OC6	99.75	85.676	0.659	0.936	Reliable
OC7	99.59	87.850	0.610	0.937	Reliable
OCB1	100.08	87.422	0.439	0.939	Reliable
OCB2	99.92	85.850	0.610	0.937	Reliable
OCB3	99.84	84.814	0.770	0.934	Reliable
OCB4	100.25	84.369	0.619	0.937	Reliable
OCB5	99.93	84.543	0.723	0.935	Reliable
KS1	99.79	86.606	0.621	0.936	Reliable
KS2	100.05	84.700	0.621	0.936	Reliable
KS3	99.86	86.968	0.486	0.939	Reliable
KS4	99.94	85.901	0.658	0.936	Reliable
KS5	100.04	84.773	0.561	0.938	Reliable
KS6	99.57	87.902	0.661	0.936	Reliable
KS7	99.84	84.814	0.770	0.934	Reliable
IC1	99.66	88.536	0.551	0.937	Reliable
IC2	99.89	84.910	0.689	0.935	Reliable
IC3	99.94	85.901	0.658	0.936	Reliable
IC4	100.04	84.773	0.561	0.938	Reliable

Source: Data Processing Results (2022)

4.2 Goodness of Fit Test

Model fit test can be seen from Chi-Square, Probability Level, RMSEA, GFI, TLI, CFI, and AGFI.

Tabel 4. Goodness of Fit Test Results

Goodness of Fit	Cut Off Value	Result	Criteria
Chi-Square	Mendekati 0	735.994	Poor fit
CMIN/DF	Lower limit: 1.0 Upper limit: 5.0	3.286	Good fit
Root Mean Square Error Approximation (RMSEA)	≤ 0.08 or ≤ 0.05	0.116	Poor fit
Good Fit Index (GFI)	0.80≤GFI<0.90 or ≥ 0.90	0.726	Poor fit
Tucker Lewis Index (TLI)	0.80≤TLI<0.90 or ≥ 0.90	0.792	Poor fit
Comparative Fit Index (CFI)	0.80≤CFI<0.90 or ≥ 0.90	0.816	Marjinal fit
Adjusted Good Fit Index (AGFI)	0.80≤AGFI<0.90 or ≥ 0.90	0.662	Poor fit

Source: Data Processing Results (2022)

Based on the results in table 4, only one criterion, namely CMIN/DF, is included in the good fit category. Several other criteria include the poor fit category. However, a model can be said to be feasible if at least one criterion with goodness of fit is met (Hair et al., 2017). This shows that the established model can be used in assessing organizational commitment, organizational citizenship behavior, knowledge sharing, and individual creativity so that theoretical hypothesis testing can be carried out..

4.3 Hypothesis Testing

The basis for making a decision to test the hypothesis according to Hair et al. (2017) as follows: 1. If the p-value < 0.05 then H0 is not supported and Ha is supported

2. If the p-value > 0.05 then H0 is supported and Ha is not supported

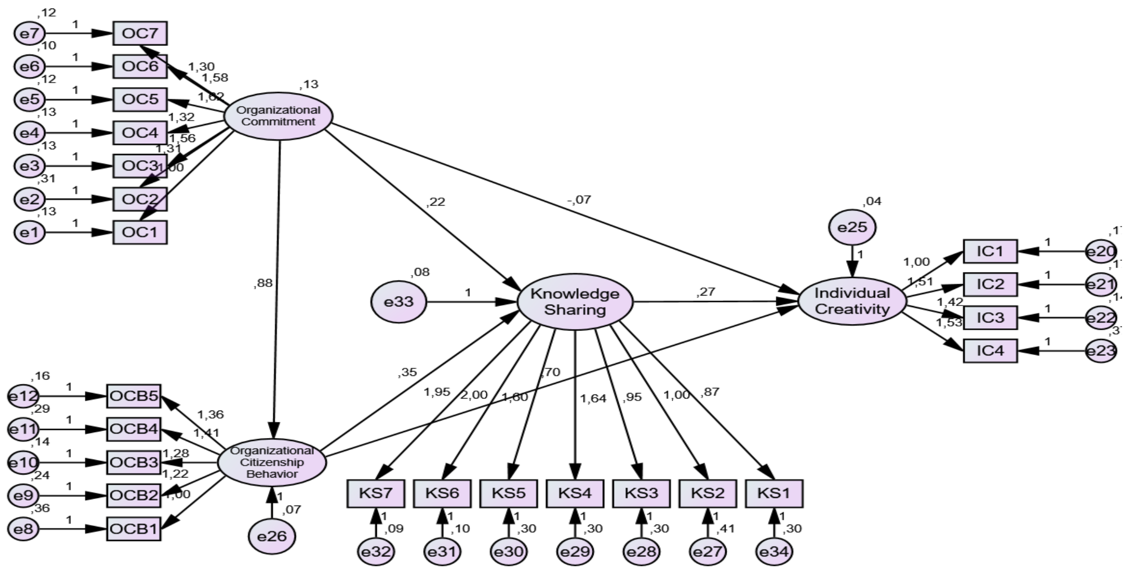

Figure.2 Structural Equation Modeling (SEM) Measurement
Source: Data Processing Results (2022)

The results of the SEM measurements show that the five hypotheses are acceptable and significant because the pvalue is less than 0.05. The hypothesis is rejected as many as four hypotheses because the pvalue is greater than the value of 0.05.

Tabel 5. Hypothesis Testing Results

Hypothesis	*Estimate*	*p-value*	Decision
H1: OC → OCB	0.833	0.000	H$_{a}$1 Supported
H2: OC → KS	0.221	0.085	Ha2 Not Supported
H3: OCB → KS	0.349	0.007	Ha3 Supported
H4: OC → IC	-0.065	0.566	Ha4 Not Supported
H5: OCB → IC	0.698	0.000	Ha5 Supported
H6: KS → IC	0.268	0.003	Ha6 Supported
H7: OC → KS → IC	0.059	0.136	Ha7 Not Supported
H8: OC → OCB → IC	0.616	0.000	Ha8 Supported
H9: OCB → KS → IC	0.094	0.045	Ha9 Not Supported

5. DISCUSSION

H_1 There is an influence of Organizational Commitment on Organizational Citizenship Behavior

Organizational commitment has a positive influence on organizational citizenship behavior. This means that the H1 hypothesis in this study is acceptable. In this case, employees who work at three state-owned banks in the Jakarta area have high commitment and loyalty to the company. This is especially supported by data on the characteristics of respondents who are dominated by employees who have worked for more than 5-10 years and above, which means that new policies made by employees may only affect employees with working years under 5 years, because employees who tied to the company in a short period of time does not feel any connection and does not own the company in himself. This is in line with the theory put forward by (Kurniawan, 2015) that organizational citizenship behavior arises due to factors within a company or organization, one of which is employee commitment. Employees who have a high commitment to a company or organization, these employees will be happy to do whatever they believe in and can develop the company because of their trust in the company.

Efforts from employees to direct all their abilities because of their high commitment to the company, theoretically as described earlier will stimulate the emergence of OCB. OCB that arises such as helping co-workers, carrying out work assignments without being asked, obeying rules, getting involved in organizational activities, tolerance for conflict, and taking attitudes and increasing their abilities for the benefit of the organization.

The results of this study are in accordance with the results of research conducted by Uddin et al, (2016); Chang et al, (2021) which stated that there was a positive and significant influence of organizational commitment on OCB. The strong influence of organizational commitment is inseparable from the form of bond between members of the organization and their organization. The stronger the bond, the more room for increasing the emergence of OCB.

H_2 There is an influence of Organizational Commitment on Knowledge Sharing

Organizational commitment is a special bond that exists with employees who already feel that the organization is the most important thing in work life which is indicated by a high level of work and always respecting the values or procedures that exist within the organization (Latupapua, 2021). Organizational commitment is a factor that influences knowledge sharing as the previous consensus found that employees' willingness to share knowledge depends on three main factors, namely individual factors (such as employee commitment to the organization), group factors (such as trust in colleagues), and organizational factors. (such as the work environment and ethics in the organization.

In knowledge management, it is expected that an employee learns something so that other employees in the organization or company also know or understand what the employee has learned. Knowledge sharing is a systematic process for sending, distributing, and disseminating knowledge in a multidimensional context from a person or organization to other people or organizations that requires a variety of methods and media. Sharing knowledge is an individual's behavior in sharing their knowledge with other members in the organization to create added value for the organization. Sharing knowledge is a culture of social interaction that involves the exchange of knowledge, experience and skills between members within an organization.

The results of the analysis show that H2 is not supported, that is, there is no influence from organizational commitment to knowledge sharing. This shows that when the employee's commitment to the organization increases, it does not necessarily increase or decrease the desire of employees to share knowledge between employees, or it can be interpreted that the OC variable is not one of the main factors that directly increases or decreases the knowledge sharing of banking employees in Indonesia. This is also inconsistent with previous research from Swart et al. (2014) on 559 employees of a global Professional Services Company (ProClient) which shows that organizational commitment is positively and significantly related to knowledge sharing.

H_3 There is an influence of Organizational Citizenship Behavior on Knowledge Sharing

Organizational citizenship behavior (OCB) is a form of individual behavior in an organization. OCB concerns the behavior of individuals in an organization. OCB is a choice behavior that is not a formal work obligation for employees, but can support organizational functions effectively (Robbins and Judge, 2017). Organizational citizenship behavior is a behavior that extends and exceeds any behavior required by the organization in improving employee performance. Organizations will benefit from encouraging employees to engage in OCB, as it has been shown to increase productivity, ability to share knowledge, and reduce costs as well as rates of turnover and absenteeism.

The results of the H3 hypothesis show that organizational citizenship behavior has a significant and positive effect on knowledge sharing. Organizational citizenship behavior plays an important role in completing work faster and optimizing resources which will have an impact on knowledge sharing in helping employees understand their work and helping organizations grow quickly. This is in accordance with previous research conducted by Tea and Sun (2012); Chang et al. (2021) found that organizational citizenship behavior has an effect on knowledge sharing. According to Taghvaee-Yazdi and Eynal (2015) and Dehghani et al. (2015) confirmed that knowledge sharing is one of the most important outcomes of influential organizational citizenship behavior.

H_4 There is an Influence of Organizational Commitment on Individual Creativity

Employee creativity according to Amanda (2020) is the main foundation in increasing organizational productivity and efficiency in carrying out organizational strategy and maintaining the future sustainability of the organization, so that organizations can survive and thrive in today's competitive environment. One thing that needs to be considered by companies in order to increase the creativity of their employees is the matter of organizational commitment. According to Robbins and Judge (2017) organizational commitment is a situation where an employee is in favor of a particular organization or group, besides that some goals and desires to keep himself a member of the organization or group are also called organizational commitment. In today's post-industrial society, modern organizations place particular emphasis on the influence of innovation on the long-term development of the organization, so that employees with a strong psychological (committed) attachment to the organization can better demonstrate creative ways of working because of their alignment with organizational goals. Klau (2021) states that employees who are not committed to their organization tend to find it difficult to be guided to have creativity in the work activities they carry out..

The results of this research show that organizational commitment has no effect on individual creativity. This shows that when employees' commitment to the organization increases, it does not necessarily increase or decrease employee creativity or it can be interpreted that the OC variable is not one of the main factors that directly increases or decreases the creativity of banking employees in Indonesia. The results of this study are in contrast to the results of a study conducted by Sothan et al. (2016) found that Organizational Commitment affected the creativity of 353 hotel workers from 17 hotels in Cambodia.

H_5 There is an Influence of Organizational Citizenship Behavior on Individual Creativity

Every company is required to be creative in generating ideas or innovations for the company. The importance of creativity for companies will make it easier for companies to increase continuity and renewal in their companies. Al Ahmad et al, (2019) said that to achieve superior competition, every organization is required to have high creativity because with a high level of creativity, the organization can understand opportunities, competencies, technology, and assets from new knowledge. A new idea, idea or procedure that has benefits for an organization can be obtained from creative individuals (Klau, 2021). The ability to respond quickly to an organization can increase due to the implementation and initiation of these creative ideas or ideas, therefore an organization can easily make adjustments, compete and develop in a market (Klau, 2021).

The results of the study show that organizational citizenship behavior has a positive effect on individual creativity. This shows that when the employee's OCB behavior increases, it will increase employee creativity or it can be interpreted that the OCB variable is not one of the main factors that directly increases or decreases the creativity of banking employees in Indonesia. This statement is in accordance with the statement put forward by Acturan and Cekmecelioglu (2016) when an employee is aware that he has become a member of an organization, these employees will try to show their OCB behavior and this will affect employee performance in carrying out the creative attitude they have. The results of this study are in accordance with the results of research conducted by Hanaysha (2022) which found that OCB has an effect on employee creativity at work.

H_6 There is an Effect of Knowledge Sharing on Individual Creativity

The results of the hypothesis that has been carried out in research have obtained the result that knowledge sharing has a positive effect on individual creativity with H6 being accepted. This is supported by the description of the respondents' answers to the knowledge sharing variable for employees working in the Jakarta area banking sector, including the majority answering agree, meaning that the application of knowledge sharing in the company is good and sufficient according to the company's needs.

As for the description of the respondents' answers to the individual creativity variable for employees working in the Jakarta area banking, they are in the majority category, they also agree, the majority category answers agree, indicating that the company places great emphasis on the principle of openness to all of its members so that they exchange ideas with each other in order to create a mindset and new ideas pattern that might be useful in work. Members voluntarily convey their big plans, their strategies for achieving targets without fear of being competed with by other employees. Indirectly they will have their own pride when the strategy they create will be successful if it is implemented by other employees in completing their work. The results of research by Liao et al, (2017) are in accordance with the phenomenon that occurs where employees are required to continue to have creative ideas with the aim of achieving company goals. Each employee will share their knowledge and creative ideas/ideas during weekly or monthly meetings. The purpose of this activity is to increase employee solidarity with one another. Other research is appropriate (Amabile and Pillemer, 2012), where employee creativity relates to the distinctive human capacity to generate new ideas and unique builds on existing ideologies that reflect new approaches and suggest new solutions. This is in line with Liao et al, (2017) stating that knowledge sharing has a positive effect on individual creativity..

Indirect Influence Between Variables

Employee creativity according to Amanda (2020) is the main foundation in increasing organizational productivity and efficiency in carrying out organizational strategy and maintaining the future sustainability of the organization, so that organizations can survive and thrive in today's competitive environment. One thing that needs to be considered by companies in order to increase the creativity of their employees is the matter of organizational commitment and organizational citizenship behavior of employees..

Based on the results of research at three state-owned banks who were respondents, namely Bank Mandiri, Bank BNI and Bank BTN, it was found that of the three hypotheses to find indirect effects between variables, only 1 hypothesis was supported, namely organizational citizenship behavior capable of mediating the influence between organizational commitment on individual creativity. This shows that the creativity of employees in the three state-owned banks will increase along with the increase in employee organizational commitment when employees feel shoulder to shoulder in every job they do. Klau (2021) states that organizations always try to increase their employee commitment to the organization by encouraging higher motivation, increasing employee OCB behavior so as to encourage employee creativity. When an employee feels part of an organization, they will try to show their organizational commitment and OCB behavior and this will affect employees in showing their creative behavior (Kurniawan, 2015; Akturan and Cekmecelioglu, 2016).

Meanwhile, based on the results of the descriptive analysis, it was found that employees will mobilize all their abilities to show high commitment to the company by helping colleagues to unite in the company, especially in trying to be involved in solving problems that require analytical thinking so that problems can be resolved easily and faster . Similar studies that find similar results are still difficult to find, so it can be said that the results of this study are still up to date.

Klau (2021) states that employees who are not committed to their organization tend to find it difficult to be guided to have creativity in the work activities they carry out. Knowledge sharing is one of the methods to increase employee commitment to the organization. Knowledge sharing in an organization becomes an important matter in the framework of developing knowledge, ideas and experiences between employees in the organization (Soda et al, 2017). Therefore, Wang and Zatrick (2019) and Bhatti et al, (2021) state that sharing knowledge between employees makes employees more aware of the goals and strategic processes of the organization and will bring out a creative attitude from employees to contribute to the development of the company. However, the statement above is not in line with the results of research which found that knowledge sharing was not able to mediate the influence between organizational commitment and organizational citizenship behavior on individual creativity..

6. CONCLUSION

Based on the results of tests carried out in analyzing the effect of organizational commitment and organizational citizenship behavior on individual creativity mediated by knowledge sharing on banking employees in Indonesia, the following conclusions are obtained:

1. Organizational commitment has a positive effect on organizational citizenship behavior of banking employees in Indonesia. This indicates that increasing employee commitment to the organization will increase employee OCB behavior.
2. Organizational commitment has no effect on knowledge sharing of banking employees in Indonesia. This shows that the increasing employee commitment to the organization will increase or decrease the desire of employees to share knowledge with other employees.
3. Organizational citizenship behavior has a positive effect on knowledge sharing of banking employees in Indonesia. This shows that the increasing OCB behavior of employees will increase the desire of employees to share knowledge with other employees.
4. Organizational commitment has no effect on the individual creativity of banking employees in Indonesia. This shows that the increasing employee commitment to the organization does not affect the increase or decrease in the creativity of banking employees in Indonesia.
5. Organizational citizenship behavior has a positive effect on the individual creativity of banking employees in Indonesia. This shows that the increasing OCB behavior of employees will increase the creativity of banking employees in Indonesia.
6. Knowledge sharing has a positive effect on the individual creativity of banking employees in Indonesia. This shows that the increasing behavior of sharing knowledge among banking employees will further increase the creativity of employees at work.
7. Organizational commitment has no effect on the individual creativity of banking employees in Indonesia mediated by knowledge sharing. This shows that increasing or decreasing employee commitment to the organization does not affect the increase or decrease in the creativity of banking employees in Indonesia, even when the behavior of sharing knowledge between banking employees increases or decreases.
8. Organizational commitment has a positive effect on the individual creativity of banking employees in Indonesia mediated by organizational citizenship behavior. This shows that the increasing employee commitment to the organization will increase the creativity of banking employees in Indonesia as the behavior of sharing knowledge between banking employees increases. In order to ensure this, for Bank Mandiri, Bank BTN and Bank BNI it is necessary to maintain and increase their commitment by always working as optimally as possible above expectations along with always reading and actively following company developments so that they can increase their creativity, especially in finding solutions to problems faced .
9. Organizational citizenship behavior has no effect on the individual creativity of banking employees in Indonesia mediated by knowledge sharing. This shows that increasing or decreasing OCB behavior of organizational employees does not affect the increase in creativity of banking employees in Indonesia even when the behavior of sharing knowledge between banking employees increases or decreases.

7. MANAGERIAL IMPLICATION

Based on the results of this study, it was found that there were several research hypotheses that met the requirements or accepted the hypotheses. Therefore, it is necessary to formulate a managerial implication in order to provide suggestions that support companies in developing human resources and increasing the creativity of employees in Indonesian banking. The implications that can be given are:

1. Companies need to do something to increase employee commitment by continuing to ensure that the values adopted by the company are in accordance with the values shared by employees. If the company is able to guarantee this, it shows that harmony will be guaranteed between employees and the company in carrying out their daily activities. Therefore, in order to achieve this, it is necessary to review the systems and procedures for implementing the values used by the company so that they are more integrated with their employees.
2. The company still has to maintain employees who work as optimally as possible in accordance with the expected expectations in order to help the company's success. One way to retain employees with such commitment is to provide rewards for their performance. This strategy is part of the company's appreciation for the contribution and hard work given by employees to the company. Giving rewards is also quite effective in encouraging employee enthusiasm to improve OCB behavior, especially regarding being active in reading and following company developments.
3. The company needs to retain employees who are capable and active in reading and actively following the development of the company. Companies that have employees like that will feel lucky because they will always learn new things and are willing to share their knowledge with their co-workers and are creative in finding solutions to problems faced for the betterment of the company.
4. Companies must also increase the willingness of employees to participate in helping improve the company's reputation by voluntarily attending events that are not mandatory in order to expand the network of colleagues who can provide knowledge and this will make it easier for these employees to create new procedures in carrying out their work assignments.
5. Companies need to do something to ensure increased knowledge sharing for each employee by involving each employee in every activity that allows employees to meet many colleagues from the company in order to broaden their knowledge and social life. The advantage for employees is that it will make employees creative and analytical in designing ideas for their work assignments.
6. It is important for companies to retain employees who are happy to learn something new and volunteer to share their knowledge with their colleagues. This will make employees want to cooperate with each other in finding creative solutions in solving work problems.

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CHAPTER 2

Effectiveness of Project-Based Instructional Models for Shop & Store Interior Design Courses, Faculty of Art and Design Universitas Trisakti

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ABSTRACT

This study aims to increase the final grade in the Shop & Store Interior Design course for students of the Interior Design study program, Faculty of Art and Design, Universitas Trisakti. This research is based on the acquisition of scores for the last 5 years in every even semester, from the 2017/2018 Academic Year to the 2021/2022 Academic Year. The existing conditions are known to be that almost all students experience difficulties in completing assignments in the form of Portfolios properly and correctly, on time and representatively. This study refers to The Dick and Carey Instructional Model up to the ninth step combined with the John Larmer Project-Based Learning Model from the Buck Institute for education in the sixth step and the Concept of Interior Design Planning, with research subjects namely Interior Design students at the Faculty of Art and Design at the University Trisakti. Experimental research was carried out through expert validation, including: Learning Design, Media and Teaching Materials and was carried out on students by conducting a Pre-Test and Post-Test 'One to one' test with 3 students, Small Group Trial with 9 Students, Trial field with 15 students and field trials with 31 students. The trial was declared feasible and effective to be developed and applied to the Shop & Store Interior Design Course so students can complete Portfolio assignments correctly, on time and representatively with a project-based approach in the design process, where students are able to think creatively, independently and collaboratively work in do: Gather information from both the literature and field surveys as 'Input', conduct a 'Process' study and analyze the information collected to determine the design concept as the final result or 'Output'. The results of this study are recommended in the form of: Textbooks, Lecturer Guides and Student Guides. Thus it can be concluded that this Project-Based Learning Model can increase students' final grades in the Shop & Store Interior Design Course.

Keywords: Project Based Learning, Design Concepts, Shop & Store

INTRODUCTION

Shop & Store Course, Interior Design Study Program, Faculty of Fine Arts and Design – universitas Trisakti plans the interior of a shophouse in a Commercial Building, namely a Mall with a room plan of ± 150-250 m2. To make it easier for students as learners to understand the learning material provided and be able to apply and complete the progress of the assigned tasks using a project-based learning approach and the 'Input - Process - Output' design concept during the learning process. This research is based on Data for the Last 5 Years of the 2017/2018 Academic Year to the 2021/2022 Academic Year as shown in the following table:

Table-1: Average Student Score for the 'Shop & Store' Course in Odd-Even Semesters for the 2017/2018 Academic Year to the 2021/2022 Academic Year

Grade Point	Year Academic 2017/2018				Year Academic 2018/2019				Year Academic 2019/2020				Year Academic 2020/2021				Year Academic 2021/2022			
	Odd		Even		Odd		Even		Odd		Even		Odd		Even		Odd		Even	
	f	%	f	%	f	%	f	%	f	%	f	%	f	%	f	%	f	%	f	%
A	0	0	1	2.94	0	0	0	0	0	0	1	4.16	0	0	0	0	0	0	0	0
A-	0	0	1	2.94	0	0	0	0	0	0	2	8.33	1	7.14	0	0	0	0	1	3.7
B+	0	0	2	5.88	1	9.09	0	0	0	0	0	0	1	7.14	0	0	0	0	1	3.7
B	0	0	3	8.82	0	0	2	9.09	1	9.09	6	25	2	14.29	5	17.85	1	6.25	5	18.51
B-	1	12.5	4	11.76	1	9.09	3	13.66	2	18.18	3	12.5	1	7.14	6	21.42	2	12.5	6	22.22
C+	3	37.5	8	23.55	3	27.27	5	22.72	3	27.27	1	4.16	2	14.29	2	7.14	2	12.5	5	18.51
C	1	12.5	12	35.29	3	27.27	5	22.72	2	18.18	3	16.66	2	14.29	5	17.85	6	37.5	2	7.4
D	2	25	3	8.82	3	27.27	2	9.09	0	0	3	12.5	2	14.29	6	21.42	3	18.75	0	0
E	1	12.5	0	0	0	0	5	22.72	3	27.27	4	16.66	3	21.42	4	14.28	2	12.5	7	25.92
Total students	8		34		11		22		11		24		14		28		16		27	

Source: Faculty of Art and Design Universitas Trisakti, 2022

Table 1 Description:
Table 1 shows the Cumulative Grade Point Average data obtained by students for the last 5 years with the following description:

Score	Number of Student	%	Total Student	Calculation
A	**2**	**2%**	**195**	2/195 x 100% = 1,06%
A-	**5**	**5%**	**195**	5/195 x 100% = 2,56%
B+	**5**	**5%**	**195**	5/195 x 100% = 2,56%
B	**25**	**25%**	**195**	25/195 x 100% = 12,82%
B-	**29**	**29%**	**195**	29/195 x 100% = 14,87%
C+	**34**	**34%**	**195**	34/195 x 100% = 17,43%
C	**42**	**42%**	**195**	42/195 x 100% = 21,53%
D	**24**	**24%**	**195**	24/195 x 100% = 12,30%
E	**29**	**29%**	**195**	29/195 x 100% = 14,87%

Based on the facts in the form of value data, it can be concluded that the learning of the existing 'Shop & Store' course did not achieve the goal, namely: The student's final score was 'low'. At the four stages of the experiment which was carried out by conducting the Pre-Test and Post-Test as well as interviewing students, it was found that so far students have experienced difficulties in doing Portfolio assignments correctly, on time and representatively because they have: 1) Are very dependent on the guidance and direction of the lecturer mentor; 2) There is no assignment progress schedule that must be completed per week and 3) There are no Lecture Handbooks and Student Handbooks.

The Project-Based Learning Model developed and applied during the learning process for the 'Shop & Store' course can make it easier for lecturers and students to complete the guidance process and assignments that must be completed.

