

12th Gadjah Mada International Conference on Economics and Business

Proceedings

*Inclusivity & Diversity in