1. MODEL DEVELOPMENT CONCEPT

The Dick and Carey learning model has 10 steps, namely:
1) Identify Instructional Objectives; 2) Performing Instructional Analysis; 3) Analyze students as learners and context; 4) Writing Performance Objectives; 5) Develop Assessment Instruments; 6) Revision of learning instructions; 7) Develop Instructional Strategies; 8) Develop and Select Teaching Materials; 9) Designing and Conducting Formative Evaluation of Instructions. In the sixth stage, the researchers combined the Project-Based Learning Model from John Larmer and the Design Process for the Shop & Store Course, Faculty of Art and Design – Universitas Trisakti.

The reasons for the researcher using the development of the Dick and Carey Instructional Model combined with the John Larmer Project-Based Learning Model and the Design Concept at the sixth stage in overcoming problems in the 'Shop & Store' course are as follows: 1) This model is able to address real needs and find solutions the most appropriate to solve the existing problem; 2) This research can produce knowledge and insight for lecturers and students to overcome problems during the learning process; 3) The recommendation of this research is to be able to produce products in the form of: Textbooks, Lecturer Guidance and Student Guidance which have expert validation values; Learning Design, Learning Media and Materials; 4) Able to motivate especially the lecturers of the Interior Design Study Program, Faculty of Fine Arts and Design - Trisakti University to innovate in developing new products that are always actual by adjusting to the times and technology and 5) Able to facilitate lecturers as mentors and students during the learning process.

1.1 Developed Model Concept

In this study, the stages of the Dick and Carey learning model were carried out up to the 'ninth step' starting from 'Identify Instructional Goals' to 'Design and Conduct Formative Evaluation of Instruction'. In the sixth step, the researcher combined it with the Project Based learning model from John Larmer and the Design Concept of the Design Concept of Interior Design 3 course, Faculty of Art and Design – Universitas Trisakti. The process and stages of this research in outline consist of 3 (three) steps which can be explained by the following cycles:

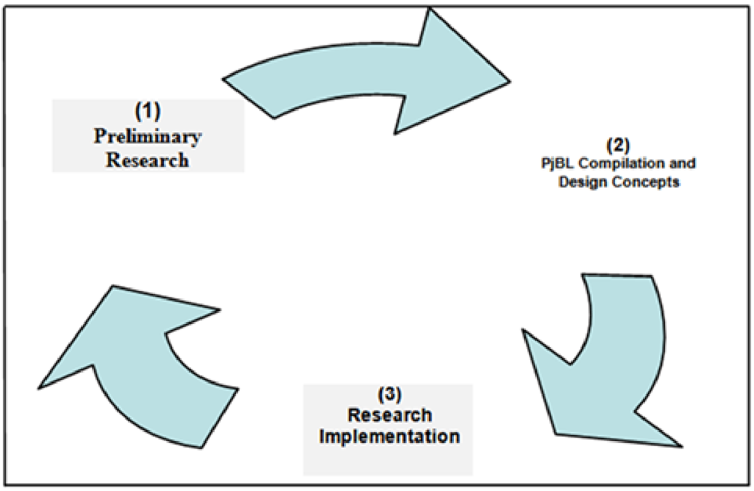


Chart 1. Circle of Research Steps

From the research cycle above, the chart can be described as follows:

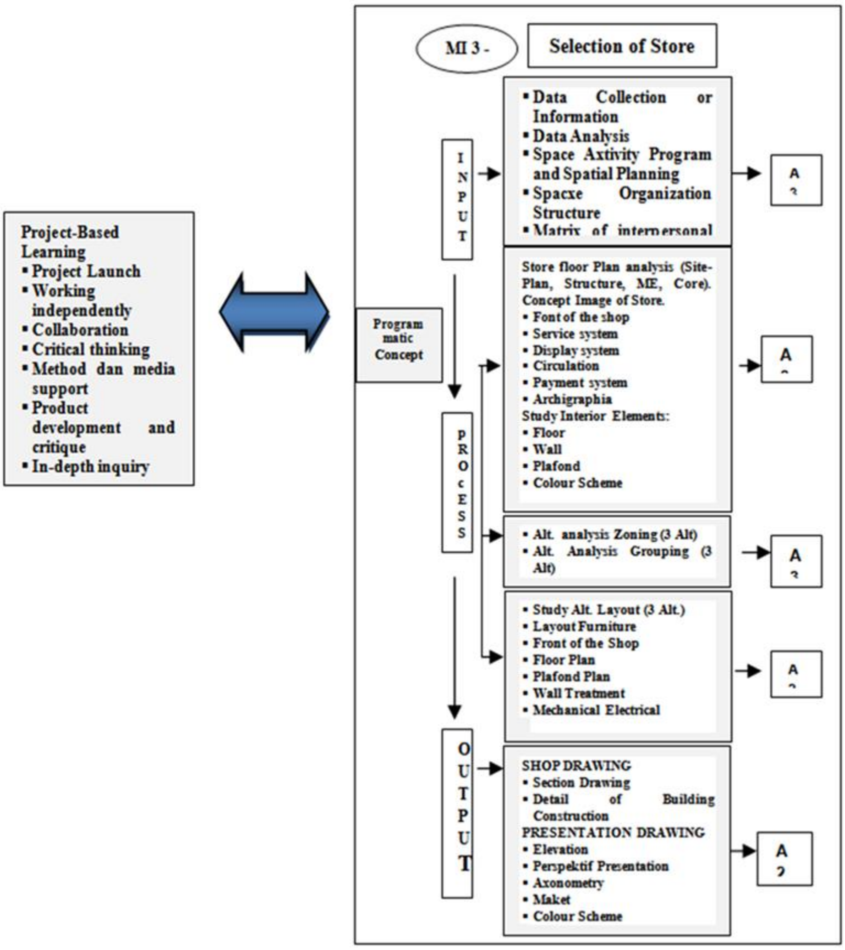


Chart 2. Preparation of PjBL and the Design Concept of the 'Shop & Store' Course by Asih Retno D

1.2 Chart Description

The chart above illustrates the compilation between the Project-Based Learning Model courses and the 'shop & store' course design concept during the learning process.

Research Stages

In accordance with the circle of research steps, the research stages can be described as follows:

Dick and Carey models:

a. Researchers identify instructional needs and set Instructional Objectives for the 'shop & store' course.
b. The researcher conducted an instructional analysis that described general competencies as sub-competencies of basic competencies and special competencies.
c. Researchers identify student behavior and characteristics, this is done to equate student perceptions before the learning process takes place.
d. The researcher sets the 'Shop & Store' Instructional Specific Objectives.
e. Develop an assessment tool to see the progress of the tasks students have done, including conducting several evaluations.
f. Develop an Instructional Strategy which includes 5 stages of activities, namely: 1. Pre-Instructional Activities; 2. Content Presentation; 3. Student Participation; 4. Assessment and 5. Follow-Up Activities.

   Notes:

   In the sixth phase, the researcher combined it with the project-based learning model from John Larmer and the 'Shop & Store' Design Concept course, namely: Input → Process → Output**.**
g. From combining the Dick and Carey learning model to the ninth step with the Project Based Learning and Design Concept models, at this stage the researcher develops teaching materials for the 'Shop & Store' course.
h. At this stage the researcher develops and conducts a formative evaluation by validating learning tools from experts: Learning design, Media and Teaching Materials before testing is done on students: One to one, Small Group, Field Trial I and Field Trial II.
i. Is the final stage of research in the form of recommendations in the form of products: Textbooks, Lecturer Guidance and Student Guidance

2. PROJECT BASED LEARNING

In this study, researchers used John Larmer's Project-Based Model of the Buck Institute for Education. This model has 8 (eight) important steps in involving students to be able to work independently to find solutions to solving problems in designing and planning shop interiors in commercial buildings, namely malls with tenant store areas between 150-250 m². The eight steps of the John Lamber model are:

a. Significant Content, in this case students choose the type of shop to be designed. For example, a Men's Clothing Store and making a time schedule for completing tasks according to the progress format of the tasks to be completed.

b. Students need to pay attention and know the service system and the characteristics of the products being sold. Among others: variant, type, size, design and color. Then from these data will be obtained the calculation of the number of products, product grouping and how to display. From these calculations, the shape, size and number of displays will be obtained.
c. A Driving Question, what students do is calculate the need for the amount of space, circulation of users (customers, sales assistants and store managers) on the Activity Chart and Facility tables.
d. Student Voice and Choice, students are able to complete their tasks independently after completing the Activity diagram and facility table by making a study and analysis of Zoning and Grouping.
e. 21st Century Competence, at this stage students create alternative layouts with the guidance of their supervisor taking into account user circulation, shape – size – display placement.
f. In-Dept Inquiry, after determining the selected layout students consider the zone grouping of products being sold, displays which are points of interest and circulation that occurs.
g. Criticism and revision, students choose the application of interior elements according to the image of the planned shop, the characteristics of the products being sold and complete the overall progress of the task and consult with the supervisor.
h. Public Hearings, students are able to present progress in the form of portfolios correctly, on time and representatively.

3. DESIGN CONCEPT

The design concept in the learning process for the 'Shop & Store' course can be described as follows:

Chart Explanation:

1) **Input,** is the stage where students collect various information related to store planning and design in Commercial Buildings, namely Malls with shop areas between 150-250 m^2. This information can be obtained from literature, lecture notes, articles, websites as initial data and field data obtained from: surveys, interviews, measurements and documentation.
2) **Process**, is the stage where students conduct a study and analysis of the data obtained, both initial data and field data adapted to the characteristics of the store and the products sold as well as applications in planning in the form of programmatic concepts to be used such as: Macro data (building location, environmental conditions and community users in the environment and SWOT) and micro data consisting of building data (site plans, building facades, structures, building facilities and building regulations); studies: Matrix diagrams according to grouping zones and bubble diagrams according to spatial organization; alternatives: Zoning, Grouping and User Circulation, layout alternatives, ceiling and floor plans, wall treatment and mechanical electrical plans.
3) **Output,** is the stage where students have made design decisions in accordance with the results of studies and analyzes made in a portfolio consisting of working drawings and presentation drawings, material and color schemes, mock-ups and axonometry.

4. SHOP & STORE

In planning store interiors, there are several opinions that we quote as a reference in the learning process, including: Holly Bastow-Shoop, et.all., David Mun and Lawrence J. Israel, AIA., FISP.

1) Holly Bastow-Shoop, et.all., states that:

‘Visual Merchandising is anything the customer sees, both exterior and interior, that creates a positive image of the business and generates attention, interest, desire and action on the part of the customer.’

2) David Mun, stated that in designing a store there are several aspects that must be considered, including:

a) Types and characteristics of shops and products sold; b) Planning and Layout; c) Fixtures and Equipment; d) Store Front; e) Signs; f) Security system; g) Environmental services; h) Engineering services, and i) Implementation.

3) Lawrence J. Israel, AIA., FISP, states that in planning and designing a store there are things to note such as:

a) Store design is the formulation of all aspects of retail (physical environment to achieve image, operational performance and successful sales results); b) Store design is helping the client add value (the physical product through the provision and management of imagination), and c) store design is the creation of a compelling environment for competitive retail selling at profit.

From the three statements above, it can be concluded that in planning the interior of a store, there are several aspects related to aspects such as: storefront, store characteristics and products sold, layout, interior decoration, display, signs, service, comfort and security systems.

5. METHOD

The research design was carried out using an experimental method, namely providing learning with a project-based approach. To find out whether the learning is effective or not is done by giving a test before the learner (Pre test), and after learning is finished (Post test), if the value of the previous test is smaller than the test value after learning, it can be said that the learning process is effective in increasing student knowledge about shop & store courses as measured by student test scores. The learning process uses the Dick and Carey Instructional Model up to the ninth step combined with the Project-Based Learning Model and Design Concepts in the sixth step.

The stages of the research process carried out are: 1) Needs analysis and field observations; 2) Determine the research plan; 3) Initial Product Development; 4) Initial test; 5) Initial product revision; 6) Field trials; 7) Revision of field trials; 8) Product effectiveness test; 9) Last revision and 10) Socialization and Implementation.

From the results of this study, qualitative data were obtained in the form of: suggestions and input from experts (Learning Design, Media and Instructional Materials) and quantitative data were analyzed using the Paired sample test to see the effectiveness and feasibility of the applied product. In this test using $\alpha = 5\%$. The hypothesis proposed is as follows:

Ho : μ pre_test ≥ μ post_test (project-based learning is not effective in increasing comprehension)
Ha : μ pre_test < μ post_test (project-based learning effectively increases understanding)
The following are the results of the Pre-Test and Post-Test assessments which can be seen in the following table:

1. One to one trial tested on 3 (three) students

Students	GRADE			Value of Mean	
	Pre	Post	Final Score	Pre T.	Post T
a	55	75	B+	59,00	79,33
b	58	78	A-		
c	64	85	A		

Paired sample test results:

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre_test	59.0000	3	4.58258	2.64575
	Post_test	79.3333	3	5.13160	2.96273

From the table above, the average value before learning is 59 with a standard deviation of 4.58, while the average value after learning is 79.33 with a standard deviation of 5.13. It can be seen from this value that there is an increase in the value after learning.

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Pre_test & Post_test	3	.999	.023

The table above shows that there is a significant relationship between the pre-test and post-test values, which is shown by the correlation coefficient value of 0.999 and a sig value of 0.023 <0.05

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Pre_test - Post_test	-20.33333	.57735	.33333	-21.76755	-18.89912	-61.000	2	.000

From the table above, the sig (2-tailed) value is 0.000, whereas in the hypothesis proposed in this study one tail, so that the sig value = 0.000/2 = 0.000 <0.05 the decision to accept Ha rejects Ho, which means that statistically and significantly the average value before learning is smaller than the average value after learning, so it can be concluded that there is an increase in the average value after learning, in other words an effective project-based learning method can improve understanding of subjects as assessed by the average score of 3 student.

2. Small group trial, this trial was conducted on 9 (nine) students with the following Pre-Test and Post-Test results:

Students	GRADE			Value of Mean	
	Pre	Post	Final Score	Pre-Test	Post-Test
1	50	70	B	49,33	78,11
2	55	87	A		
3	50	75	B+		
4	45	80	A		
5	45	73	B		
6	45	70	B		
7	50	80	A		
8	52	83	A		
9	52	85	A		

Paired sample test result:

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre_test	49.3333	9	3.60555	1.20185
	Post_test	78.1111	9	6.37268	2.12423

From the table above the average value before learning is 49,333 with a standard deviation of 1.20185, while the value after learning (Post tet) averages 78,111 with a standard deviation of 2.12

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Pre_test & Post_test	9	.678	.045

The table above shows that there is a significant relationship between the pre-test and post-test values, which is indicated by the correlation coefficient value of 0.678 and a sig value of 0.045

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	Pre_test - Post_test	-28.77778	4.73756	1.57919	-32.41939	-25.13617	-18.223	8	.000

From the table above, the sig (2-tailed) value is 0.000, whereas in the hypothesis proposed in this study one tail, so that the sig value = 0.000/2 = 0.000 <0.05 the decision to accept Ha rejects Ho, which means that statistically and significantly the average value before learning is smaller than the average value after learning, so it can be concluded that there is an increase in the average value after learning, in other words an effective project-based learning method can improve understanding of subjects as assessed by the average student score.

3. Field trial I, this trial was conducted on 15 (fifteen) students with the results of the Pre-Test and Post-Test as follows:

Students	GRADE			Value of Mean	
	Pre T.	Post T.	Final Score		
1	40	75	B+	44,53	78,13
2	40	73	B		
3	52	83	A		
4	55	85	A		
5	38	70	B		
6	40	85	A		
7	45	83	A		
8	40	76	B+		
9	50	83	A		
10	45	83	A		
11	40	73	B		
12	46	73	B		
13	47	70	B		
14	50	83	A		
15	40	77	A-		

Paired sample test results:

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre_test	44.5333	15	5.34344	1.37967
	Post_test	78.1333	15	5.60442	1.44706

From the table above the average value before learning is 44.5333 with a standard deviation of 1.37967, while the value after learning (Post test) averages 78.133 with a standard deviation of 1.44706

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Pre_test & Post_test	15	.563	.029

The table above shows that there is a significant relationship between the pre-test and post-test values, which is indicated by the correlation coefficient value of 0.563 and a sig value of 0.029 <0.05

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper			
Pair 1	Pre_test - Post_test	-33.6000	5.12417	1.32306	-36.43767	-30.76233	-25.396	14	.000

From the table above, the sig (2-tailed) value is 0.000, whereas in the hypothesis proposed in this study one tail, so that the sig value = 0.000/2 = 0.000 <0.05 the decision to accept Ha rejects

Ho, which means that statistically and significantly the average value before learning is smaller than the average value after learning, so it can be concluded that there is an increase in the average value after learning, in other words an effective project-based learning method can increase the average value of students.

4. **Field trial II, this trial was conducted on 31 students with the results of the Pre-Test and Post-Test as follows:**

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre_test	41.5484	31	5.26522	.94566
	Post_test	79.5806	31	4.39526	.78941

From the table above, the average value before learning is 41.5484 with a standard deviation of 5.265, while the average value after learning is 79.5806 with a standard deviation of 4.39526. It can be seen from this value that there is an increase in value after learning.

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Pre_test & Post_test	31	.383	.033

The table above shows that there is a significant relationship between the pre-test and post-test values, which is shown by the correlation coefficient value of 0.383 and a sig value of 0.033 <0.05

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper			
Pair 1	Pre_test - Post_test	-38.03226	5.41285	.97218	-40.01771	-36.04681	-39.121	30	.000

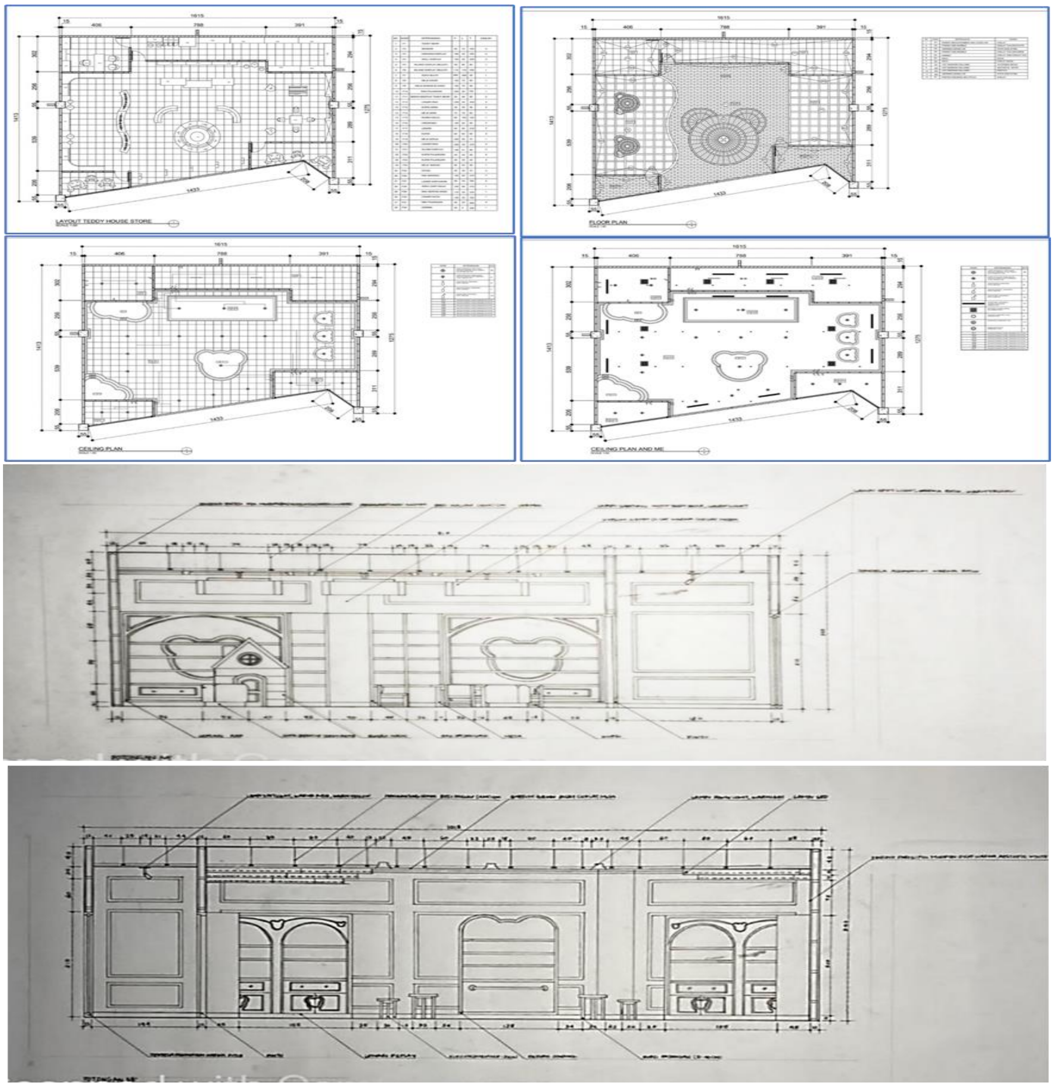
From the table above, the sig value (2-tailed) is 0.000, whereas in the hypothesis proposed in this study one tail so that the sig value = 0.000/2 = 0.000 <0.05 the decision to accept Ha rejects Ho, which means that statistically and significantly the average value before learning is smaller than the average value after learning, so it can be concluded that there is an increase in the average value after learning, in other words an effective project-based learning method can increase the average value of students.

Sample Presentation Bord and Portfolio

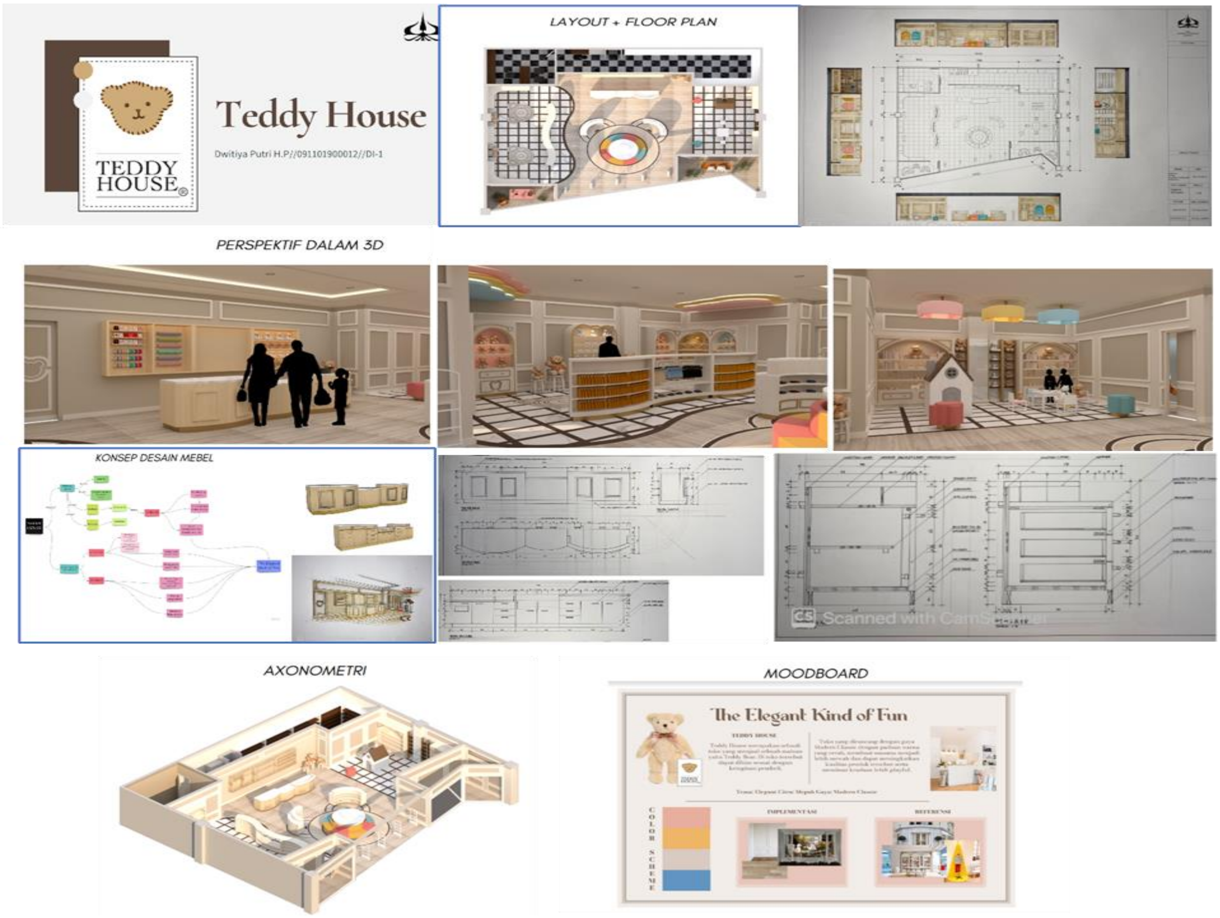
Student: Dwitiya Putri H.P//091101900012//DI-1

(Presentation Board)

Portfolio – Working Drawing



Portfolio – Presentation Drawing



CONCLUSION

Based on the results of the experimental stages carried out, the results of the study 'Development of a Project-Based Learning Model for the 'shop & Store' Course, Interior Design Study Program, Faculty of Art and Design – Universitas Trisakti can be concluded that:

1. The results of this study are recommended in the form of products: Textbooks, Lecturer Guidance and Student Guidance.

2. Based on the results of the effectiveness and feasibility test of the product produced through the 't' test, it is stated that the product produced is 'Effective' and 'Decent' and is recommended for use in the Learning Process of the 'shop & store' Course.

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CHAPTER 3

Creative Business Strategy for Adapting During the Covid-19 Pandemic at The Suwatu Restaurant and Gallery Yogyakarta

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ABSTRACT

The Covid-19 pandemic has been going on for over three years, from the beginning of 2020 until now. The Covid-19 pandemic period is not over yet, but humans have started to adapt well to this problem. Not only adapting to health and viruses that are increasingly mutating, but human behaviour patterns have begun to adapt; this can be seen from various new strategies in the business world in surviving the pandemic. One of the businesses that must adapt to this situation is the culinary business. Several restaurants implemented creative strategies by applying design thinking in surviving this Covid-19 era. One culinary business that has adapted to this situation is the restaurant and gallery Suwatu, which is located in the Special Region of Yogyakarta. This type of research is **descriptive qualitative**. In this study, the focus is on analysing how creative strategies can help culinary businesses to adapt to the circumstances that occur as well as the various challenges or problems that are obtained and then proceed with the solutions. The methods used in this study are observation, interviews, and related literature studies. The results of this study indicate that there is a creative adaptation in the Suwatu Yogyakarta restaurant and gallery. This adaptation applies the science of design thinking, which is a science that focuses on changing human needs; the business strategy is in the form of (1) the use of open building facades to fulfil space health standards, (2) a limited reservation system, (3) a kitchen pattern based on shifts, (4) location as part of the adventure experience, (5) utilization of natural resources and surrounding human resources as part of corporate social responsibility (CSR) for the affected communities.

Keywords: Adapting, Strategy, Suwatu, Pandemic.

1. INTRODUCTION

The Covid 19 pandemic has been going on for over three years, from the beginning of 2020 until now. This situation has significantly changed all human life, including the economy. Covid fear is defined as an emotional reaction related to the risk of contracting the COVID-19 virus or the course of the disease (Asmundson & Taylor,2020).To prevent the spread of the virus from spreading and continuing to mutate, all countries are trying to make policies to limit people's movements. This policy will directly reduce the level of public consumption. During the current pandemic, every growing business must have a creative strategy to deal with changes in the economic situation and trends due to the co-19 pandemic. This change impacts one of the leading human needs businesses, the culinary business.

Competition in the culinary business is very tight because many culinary businesses have initially implemented health protocols and systems that have adapted well. Therefore, every culinary business that develops must have a survival strategy by looking at human needs and new habits during the Covid-19 era. This survival strategy must be based on the needs and changes in human lifestyle. Therefore it is essential to use Design thinking principles that pay attention to basic human needs in developing business strategies for each business so that it is different from similar businesses.

Building any business requires several factors, including a competitive strategy between businesses so that the business being built can run smoothly and still generate profits. Various ways can be done to maintain a business with various strategies implemented to demonstrate the ability to survive in starting and running a business. Several media can be used to keep a business competitive; in addition to media, business concepts, and products must be unique and adapted to human needs. Business strategy is a design decision relating to ideas or actions taken by a company to achieve its business goals and objectives. When starting a business, many important things must be prepared to make it run smoothly. One of them is to design a creative and efficient business strategy.

Yogyakarta is a tourist destination area that is very popular with all local tourists now. This is because access to the Yogyakarta area is very easy because freeway access stretches from the capital city of Jakarta to the Boyolali area of Central Java. This ease of access makes the DIY area very popular with tourists to spend not too long holidays, even if the holidays are only weekends and short. One of the restaurants that also has a gallery inside is the Suwatu restaurant, taken from the abbreviation of the name of the village where this restaurant is located, namely the Sumberwatu area, which is located in the Prambanan Sambirejo area, Sleman Yogyakarta. The location is soo strategic because it is directly adjacent to Central Java and near a Hindu temple complex. This restaurant has a business strategy that is classified as very human-centered. This restaurant has adapted well. Judging from the facade of the building with an open style without air conditioning so that the air circulation inside and sunlight enters quite well, this can reduce the transmission of viruses or any diseases in that place.

The distance between one set of tables and another is tight enough, and even this restaurant has an outdoor point without room cover.

This restaurant has an advantage that is rarely owned by similar businesses. Even the closest restaurants in the vicinity, namely visitors, can enjoy the sunrise and sunset in the afternoon. The direction of restaurant is deliberately facing north with views of Mount Merapi, which is in a straight line with the Prambanan temple. The dishes served are local halal cuisine prepared directly by residents around the restaurant. Nearly 70% of food ingredients are supplied from local markets and residents' gardens. Each restaurant visitor is limited to 150 visitors per session even though the restaurant's capacity reaches 300 visitors. Every visitor must make a reservation before entering and eating a meal. This restriction system has even made the Suwatu restaurant a trend in its surroundings because apart from being profitable, it makes visitors feel curious about what if they don't get a place in each session. The food sales system uses a buffet system with two packages: the Sojiwan package and the Prambanan package. The name of this food package is named after the temple that is visible from the restaurant. This restaurant opens a people's market twice a month, called the Suwatu market, every Legi week and Wage week to help culinary and handicraft MSMEs affected by the decline in food prices.

2. METHODOLOGY

This research was conducted at Suwatu Restaurant by Milandbay, Sumberwatu Village, Sambirejo Village, Prambanan, Sleman, Yogyakarta. This research was conducted for one year, from January 2021 to December 2021. This research was carried out using two methods: primary data search and data search. Secondary. Preliminary data were obtained from interviews with the Founder and Owner of this business, namely Mr. Rindoko, and two creative team staff involved in developing the business. Secondary data for information retrieval of Suwatu by Milandbay restaurant through customer reviews on social media and Google reviews, then secondary data related to theory and methods were obtained from previous research, including journals, books, and related articles from the internet.

The measurement of success obtains from annual administrative data obtained from surveys and direct data collection. The data obtained were analyzed using qualitative methods with a strategic management concept approach and analyzed descriptively and analyzed using the SWOT analysis tool (strength, Weakness, Opportunity, Thread). Each of these factors will describe so that an alternative strategy is obtained by analyzing 4 (four) things, namely strengths with opportunities (SO), weaknesses with opportunities (WO), strengths with threats (ST), and weaknesses with threats (WT). These results will then present as a SWOT matrix to pinpoint the factors in the analysis (Widyastutie, Sahara, & Kirbrandoko, 2021). This method needs to analyze the success of the creative strategy carried out by the management of Suwatu by Milandbay to respond to changes in customer characteristics during the Covid-19 pandemic

3. FINDINGS AND DISCUSSION

3.1 Restaurant and Gallery Suwatu by Mil&Bay

Suwatu by Mil&Bay Restaurant officially opened on November 20, 2020. Standing right during the Covid-19 pandemic, it is in the Sumberwatu village, Sambirejo subdistrict, Prambanan District, Sleman Special Region of Yogyakarta. Based on interviews conducted with the owner, namely Mr. Rindoko, The concept offered by Suwatu by Mil&Bay Restaurant is an outdoor and semi-outdoor overlooked UNESCO world heritage site of Prambanan temple with Mount Merapi Volcano. In addition, there are enticing and aesthetic photo spots in the restaurant area. Suwatu by Mil&Bay Restaurant is also suitable for holding gatherings, workshops, pre-wedding photo shoots, engagements, and private wedding parties. Suwatu by Mil&Bay Restaurant's operational team comes from the surrounding community. The kitchen team is 100% residents. Suwatu by Mil&Bay Restaurant serves food with a buffet system and divides into three sessions: breakfast every Saturday and Sunday, lunch, and dinner. Each food served is local traditional food with a more classy presentation. The facade of building uses an open facade, making it easier for air circulation in the area to rotate correctly, thus minimizing the transmission of any virus between guests who come. The target market for this restaurant is prominent, the middle and upper target market. This can be seen from the interior design, the way food serves, the price per package, and the servers serving guests. The food packages divide into two types, namely the Prambanan package Rp. 250,000/pax and the Sojiwan package Rp. 150,000/pax.

Figure 1 Semi Indoor and Out door area

Figure 2 Digital Menu

To strengthen the concept of cultural cuisine, a regional dance called the Ramayana dance is presented every Saturday, Sunday, and national holiday. This dance was performd by a dance group originating from the Prambanan area. Every afternoon, as the sunsets, a local gamelan group plays gamelan music with a simple set, welcoming guests who come to enjoy the sunset. Because every aesthetic element presented embraces local culture, Suwatu Restaurant by Mil&Bay adopts the tagline "Cultural Cuisine."

Figure 3 The Traditional Dancing

Figure 4 Sunrise at Suwatu by Mil&Bay

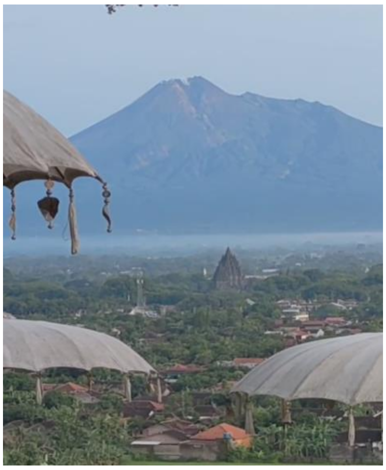

Figure 5 Moutain and temple view from restaurant area

Figure 6 Outdoor area best view

This restaurant truly understands the captivating characteristics of its location. Therefore, the building facade is directed towards the North, facing Mount Merapi, aligning with the

Prambanan Temple, one of Yogyakarta's iconic landmarks. Moreover, the restaurant's orientation strategically positions so guests can enjoy sunrise and sunset views.

3.2 Analysis of the Impact of the Covid-19 Pandemic on Suwatu Restaurant by Mil&Bay

After the reopening of tourism in Indonesia by President Joko Widodo at the beginning of 2021, tourism in Indonesia started to show signs of recovery. Several tourist cities in Indonesia began hosting international events. In the first quarter of 2021, following the removal of the government's PSBB (Large-Scale Social Restrictions) regulations, Restaurant Suwatu by Mil&Bay increased its visitor capacity. During the PSBB period, the maximum number of visitors per session per day was 70, with a capacity of 300 visitors per session.

In the first quarter of 2021, Restaurant Suwatu by Mil&Bay increased the visitor capacity to 150 people per session per day. According to interviews with three regular customers of Restaurant Suwatu by Mil&Bay, who visit more than five times per year, namely Mr. Bambang Reguna from Jakarta (10 visits per year), Mr. Robby from Yogyakarta (6 visits per year), and Mrs. Delia Mugiharti from Yogyakarta (8 visits per year), this capacity expansion was received positively by them because many visitors usually bring along their extended families.

However, Restaurant Suwatu by Mil&Bay continues to enforce strict health protocols. This can be seen through the restaurant staff who consistently wear masks during their shifts, provide hand sanitizers at various points, serve buffet-style meals with the assistance of staff, implement a reservation system to limit the number of visitors per session per day, ensure that all restaurant staff members have been vaccinated up to the third dose, and maintain an open-air system in the dining area to minimize the risk of virus transmission among visitors.

Looking at the visitor statistics in quarters 1 to 4 of 2021, the restaurant has experienced a continuous increase in visitors. Considering the success of this restaurant in adapting to the new normal, it is necessary to analyze the strategies employed so that other restaurants facing declining sales during the new normal of the Covid-19 pandemic can also thrive once again.

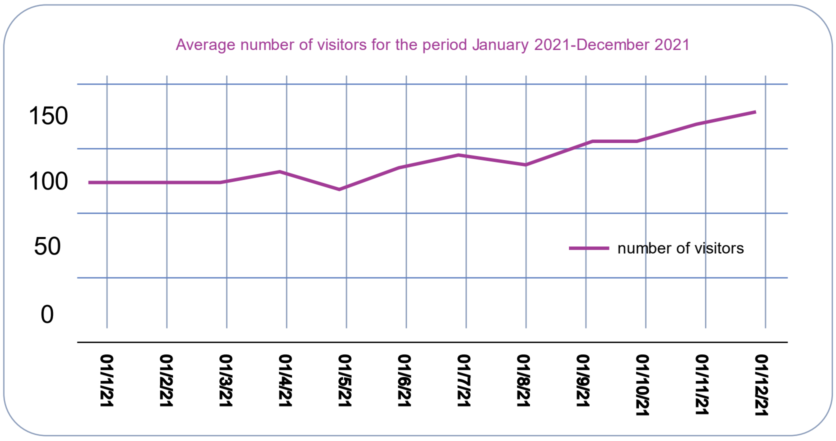

Figure 7 Number of visitors in one year

3.3 Creative business strategy

Suwatu Restaurant by Mil&Bay designs its restaurant concept using a Design Thinking approach, which is centered around human needs..

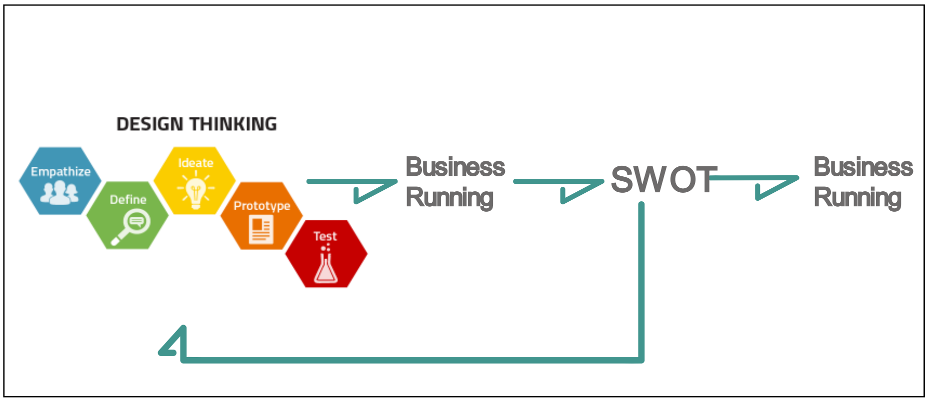

Figure 8 Creative strategi using design thinking methods

The Design Thinking approach undertaken by Suwatu by Mil&Bay restaurant begins with several stages:

1. **Empathize:** In the first stage; the founder must recognize the characteristics of the target customers. Then, they analyze the customers' experiences, emotions, and situations, aiming to put themselves in their shoes to understand their desires. This can be done through interviews, observing user lifestyles, and other methods.
2. **Define:** Once the founders have analyzed the customers' needs and characteristics, they map out the customers' ideas or perspectives. This process serves as the foundation for the business to be designed. It involves creating customer personas and utilizing knowledge about the current circumstances.
3. **Ideate:** Based on the needs identified in the previous stage, it is necessary to map out appropriate solutions that meet them. This stage involves evaluating thoughts with employees and combining the owner's creativity.
4. **Prototype:** The ideas and concepts need to be implemented in the form of sales trials or food tests. In this stage, it is essential to conduct trials of the Minimum Viable Product (MVP) marketed to customers.
5. **Test:** Based on the results of the trials, such as a soft opening, customer feedback, and suggestions are obtained to improve the product and improve existing products. When sales and teamwork start to stabilize, a grand opening is conducted. Suwatu by Mil&Bay held its grand opening during the Covid-19 pandemic on December 23, 2020

Based on these characteristics, it can be understood that the design thinking method can create a business product that has commercial value and produces a superior, creative, and highly competitive product (Lazuardi & Sukoco, 2019). According to IDEO (2010) in Drajat et al. (2014: 138-139), some advantages of using the design thinking method are as follows:

1. Acting as a bridge between the organization and the people being served,
2. Transforming existing cases into actionable ideas,
3. Exploring new opportunities, and
4. Supporting the improvement of speed and effectiveness in creating new solutions.

Once the business is established, it is essential to evaluate it using a SWOT approach continuously. If there is a need to develop the business further or if there is a decline in sales, the process will be repeated, starting from the design thinking stage, analyzing whether any mistakes were made during the business operation.
Restaurant Suwatu by Mil&Bay has been operating for three years, and according to sales data, the results have been very stable and tend to increase. However, SWOT analysis still needs to be conducted as a useful measurement tool for future business development. In addition to being a measurement tool, SWOT analysis can also be used as a business development strategy.

Table 1. SWOT Methods

Strength (S)	1. Prime location situated amidst cultural tourist attractions, 2. The desired rural ambiance appeals to visitors, many of whom come from Jakarta, 3. Building facade designed to prevent virus transmission, 4. Well-conceptualized and matured building façade, 5. Local cuisine presents enticingly, 6. Companion attractions provide entertainment for visitors, 7. Active utilization of social media platforms.
Weakness (W)	1. Challenging accessibility from the main road due to location, 2. Visitor restrictions disappoint some guests who are unable to enter the restaurant, 3. Absence of international cuisine and limited child-friendly food options,
Opportunity (O)	1. Opening up employment opportunities for residents, 2. Collaborative tour packages that can combine with other tourist attractions, 3. Increased attention from the local government to improve road access to the restaurant location., 4. Being one of the first restaurants to support the empowerment of the local community.
Threads (T)	1. The establishment of several other restaurants in the nearby vicinity 2. Lack of harmony among the community members, specifically between the empowered community around the restaurant and the community residing in the hilly area, which serves as the entrance to the restaurant location.

Based on the analysis from interviews conducted with the restaurant owner, Mr. Rindoko, and loyal customers at Suwatu by Mil&Bay restaurant, the overall creative strategy for adapting to changes in the culinary business landscape during the Covid-19 pandemic can be outlined as follows:

3.5 1st Strategi

Strategy on social media

The Intagram : https://www.instagram.com/suwatu.by.milandbay/

The Website : https://www.suwatu.id/

1. The color mood of the restaurant must be in harmony with all feeds on social media.

Branding strategy is the main key to the sustainability of a business; alignment of brand image impacts the psychology of visitors. A branding strategy will never be separated from the aesthetic value.

Over the past decade, emotional branding has emerged as a highly influential brand management paradigm (Gobe 2001; Zaltman 2003). Emotional branding is a consumer-centric, relational, and story-driven approach to forging deep and enduring affective bonds between consumers and brands (Roberts 2004).

Among marketing practitioners, this relational, communal, participatory, sensory, and emotive view of consumerbrand relationships is increasingly heralded as a central pillar of market differentiation and sustainable competitive advantage (Atkin 2004; Gobe 2001; Lindstrom 2005; Roberts 2004).

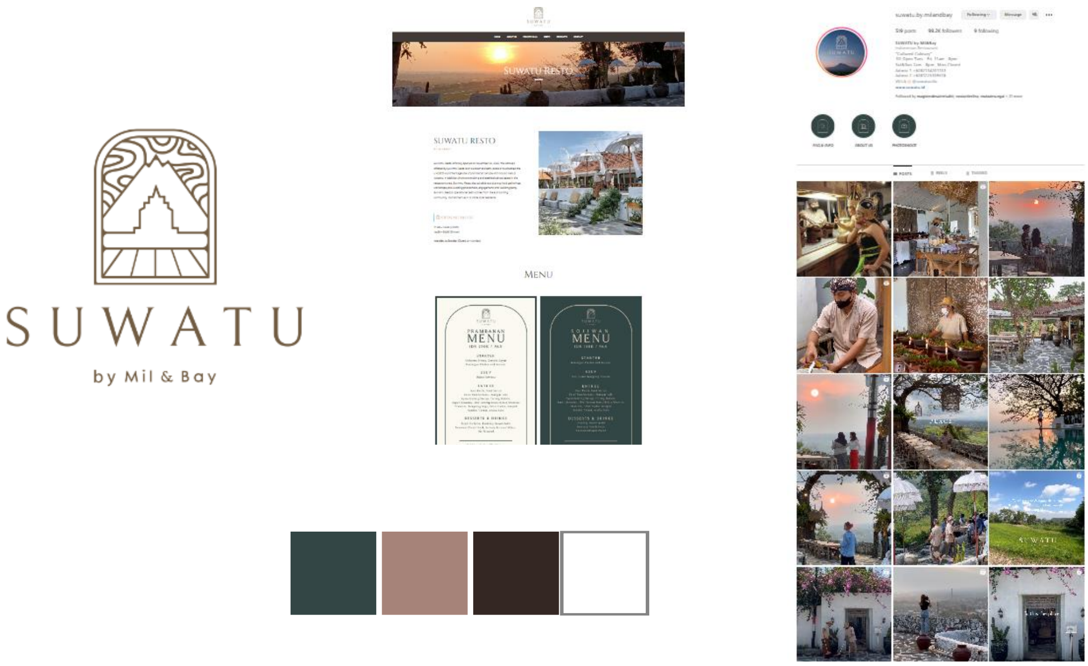

Figure 9 Visual Branding

2. At least one feed per day showing the ambiance of the Suwatu by Mil&Bay restaurant.

It takes a lot of engagement on Instagram to get the brand awareness From the public, and the engagement come form existency per feed per day.

Brand awareness is an important element and always be one of several goals from all brands when they do marketing activities. Consumer’s ability to recognize and remember one brand (Gunawan et al., 2021) also distinguishes it from others (Mulyono, 2016) called brand awareness. Brand awareness have an effect on consumer's decision-making about the brand product (Pandjaitan, 2018).

Figure 10 Instagram feeds

3. Partner with social media that raises culinary reviews and tourist attractions.

This strategy is a strategy to expand the network on social media.

city.tour.jogja, Tripnusantara, jogjatourwisata.id, Holiday.jogja, Jogjatropica, etc

more than 50 travel and restaurant review instagram accounts collaborating with Suwatu Restaurant.

4. Reviews of visitors who have a high level of influence in the community.

This strategy is a strategy to expand the network on social media from the influencers followers. Social media marketing has led to many collaborative activities such as influencer marketing where influencers on social media with many followers on their accounts are able to become reviewers to increase brand awareness and consumer trust (Gunawan et al., 2021).

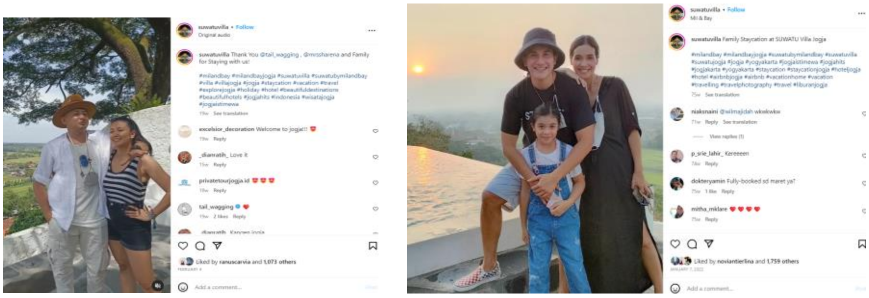

Figure 10 Influencers

5. Repost all tagging customers in the store.

- This strategy is a strategy to expand the network on social media.
- Good communication strategy with customers.

Figure 11 total Hashtags

3.6 2nd Strategi

Strategy Adjustment of the building facade with an open-air concept of 35% closed, 75% open, and Instagram-able interior design.

1. The building's facade features an open design, facilitating proper air circulation in the area and minimizing the transmission of any viruses between guests.

2. It minimizes lousy spots in every part of the restaurant, ensuring an aesthetically pleasing appearance when captured in photos or videos. Customer satisfaction is essential. The term "Instagrammable" combines "Instagram" and "able." Each word has its meaning: "Instagram" refers to the application, and "able" means "capable" or "having the ability." When combined, "Instagrammable" refers to something worthy of being shared on Instagram as pictures or videos. It can describe situations, products, or places that are unique, popular, cool, luxurious, creative, or up-to-date, making them suitable for creating engaging content on Instagram. (Bambang 2012:10) states that Instagram, a smartphone application similar to Twitter, allows users to share pictures of products or places. Instagram also serves as a source of inspiration, igniting creativity by offering features that enhance the beauty and artistry of pictures.

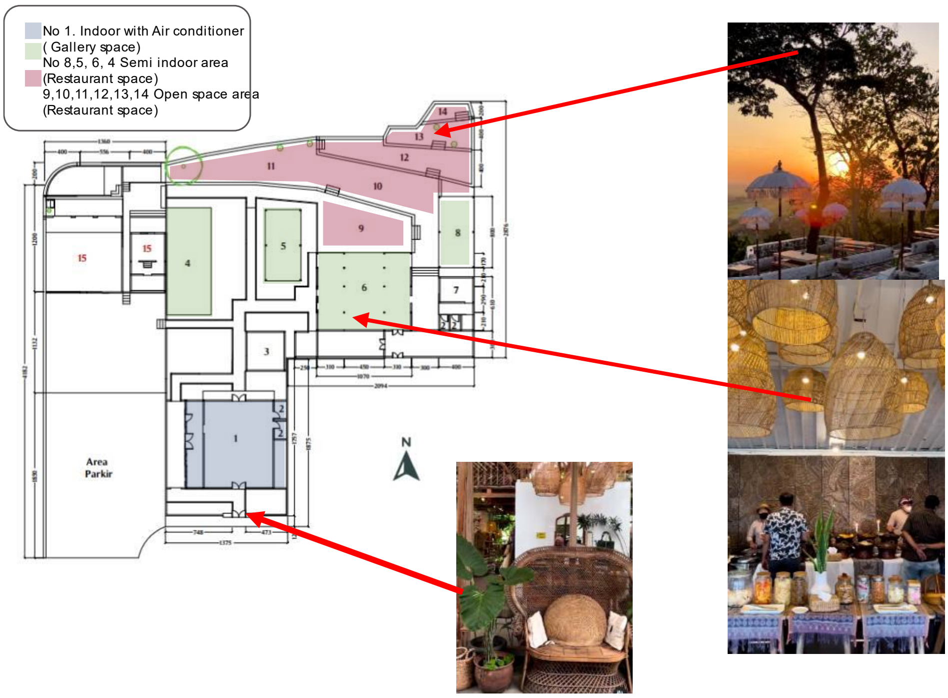

Figure 12 Map of Suwatu by Mil&Bay

3.7 3rd Strategi

Strategy Reservation system by dividing into three sessions, namely morning session, afternoon session, and evening session, and limiting the number of visitors/per session/day, with maximum capacity are 150 visitors/per session/day.

This strategy use for control system the number of incoming guests and facilitate the measurement of food ingredients to serve.

Figure 13 Opening hours information on the website

3.8 4th Strategi

Team commitments

1. Waiters wear masks,
2. The waiter uses gloves,
3. The waiter has carried out the covid-19 vaccination at least up to the 3rd dose.

It gives more trust from customers and will recommend to relatives.

Figure 14 the waiters using health protocols

3.9 5th Strategi

Maintain good relations with customers

1. Give discounts to customers who have come to the restaurant more than two times,
2. Give bonuses to travel agents.

Fostering good relationships with customers brings an excellent impact on expanding the network.

3.10 6th Strategi

Maintain good relations with the local community

1. The community manages the parking area independently, and the funds obtained are deposited into the village treasury.
2. The community is permitted to sell food and handicraft products at the Suwatu market, which occurs twice a month during Legi week and Kliwon week.

3. 95% of the employees are recruited from the local area surrounding the restaurant. Maintaining good relations with the community is crucial for ensuring a business's social sustainability and continuity.

4. CONCLUSION

The creative business strategy employed by Suwatu by Mil&Bay Restaurant is rooted in the concept of adaptation, incorporating design thinking principles. Design thinking is a discipline that revolves around understanding and addressing evolving human needs. Within Suwatu by Mil&Bay Restaurant, the business strategy focuses on several key areas:

1. Branding strategies: The restaurant emphasizes developing and implementing effective branding techniques to create a distinct identity and communicate its unique value proposition to the target market.
2. Facades: The design and aesthetics of the restaurant's facades play a significant role in attracting customers and creating a memorable visual experience.
3. Managing system: Suwatu by Mil&Bay Restaurant employs efficient and effective management systems to ensure smooth operations and provide a seamless customer experience.
4. Digital strategy: The restaurant leverages digital platforms and strategies to enhance its online presence, engage with customers, and facilitate convenient online reservations or ordering systems.
5. Strategies for dealing with the social environment: Suwatu by Mil&Bay Restaurant recognizes the importance of maintaining positive relationships with the local community and implements strategies to support and contribute to the social environment in which it operates.

By focusing on these areas, Suwatu by Mil&Bay Restaurant and Gallery not only survived the challenges posed by the pandemic but also experienced a continuous increase in visitors. Their success serves as a useful example for other restaurants facing declining sales during the new normal of the Covid-19 era. By embracing design thinking and understanding the evolving needs of their customers, businesses can find innovative solutions and thrive even in challenging times.

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CHAPTER 4

Is Self-Service Technology Appealing for Fast-Food Consumers?

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ABSTRACT

This study aims to identify the factors influencing consumer perceptions of the use of self-service technologies in Indonesian fast-food outlets. With self-service technology, customers can bypass long queues, self-digital payments and physical contact with cashiers, providing them with a new transactional experience that is different than the conventional cashier. Literature on self-service technologies itself is still lacking, nevertheless. In order to examine attitudes about self-service technology, this study constructs the first model of the unified theory of acceptance and use of technology (UTAUT), namely performance expectancy with perceived convenience value, perceived risk, perceived novelty value, and trust. A total of 268 respondents age between <20 to >50 years old contributed data, of which 250 were validated using structural equation modeling against the proposed research model. By utilizing trust variables to ascertain the impact of consumer attitudes on the use of self-service technologies in Indonesian fast-food restaurants, this study effectively fills the research gap.

Keywords: Perceived Convenience Value, Perceived Novelty Value, Performance Expectancy, Self-service Technology, Trust, UTAUT

INTRODUCTION

According to the financial statements of fast-food restaurants in Indonesia that were disclosed on the Indonesia Stock Exchange over the past two years (2020-2021), they lost an average of 139.75 billion Rupiah. After analyzing the financial documents, it was determined that the company's average payroll expense of one hundred thirty-six billion Rupiah contributed to the loss. Nevertheless, this compensation expense cannot compensate for customer service time according to the franchise guidelines for fast-food restaurants listed in the image 1. As the casual dining industry evolves, it is necessary to address human error in addition to service duration in order to offer more efficient services in terms of time and labor. Therefore, it is essential to secure the optimal business continuity solution (Doran, 2010). Unsuccessful service and lengthy wait times are unquestionably among the many causes of negative comments on social media. With the expansion of social media and mobile communication technology, customers exchange and publish reviews of products and services, such as satisfying and unsatisfactory service experiences, regardless of geographical or temporal limitations (Shah et al., 2021). In recent years, shops have introduced smart services in an effort to provide more effective and efficient services (Wünderlich et al., 2013). In addition, restaurant owners have been implementing a self-service ordering machine or self-service technology that displays menus, accepts orders, and completes payment processes to reduce wait times and human ordering problems (T. Yang et al., 2020).

CHAIN	AVERAGE TIME IN SECONDS
Arby's	237.93
Burger King	193.31
Carl's Jr.	252.91
Chick-fil-A	260.85
Dunkin' Donuts	200.74
Hardee's	255.83
KFC	218.95
McDonald's	273.29
Taco Bell	236.50
Wendy's	226.07
Summary	**234.08**

Image 1. https://www.qsrmagazine.com/drive-thru/2018-drive-thru-study-speed-service-0

For this reason, it is essential to consider customers' opinions of the extent to which a program or innovation might assist them in achieving good performance, also known as Performance Expectancy (Venkatesh et al., 2003). Before trying or consuming a product or service, consumers' expectations around it have been built in their brains. Then, after testing the product or service, consumers will compare their current experience to past ones (Choi et al., 2011). Moreover, the benefits and assistance of new technologies are contingent on the future development of consumer confidence (Venkatesh et al., 2016). According to a second study, if consumers have high-performance expectations, their levels of satisfaction and trust would increase (Ou et al., 2011). Another theory says that performance expectations are related to confidence (Guo & Barnes, 2007). Improving service quality and efficacy is inextricably linked to time efficiency, one of the benefits retailers must provide to earn users' trust (Sombultawee & Wattanatorn, 2022). When completing transactions, consumers will correlate the effort and time required to obtain what they desire with the convenience of the transaction, so reducing the effort and time required will create convenience (Sweeney & Soutar, 2001). The incredible invention increases a person's situational interest and contentment and has the potential to convince customers to adopt these innovations (Chai, 2012). Innovation generates uncertainty that correlates with consumer confidence in a product (Choo et al., 2004). However, research on the most current invention of smart devices in retail (Lin, 2022) is limited, especially in the Indonesian fast-food restaurant industry. Additionally, a correlation exists between consumer confidence and the perceived risk of an innovation (Featherman & Pavlou, 2003a; Francisco et al., 2015). Other research reveals a sequential relationship between risk perception and trust (Francisco et al., 2015; Liébana-Cabanillas et al., 2014; Pavlou, 2003). The acceptance or rejection of technology deployment as a research point is related to perceived risk (Davis, 1989). An older study suggests that perceived risk negatively affects confidence (Aboobucker & Bao, 2018; Nguyen & Huynh, 2018; Pappas, 2016).

Trust is the willingness to accept the conduct of others without coercion if they are good and consistent with the expectations of the trustee (Mayer et al., 1995). In communication between humans and non-humans (machines), trust is acquired from a multitude of sources, and the quality of information gained from intermediaries is just one aspect that influences communication between humans and non-humans (Qiu & Benbasat, 2008). Continuous use of electronic services can generally increase user trust; hence, the majority of study focuses on this phenomenon (Koufaris & Hampton-Sosa, 2004). Therefore, it is believed, in the context of retail and e-service, that social comprehensiveness, when socially present, promotes customer trust and is one of its components (Gefen & Straub, 2003).

However, customers frequently find it challenging to adopt and implement accessible system improvements, despite the fact that the novelty can enhance work performance (Davis, 1989). This type of consumer attitude will be the focus of our research, as the definition of attitude is how a person chooses to respond to a product (Biswas et al., 2020). In addition, several theories describe attitude as a person's conduct in particular circumstances (Hasan et al., 2020). Another definition of attitude describes it as an acquired propensity to respond positively or negatively to an object, person, issue, or behavior (Fishbein & Ajzen, 1975; Rosenberg et al., 1960).

The purpose of this study is to examine how consumer trust in self-service technology (SST) innovations is affected by anticipation, convenience, risk, and novelty. In addition, researchers seek to know how consumers feel about the novel system (SST) that is beginning to be deployed in a number of fast-food restaurant branches in Indonesia. This research will give references for fast food restaurant owners in Indonesia to begin using self-service technology (SST) in their branches in order to increase customer service quality, technology adoption, and employee wage cost efficiency.

1. UNIFIED THEORY OF ACCEPTANCE AND USE OF TECHNOLOGY (UTAUT)

The unified theory of acceptance and use of technology (UTAUT) is a model that combines the theory of planned behavior (TRA), the technology acceptance model (TAM), and the innovation diffusion theory (IDT) with other models to examine the value of consumers' use of various technologies (Venkatesh et al., 2003, 2012). Consumers' behavioral intentions are determined by all acceptability of smart service technology factors (performance anticipation). Despite the fact that UTAUT is regarded as one of the most comprehensive frameworks for anticipating consumer behavior toward new service adoption, several research question its insufficiency due to the fact that it fails to account for critical factors such as perceived risk and value (Alalwan, 2020; Giovanis et al., 2019; Shaw & Sergueeva, 2019). In order to forecast customer intent to adopt new technologies, Giovanis et al., (2019) included perceived risk and trust into the UTAUT model. However, trust is a distinct opposing factor to risk perception (Jøsang & Presti, 2004). Trust is believed to influence consumer attitude toward a new technology, where attitude is a personal component of intent to trust (Li et al., 2008). In addition, because Giovanis et al., (2019); Lin, (2022); Shaw & Sergueeva, (2019); found that perceived risk and trust variables added to their UTAUT model had a significant impact on consumers' adoption decision-making process in the context of smart retail, this study combines the two variables from the two studies. None of those researches, however, have investigated the elements that influence consumer attitudes toward self-service technology (SST) at fast food restaurants.

1.1 Performance Expectancy and Trust

According to (Venkatesh et al., 2012), performance expectation refers to the extent to which customers can profit from the utilization of technology when doing specific tasks. Numerous studies have discovered a correlation between performance expectations and the perceived benefits of new technology, supporting the positive effect of performance expectations on consumers' initial trust (G. Kim et al., 2009; Oliveira et al., 2014; Suh & Han, 2002). Alalwan, (2020) and Wünderlich et al., (2013) identified a variety of advantages of smart services, such as enhanced control over the service process. There is a tendency to be enthusiastic about self-service technology, which is a type of new intelligent service, resulting in heightened performance expectations. However, the majority of customers lack experience in digitization; as a result, they want support to generate and develop trust in digitalization's utility (Koufaris & Hampton-Sosa, 2004). On the other hand, the technology deployment can reflect the company's capacity (such as maintaining obligations), thereby developing individual trust in the business (Chow & Holden, 1997). Additionally, an earlier study has established a substantial association between performance expectations and confidence in the realm of digitalization (Gu et al., 2015; Oliveira et al., 2014). According to a study conducted by Mostafa & Kasamani in 2022, however, performance expectations had no effect on trust. The consequent proposed theory is as follows:

H1. Performance Expectancy positively affects Trust.

1.2 Perceived Convenience Value and Trust

Time is an important and finite resource for customers (Morganosky, 1986). Therefore, shopping efficiency is another type of transaction cost (Brown, 1990). To enjoy convenience during the shopping trip, many consumers seek time-saving solutions (Schröder & Zaharia, 2008) -such as minimizing shopping time (Chintagunta et al., 2012) - so that the time required to acquire a product or service is shorter than usual (Modak & Kelle, 2019). In addition, marketers have recognized for quite some time that perceived convenience value is significant to many consumers since consumers seek to save time and effort whenever possible (Berry et al., 2002). Perceived convenience refers to the physical surroundings of a store and the ease of accessing its amenities (Keng et al., 2007). However, the majority of consumers have diverse convenience preferences (Thuy, 2011). Because of this, consumers will be pleased with the service provider, and their level of confidence will rise if they experience convenience throughout transactions (Chen et al., 2011; Garbarino & Johnson, 1999). According to a prior study, the perceived value of convenience is a significant determinant of the shopping location chosen by older consumers (Jackson et al., 2011). However, prior research indicates that perceived convenience value has little effect on trust (Sombultawee & Wattanatorn, 2022). Therefore, the following hypothesis is suggested:

H2 Perceived convenience value positively affects trust.

1.3 Perceived Risk and Trust

Bauer, (1960) proposed the initial perceivable risk. Consumers' perception of a lack of control over unpredictable future transactions will heighten their perception of digitalization's risk, thereby diminishing their trust (Pavlou, 2003). Other investigations claim that a sensation of anxiety induced by the unfamiliarity or novelty of certain objects is related to the perception of risk (Slade et al., 2013). Consumers' perceptions of the possibility of negative outcomes resulting from several circumstances, such as information and financial risks in transactions, constitute perceived risk (Bhatnagar et al., 2000; D. J. Kim et al., 2008) However, consumer adoption of new technology is viewed as being hindered by the perception of risk (Chahal et al., 2014; Featherman & Pavlou, 2003b). According to (Davis, 1989) research, the acceptance or rejection of a technological adaptation by customers is contingent on their risk perception. Customers prefer to suppress and manage risk when they sense a certain level of potential loss (Farivar et al., 2017). Previous study demonstrates that risk perception negatively affects faith (Aboobucker & Bao, 2018; Nguyen & Huynh, 2018; Pappas, 2016). Due to the strong influence of perceived risk on consumer trust, when buyers feel product danger, they will have a level of faith in the product (Q. Yang et al., 2015). Therefore, if customers have sufficient confidence in a product, the perceived level of risk will be reduced (Harridge-March, 2006). The perception of risk has a direct influence on consumer confidence (Al-Ansi et al., 2019). According to a previous study, customers' perceptions of risk are influenced by their level of trust (Marriott & Williams, 2018). Based on empirical and theoretical knowledge from earlier study, the hypothesis is:

H3. Perceived risk negatively influences Trust.

1.3 Perceived Novelty Value and Attitude

Future attitudes and the successful adoption of new technologies are influenced by the perceived novelty of a technology (Rogers, 1983). Self-service technology (SST) provides consumers with a unique and enjoyable purchasing experience, and self-service technology (SST) is a smarter service than typical CVS (convenience shops) in the retail industry (Lo & Wang, 2019; Roy et al., 2018). A substantial relationship exists between attitude and the retail environment (Ogle et al., 2004; Spangenberg et al., 1996), resulting in a positive relationship between novelty and attitude. Thus, it is recommended to consider implementing an operator with novelty value in the form of services to encourage consumers to return to the store and transact more frequently (Truong et al., 2020). Novelty can be viewed as a factor that determines the extent to which individuals experiment with new products, services, and systems (Alalwan et al., 2018). In recent years, new technologies with several new features and functionalities have been steadily introduced to retail businesses (Kumar et al., 2019; Zhong et al., 2021). Moreover, customers who want to use new technologies (i.e., have a high level of innovativeness) frequently have a clear sense of technological novelty, which improves their attitudes toward these systems (Ducey & Coovert, 2016). Therefore, the following hypothesis is proposed by this study:

H4. Perceived novelty has a positive effect on the Trust

1.5 Trust and Attitude

Trust is the belief that the other will work with them, maintain their word, and support the relationship (Dwyer et al., 1987). Conversely, a poor perception of trust reduces the likelihood that consumers will make purchases (Pareek et al., 2014). According to one definition of trust offered by Benamati et al., (2010), trust frequently involves competence, honesty, and altruism. Ability, integrity, and benevolence all imply that mobile service providers have the knowledge and abilities necessary to carry out their duties. In contrast, ability, integrity, and benevolence imply that mobile service providers watch out for their users' interests as well as their own. (Nienaber et al., 2015) trust is the tendency to depend on people with a high degree of confidence. Furthermore, trust has been recognized as the cornerstone of commerce and is regarded as one of the most important pillars of marketing philosophy (Flavián & Guinalíu, 2006) and has been acknowledged as the foundation of commerce (Gefen, 2000). Regarding a person's preferences when utilizing a certain technology or equipment, attitude is important (Park & Kim, 2013). Additionally, clients can often establish an opinion about a product or service based on knowledge or information they have learned about it, even if they have no prior experience with it (such as with selfservice technology) (Oliver L. Richard et al., 1997). Positive consumer perceptions of organic may be hampered from fully translating into increased purchasing due to consumer skepticism (Aertsens et al., 2009).

Additionally, numerous earlier research has shown a definite connection between attitude and trust (Agag & El-Masry, 2016). It has been found that attitude is positively impacted by confidence (Cheung & To, 2017). However, growing public disputes about customer information privacy, such as sharing consumer data with other parties, may lead to mistrust (Hendricks-Sturrup & Lu, 2019). As a result, the following hypothesis is put forth:

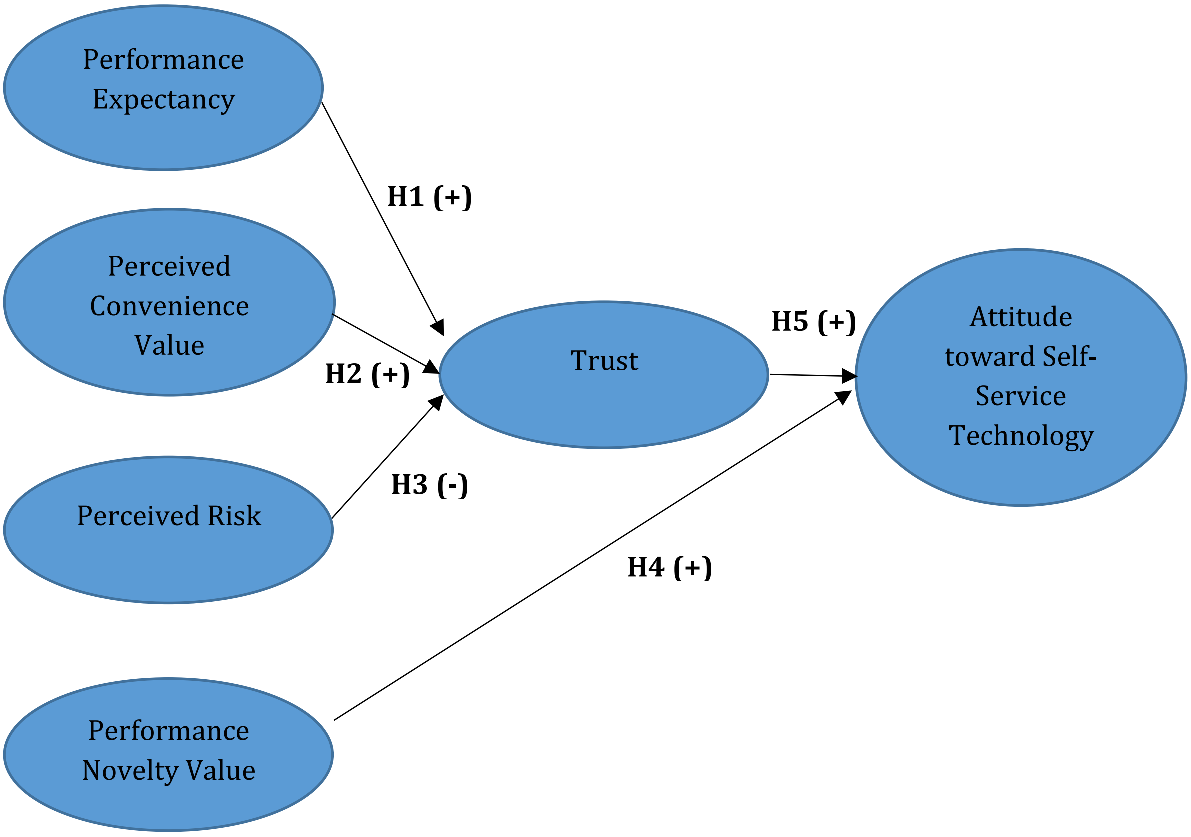
H5. trust in self-service machines positively affects the user's attitude

The researcher presents a conceptual framework as shown in **Figure 1** to approach the phenomenon under study, based on the theoretical viewpoints and hypotheses offered previously.

2. METHODS

This study collects data on the population of fast-food restaurant customers who have used self-service technology that has been introduced in the restaurant using an online form. Before filtering, the author provides a quick explanation of self-service technology and illustrates its implementation in many fast-food places. The filter question "Have you ever used this machine to make a purchase at a fast-food restaurant?" was used to identify valid respondents. If the respondent answered "no," the author had designed an online form so that the respondent could not continue completing the questionnaire since they did not meet the necessary requirements for this study.

Figure 1. Conceptual Framework



At the beginning of the questionnaire, respondents must be filtered so that the responses obtained are focused on consumers who find the implementation of selfservice technology in fast food restaurants helpful, comfortable, and trustworthy and who transact at least 2-4 times per month at fast food restaurants that implement selfservice technology. From a total of 269 respondents, 250 valid responses were gathered and used for data analysis. Surveys were dispersed at random using social media and WhatsApp groups (i.e. Instagram). In the late 2022 to early 2023 timeframe, data collection started.

2.1 Measurement of Variables

For evaluating model construction, a multi-item scale was utilized. The independent variables and their item ratings were acquired using a five-point Likert scale, which indicates whether a responder agrees or disagrees with a particular item. The construction of the questionnaire itself drew from the findings of numerous investigations. In particular, the UTAUT scale established by Venkatesh et al., (2012) is used to evaluate performance expectations, effort expectations, and social influence. The UTAUT measurement items were initially created for consumers' adoption of mobile internet; therefore, it is not a good practice to copy and paste the original items without alteration into this study. Therefore, alterations must be made to the original items for consumers to adapt to self-service technology (SST) (Lin, 2022).

Self-service technology (SST) employs the variable perceived risk, which is comprised of three distinct components: system failure, data leaking, and lack of support. The items as mentioned earlier pertain to the functional risk associated with the execution of self-service technology (SST). Meuter et al., (2005) adjusted and applied the three categories to the characteristics of self-service technology (SST). Research on the perceived value of self-service technology (SST) is still in its infancy; hence there is no relevant novelty scale to employ (Lin, 2022). Then, items such as attitude were adapted from Ajzen, (1991) research, Yan et al., (2022), and items linked to trust were adapted from Mansoori et al., (2018), with both items updated to fit the present research on selfservice technology (SST). The author produced the questionnaire in Indonesian and double-checked it for accuracy and consistency. **Table 1** presents the measuring scale and all items for each variable

Re-specifying the model is required at this stage of the procedure in order to get validation. Performance Expectancy (PE), PCV (Perceived Convenience Value), PR (Perceived Risk), TR (Trust), PNV (Perceived Novelty Value), and ATT are the variables considered (Attitude Towards Self-Service Technology). The second step involves evaluating the structural model (i.e. the relationship between latent constructs).

Table-1: Validity & Reliability

Indicators	Factor loading	Cronbach Alpha
Performance expectancy		0.831
Transactions using self-service technology at fast-food restaurants improve my quality of life as a consumer (in terms of ordering time efficiency)	0.876	
The application of self-service technology in fast-food restaurants increases the effectiveness of my transactions and orders	0.877	
Transactions using self-service technology at fast-food restaurants speed up getting the order I want	0.842	

Perceived Convenience Value		0.827
The application of Self-service Technology to fast-food restaurants offers convenience in processing my transactions and orders	0.881	
Transactions using self-service technology at fast-food restaurants can reduce my queue time when placing an order	0.827	
Overall, self-service technology facilities make it easier for me to process transactions and orders at fast-food restaurants	0.887	
Perceived Risk		0.874
Compared to traditional cash registers, I'm worried that transaction and order failures are more likely to occur when using self-service technology	0.882	
Compared to traditional cash registers, I'm afraid that a higher risk of data leakage tends to occur when using self-service technology	0.894	
Compared to traditional cash registers, I'm afraid that there are no employees to help when placing orders or transactions using self-service technology	0.905	
Perceived Novelty Value		0.826
Self-service technology offers innovations that make it easier for me as a consumer	0.851	
I think self-service technology is an innovative concept	0.847	
Overall, I think self-service technology is a very innovative facility when applied to the fast-food restaurant industry	0.888	
Trust		0.89
I believe in making transactions and ordering through self-service technology at fast-food restaurants	0.769	
I believe that self-service technology providers used in fast-food restaurants will not disclose my personal data to the third parties	0.796	
I believe that fast-food restaurants do not have bad intentions for me as a consumer by implementing self-service technology	0.844	
I believe that fast-food restaurants keep their promises and commitments in secure transactions and ordering through self-service technology	0.823	

I am sure that when there are problems with transactions or ordering through self-service technology, I will be assisted by one of the fast-food restaurant employees.	0.783	
I believe that fast-food restaurants that use self-service technology comply with the Consumer Protection Act	0.813	
Attitude		0.791
I have a positive attitude toward self-service technology.	0.611	
I want to make a transaction at a fast-food restaurant that has implemented self-service technology.	0.781	
Applying self-service technology in fast food restaurants helps me see new menus or promos.	0.744	
I prefer to use Self-service technology rather than traditional cashiers in ordering and transactions at fast-food restaurants.	0.711	
I will do more transactions at fast-food restaurants that implement self-service technology in the future.	0.849	

3. RESULT

Most respondents were between the ages of 31 and 40, and 42.8% were women. Respondents are government, national, or private sector employees (79.6%) and have a monthly income between Rp.4,500,000 and Rp.8,500,000 (38%), suggesting they work in roles ranging from entry-level to senior staff. Most likely to have transacted at fast food restaurants two to four times in the past six months (41.6%). **Table 2** contains the demographic information of the respondents.

Table 2. Demographic Information of the Respondents

Demographic Characteristic	Sub-characteristics	Total	%
Gender	Male	143	57.2
	Female	107	42.8
Occupation	Employee	199	79.60
	Housewife	4	1.60
	Students	22	8.80
	Entrepreneur	23	9.20
	Others	2	0.80
Age	< 20 years old	6	2.40
	20-30 years old	115	46.00
	31-40 years old	118	47.20
	41-50 years old	10	4.00
	> 50 years old	1	0.40

Education	Diplome	22	8.80
	Doctoral (S3)	2	0.80
	Master (S2)	17	6.80
	Bachelor (S1)	193	77.20
	Elementary School	1	0.40
	Junior High School	1	0.40
	Senior High School	14	5.60
Average monthly income (Rupiah)	< Rp.4.500.000	14	5.60
	Rp.4.500.000 – Rp.8.500.000	96	38.40
	Rp.8.500.001 – Rp.15.000.000	84	33.60
	> Rp.15.000.000	56	22.40
Frequency of SST transactions at fast food restaurants (in six months)	<2 times (1x)	31	12.40
	2 - 4 times	104	41.60
	4 - 6 times	58	23.20
	> 6 times	57	22.80

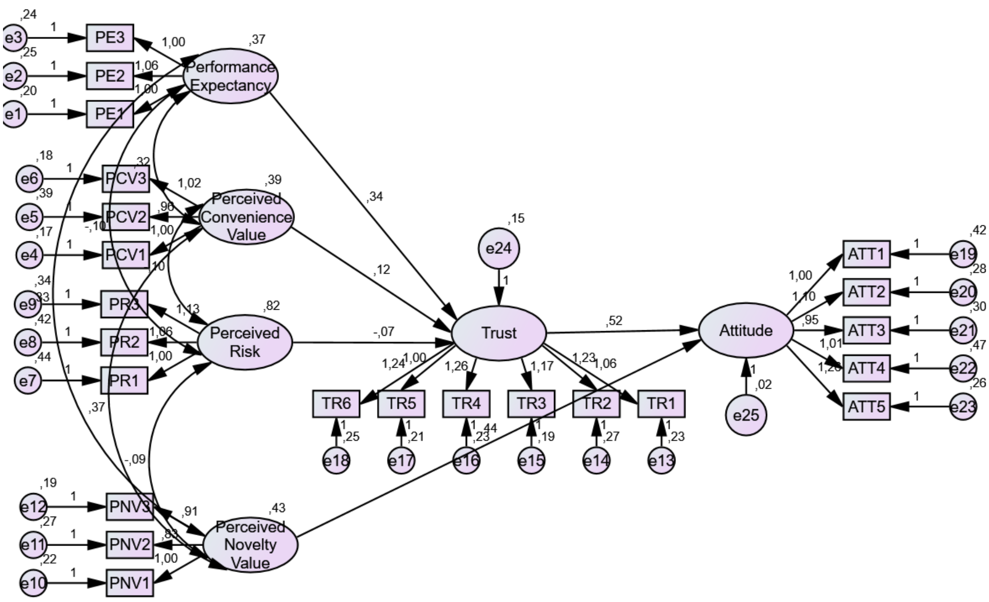
Data analysis was carried out in two stages (Hair et al., 2019). To make sure the proposed measurement model was of high quality, loading factor was first used. To test the suggested hypotheses, structural equation modeling was done in the second place. The covariance matrix was estimated with maximum likelihood using AMOS 23.0 for both studies. The features of the measurement model, such as Cronbach's alpha, construct reliability, convergent validity, and discriminant validity, were tested to confirm the measurement model's fit. Two popular internal consistency indices are Cronbach's alpha and construct reliability. All of the measurement model's factors were used in the CFA.

Measurement Type	Measurement	Recommended acceptance limits	Probability	Verification
Absolute fit measures	*Chi-square*	*Small Chi-square*	529.388	***Poor***
	p-value Chi-square	≥ 0.05	0.000	***Poor***
	RMSEA	≤ 0.10	0.075	***Good***
	RMR	≤ 0.10	0.039	***Good***
	GFI	≥ 0.90	0.845	***Marginal***
Incremental fit measures	NFI	≥ 0.90	0.855	***Marginal***
	TLI	≥ 0.90	0.894	***Marginal***
	RFI	≥ 0.90	0.832	***Marginal***
	CFI	≥ 0.90	0.909	***Good***
	AGFI	≥ 0.90	0.804	***Marginal***
Parsimonius fit measure	CMIN/DF	Lower Limit: 1.0 Upper Limit: 2.0 ; 3.0 atau 5.0	2.417	***Good***

Table 3. Goodness of Fit

Structural equation modeling is done to test the proposed hypothesis. The results show adequate model fit ($\chi 2$ = 529.388, df = 219, $\chi 2$/df = 2.42, CFI= 0.909, TLI = 0.894, IFI = 0.910, RMSEA = 0.075, RMR $\leq$ 0.10), The results are presented in **Figure 2.**

Figure 2. Result Research Model



Three hypotheses predicted the effect of three variables on consumer trust in self-service technology: performance expectation, perceived convenience value, and perceived risk. The analysis found that consumer trust in self-service technology is significantly influenced by performance expectation (ß = 0.336, P 0.0014) and perceived danger (ß = -0.071, P 0.034). Meanwhile, perceived convenience value has little effect on trust (ß = 0.119, P 0.358). The results indicate that perceived novelty value (ß = 0.437, P 0.000) and trust (ß = 0.517, P 0.000) have a favorable and statistically significant effect on attitude toward self-service technology. Thus, only H1, H3, H4, and H5 are supported, whereas H2 is not. **Table 4** offers an overview of direct hypothesis testing.

	Hipotesis	***Estimates***	***p-value***	**Decision**
H1	Performance_Expectancy>Trust	0.336	0.014	***Accepted***
H2	Perceived_Convenience_Value>Trust	0.119	0.358	***Rejected***
H3	Perceived_Risk>Trust	-0.071	0.034	***Accepted***
H4	Perceived_Novelty_Value>Attitude	0.437	0.000	***Accepted***
H5	Trust>Attitude	0.517	0.000	***Accepted***

Table 4. The Direct Hypothesis Testing

CONCLUSION

This study attempts to investigate performance expectations by introducing other variables such as perceived value of convenience, perceived risk, perceived value of novelty, trust, and attitude. According to the previous study, the antecedents of consumer response to the introduction of a new technology or innovation are related to perceived value of convenience, perceived risk, perceived value of novelty, and trust. This study primarily examines consumer reactions to the deployment of self-service technology in fast food restaurants, which not only attempts to increase customer service quality, technological adaption, and employee wage cost efficiency. However, to determine the degree of perceived value and danger associated with the introduction of self-service technologies in fast food establishments. Only one of the five tested hypotheses is not validated, namely that the relationship between perceived convenience value and consumer trust in self-service technology is not positive, as was originally postulated.

This study examines consumer attitudes toward the application of self-service technology using the UTAUT theory developed with four variables, namely performance expectancy, perceived convenience value, perceived novelty value (Lin, 2022), and trust (Lee & Song, 2013; Namahoot & Jantasri, 2022), which have a positive influence on consumer attitude toward self-service technology, whereas perceived risk in research conducted by (Lin, 2022) has a negative effect on attitude variables. This study's findings pertain to the impact of performance expectancy variables (G. Kim et al., 2009; Oliveira et al., 2014; Suh & Han, 2002), perceived convenience value (Chen et al., 2011; Garbarino & Johnson, 1999), and perceived risk (Widyanto et al., 2021) on trust.

The findings of this study indicate that not all three characteristics have a beneficial effect on consumers when self-service technology is applied. Since only performance expectation and perceived risk contribute to the creation of consumer trust in the transaction process with self-service technologies. The perceived value of convenience does not affect the establishment of trust. Therefore, this study contradicts Sombultawee & Wattanatorn, (2022) conclusion that perceived convenience value has a major impact on trust. These results are impacted by the fact that the majority of respondents are between the ages of 31 and 40, a generation that grew up during a period when technological advancement was slow. However, during adulthood, the digital transition is quite rapid and complex. Consequently, this age group is both familiar with traditional cashiers and savvy with self-service technology.

In addition, this study examines the impact of consumer trust and perceived novelty on their attitude toward self-service technology. The attitude of consumers toward self-service technology innovation is positively influenced by their trust in the technology and their perception of its uniqueness. This is due to the fact that consumers are becoming accustomed to the expansion of digital transformation and automation processes across many industries. Therefore, consumers are no longer reluctant to try innovations that aim to enhance their transaction experience and convenience. The findings of this study are consistent with those of Agag & El-Masry, (2016) regarding trust (H. Kim et al., 2010) regarding the effect of perceived novelty value on attitude. Accordingly, the originality of the past study is that the trust variable does not influence attitude, as suggested in the section on limitations and future research.

The discovery of antecedents in the construction of consumer attitudes regarding self-service technology aids in the creation of multiple marketing tactics. First, the SEM results indicate that the respondent's age affects the perceived value of convenience on consumer trust in self-service technology. Retailers of fast food restaurants must market the application of self-service technology in their restaurants from the perspective of ease, comfort, and minimal lines. In addition, promotions can be introduced to self-service transactions targeting productive and consumptive ages 31 in order to pique consumers' attention and encourage them to transact. Promotional campaigns should be strengthened to educate and persuade consumers who are not interested in self-service that using selfservice technology requires less time and effort than traditional cashiers.

Moreover, fast-food restaurant retailers should begin implementing self-service technology outside major cities and suburbs. Because it is likely to draw more curious consumers who want to test out the newest technologies, resulting in an increase in sales. Moreover, fast food outlets outside or on the outskirts of major cities typically do a sufficient amount of business because these customers are typically families. With the installation of self-service technology, shops can reduce their operational salary costs, effectively covered by sales revenue.

This study contains several limitations that can inform future research on the deployment of self-service technology. One of these factors is the age distribution of respondents, which is dominated by those between 31 and 40 years old. As a result, the results regarding the perceived convenience value variable are not optimal, as respondents of these ages are still comfortable dealing with traditional cashiers. Consequently, the test results do not confirm the association between perceived convenience value and trust.

Future studies can target respondents aged 31 years more accustomed to modernization and automation in various industries, not just fast-food transactions. In addition, this study was conducted in Indonesia following the conclusion of the epidemic, resulting in a decreased level of awareness when in direct contact with other individuals. Therefore, many Indonesians no longer object to conducting transactions at traditional cashiers. Obviously, this circumstance influences consumer attitudes toward implementing self-service technology developments, one of which is minimizing direct human interaction during transactions. Future studies may employ long-term observational studies to elucidate the post-pandemic period.

This technology or innovation may have become compatible with the lifestyles of younger generations, given that self-service technology has begun to be widely implemented in many industries outside of fast-food outlets because these younger generations are accustomed to digital transactions and carry cash less frequently when traveling. However, consumers are often more wasteful when buying due to the convenience of digital transactions. However, future studies might investigate the impact of self-service technology on customer satisfaction. In order to forecast consumer attitudes toward self-service technologies, future studies can incorporate lifestyle compatibility, self-control, and customer satisfaction.

This research's sampling was conducted in Jakarta, the capital city of Indonesia, which may limit the results' external validity. Indonesia is a developing nation with a consumerist culture that is less adaptable to technological development. The mindset of the majority of Indonesians is to be served rather than to be autonomous. As the influence of attitude and cultural variables on the acceptance of new services might differ from country to country, it would be fascinating to perform research on this topic in other developing nations. Future research could highlight the impact of cultural variations, particularly in terms of their implications on novelty value, perceived risk, and social influence in such developing nations.

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CHAPTER 5

Corporate Governance and Dividend Policy in Indonesian Listed Companies

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ABSTRACT

Background/Problems: This research will explore more broadly the correlation of corporate governance on dividend policy by adding a new variable from the aspect of ownership structure, which is related to the existence of institutional investors. The institutional investors can provide tighter oversight and have greater bargaining power in influencing the policies carried out by management.
Objective(s): This study aims to analyze the influence of corporate governance and dividend policy on the Indonesian Stock Exchange. This study investigate several governance variables, including the board independence, frequency of meetings, remuneration committee, audit committee size, institutional ownership, and company age on dividend policy. This study uses secondary data obtained from the financial statements and annual reports of companies listed on the IDX for the period 2017 - 2021.
Results and Discussion: The results show that the board's independence, the frequency of board meetings, the remuneration committee, and the company's audit committee have a significant influence on dividend policy. Meanwhile, institutional ownership and firm age have no significant effect on dividend policy.
Conclusions: The results of this study are expected to have implications for company management regarding influence, independent boards, frequency meetings, and remuneration committees as well as audit committees on dividend policy. In addition, this research is also expected to be a reference for investors when it comes to investing.

Keywords: Board Meeting; Corporate Governance, Dividend Policy; Remuneration Committee

INTRODUCTION

According to data published by the Indonesian Central Securities Depository, the number of investors in the Indonesian capital market has increased significantly. This is shows that the investment interest of the Indonesian people is growing, therefore, this interest needs to be maintained by encouraging the implementation of good corporate governance. Because according to Pratama et al.(2020) the process of corporate governance is able to guarantee a fair proportion of returns for investors. Thus, investor confidence can be maintained as well as being a catalyst for improving the investment climate. In the findings of Yakubu et al.(2022) and Al Farooque et al. (2021) confirm that corporate governance is interrelated with dividend policy behavior. Eryomin et al. (2018), Kaymaz et al. (2021) and Hasan (2021) state that dividend policy can provide an overview of company management patterns in determining market value growth strategies, as well as efforts to optimize returns for investors. Therefore, dividend policy can be a reference in determining investment strategies for certain companies.

Corporate governance can improve effectiveness and performance company. Its application allows all elements to be optimized as an effort to combine the interests of the two stakeholder and company management, each variable of the corporate governance system has its own pattern and behavior towards various aspects of the company, especially related to dividend policy (Pratama et al., 2020).

Yakubu et al. (2022) describes the correlation between dividend policy and several governance variables, namely the independent board variable, audit committee and company age, the results of which have a significant positive effect on dividend policy, while other variables, namely the frequency of board meetings and the remuneration committee have a significant negative effect on dividend policy .

This study aims to determine the correlation of corporate governance variables, namely independent boards, board meetings, remuneration committees, audit committees with dividend policies in companies listed on the Indonesian stock exchange. To explore more broadly, this study added a new variable, namely institutional ownership. The existence of institutional investors can provide tighter oversight and have greater bargaining power in influencing the policies carried out by management. In a study conducted by Al Farooque et al. (2021) explained that the proportion of institutional ownership can have a significant positive effect on the dividend policy ratio.

Research on corporate governance and dividend policy was conducted using secondary data. This research data is sourced from the annual reports of companies listed on the Indonesia Stock Exchange (IDX) in the period 2017 – 2021 through the official website of each company that is the object of research. Withdrawal of research samples is done by using the purposive sampling method or sampling method with certain criteria. The sampling criteria include, have been listed on the IDX in the period 2017 – 2021, the annual report is available for each company, the company has distributed dividends consecutively for the last 5 years, data for each variable is available in the company's annual report, corporate finance in rupiah currency. Based on certain criteria that have been set, there are 52 companies that are feasible to use in this study.

Based on table 1. the sample of this study can be classified according to the business sector, namely financial sector 14 companies, non-cyclical consumers 11 companies, various industries 7 companies, infrastructure 5 companies, basic materials 5 companies, consumer cycle 4 companies, energy 2 companies, property & real estate 2 companies, as well as health 2 companies from the total sample. Based on the classification results, it was found that the financial sector and the non-cyclical consumer sector were the most dominant sectors, namely 14 companies or 27% and 11 companies or 21% of the total sample, while the sector with the least number was the property and health sector, namely 2 companies or 4 % of the total research sample. The data analysis used to test the hypothesis is multiple regression testing using eviews 9 software.

Tabel 1. Company Sector Grouping

NO.	SECTOR	AMOUNT	PERCENTAGE
1	Finance	14	27 %
2	Non Cyclical Consumer	11	21 %
3	Industrial	7	13 %
4	Infrastructure	5	10 %
5	Basic Material	5	10 %
6	Cycle Consumer	4	8 %
7	Energy	2	4 %
8	Property & Real estate	2	4 %
9	Health	2	4 %
TOTAL		**52**	**100%**

Source: Processed data

1. LITERATUR REVIEW

Al Farooque et al. (2021) described that dividend policy is a series of decision-making mechanisms by companies that describe the percentage of profits that will be distributed to shareholders compared to retained earnings by companies for the purpose of reinvesting. Therefore, the determination of dividend policy must consider all factors that can affect the company's financial performance. The optimal dividend policy in a company is a balanced policy between dividend *yield* current and company growth in the form of rising stock prices in the future so as to maximize company value (Tahu, 2018).

Dividend distribution will automatically reduce cash from company profits, but Darmawan (2018) says that the ultimate goal of every company is to generate returns in the form of profits for owners.share. Basically, investors want companies that distribute dividends in a stable manner, so that the stability of dividend distribution can increase investor confidence, which has implications for increasing the value of the company's shares. Dividend payments are a formprofit sharing between the company and the shareholders. The dividend policy of a company reflects the preferences of directors and shareholders in using profits. company thatpro-profit sharing have the belief that shareholders are the owners of the company and it is appropriate to share profits. Practically speaking, investors whopro-dividend assume that dividends provide some direct benefits, both for the company and for the investors themselves (Tahu, 2018).

Kaymaz et al. (2021) suggests that dividend policy can be influenced by various factors. However, there is no dominant factor that can be used as a reference for predicting dividend policy results. According to Tahu.(2018) there are three factors that affect dividends, namely the character of the company (firm characteristic), market character (market characteristic) and a substitute form of dividend payment (substitute forms payout).

The first factor affecting dividends is the company's character. The character of the company is related to the company's internal environment. These factors include governance, size, profitability growth opportunities In addition, dividends are also related to the character of company policies discretionary firm characteristics such as leverage and structural aspects of corporate leadership. Another factor that affects dividends is the character of the market. This character is closely related to the company's external environment. These factors include taxes, investor legal protection, investor sentiment over the payment of stock dividends, privatization versus the public. Characteristics of newly registered companies, and product market competition (Tahu, 2018).

Al Farooque et al. (2021) in his research describes that several governance variables that influence dividend policy include board size, independent board, institutional ownership, and managerial ownership. Several theories can be used as a basis for investigating the behavior of dividend policy, including the following.

Signal theory is based on asymmetric information between managers as insiders and market participants as outsiders of the company. Every policy made by the manager can be a description of how the company is managed. Therefore, financial decisions can be seen as a medium for conveying important information signals about the company to customers stakeholder related. Dividends can be a parameter of market assessment of company performance, prospects and profitability, because dividends contain information about current and future cash flows, compared to retained earnings, dividends have more influence on company value. Consequently, the announcement of a dividend increase is seen as good news that will receive market appreciation and will increase the value of the stock. Conversely, a decrease in dividends will drop the stock price. Thus dividends contain information about future company profits (Tahu, 2018).

Margaretha (2015)found that cash dividends can affect the increase in company stock prices, in line with the findings of Hasan (2021) which states that an increase in dividends can affect changes in market capitalization, in line with these findings Kaymaz et al. (2021) found that an increase in dividends can affect company profitability in the future. The dividend payout ratio can be a signal to investors that company managers predict the company's revenue growth in the future can increase (Darmawan, 2018).

Governance is a mechanism that is formed from processes, customs, policies, rules, and institutions that affect the direction, management, and control of a company. Corporate governance is a series of relationships between corporate goals and stakeholders, namely shareholders, board of directors and company management (Pratama et al., 2020).

The concept of corporate governance is based on principles fairness, transparency, accountability and Responsibility. These principles can encourage optimal company financial performance and disclosure, and can reduce the potential for fraud or engineering in the preparation of financial reports, so that the information presented accurately reflects the fundamental condition of the company. (Pratama et al., 2020).

Agency theory is a concept that describes the agency correlation between the party giving authority and the party being given authority in making decisions to carry out certain services on behalf of the authorizing party. Fundamentally, agency problems arise when there is a separation of decision making and risk bearing. In this case, the shareholder has delegated authority to the manager to make any decisions related to the running of the company, but on the other hand, any risks that arise are the responsibility of the shareholder. The description of the agency problem refers to the difficulties faced by shareholders in ensuring their funds are properly invested by company managers (Pratama et al., 2020).

Stakeholder Theory seeks to link the mechanism of corporate responsibility before the stakeholders as a whole. Theory stakeholder describes that the company is not run to pursue profit solely for itself, but on the other hand it must pay attention to the distribution of benefits to all stakeholder in a balanced way. When there is a conflict of interest between the shareholder and stakeholder otherwise, the interests of the shareholders must adjust in order to maintain the continuity of the company's basic activities (Pratama et al., 2020).

Empirical observations about the relationship between corporate governance variables and dividend policy have been widely studied. In the research of Yakubu et al.(2022) found the effect of several governance variables on dividend policy. The research found that the independent board and audit committee of the company as well as the age of the company can simultaneously have a significant positive effect on dividend policy, which means that any increase in the percentage of independent boards and the number of audit committees can increase the dividend payout ratio. Meanwhile, the variable remuneration committee and the frequency of board meetings have the opposite effect, namely their existence can reduce the dividend payout ratio.

2. CONCEPT FRAMEWORK

Efforts to understand the behavior of dividend policy are always interesting for a more in-depth discussion. According to Kaymaz et al (2021) dividend distribution can be a medium for projecting the future of the company. The variable that is believed to be closely related to dividend policy is corporate governance. The results of Baker et al. (2020) inform that governance has a significant positive effect on dividend policy.

On the other hand, Al Farooque et al. (2021) said that dividend policy can also describe a picture of corporate governance itself. Several variables of corporate governance that significantly influence dividend policy behavior are independent boards, frequency of board meetings, remuneration committees, audit committees and ownership structure (Yakubu et al., 2022).

Referring to several research results in various countries, the following is a conceptual framework that will be used as a reference in exploring corporate governance variables on dividend policy:

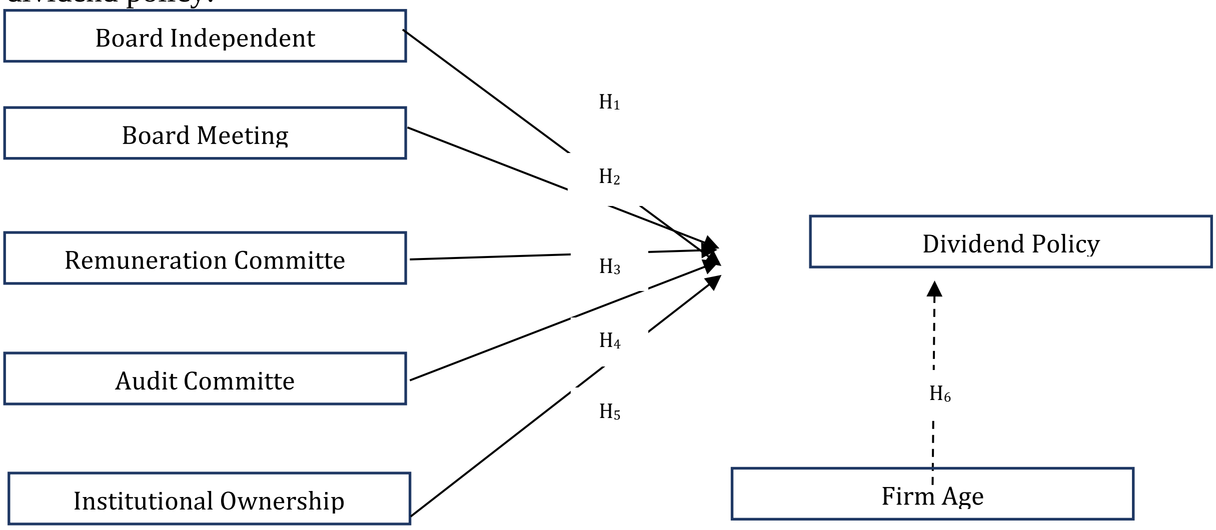

Figure 1. Concept Framework

According to Saliya & Dogukanli,(2022) the board independently has a more objective monitoring and supervision role. A company's board independently can create a balance of interests between management and shareholders. Results of research by Yakubu et al.(2022) revealed that an independent board has a significant positive effect, its existence can have an effect of 38 percent on increasing dividend payments. This is also supported by Al Farooque et al. (2021) in his research informed that the company's board independence had a significant positive effect on dividend policy. In line with the findings of Akhtar (2022) which explains that a board independent can effectively control the opportunism of company management, in this case board independence has a significant positive effect on dividend policy.

H_1: *The board independent has a significant effect on dividend policy*

Board meetings are an essential activity of company management, it can provide an effective monitoring mechanism for the company thereby allowing for a reduction in agency costs. Research Rodrigues et al.(2020) proves that the frequency of board meetings has a significant positive effect on dividend policy. The results of another study, found Yakubu et al.(2022) that the frequency of board meetings has a significant negative effect on company dividend payments in Ghana, as well as research Saliya & Dogukanli,(2022) finding a correlation between the frequency of board meetings and the dividend payout ratio has a significant negative effect at a certain standard level.

H_2: *The frequency of board meetings has a significant effect on dividend policy*

The remuneration committee is a scheme for handling agency problems effectively by providing material and non-material appreciation to management, so that the effectiveness of its performance is optimal in creating added value for shareholders. Research Rodrigues et al. (2020) and Baker et al.(2020) found the remuneration committee variable had a significant positive effect on dividend policy. Meanwhile, Yakubu et al.(2022) in his research found that the remuneration committee has a significant positive effect on dividend policy.

H_3: *The remuneration committee has a significant effect on the company's dividend policy*

According to Al Farooque et al.(2021) the audit committee plays a major role in safeguarding the interests of shareholders. This can reduce asymmetric information, opportunistic attitudes from management and improve the quality of measuring the performance of the company's board. Research by Pahi & Yadav (2019) informs about the positive significant influence of the audit committee on dividend policy. These findings are further corroborated by Yakubu et al.(2022) which states that the audit committee has a significant negative effect on the company's dividend policy. In addition, Baker et al.(2020) in the research conducted, also found a significant positive effect on the audit committee on dividend policy.

H_4: *Size The audit committee has a significant effect on dividend policy*

Institutional ownership tends to encourage company management to decide on a higher dividend policy, so that the higher the proportion of institutional ownership, the higher the dividend payout. Along with the findings of Al Farooque et al (2021) who found that the higher the proportion of institutional ownership, the greater the dividend payout ratio. These findings are corroborated by Bataineh (2021) and Hussain et al. (2022) which also proves the positive significant effect of institutional ownership on dividend policy. Another study conducted by Habib et al.(2021) explains that institutional ownership has a significant negative effect on dividend policy.

H_5: *Institutional ownership has a significant effect on dividend policy*

Companies with older ages tend to have stable income and investment ambitions that are no longer too aggressive, making it possible for companies to allocate larger dividends to shareholders. Yakubu et al.(2022) corroborate the positive significant effect of firm age on dividend policy. The same thing was found by Eluyela et al. (2019) that company age can have

a significant positive effect on dividend policy. On the other hand, (Louziri & Oubal (2022) found a significant negative effect of company age on dividend policy.
H_6: *Firm Age has a significant effect on dividend policy*

To facilitate this research, it is very necessary to identify and measure methods for each of these variables. Then the following is the description and formulation of the research variables.

Tabel 2. Identification and Measurement of Variables

Variable Type	Variable Name	Symbol	Operational Definition	Reference
Variabel Dependen	Dividend Policy	DIV	Total dividends paid divided by the number of outstanding shares	Yakubu et al.(2022)
Variabel Independen	Board Independen	BIND	Proportion of the number of boards independent to the total board	Yakubu et. (2022)
	Remuneration Committee	REMNC	Total member of Remuneration Committee	Yakubu et. (2022)
	Board Meeting	ACSIZE	Number of meetings held in one year	Yakubu et. (2022)
	Audit Committee Size	ACSIZE	Total member of Audit Committee	Yakubu et. (2022)
	Institutional Ownership	INST	Proportion of share ownership by institutional investors	Al Farooque et al.(2021)
Control Variable	Firm Age	FAGE	Total operating period of the company since its founding	Yakubu et. (2022)

Referring to the conceptual framework of this study, to analyze the influence of the independent board, board meetings, remuneration committee, audit committee, and firm age on dividend policy, the regression model equation is formed as follows:

$$DIV = \alpha + \beta_1 BINDit + \beta_2 MEETit + \beta_3 REMNCUit + \beta_4 ACSIZEit + \beta_5 INSTit + \beta_6 FAGEit + \mathcal{E}it \quad (1)$$

3. RESULT AND DISCUSSION

The results of the descriptive statistical data in table 3. show that the dependent variable is the dividend with a maximum value of Rp. 1,236.00 and a minimum value of Rp. 1.00 and an average value of 120.41 with a standard deviation of Rp. 176.15. Maximum value by PT United Tractors Tbk. While the minimum value by PT Chitose Internasional Tbk. The independent variables, namely the independent board, found a maximum value of 0.63 and a minimum value of 0.08 and an average value of 0.24 with a standard deviation of 0.09 and the maximum value was obtained by PT Asuransi Bina Dana Arta Tbk. as well as the minimum value by PT Indofood Sukses Makmur Tbk. The frequency of holding board meetings in one year found a maximum value of 99 times and a minimum value of 15 times and an average value of 36.34 times with a standard deviation of 19.74 times and the maximum value was obtained by PT Bank Mega Tbk. and the minimum value by PT. H.M. Sampoerna Tbk and PT. Supreme Cable

Manufacturing tbk. The maximum number of remuneration committees was found to be 12 people and the minimum number was 2 people and the average value was 3.67 people with a standard deviation of 1.69 people and the maximum score was obtained by PT Bank Negara Indonesia (Persero) and the minimum score by PT Impack Pratama Industri Tbk. The number of audit committees found a maximum of 9.00 people and a minimum value of 2.00 people and an average value of 3.40 people with a standard deviation of 0.99 people and the maximum score was obtained by PT Bank Rakyat Indonesia (Persero) and the minimum sample value by PT Bukit Asam Tbk. The percentage of institutional ownership found a maximum value of 0.99 and a minimum value of 0.20 and an average value of 0.84 with a standard deviation of 0.16, obtained the maximum value by PT Fajar Surya Wisesa Tbk and PT. Indofood CBP Sukses Makmur Tbk. as well as PT. Paramita Bangun Sarana Tbk. As well as the minimum value by PT Radiant Utama Interinsco Tbk. While the results of the descriptive analysis of the control variable, namely the age of the company, found a maximum value of 39 years and a minimum value of 1 year and an average value of 18.42 years with a standard deviation of 9.7 years and the maximum sample value was obtained by PT Unilever Indonesia Tbk and PT Supreme Cable Manufacturing Tbk as well as the minimum sample value by PT Paramita Bangun Sarana Tbk.

Tabel 3. Results of Descriptive Statistical Analysis

Variables	Mean	Maximum	Minimum	Std. Dev.
DIV	120.41	1,236.00	1.00	176.15
BIND	0.24	0.63	0.08	0.09
MEET	36.34	99.00	15.00	19.74
REMNC	3.67	12.00	2.00	0.99
ACSIZE	4.40	9.00	2.00	0.99
INST	0.84	0.99	0.20	0.16
FAGE	18.42	39.00	1.00	9.7

Source : Data is processed using eviews

Based on the results of the analysis in table 4 it shows that the existence of the company's board independently has a significantly positive influence, this is reflected in the probability value of 0.0063 and the regression coefficient value of 18.69692. This illustrates that the proportion of boards independent of companies listed on the Indonesia Stock Exchange has a significant effect on the determination of dividend policy, with the implication that any increase in the proportion of the number of boards independent will be directly proportional to the increase in the amount of dividends paid by the company.

Based on these findings, it indicates that the existence of an independent board at a company listed on the Indonesia Stock Exchange works with a high level of independence and objectivity, so as to maintain the effectiveness and efficiency of the company's performance. This is of course in line with the basic objective of the presence of a board independent, which is to balance the interests of the members *stakeholder* which in turn can reduce agency costs.

The results of this study are in line with the findings of Yakubu et al.(2022) that an increase in the proportion of boards independently can increase the amount of company dividend payments. These findings can provide a signal for the stakeholder that companies that have a larger proportion of boards independent can reflect the dividend policy making mechanism will be more objective considering all the interests of the shareholders and stakeholder so that it can guarantee a return on investment value.

The results of the analysis in table 4 show that the frequency of board meetings has a significant positive effect. This can be seen in the probability value of 0.0203 and the coefficient value of 0.485543. These results reflect that the frequency of meetings held by the company's board has a significant effect with the implication that the more intense the board meetings are held, the amount of dividend payments by the company will increase. The results of this study are corroborated by Rodrigues et al (2020) who also found a significant positive effect on dividend policy. However, in contrast to the results of the study by Yakubu et al.(2022) who found that the frequency of board meetings had a significant negative effect.

Based on the results of this study, it is informed that the discussion in board meetings at companies listed on the Indonesia Stock Exchange is quite intense in discussing the interests of shareholders. This is a fairly positive portrait of company management, because basically the company board is an agent assigned to carry out the interests of the shareholders. In addition, these results indicate that the meetings held by the company's board are quite effective in evaluating and monitoring the performance of all elements of the company and are able to discipline the company's organizational tools in achieving its targets.

In table 4 the results of the analysis show that the role of forming a remuneration committee in a company can have a significant positive influence on dividend policy. This is reflected in the probability value of 0.0356 and the regression coefficient value of the remuneration committee variable of 2.969503. Which means that the role of forming a remuneration committee in a company has a significant effect on dividend policy with the implication that any increase in the number of remuneration committees is directly proportional to the increase in the amount of dividends paid by the company. This study is inversely proportional to the findings of Yakubu et al.(2022) which states that the remuneration committee has a significant negative effect on dividend policy. However, supported by the findings of Rodrigues et al (2020) which states that the board remuneration committee can positively encourage an increase in company dividend payments.

Based on the results of the research above, it shows that the establishment of a remuneration committee for companies listed on the Indonesia Stock Exchange is the right step in implementing corporate governance. These results indicate that the company's remuneration committee is able to find effective compensation formulations so that it can increase the work persistence and motivation of all devices involved in the company's organization. Furthermore, the results of this study can provide an illustration that the compensation formulation designed by the remuneration committee finds a balanced compromise point between the management and the company's shareholders. Which means, the formulation of compensation by the remuneration committee is carried out in a measurable manner, that every fulfillment of management's interests must be ensured to have implications for increased performance results, so that in the end the company can be managed effectively and efficiently.

In table 4 the results of the analysis show that the size or number of personnel that make up the company's audit committee has a significantly positive influence, this can be seen in the probability value of 0.0020 and the regression coefficient value of 5.788197. These results are in line with the research of Yakubu et al.(2022) which found that there is a significant effect of audit committee size on dividend policy.

The audit committee is an element whose role is to safeguard the interests of shareholders by carrying out internal control activities, financial reports, risk assessments, audit activities, and compliance with laws. In the context of companies listed on the Indonesia Stock Exchange, it shows that the role of the audit committee can be said to be running effectively. This indication can be seen from the level of significance of the audit committee on the increase in dividend payments which is positively related. This can also illustrate that increasing the number of audit committee members can reduce information asymmetry and can monitor the opportunistic attitude of management so that its role can protect the interests of shareholders or it can be said that the existence of an audit committee can reduce the potential for agency conflicts in companies listed on the Indonesia Stock Exchange .

In table 4 the results of the regression analysis above show that the proportion of institutional ownership has no significant effect on the company's dividend policy. This can be seen from the probability value of 0.9170 which is greater than the alpha of 5%. These results are contrary to the results of research by Al Farooque et al.(2021) who found that there is a significant effect of institutional ownership on dividend policy. Estimation of the effect of institutional ownership is based on the existence of institutional investors that can monitor and emphasize management to convert cash *flow* company into dividends.

However, the results of this study indicate that institutional ownership has no significant effect on dividend policy formulation in companies listed on the Indonesia Stock Exchange, these findings are in line with the results of research by (Rajput & Jhunjhunwala,(2019). This indicates that the bargaining power of institutional investors is relatively irrelevant in influencing management policies in companies in Indonesia. This can be attributed to the independence of the company's board which has worked effectively in maintaining the objectivity of decision making and the frequency of intense board meetings discussing the interests of shareholders and the effectiveness of the remuneration committee in finding balanced compensation formulations, so that agency problems can be minimized by the effective performance of the two variables. the. It can be further explained that the company's board optimizes the board meeting forum as a channel for aspirations and decision-making objectively to consider the influence of all factors related to the sustainability of the company. These conditions make it possible to minimize the subjective influence of institutional investors, so that the influence becomes irrelevant.

In table 4 the results of the analysis show that the firm of the company has no significant effect on the company's dividend policy. This is illustrated by the probability value of 0.2311 which is greater than the alpha of 5%. These results are in line with research by Al Farooque et al. (2021), but contrary to research conducted by (Yakubu et al. (2022) that company age has a significant effect on dividend policy.

Several previous studies have explained that companies that are logically older can be believed to have a wider market share and more stable income, resulting in higher dividend payments. However, this study illustrates that firm age does not significantly influence dividend payout policy. This may imply that currently with increasingly massive technological developments it is very possible for companies to access market share more easily, so that currently companies that have a wider market share and higher income are no longer based on the duration or age of operation of the company. companies, but companies that can move swiftly in accelerating in mastering the target market.

Tabel 4. Result Regression Analysis

Independen Variable	Dependent Variable		
	Dividend Policy		
	Coefisien	Probability	Conclusion
Konstanta	78.85391	-	-
DIV	18.69692	0.0063	Significant Positive
BIND	0.485543	0.0203	Significant Positive
MEET	2.969503	0.0356	Significant Positive
REMNC	5.788197	0.0020	Significant Positive
ACSIZE	-0.212981	0.9170	Not Significant
INST	-0.594415	0.2311	Not Significant

Source : Data is processed using eviews

CONCULUSION

This research was conducted to analyze the correlation of corporate governance variables on dividend policy in companies listed on the Indonesian stock exchange. After going through the analysis process using the multiple regression analysis method, it was found that the independent board, board meetings, remuneration committee and audit committee had a significant positive effect on dividend policy, while institutional ownership and company age had no effect.

Through this research, management can obtain information related to the influence of governance variables on the company's dividend policy formulation. Among them is, the proportion of the company's independent board that can positively influence dividend policy. This can provide input to management, that the existence of an independent board can encourage objectivity in corporate decision making. In addition, the frequency of board meetings can also have a significant positive effect on dividend policy. The results of this study indicate that the intensity of board meetings can encourage higher dividend payments. This can provide input to management that the intensity of board meetings is important enough to maintain company monitoring and control in order to achieve effectiveness. However, it is important to note that intensive meetings need to be planned in a measurable, directed and efficient manner in making decisions.

Furthermore, the remuneration committee variable provides information that the number of remuneration committee personnel has a significant positive effect on dividend policy. This can be input for management, that it is important to consider the number of remuneration committee personnel in an effort to find effective compensation formulations in order to increase management's work motivation which ends in the effectiveness of company performance. The number of personnel who form the audit committee also has a significant positive effect on dividend policy. This can also be input for management that the existence of an audit committee plays a very important role in monitoring and controlling the company's internal control.

Besides that, investors too can obtain information that several corporate governance variables have been proven to be able to drive the amount of dividend payments, including the variable proportion of independent boards, board meetings, remuneration committee and audit committee. The results of this study can provide input to investors to consider investing in companies with a larger proportion of independent boards, more intensive company board meetings and companies that have remuneration committees and audit committees.

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CHAPTER 6
The Effect of Institutional Investors on the Cost of Capital Moderated by Ownership Structure of Companıes in Indonesia

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ABSTRACT

Background/Problems The ownership structure of a firm can have a major impact on the effectiveness of corporate governance, affecting operations and management throughout the company. Different kinds of ownership forms will affect the contribution of various resources, altering the efficiency of company process and company performance in the end. This research uses the ownership structure as moderating variable, along with company size, market to book equity ratio, total asset turnover, leverage, sales growth, shareholder ratio, management share ownership ratio and management remuneration as control variables.
Objective(s): This study aims to determine the effect of institutional investors on the cost of capital, which is moderated by the ownership structure of non-financial companies that are listed on the Indonesia Stock Exchange. This study uses data of 65 non-financial companies from 2017 to 2021.
Results and Discussion The results from the multiple regression testing using the Eviews9 program shows that the ratio of institutional investors, sales growth and management share ownership has a significant negative effect on the cost of capital. Firm size, market to book equity ratio, leverage and management remuneration have a significant positive effect on the cost of capital.
Conclusions: The variables of period of institutional investor, total asset turnover, share ownership ratio has no significant effect on the cost of capital. Likewise, the ownership structure has not been able to moderate the effect of institutional investor on the cost of capital. This study can be used as a consideration for the company to determine an efficient cost of capital.

Keywords: Institutional Investor, Ownership Concentration, Government Ownership, Management Remuneration, Cost of Capital

1. INTRODUCTION

Investors have a crucial role in the growth of the capital market in Indonesia. Over the past five years, there has been a significant increase in the number of investors in the capital market. In the midst of this expansion, institutional investors continue to maintain their dominant position, owning an average of more than 80 percent of the companies that are listed on the Indonesia Stock Exchange (BEI). While institutional investors held 80.7% of the shares in BEI-listed businesses in 2022, retail investors only accounted for 19.3% of the total shares. One crucial factor that encourages other investors to actively participate in the capital market is the presence of institutional investors. This highlights the ongoing significance of institutional investors, as they typically have a long-term investment horizon and serve as a reference and benchmark for other investors. Huo, Lin, Meng, & Woods (2021) stated that institutional investors have become a crucial force in capital markets worldwide.

Based on agency theory, it implies owners and operational managers inside a corporation have different roles and responsibilities. Conflicts resulting from this division may need to be resolved through company governance. The efficiency of a company's corporate governance may be significantly influenced by its ownership structure. Different ownership structures in a company will affect the contribution of different resources and the resulting corporate governance structure, ultimately impacting the efficiency of corporate governance and company performance (Velte & Obermann, 2021). This ownership structure can consist of institutional ownership, management ownership, or individual ownership.

Institutional investors are expected to provide effective monitoring of managerial decision-making. Institutional investors can play a vital role in shaping the behavior of managers who carry out operational activities in the company (Hsieh, Shiu, & Chang, 2019). Daryaei & Fattahi (2020) found in their research that institutional investor can enhance a company's stock market performance and reduce risks when investors purchase shares, consequently lowering the cost of capital. Many companies analyze strategies to reduce the cost of capital in order to obtain optimal funding, whether through loans from external parties, issuing bonds, issuing shares, or utilizing operational earnings to finance company operations (Vain et al., 2020).

The efficiency of a company, as indicated by the reduction in the cost of capital, can be implemented by various types of companies, including government-owned or State-Owned Enterprises (SOEs). The government has many expectations with strategies such as going public or privatizing SOEs. Besides increasing operational funding from other investors, the purpose of these strategies is to improve the corporate governance of SOEs, ultimately enhancing their performance and reducing their cost of capital. Khamisah (2020) stated that privatized SOEs have effectively improved their corporate governance. Good corporate governance can lower the cost of capital, enabling SOEs to compete for optimal funding with private companies.

In previous research, Huo et al. (2021) demonstrated a significant negative impact of institutional ownership on the cost of capital, using moderation variables such as ownership concentration and the type of company, whether private or SOE, in China. Similar findings were observed in previous studies conducted on samples of companies in Indonesia, such as the research by Krismiaji & Raharja (2018) and Amelia & Yadnyana (2016). Both studies indicated that institutional ownership has a significant negative influence on the cost of equity. However, this research has not incorporated the moderation that is expected to strengthen the interaction between institutional investors and the cost of capital.

Based on the aforementioned factors, research on institutional investors, cost of capital, and ownership structure needs to be revisited with a different approach to explain the influence of institutional investors on the cost of capital. The novel approach includes cross-sectional testing using moderation variables such as ownership concentration and government ownership.

Additionally, this research will also focus on the heterogeneity of institutional investors. While previous studies have primarily examined the size of institutional investors' share ownership ratios as the independent variable, this study will add another perspective by considering the duration or length of institutional investors' share ownership periods in a company (Yin, Ward, & Tsolacos, 2018). This research aims to examine whether companies with longer ownership periods and higher share ownership ratios by institutional investors will result in lower cost of capital compared to companies with shorter ownership periods and lower share ownership ratios. The consideration of differing ownership ratios and ownership periods among institutional investors is driven by institutional investor heterogeneity, as indicated in prior studies. (Attig, Cleary, El Ghoul, & Guedhami, 2013).

2. LITERATUR REVIEW

2.1 Cost of Capital

The cost of capital is one of the financial elements of a company that receives attention from various stakeholders. From a micro perspective, the cost of capital directly affects the value of the company and is always taken into account in the overall financial cost policy-making process. Similarly, from a macro perspective, the cost of capital is a fundamental index for the development of the capital market (Wang & Zhou, 2020). In many countries, companies conduct cost of capital analyses as a separate section in their annual reports, which encompasses the benefits of investments, financing, and dividend policies (Huo et al., 2021). Essentially, the cost of capital is the expense borne or paid by a company as a result of the financing obtained through the issuance of bonds and stocks (Lukman, 2018). According to Leon (2020), the cost of capital is the cost that a company must pay due to changes in the use of funds that are part of a unified capital structure, consisting of long-term debt and equity, including common stock, preferred stock for companies that have preferred stock, and retained earnings. Ilyas & Jan (2017) calculated the cost of capital using the *weighted average cost of capital (*WACC) formula, stating that WACC is the most widely used cost of capital calculation technique in the real world, combining the cost of equity and the cost of debt. Therefore, this formula is one of the fundamental concepts in corporate finance. Setiawan et al. (2020) also employed the WACC calculation to determine the cost of capital in their research on the impact of corporate governance on the cost of capital in manufacturing companies.

2.2 Institutional Investors

According to Fadiansyah (2016), institutional investors refers to the majority ownership of company shares by institutions such as insurance companies, banks, investment firms, and other institutional investors. Institutional investors is important role in strategic business decision-making, such as decisions that enhance the long-term value of the company. According to Huo et al. (2021), institutional investors are important sources of capital with significant financial strength and investment potential. Borochin & Yang (2017) also state that institutional investors possess strong information and data collection capabilities, which can help improve market efficiency and asset valuation for companies. Institutional investor is one way to reduce conflicts between shareholders and managers. With institutional investors, there can be increased monitoring of management performance, leading to improved company performance (Amelia & Yadnyana, 2016).

The importance of institutional investor heterogeneity in influencing their positions in the financial sector is often overlooked in many studies. Institutional investors share some characteristics, but they also have distinct goals and investment styles, as well as varied legal constraints and competitive pressures. (Attig et al., 2013). Investor heterogeneity can also be observed from a temporal perspective. Based on their investment orientation, institutional investors can be categorized as long-term and short-term institutions. Holding period of stock ownership and stock ownership ratios are expected to be determinants in determining investor heterogeneity, as mentioned in the study by Wang, Zou, & Lan (2015). Attig et al. (2013) demonstrate that the presence of long-term institutional investors leads to improved monitoring of information quality and a balanced reduction in the firm's cost of capital and information asymmetry problems. Long-term institutional investors are more likely to persuade managers to maximize long-term value and innovation in a company (Harford, Kecskes, & Mansi, 2018). However, short-term institutional investors are more concerned about investment volatility (Li & Lu, 2016). Yin et al. (2018) found that company performance decreases following an increase in short-term institutional investors who hold company shares.

2.3 Ownership Structure

This study uses moderating variables that proxied by two variables: the ownership ratio of the largest shareholder (equil) and government ownership (state). According to Huo et al. (2021), compared to companies with higher ownership ratios, ownership concentration plays a more prominent governance role in companies with lower ownership ratios of institutional investors. This also needs to be tested for government ownership, whether state-owned companies with higher ownership ratios of institutional investors can reduce their cost of capital to a lower level. Ownership concentration can be replaced by the stock ownership ratio of the largest shareholder or the stock ownership ratio of the second to tenth largest shareholders, as mentioned in several studies such as those presented by PeiZhi & Ramzan (2020) and Mizuno, Doi, Kurizhaki (2020). Huo et al. (2021) state that ownership concentration among the second to tenth largest shareholders in a company can weaken the negative influence on the cost of capital with the ownership ratio of institutional investors.

Previous research, as stated by Gourevitch & Shinn (2017), has indicated that as the primary controller of state-owned enterprises, the government often utilizes political power to protect their own interests when entering into contracts with other shareholders, including private institutional investors. This is why, as the shareholder with the highest concentration in state-owned firms, the government has a substantial effect in lowering the cost of capital in order to enhance the operational efficiency of these enterprises. Dai (2018) conducted a study that showed institutional investors has a negative impact on the cost of capital in state-owned enterprises. Similarly, in the research conducted by Huo et al. (2021), the same findings were observed for state-owned enterprises in China.

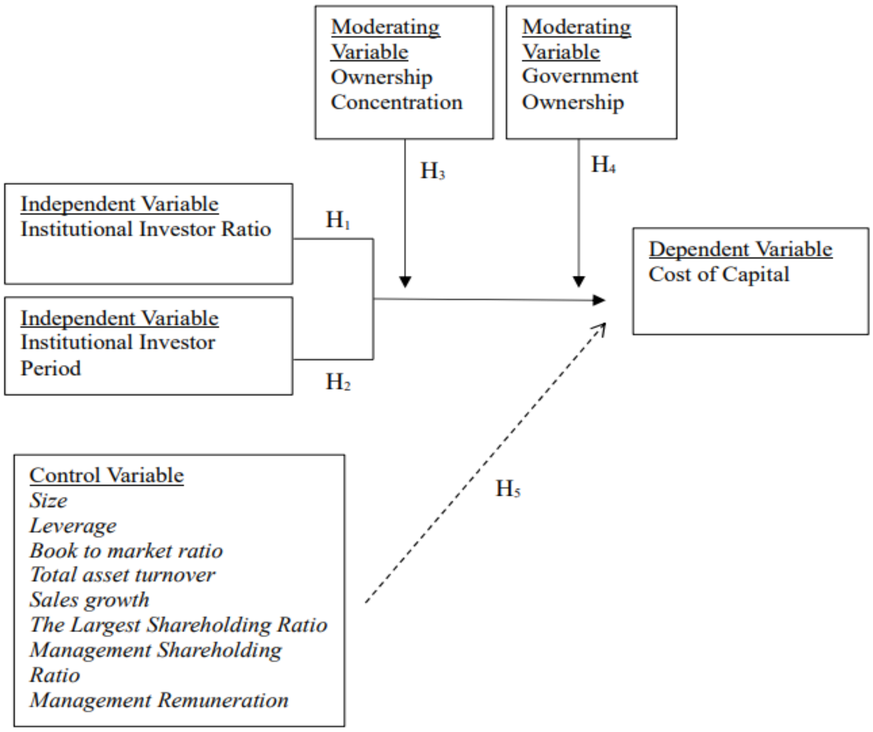
2.4 Size, Market to Book Equity Ratio, Total Assets Turnover, Leverage Level, Growth in Operating Income, Shareholder Ratio, Management Shareholding Ratio and Management Remuneration.

Huo et al. (2021), in their research, have demonstrated that several factors, such as financial factors including firm size, leverage level, market-to-book equity ratio, and operational revenue growth, can influence the relationship between institutional ownership and a company's cost of capital. In addition to these financial factors, Huo et al. (2021) also included variables related to corporate governance, such as the largest shareholder ratio and management ownership ratio. Based on their research, these factors have proven effective in identifying the impact of institutional investor ownership on a company's cost of capital. Attig et al. (2013) also used size, book value to market value of equity, and leverage as control variables in their study to examine the influence of institutional investor ownership on a company's cost of equity. Size and leverage were also employed in the research conducted by Liu, Sun, & Fang (2022). Similarly, Bhuiyan & Nguyen (2020) and Mondal & Ghosh (2020) found that the control variable of firm size has a negative impact, while leverage has a positive impact on both the cost of equity and the cost of debt. Managerial ownership has a negative influence on the cost of capital, with firm size as a control variable (Krismiaji & Raharja, 2018), which is measured as the natural logarithm of assets and controlled in regression analysis because larger companies typically have greater financial flexibility and lower uncertainty.

Shareholder ratio and management ownership ratio significantly reduce the cost of capital in private companies compared to state-owned enterprises, with control variables such as firm size and operational revenue growth (Goncalves, Rossoni, & Mendes-Da-Silva, 2019). Similarly, Setiawan et al. (2020) stated that sales growth as a control variable can significantly lower the cost of capital. Leverage, firm size, and price-to-book ratio also have a significant impact on the relationship between CSR and the cost of capital (Gupta, 2018). Based on the research by Vain et al. (2020), it is mentioned that book equity can strengthen the influence of institutional ownership on the cost of equity capital in companies listed in the LQ-45 index on the Indonesian Stock Exchange during the period 2015-2018. Managerial share ownership also has a negative impact on the cost of capital (AlHares, 2019). Furthermore, Rajverma et al. (2019) demonstrated through their research that leverage has a negative impact on the cost of capital, indicating inappropriate debt management and inefficiencies in managerial performance. Leverage is defined as the ratio of total liabilities to total assets (Daryaei & Fattahi, 2020). Foong & Goh (2013) stated that the debt-to-equity ratio (leverage level) has a positive influence on the cost of equity. Additionally, Sanoran (2022), in a study on the impact of executive compensation on the cost of equity capital, also found that providing higher salaries and bonuses to management can reduce the cost of equity capital.

2.5 Conceptual Framework

This study aims to examine the impact of institutional ownership on the cost of capital, moderated by ownership structure in the form of ownership concentration and equity type. Additional control variables such as size, book-to-market equity ratio, total asset turnover, leverage, operating sales growth, shareholding ratio, management ownership ratio, and management remuneration are included to account for other factors influencing the interaction between institutional ownership and the cost of capital. It is expected that these variables will provide further clarity on the resulting interaction, as depicted in the following diagram:



Picture 1: Conceptual Framework

2.6 Hypothesis Development

Institutional ownership plays a crucial role in corporate governance, and higher levels of institutional ownership can enhance the quality of accounting information (Niu et al., 2013). Huo et al. (2021) also demonstrate that institutional ownership with a higher proportion of shares acts as an effective monitor, leads to a reduction in a company's cost of capital. This provides evidence of the role of institutional ownership, indicating that higher ownership proportions or ratios grant better access and incentives for monitoring management behavior, implementing effective governance practices, focusing on firm performance, and subsequently resulting in a decrease in the cost of capital. Based on the aforementioned research, the following hypothesis can be developed:

H_1: The cost of capital can be significantly reduced by institutional ownership with a higher ratio of share ownership compared to lower ratios of share ownership.

The presence of long-term institutional investors in a company enhances monitoring quality and information, leading to a reduction in the company's cost of capital and issues related to information asymmetry (Attig et al., 2013). Long-term institutional investors are more likely to influence management to maximize long-term value and foster innovation in the company (Harford et al., 2018). Long-term institutional ownership tends to monitor costs and act to control management decisions to protect their interests in the company (Pérez-Calero, Hurtado-Gonzals, & Lopez-Itturiaga, 2019). Huo et al. (2021) also provide evidence that institutional investors with longer holding periods have a negative impact on the cost of capital in listed companies in China. The longer the investment period, the greater the likelihood that institutional investors will play an effective monitoring role in implementing governance practices, ultimately resulting in a decrease in the company's cost of capital. Based on this, the following hypothesis is formulated:

H_2: The cost of capital can be significantly reduced for long-term institutional ownership compared to short-term institutional ownership.

Considering the heterogeneity of institutional ownership, it is challenging for institutional investors to have a governance role in publicly traded companies as controllers when there is dominant ownership concentration. Kałdoński, Jewatowski, & Mizerka (2020) found that long-term institutional investors can control earnings management behavior in concentrated ownership structures. Consistent with this, Huo et al. (2021) also demonstrate that ownership concentration weakens the negative impact on the cost of capital in relation to the ratio of institutional ownership. Institutional ownership weakens in companies with higher ownership concentration because institutional investors have less influence in decision-making, and vice versa. Based on this, the following hypothesis is formulated:

H_3: Institutional ownership's negative impact on the cost of capital can be weakened by ownership concentration.

The influence of institutional ownership on the cost of capital in several studies is also applicable to state-owned enterprises (SOEs). With the participation of institutional investors, in addition to the government, it is expected that the monitoring of management performance in SOEs will be improved. Research by Li, Lin, & Lian (2013) shows evidence that publicly listed SOEs in China tend to experience improvements in corporate governance implementation. Therefore, the cost of capital in Chinese BUMNs is lower than that of private companies (Wang et al., 2015). Huo et al. (2021) also stated the negative impact of institutional investors on the cost of capital in BUMNs. Thus, the following hypothesis can be formulated:

H_4: The cost of capital in SOEs decreases significantly with an increase in the ratio of institutional ownership.

The influence of institutional ownership on the cost of capital can also be reinforced by several factors such as company size, leverage level, market to book equity ratio, total asset turnover, operating sales growth, shareholding ratio, management ownership, and management

compensation. In the study by Huo et al. (2021), with the presence of these factors, the influence of institutional ownership can more significantly reduce a company's cost of capital. This is also supported by research conducted by Sukarti & Suwarti (2018), which proves that size has a significant negative impact on the cost of equity. Krismiaji & Raharja (2018) measured the negative influence of managerial and institutional ownership on the cost of capital by adding control variables such as company size, leverage, and return on equity. Sales growth, as a control variable, has a significant negative impact on the cost of capital (Setiawan et al., 2020). Krismiaji & Raharja (2018) also stated that managerial ownership, as a proxy for corporate governance, has a negative impact on the cost of equity capital. Based on these findings, the following hypothesis is formulated:
H_5: Company size, market to book equity ratio, total asset turnover, leverage level, operating sales growth, shareholding ratio, management ownership, and management compensation can affect the relationship between institutional ownership and the cost of capital.

3. RESEARCH METHOD

3.1 Data and Sample Collection

The data used in this research is secondary data sourced from the IDX website, KSEI website, and listed company website. In addition, data collection is also supported from various other sources such as literature studies, such as journals, books, and other literature. This study uses a purposive sampling method during the period 2017 - 2021 which is a non-financial company and has distributed dividends consecutively during that period. So that a sample of 65 companies was obtained consisting of 5 SOEs and 60 private companies.

3.2 Variable Measurement

The following presents the measurement of each variable accompanied by formulas and explanations to make it easier to identify these variables:

Table 1: Variable Measurement

Variable	Measurement	Reference
Dependent Variable		
Cost of Capital (COC)	$COC = Wd.Kdt + Wsp.Ksp + Ws.Ks$	Setiawan et al. (2020) Leon (2020)
Independent Variable		
Institutional Investor (*Insti*)	he number of shares of institutional investors compared to the total number of shares	Wang et al. (2015) i & Lu (2016)
Institutional Investor Ratio (*Insti_high*)	ensitivity of the variable of institutional shareholding ratio: the mean or average of the institutional shareholding ratio as a reference point. The ratio is calculated by dividing the percentage of institutional share ownership in the sample by the average (mean) percentage of institutional share ownership of all samples	uo et al. (2021)
Institutional Shareholder Period (*Insti-churn*)	ensitivity of the dummy variable of the period of institutional investor stock ownership: the turnover rate of corporate institutional stock ownership, which was observed every year during the study period. Choose the median to be the reference point. If the value is greater than or equal to the median, the value is 0 which represents short-term institutional investors. Otherwise, the value is 1 which represents long term institutional investors.	Attig et al. (2013) Huo et al. (2021)
Moderating Variable		
Ownership Concentration (*Equil*)	he shareholder ratio of the second and so on	Huo et al. (2021)

Variable	Measurement	Reference
Government Ownership (*State*)	Varialel *dummy*, if the State-Own Company, the value is 1 and the otherwise, the value is 0	Huo et al. (2021)
Control Variable		
Company Size (*Size*)	$Size = \ln(Total\ Asset)$	
Market to Book Equity *(B/m)*	$B/m = \frac{Total\ Asset}{Market\ Capitalization}$	Huo et al. (2021)
Asset Turnover *(Turn)*	$Turn = \frac{Sales}{Average\ of\ Total\ Asset}$	Foong & Goh (2013)
Leverage (*Lev*)	$\text{Lev} = \frac{Total\ Liabilitas}{Total\ Aset}$	Krismiaji & Raharja (2018) Daryaei & Fattahi (2020)
Growth (*Grow*)	$Grow = \frac{Sales\ this\ year - Sales\ last\ year}{Sales\ last\ year}$	Setiawan et al. (2020)
The Largest Shareholding Ratio	The portion of ownership of the largest shareholder	Huo et al. (2021)
Management Ownership (*Man*)	Management share ownership ratio	Huo et al. (2021)
Management Remuneration *(Sal)*	$Sal = \ln(management\ remuneration)$	Padia & Callaghan (2021)

3.3 Model Selection Method

To obtain the best model estimation, the Chow test and Hausman test were carried out, and the results of the regression test were obtained using the Fixed Effect Model shown in the following table:

Table 2: Chow Test

Model	Chi-Square	Prob	Decision
1	143.139654	0.0000	Fixed Effect selected
2	137.560272	0.0000	Fixed Effect selected
3	136.033294	0.0000	Fixed Effect selected
4	136.481621	0.0000	Fixed Effect selected
5	143.785943	0.0000	Fixed Effect selected

Table 3: Hausman Test

Model	Chi-Square	Prob	Decision
1	33.634791	0.0000	Fixed Effect selected
2	30.184713	0.0000	Fixed Effect selected
3	29.725348	0.0000	Fixed Effect selected
4	27.919632	0.0033	Fixed Effect selected
5	29.026270	0.0012	Fixed Effect selected

3.4 Hypothesis Significance Test

Goodness of Fit Test (Adjusted-R^2) result on Table 4 show for all models in this research are in the range of 0.48 - 0.55. The independent variable in the form of institutional ownership with the control variable capable of influencing the cost of capital by 48% - 55%, the rest is influenced by other factors.

Table 4: Goodness of Fit Test Result

Model	R^2	Adjusted R^2
1	0.641386	0.508566
2	0.634223	0.498750
3	0.621011	0.483377
4	0.679977	0.549533
5	0.680486	0.552680

Table 5 shows that each model has an F-Statistic probability of 0.000 < 0.05, so that it can be stated simultaneously that the independent variables are able to influence the cost of capital. Thus, the regression model is feasible to use in this study.

Table 5: F-Test Result

Model	F-Statistic	Prob F-Stat
1	4.828984	0.000000
2	4.681550	0.000000
3	4.512075	0.000000
4	5.212786	0.000000
5	5.324374	0.000000

4. RESULT AND DISCUSSION

4.1 Descriptive Statistic Result

Based on the table below, the average cost of capital is 0.608 with a maximum value of 13.18 and a minimum value of 0.007. The institutional ownership ratio has an average value is 0.672 with a maximum value of 2.67 and a minimum value of 0.12. For detail shown on this table:

Table 6: Descriptive Statistics

Variable	N	Mean	Median	Max	Min	Std. Dev
COC	260	0.608615	0.070000	13.18000	0.007000	1.569692
Insti	260	0.672077	0.670000	2.670000	0.120000	0.250960
Insti_High	260	1.000154	1.010000	3.860000	0.170000	0.370682
Insti_Churn	260	0.646154	1.000000	1.000000	0.000000	0.479084
Equil	260	0.162000	1.000000	0.670000	0.000000	0.180263
State	260	0.076923	0.000000	1.000000	0.000000	0.266983
Insti*Equil	260	0.129462	0.065000	1.790000	0.000000	0.183660
Insti*State	260	0.045462	0.000000	0.670000	0.000000	0.158658
Size	260	29.47569	29.37000	33.49000	26.22000	1.601917
B/m	260	2.156731	1.485000	14.00000	0.160000	2.304422
Turn	260	0.993115	0.835000	3.040000	0.140000	0.616856
Lev	260	0.415615	0.400000	0.810000	0.040000	0.191226
Grow	260	0.055615	0.055615	1.560000	-0.500000	0.208186
Top	260	0.516154	0.516154	0.525000	0.100000	0.229328
Man	260	0.020769	0.020769	0.370000	0.000000	0.053756
Sal	260	24.09973	24.09973	23.96500	21.30000	1.297830

4.2 Discussion

The results of data processing using Eviews 9.0 software produce a partial test (t test) of fixed effect models 1 to model 5 for each variable as follows:

Table 7: Summary of T-Test Result

Independent Variable	**Dependent Variable**				
	COC				
	Model 1	**Model 2**	**Model 3**	**Model 4**	**Model 5**
Constant	-6.368	-6.704	-9.431	-8.753	-8.940
Insti	-1.854* (0.0012)			-1.810* (0.0053)	-1.733* (0.0041)
Insti_high		-1.066* (0.0079)			
Insti_churn			0.024 (0.9415)		
Equil				0.203 (0.9556)	
InstiEquil				0.779 (0.7445)	
State					0.525 (0.2863)
InstiState					-1.652 (0.4574)
Size	0.241* (0.0000)	0.254* (0.0000)	0.298* (0.0000)	0.154* (0.0175)	0.154* (0.0175)
B/m	0.239* (0.0004)	0.226* (0.0012)	0.276* (0.0001)	0.191* (0.0039)	0.159* (0.0136)
Turn	-0.1486 (0.8018)	-0.323 (0.5904)	-0.144 (0.8111)	0.056 (0.9101)	0.195 (0.8093)
Lev	1.686* (0.0025)	1.598* (0.0048)	1.817* (0.0015)	1.364* (0.0161)	1.401* (0.0101)
Grow	0.028* (0.0016)	-1.108* (0.0065)	-1.152* (0.0053)	-1.269* (0.0015)	-1.264* (0.0014)
Top				0.958 (0.450)	1.342 (0.3224)
Man				-2.498* (0.0003)	-2.443* (0.0038)
Sal				0.183* (0.0431)	0.179* (0.0475)
Observations	260	260	260	260	260
Number of firms-iden	65	65	65	65	65
Adj R-Squared	0.5085	0.4987	0.4833	0.5495	0.5526
Estimation Test					
Chow Test	0.0000	0.0000	0.0000	0.0000	0.0000
Hausman Test	0.0000	0.0000	0.0000	0.0033	0.0012
Estimator	FE	FE	FE	FE	FE

*Significant at 5%

Based on the T-test of the five regression models, the test results obtained were consistent with each independent variable. The managerial ownership variable consistently has the highest coefficient compared to the independent variables and other control variables. Furthermore, institutional ownership as an independent variable produces the second highest coefficient after management ownership and then the level of leverage and income growth. This shows that the four variables consisting of management share ownership, share ownership, level of leverage and income growth have more influence on the cost of capital when compared to other variables in this study.

Based on the results of the second model regression test, institutional ownership is seen from the perspective of the size of ownership which shows that there is a negative and significant effect on the ratio of institutional ownership to the cost of capital of non-financial companies listed on the IDX from 2017 - 2021, so this study answers the hypothesis. This study shows that the greater the ratio of institutional ownership in a company, the lower the level of capital costs issued by the company. This is because a higher ratio of institutional ownership can provide control over management performance which will have an impact on achieving an increase in the company's operational performance so that it will indirectly affect the cost of capital issued by the company. The results of this study are in line with research conducted by Huo et al. (2021) on non-financial companies in China in 2014 - 2019, research by Fallah (2021) in Iran in the period 2011 - 2017 and research by Attig, et al. (2013).

Apart from the size of the institutional ownership ratio, this study also categorizes institutional ownership from the perspective of the ownership period (long term or short term of ownership). As the research conducted by Huo et al. (2021) in China in 2014 – 2019 using the independent variable in the form of the period of institutional ownership showing a negative effect on the cost of capital. However, the results of this study based on the results of the third model regression test show that there is no significant effect between the period of institutional ownership on the cost of capital of non-financial companies listed on the IDX.

Based on the fourth regression model, the probability value is more than 0.05 for the Equil and InstiEquil variables which act as moderating variables. This shows that the significant negative effect of institutional ownership on the cost of capital cannot be moderated by ownership concentration, so it is not in accordance with the results of Huo et al.'s research. (2021) However, the results of this study are in line with research that was conducted by Setiawan et al. (2020) which states that block ownership with share ownership above 5% where the average institutional shareholder has no effect on the cost of capital for manufacturing companies in the 2014 – 2018 period. The results of the same research which state that institutional ownership in terms of these are investors with share ownership of more than 5% which does not have a significant effect on the cost of capital also revealed in the research of Sukarti & Suwarti (2018) with research samples in the period 2014 - 2018.

Based on the results of the fifth model regression test, the results of this study indicate that there is no significant effect of government ownership on the cost of capital and is not in line with the research conducted by Huo et al. (2021). The results of this study indicate that government (state) ownership has not been able to moderate the effect of institutional ownership on the cost of capital. In accordance with the results of Goncalves et al. (2019) stated that corporate governance which is proxied by concentration of ownership has a more significant effect on reducing the cost of capital of private companies when compared to state-owned companies where the research was conducted using a sample of 137 companies listed on the Brazilian Stock Exchange in the period 2002 – 2015. The results of this study were not. This significant possibility is because the BUMN companies used as samples have a very small composition of the overall sample so that they are unable to provide an explanation for the hypotheses that have been prepared.

Firm size, leverage level, market to book equity ratio, total asset turnover, operating income growth, shareholder ratio, management share ownership ratio and management remuneration are control variables that can affect the relationship between institutional ownership and the cost of capital. Based on the regression test of the first model to the fifth model, the following results are obtained:

a. company size (Size) has a positive and significant influence on the cost of capital issued by the Company. This explains that the larger the size of the company, the greater the capital costs incurred. Large companies will have more opportunities to carry out larger business expansions when compared to small and medium companies. Bigger business opportunities will encourage companies to obtain large funding so that greater capital costs are needed. The results of this study are in line with the results of a study conducted by Huo et al. (2021) in

China and research by Fallah (2021) conducted in Iran and research by Setiawan et al. (2020) with a sample of 26 companies on the IDX in the 2014-2018 period.

b. Market to Book Equity Ratio (B/m) has a significant positive effect on the cost of capital. Companies that have a greater Market to Book Equity Ratio, shareholders will expect a greater return. This expectation causes the capital costs incurred by the Company to be greater. The results of this study are in line with the results of a study conducted by Huo et al. (2021). Other research that gave the same results as this study was also carried out by Fallah (2021) and Vain et al. (2020).

c. Total asset turnover (Turn) has no significant effect on the cost of capital. Thus, the results of this study are not in accordance with the results of Huo et al. (2021) stated that total asset turnover has a positive effect on the cost of capital of non-financial companies in China. According to the research results Foong & Goh (2013) also stated that total asset turnover which is a comparison of income with an average total asset that is getting bigger shows the efficiency that the Company does in generating income which shows a company's performance is getting better which in turn can reduce the cost of capital issued by a company.

d. The level of leverage has a significant positive effect on the interaction between institutional ownership and the cost of capital. The results of this study are in line with research conducted by Huo et al. (2021) who also stated that leverage has a positive effect on the cost of capital. The greater the company's leverage, the greater the cost of debt which is part of the cost of capital issued by the company. Similarly, what was conveyed in Attig's research, et al. (2013), Foong & Goh (2013) and Sanoran (2022) that the debt-to-equity ratio (leverage level) has a positive effect on the cost of equity.

e. Growth in operating income (Grow) has a significant negative effect on the cost of capital consistently. The greater the Company's revenue growth will reduce the cost of capital because the company has fairly good fundamentals. This is not in line with the hypothesis in a study conducted by Huo et al. (2021). The results of this study also support research that was previously conducted with a sample of companies listed on the IDX conducted by Setiawan et al. (2020) which states that sales growth as a control variable has a significant negative effect on the cost of capital.

f. Shareholder ratio (Top) has no significant effect on the cost of capital. The results of this study have not answered the hypotheses that have been prepared and are not in line with the research conducted by Huo et al. (2021). Huo et al. (2021) stated that the ratio of the largest shareholder which is the control variable has a significant positive effect on the cost of capital.

g. Management share ownership ratio (Man) has a significant negative effect on the cost of capital. This supports previous research conducted by Huo et al. (2021). The greater the managerial share ownership, the management will strive to achieve optimal company performance because management thinks they are part of the company. Achieving optimal performance can ultimately reduce the company's cost of capital. Other research that gave the same results was conducted by AlHares (2019) and Krismiaji & Raharja (2018).

h. Management remuneration (Sal) has a significant positive effect on the cost of capital. The greater the remuneration given to management will increase the operational costs incurred by the company in a certain period which can indirectly reduce the achievement of financial performance. This declining financial performance can lead to an increase in the cost of capital issued in the next period. The results of this study are in line with research conducted by Huo et al. (2021) and Sanoran (2022) which state that large management remuneration can increase the cost of capital.

CONCLUSION

5.1 Conclusion

Conclusions that can be drawn from the results of testing and discussion in research on the following:

1. Institutional investors have a significant negative effect on the cost of capital.
2. Institutional investors Ratio has a significant negative effect on the cost of capital.
3. Institutional investors Period has no effect on the cost of capital.
4. Ownership concentration has no effect on the cost of capital and is unable to moderate the effect of institutional ownership on the cost of capital.
5. Government ownership has no effect on the cost of capital and is unable to moderate the effect of institutional ownership on the cost of capital.
6. Company size has a significant positive effect on the cost of capital.
7. Market to Book Equity Ratio has a significant positive effect on the cost of capital.
8. Total Asset Turnover has no effect on the cost of capital.
9. Leverage level has a significant positive effect on the cost of capital.
10. Revenue growth has a significant negative effect on the cost of capital.
11. The ratio of the largest shareholders has no effect on the cost of capital.
12. Management Share Ownership has a significant negative effect on the cost of capital.
13. Management Remuneration has a significant negative effect on the cost of capital.

5.2 Implications

5.2.1 Firm

When making business decisions, determining the cost of capital is critical since it pertains to the company's expenses and how to minimize costs to acquire optimal finance. The calculation of the cost of capital is influenced by a variety of factors. There are various key aspects that affect the cost of capital in this study, so as an outcome, management must consider them when formulating strategic plans and policies to meet the company's goal of cost efficiency.

5.2.2 Investors

Investors need to carefully analyze the financial performance of the company and the factors that can affect the cost of capital before making investments. Suboptimal cost of capital can negatively impact the financial performance of the company. Investors need to be aware that a higher ratio of institutional ownership in a company can lower the cost of capital, which will leading to optimal financial performance and ultimately increasing shareholder returns.

5.2.3 Further Research

There are limitations that affect the results of this study, specifically the use of variables that are only represented by institutional ownership, differentiated by the magnitude and level of ownership as independent variables, along with several control variables that collectively have a significant simultaneous impact on the cost of capital, with an adjusted R^2 level of 48-55%. It is expected that future research can incorporate other variables that have a more influential effect and increase the adjusted R^2 for the cost of capital, such as corporate social responsibility (CSR), which is also an effective proxy for good corporate governance mechanisms as studied by Liu et al. (2022) and Bhuiyan & Nguyen (2020). Intellectual capital can also be included as an independent variable in further research to generate high levels of significance, as demonstrated by Mondal & Ghosh (2020). Additionally, control variables such as return on assets (ROA) and earning quality Sanoran (2022) can be added as measures of company profitability. Furthermore, other control variables, such as cash flow ratio, tangible asset to debt ratio, ROA, and firm age, as researched by Liu et al. (2022), can be incorporated.

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Chapter 7

The Role of Talent Management in Addressing Post-Covid-19 Business Transformation

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ABSTRACT

Background/Problems Background/Problems: Post-Covid-19 challenges to the talent that must be owned by employees are higher than before the Covid-19 conditions. This research uses qualitative techniques with interview techniques with 6 decision makers in various industrial sectors who have experienced business transformation during the Covid-19 pandemic era.

Objective(s): This research aims to understand the role of talent management in overcoming business transformation after the Covid-19 era.

Results and Discussion The results of the research show that effective and strategic management of talent is key in dealing with post-Covid-19 business transformation. Companies need to prioritize developing existing employees and attracting new talent to ensure the organization's ability to face the new challenges that will be presented to the business after the Covid-19 era.

Conclusions: This research makes an important contribution to companies in understanding the importance of talent management in facing the challenges of business transformation in the post-Covid-19 era. Effective talent management assists companies in building the company's competitive advantage in the long term, through developing a culture of innovation and collaboration, strengthening product and service development, and improving the company's operational and financial performance.

Keywords: Talent Management, Business Transformation, Case Study, Covid-19, Performance

1. INTRODUCTION

In this era of globalization, the development of technology and information encourages competition in the industrial world to be stronger, so that the level of competition between companies is getting tighter. Therefore, companies need to adapt and make improvements to various sectors including human resources(Anggraini & Ma'arif, 2022). Effective and efficient human resource management will make it easier for a company to achieve its goals(Cai & Kleiner, 2004). To be able to continue to grow and achieve company goals, the company must focus on existing changes including finding or retaining the right and talented employees in the company(Ley & Kleiner, n.d.).

The selection of the right and talented employees will greatly help the company in developing its business. The process of implementing talent management in a company is crucial because the quality of talent possessed by each employee can improve their performance towards a more positive direction(Mensah, 2015). Talent management is the implementation of strategies and systems that have been integrated to increase company productivity by attracting, developing, retaining, and using employees with good skills to meet current and future business needs(Coulson-Thomas, 2012).

These kind of talent management experienced major changes throughout the years and it has been more noticeable in the recent years(Deery, 2008). The old talent management was more focused on a small but highly capable group and often needed to be exclusively approached if needed whereas, recently, after the pandemic ended, talent management now prioritize to identify usable employees that can work ina personalized workforce in an fluid workplace(Deery & Jago, 2015). These changes makes the definitive need to change how Talent Management works and build their strategies.

Talent management is the first step for every company to win the talent war because by winning the talent war the possibility of the company to dominate the market becomes higher (Lawler and Edward E, 2008).. In addition, talent management can be a strategic approach to identify the capabilities of each employee so that companies do not need to doubt the abilities possessed by employees who fill part of the top positions in the company.

Eventhough there has been prior research about the transformation of talent recruitment strategies by different companies post pandemic by (Anggraini & Ma'arif, 2022; Ley & Kleiner, n.d.), there is a lack of explanation for the factors that causes those changes in the practices of talent management. The objective of this Research is to fill the gaps of information relating to modern post pandemic talent management by researching the handling process of talent management, recruitment process, development, evaluation, and making sure talented employees stays in the company for the long term in the Indonesian context

2 LITERATURE REVIEW

2.1 DEFINITION OF TALENT MANAGEMENT

Talent management is a set of human resource processes designed to develop and sustain productive employees(Latukha et al., 2019). Talent management helps companies make the best use of their human resources for the achievement of their organizational goals and ensures maximum returns from talented employees. Every company strives to find, develop and retain the best talent for long-term progress(Anlesinya & Susomrith, 2020). Therefore, talented employees need to take the right actions to hone and utilize their talents to become their strengths at work.

Talent management in a company is not only used to attract the best employees in the industry but is also an ongoing process that involves sourcing, recruiting, developing, retaining and promoting talented employees to fulfil the company's needs(Schuler et al., 2011). Talent management is the identification and development of the number, type and quality of employees who will effectively achieve the company's strategic operational goals. The focus is on the importance of identifying the optimal talent portfolio and calculating the impact of investments on the company's ability to achieve strategic and operational goals that meet or exceed expectations (Collings, 2014).

Another definition of management is a comprehensive and dynamic process of developing an organization's highest potential pool of people through unidirectional and integrated development that is practically carried out by company leaders and is concerned with the activities of attracting talented employees, selecting them and developing them.

2.2 BENEFIT OF TALENT MANAGEMENT

Talent management is an integral part of modern business and an important management function within an organization. Talent management can provide great benefits to companies that implement it. The following are some of the benefits of Talent Management: **Putting the right people in the right jobs**. Mapping the skills or competencies of talented employees allows management to record the inventory of skills and abilities that exist in the company(Putting the Right People in the Right Place: Development of a Team Task Analysis Protocol for Assignment Purposes in the U.S. Army, n.d.). **Retaining highly talented employees** . Despite changes in the global economy, employee turnover remains a major concern for organisations. Retaining highly talented employees is important for a company to stay ahead and grow in a highly competitive market (Kaur, 2013). **Better recruitment** , The quality of employees is a reflection of the quality of the company. The best way to have talented employees in upper management is to have talented employees at the lower levels as well (Kumari, 2012). No wonder then that talent management training programmes and appraisals have become an integral aspect of today's human resource processes. **Can better understand employees** , Employee appraisals will provide in-depth insights to company management. Through this employee assessment, the company can better understand their needs and development, likes and dislikes so that it can better determine what can motivate them to work better according to the needs of the company (Rodriguez, 2017). **Better professional development decisions**, When a company recognises an employee who has high potential, it is easier to invest in professional development. Because development requires investment decisions for learning, training and individual development both for growth, succession planning, performance management and others (Haque, 2017).

2.3 TALENT MANAGEMENT STRATEGY PLANNING AND ACTIVATION

In today's dynamic business landscape, where talent has emerged as a key differentiator, successful companies understand the significance of implementing a robust talent management strategy. By designing and executing a well-thought-out approach, these organizations effectively leverage their human capital to gain a competitive edge (Jindal et al., 2017). To embark on this transformative journey, a systematic process of planning and activating the talent management strategy is essential. By engaging key leaders, assigning a dedicated talent leader, and conducting a comprehensive audit of key positions and competencies, companies lay the foundation for cultivating and nurturing their most valuable asset: their talent pool. Through this strategic approach, companies can not only address immediate skill gaps but also position themselves for long-term success in an ever-evolving business landscape.

Successful companies know how to implement critical talent management because they have designed and implemented a viable talent management strategy(Jindal et al., 2017). Here is the process of planning and activating a talent management strategy: Engage key leaders including the CEO: Engaging key leaders, particularly the CEO, is crucial for the successful implementation of a talent management strategy. Their support and involvement provide the necessary direction and commitment to prioritize and invest in talent management initiatives.

Assign a talent leader: To ensure effective execution of the talent management strategy, it is important to designate a talent leader or manager. This individual is responsible for overseeing the implementation, coordination, and monitoring of talent management practices throughout the organization.

Audit key positions and required competencies: Conducting a comprehensive audit of key positions within the organization helps identify critical roles and the competencies required for each role. This evaluation enables the organization to determine the current talent landscape and identify areas for improvement or potential skills gaps.

Define future needs: Based on the audit results and considering the organization's long-term goals, it is essential to define future talent needs. This involves identifying the skills, knowledge, and attributes required to meet the organization's evolving business objectives and staying ahead in the market.

Using automation to improve processes and workflows: Implementing automation tools and technologies can streamline talent management processes and workflows. Automation can help in various areas, such as recruitment, performance management, training and development, and succession planning. By leveraging automation, organizations can enhance efficiency, reduce administrative burdens, and provide a better employee experience.

Input relevant metrics in the workplace to measure success: It is crucial to establish relevant metrics and key performance indicators (KPIs) to measure the success of talent management initiatives. These metrics can include employee retention rates, time-to-fill vacant positions, employee satisfaction scores, leadership bench strength, and talent development program effectiveness. Regularly tracking and analyzing these metrics provide valuable insights into the impact of talent management strategies and help drive continuous improvement.

Launch a talent management strategy with CEO support: Finally, the talent management strategy should be formally launched and communicated throughout the organization, with the active support and endorsement of the CEO. This ensures that all employees understand the strategic importance of talent management and reinforces the commitment to nurturing and developing talent as a core organizational priority.

By following these steps, organizations can establish a robust talent management strategy that aligns with their business objectives, improves employee engagement and productivity, and positions them for long-term success in a competitive marketplace.

2.4 TALENT MANAGEMENT PROCESS

This step clarifies the key positions, critical positions, and positions that have the highest risk or project-related positions as the target of the development programme in the talent management programme. **Talent pool selection,** This stage involves the identification and collection of potential candidates from various positions and job titles to participate in the talent management program. The goal is to assemble a diverse pool of talented individuals who show potential for growth and advancement within the organization. The talent pool selection process includes assessing candidates based on their skills, performance, potential, and alignment with the organization's strategic objectives. **Establish a talent acceleration development programme**, Once the talent pool is formed, this stage focuses on designing and implementing an accelerated development program for each member of the talent management program. The program aims to provide targeted learning experiences, training, mentoring, and coaching to enhance the participants' skills, knowledge, and capabilities. The development program may include a combination of classroom training, on-the-job assignments, stretch projects, and exposure to different areas of the organization to broaden their perspectives...

Key position assignment, After participants have gone through the development program and have demonstrated their readiness, this stage involves assigning and placing each member of the talent management program into pre-identified key positions. These positions are strategically important roles within the organization that require exceptional talent and have a significant impact on business outcomes. The assignment process considers the individual's skills, competencies, potential, and organizational needs to ensure the right fit between the talent and the position. **Evaluating programme progress,** This stage focuses on evaluating the progress and performance of talent management program participants in their assigned roles. The evaluation serves as a basis for making succession decisions, determining whether the individuals are meeting expectations, and identifying areas for further development. It involves assessing the participants' achievements, growth, and ability to contribute effectively to the organization. The evaluation process may include performance reviews, feedback from supervisors and colleagues, and objective measurements of success against predefined metrics..

The other processes of talent management are, **Inclusion.** Inclusion refers to creating a work environment where individuals feel valued, respected, and a part of the company's processes. It involves fostering a culture that promotes diversity, equity, and inclusion, where employees from different backgrounds, perspectives, and experiences are welcomed and encouraged to contribute their unique talents. Inclusion in talent management means ensuring that all employees have equal access to growth opportunities, development programs, and career advancement, regardless of their demographic characteristics. **Engagement,** Employee engagement is the emotional commitment and connection employees have with their organization. It is the extent to which employees are enthusiastic about their work, committed to their roles, and motivated to contribute to the success of the company. In the context of talent management, the engagement process focuses on fostering a positive and productive relationship between the organization and its employees. This includes creating a supportive work environment, providing opportunities for skill development and growth, recognizing and rewarding performance, and promoting open communication and collaboration.

Competencies, Competencies are the knowledge, skills, abilities, and behaviors required for employees to perform their jobs effectively and contribute to the achievement of organizational objectives. In talent management, ensuring employees have the right competencies involves identifying the core competencies needed within the company and aligning individual development plans with those competencies. This may include conducting skills assessments, providing targeted training and development opportunities, and creating career paths that enable employees to acquire and enhance the required competencies. **Retention,** Retention refers to the efforts made by an organization to retain its employees and prevent them from leaving to work for other companies. In talent management, retaining top talent is essential to maintaining a competitive advantage and sustaining organizational success. Strategies for retention may include offering competitive compensation and benefits, providing opportunities for career growth and advancement, fostering a positive work environment, promoting work-life balance, and recognizing and rewarding employee contributions. By prioritizing retention, organizations can reduce turnover, preserve institutional knowledge, and create a stable workforce. By incorporating inclusion, engagement, competencies, and retention into their talent management practices, organizations can cultivate a positive and inclusive work environment, attract and retain top talent, and drive employee performance and organizational success. These processes are interconnected and mutually reinforcing, contributing to the overall effectiveness of talent management initiatives.

2.5 TALENT MANAGEMENT MODEL

According to (Cappeli and Peter, 2009). Talent management models include: **Workforce staffing.** Workforce staffing refers to the process of filling job positions within an organization. It involves activities such as recruitment, selection, and onboarding of new employees. Workforce staffing focuses on identifying the talent needed to meet organizational requirements and strategically acquiring individuals who possess the necessary skills, knowledge, and qualifications. This model ensures that the organization has a competent and diverse workforce to perform various roles effectively and efficiently. **Workforce planning,** Workforce planning is an ongoing process that aligns organizational needs and priorities with workforce requirements. It involves analyzing and forecasting the workforce needs based on factors such as business objectives, market trends, technological advancements, and regulatory requirements. Workforce planning aims to ensure that the organization has the right number of employees, with the appropriate skills and competencies, in the right positions, at the right time. By effectively managing workforce planning, organizations can proactively address potential gaps in talent, optimize resource allocation, and enhance overall operational performance.

Workforce development, Workforce development focuses on enhancing the capabilities and skills of the organization's workforce as a whole. It encompasses various learning and development initiatives, including training programs, workshops, coaching, mentoring, and performance management processes. The goal of workforce development is to cultivate a continuous learning culture, promote employee growth and engagement, and equip individuals with the knowledge and skills required to perform their current roles effectively and prepare them for future career progression. By investing in workforce development, organizations can enhance employee performance, increase job satisfaction, and improve overall organizational capabilities. And lastly we have **Organization effectiveness,** Organization effectiveness refers to the level of effectiveness of a company in achieving the goals that have been set. It encompasses various factors such as strategic alignment, operational efficiency, employee engagement, customer satisfaction, and financial performance. In the context of talent management models, organization effectiveness is a key outcome that is influenced by effective talent management practices. By strategically managing talent, aligning employee capabilities with organizational goals, and optimizing operational processes, organizations can improve their overall effectiveness, competitiveness, and ability to adapt to changing business environments..

2.6 TALENT POOL

In carrying out a talent management strategy, a source of talent is needed, which is a group of employees who have been identified to be developed over some time and treated as an investment(Haque, 2017). In finding and getting employees with good talent, companies have two sources, namely internal and external sources(Kagwiria Lyria et al., 2017; Lee, 2019) . For internal sources, companies can use the talent search matrix method which combines many elements that can be quantified and those that cannot be quantified when combined will provide a profile of a person who can provide the expected performance results(Kagwiria Lyria et al., 2017). While external sources are used as a second choice after internal sources and after being sure that within the company there are no more adequate candidates according to the proposed requirements.

In conclusion, implementing a talent management strategy requires a reliable source of talent, which involves identifying and developing a group of employees with high potential and treating them as valuable investments. Organizations can tap into both internal and external sources to find employees with the desired talent. Internal sources involve leveraging existing talent within the organization through methods like the talent search matrix, which combines quantifiable and non-quantifiable elements to create a profile of individuals who can deliver the desired performance outcomes. External sources, on the other hand, come into play when internal sources have been exhausted and there is a need to search for suitable candidates outside the organization. By carefully considering both internal and external sources, organizations can build a robust talent pipeline and ensure a continuous supply of skilled individuals who can contribute to the organization's success.

2.6 TALENT MANAGEMENT PRINCIPLES

Talent management has several principles according to (Morgan & Jardin, 2007; Venkatesh, 2017). **Talent management starts with the CEO,** The CEO plays a pivotal role in driving talent management initiatives within an organization. They must have the ability to delegate responsibilities to subordinates, determine the business strategy, identify talent needs, establish talent criteria, and determine the appropriate number of talent development center groups. The CEO is also responsible for fostering leadership regeneration by cultivating a culture that prioritizes talent development and succession planning. By actively engaging in talent management, the CEO sets the tone for the organization and ensures that talent management is a strategic priority. Second, **Companies need to clarify talent needs.** The core objective of a talent management program is to cultivate a pool of employees who are prepared to assume leadership positions within various levels of the organization. To achieve this, companies must clearly define their talent needs. This involves identifying the critical competencies, skills, and experience required for future leadership roles. By clarifying talent needs, organizations can focus their talent management efforts on developing employees who possess the capabilities needed to drive the ongoing success of the business.Third**Talent programme membership is flexible.** Flexibility in talent management programs refers to the dynamic nature of program membership. Throughout the year, employees included in the program undergo performance assessments. If an employee's performance does not meet the predetermined standards, they may be removed from the program. Conversely, employees who demonstrate exceptional performance but were not initially included in the program may be enrolled. This flexibility allows organizations to continuously assess and adjust program membership based on individual performance and potential.

Fourth, **Talent management programme monitoring.** In a talent management program, participation is contingent on the progress and performance of the employees. If an employee is not progressing as expected in their assigned role, they may be removed from the program. Ongoing monitoring ensures that the program remains dynamic and responsive, allowing for adjustments based on the individual's ability to meet the program's expectations. Fifth, **Programme success is closely monitored.** The success of talent management programs is measured through various metrics, which can vary depending on the number of positions targeted for development. Common measures of success include the number of high-potential individuals identified, their progression within the organization, their contribution to business outcomes, and the overall impact on leadership pipeline strength. By closely monitoring the program's success, organizations can assess the effectiveness of their talent management efforts and make informed decisions to drive continuous improvement. Lastly**, Competency-based talent management programme.** Competencies serve as the foundation for all talent management activities, including selection, recruitment, training, development, assignment, evaluation, and rewards. By establishing competency requirements, both employees and managers can create realistic plans for professional development and career advancement. Competency-based talent management ensures that individuals are equipped with the necessary skills, knowledge, and behaviors to excel in their roles and contribute to the organization's success.

2.8 TALENT MANAGEMENT FRAMEWORK

In the process of implementing talent management, there is a framework that should be used to conceptualise the flow, among others (Morgan & Jardin, 2007). The recruitment and selection process is all about finding talented employees. Keep in mind that the recruitment and selection process is a crucial component of talent management. It involves attracting a pool of qualified candidates who possess the desired skills, knowledge, and experience to fill vacant positions within the organization. The goal is to identify individuals with exceptional talent and potential who can contribute to the organization's success. Effective recruitment and selection strategies include targeted sourcing, rigorous assessment methods, and comprehensive interviews to ensure that the right talent is brought into the organization.The onboarding process relates to how companies design programmes to welcome new talent through formal orientation and informal programmes to support employees to be immediately productive in their first year of work. It goes beyond mere orientation and includes formal and informal initiatives to help new hires become productive and engaged members of the team. Effective onboarding programs provide clear expectations, introduce organizational culture, facilitate relationship-building with colleagues, and provide necessary resources and training. By providing a positive onboarding experience, companies can enhance retention, accelerate employee productivity, and foster long-term engagement.

The performance management process relates to how the company manages performance consistently across all levels to maximise employee contribution and productivity in the short, medium and long term. The performance management process involves setting clear performance expectations, providing regular feedback, and assessing employee performance. It ensures that performance is managed consistently across all levels of the organization, with the aim of maximizing employee contribution and productivity. This process includes establishing performance goals, conducting performance evaluations, providing constructive feedback, and offering development opportunities. By effectively managing performance, companies can align individual efforts with organizational objectives, identify areas for improvement, and recognize and reward high performers. Recognition and retention processes relate to how companies recognise and utilise incentives and rewards to reward talent, keeping employees motivated according to differences in individual preferences. Companies utilize various incentives, rewards, and recognition programs to motivate and engage employees, considering individual preferences and preferences. By recognizing and rewarding talent, companies create a positive work environment, foster loyalty, and increase the likelihood of retaining top performers.

The education and training process is related to how the company develops employees by providing opportunities to improve skills to meet current and future business priorities. This may include offering formal training programs, workshops, mentoring, coaching, and supporting continuous learning initiatives. By investing in employee development, organizations can improve overall performance, increase job satisfaction, and build a skilled workforce capable of addressing evolving business needs. The cadre development process is linked to the development of a strategic plan to minimise the disruption resulting from the vacancy of key positions. The cadre development process focuses on identifying and developing individuals who have the potential to fill key leadership positions within the organization. It involves strategic planning to anticipate and minimize the potential disruptions caused by vacancies in critical roles. By proactively identifying and nurturing talent, organizations can ensure a smooth succession process, maintain continuity, and reduce the impact of key personnel changes on business operations.

2.9 TALENT MANAGEMENT CHARACTERISTICS

Talent management has several characteristics (Venkatesh, 2017). **Have a Development Mindset**, which is a mindset that prioritises the personal development of employees within the company. Having a development mindset means prioritizing the personal growth and development of employees within the company. Organizations with this characteristic recognize that investing in employee development not only enhances individual skills and capabilities but also contributes to the overall success of the organization. They provide opportunities for continuous learning, skill-building, and career advancement, fostering a culture of growth and improvement. **Implementing a performance culture.** which means the company that successfully manages talent management programmes has, live and implements a high-performance culture. Successful talent management programs are embedded within a performance culture. This means that the organization values and emphasizes high performance at all levels. A performance culture includes clear performance expectations, regular feedback and evaluation processes, and recognition and rewards for exceptional performance. By fostering a performance culture, organizations create an environment where employees are motivated to excel, drive business results, and contribute to the overall success of the organization.

Have Executive Sponsorship, having top executives, board of directors, or senior leaders who sponsor or support the development of potential employees. Executive sponsorship is essential for effective talent management. It involves having top executives, board of directors, or senior leaders who actively support and sponsor the development of potential employees. Executive sponsors provide strategic guidance, allocate resources, and advocate for talent management initiatives throughout the organization. Their involvement demonstrates the organization's commitment to nurturing and advancing talent, which in turn fosters a culture of talent development and succession planning. **Implementing a Good HR Information System**, a company that is good at managing talent management programmes is characterised by the presence of infrastructure, investment and accurate human resource systems. An organization that excels in managing talent management programs typically has a robust and efficient HR information system in place. This includes the presence of infrastructure, investments, and accurate human resource systems to support talent management processes. A good HR information system enables effective tracking and management of employee data, including performance evaluations, training and development records, succession plans, and talent profiles. It provides the necessary tools and insights to make informed talent management decisions and ensures the smooth operation of talent-related processes.

3. METHODOLOGY

This research is a qualitative study which was analyzed by case studies. The technique used in this study is a semi structured interview where the questions are served in an online questionnaire. Respondents in this study are entrepreneurs and employees that are engaged in the service and manufacturing industries and gathered nine individuals. The criterion for the respondents are the people who have experience in dealing with talenet management pre covid-19 and post covid-19 conditions in their companies. Respondent answers will then be analyzed bu categorizing and comparing the result of the interview vased n the talent management framework. The data was analyzed using a descriptive statistics method

Table 1 Interview Questionaire

Recruitment and Selection	What media does your company use to attract employees?
	What types of tests does your company conduct for the employee selection process?
Talent Identification	What divisions are involved in the talent identification process?
	What criteria makes an employee a talented employee?

	What is your company's talent assessment process?
Training and Education	What programs does your company prepare to train talented employees?
	What are the training programs prepared by your company only available for talented employees?
Retention	What retention programs does your company have for talented employees?
Obstructing Factor	What obstacles do your employees usually face in participating in Talent Management?
Effort	What are the efforts made by your company's employees in dealing with obstacles to Talent Management?

Source : SPSS Output

4. FINDINGS AND DISCUSSIONS

The Talent management process that will be presented in this research is seen from the talent management process, especially at the recruitment, retention, acquiring and retention stages.

Acquiring (Recruitment and Selection). The talent management process in this section includes **Talent criteria**, where it will be determined what talents will be selected, which are usually mentioned in the form of programs (for example digital talent programs, ODP programs/officer development programs). The results of data collection in the field obtained several talent criteria as follows; performance and work attitude, competency profiling and KPI achievement. On average, the results of research and company observations have not specifically mentioned the expected talent criteria. This is because the companies studied are still in the middle to lower scale. So it can be concluded that the company does not have a talent management program either before or after / post covid. This is because on average these companies have not linked their vision and mission with their human capital strategy for talent management programs. **Talent Pool selection**, is the determination of the media used for the process of identifying / collecting talents that match the predetermined criteria. The media used are Instagram, Facebook, Tiktok, Linkedin, Glints, jobstreet, job hunters, job fairs, Astra First which collaborates with universities to find the best talent. While the divisions involved in the talent identification process are Corporate Finance Accounting and Merchandise, talent division, human capital division, related divisions (users). Based on the results of research and observations in the field can be concluded that, already have an acquiring program and the average is still traditional.

The development of talent acceleration programs from the results of data collection in the field is in the form of providing case studies, technical skills training, and soft skills;

training related to creativity and productivity, and training on leadership, the training methods provided still tend to be off the job training and not in the form of acceleration for future development. **Key position assignment** includes determining what tasks should be done by people in the talent position), from the results of data collection in the field including papikostik, MBTI, DISC, MMPI, skills tests in accordance with HR competencies. The programs provided by the companies that are the object of research are on average still related to the job description of each job.. Evaluating program progress including the parties involved in the talent management assessment process, namely the HR division, by profiling, 360 degree assessment. The evaluation process carried out by the average company is still used to assess employees in their work.

Retention (Reward)

Retention programs from the results of data collection in the field are scholarships, employment contracts, work bonuses and spiritual tourism. The average company has given rewards according to their performance, but these rewards are only related to the implementation of work, and not for the development and sustainability of employees' careers in the future. From the results of observations and research, a preposition can be given, namely the average medium-sized company in Jakarta Talent management program has not played an active role..

5. CONCLUSIONS AND RECOMMNEDATIONS

CONCLUSION

The research findings indicate that the average medium-sized company examined in this study has not fully integrated its vision, mission, and human resources management strategy with talent management. This suggests a misalignment between the overall organizational goals and the approach to managing its workforce. Talent management requires a strategic and holistic perspective, recognizing employees as valuable assets rather than mere costs. By not fully embracing talent management practices, the company may be missing out on opportunities to maximize the potential and contributions of its workforce.Furthermore, the study reveals that the average company primarily focuses on HR operational functions, perceiving employees primarily as costs rather than as strategic assets. Human capital management, which recognizes the value and potential of employees, is not yet deeply ingrained in the company's mindset and practices. This indicates a need for a shift in perspective, where the company starts viewing its employees as valuable resources that can drive innovation, productivity, and growth.

Another significant finding is the limited role played by talent management in medium-sized companies post Covid-19. The global pandemic has undoubtedly impacted organizations in various ways, and talent management should have emerged as a critical aspect for navigating through such challenges. However, the research suggests that medium-sized companies have not fully leveraged talent management strategies to adapt and thrive in the post-pandemic environment. This highlights a missed opportunity for these companies to identify and nurture key talent, enhance workforce agility, and respond effectively to the evolving business landscape. In conclusion, the study highlights the need for medium-sized companies to prioritize and integrate talent management into their overall organizational strategies. This involves aligning vision, mission, and human resources management practices with talent management principles. Recognizing employees as valuable assets and investing in their development and engagement can contribute to enhanced organizational performance and competitiveness. Additionally, post Covid-19, medium-sized companies should embrace talent management as a strategic imperative to build resilience, attract and retain top talent, and adapt to the changing business dynamics.

MANAGERIAL IMPLICATIONS

To enhance its talent management practices, the company should conduct benchmarking activities by studying and analyzing the talent management strategies implemented by large companies known for their successful talent programs. This benchmarking process allows the company to gain insights into best practices, innovative approaches, and effective strategies employed by these industry leaders. By studying their methods, the company can identify areas for improvement, learn from successful implementations, and adapt relevant practices to suit its own organizational context. Benchmarking with successful companies provides valuable guidance for enhancing talent acquisition, development, retention, and overall talent management processes.

For effective talent management, it is crucial for company leaders to establish a strong connection between the company's vision, mission, and its human capital. This involves aligning organizational goals, values, and strategic objectives with talent management strategies. By doing so, leaders can emphasize the importance of talent within the company's overall success. They can communicate a clear message that employees are not just resources but valuable assets essential to achieving organizational objectives. This alignment fosters a shared understanding and commitment among employees, enhancing their sense of purpose and motivation. Leaders can integrate talent management considerations into strategic planning processes, ensuring that talent development, succession planning, and workforce optimization are integral components of the company's long-term vision. By linking the company's vision and mission with its human capital, leaders can create a culture that values talent, supports talent development initiatives, and reinforces the strategic importance of talent management throughout the organization.

LIMITATIONS AND RECOMENDATIONS

The research has a few limitations that should be considered. Firstly, the data was collected from a small sample size, consisting of only nine companies, with three being manufacturing companies and six being service companies. While the findings provide valuable insights, the limited number of companies may restrict the generalizability of the results. Additionally, the research primarily utilized a qualitative approach, and future studies could benefit from incorporating hypothesis testing and quantitative analysis. By employing a quantitative approach, researchers can further validate the findings and establish stronger statistical relationships. This recommendation aims to enhance the rigor and reliability of future research in this area.

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Dr. Md Ruhul Amin Sardar joined Arabian Oud as a Head of Operations and stock controller in 2023,later as, a Senior operational coordinator at Bushell Investment Group in August 2020 in United Kingdom.

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Developing the first quantitative scale globally that measures firms' entrepreneurial success and innovative contributions collectively. Dr. Levy has pioneered the collaborative scale to predict the best-performing firms to date world-wide. Dr. Levy has utilized the methodology in her own organizations and has assisted firms in Jamaica, Surname, Croatia, Latin America, and Central Europe.

Dr. Levy has served as an acting CMO, CSO, COO and Advisory Board member for several organizations. She has also pioneered patents and remains an **Equity Partner** for an **Artificial Intelligence** software firm. An academic scholar and former faculty member for universities such as New York University (NYU), and University of Miami, Dr. Levy has forged the path of building extensive educational business programs around the globe. Her academic presence and research pursuits have been welcomed in countries such as China, Denmark, and Sweden. Multi-lingual in Hebrew and English with a fundamental understanding of Spanish, and Arabic Dr. Levy is able to converse in diverse business environments. Dr. Levy has also been recognized as an **SME** in leadership, knowledge spillover, new product development, sustainability, entrepreneurship, innovation, marketing in virtual and localized alliances, an in expert international negotiations. Dr. Levy is published in several double-blind peer reviewed journals around the world and has served clients on shows like **Shark Tank**.

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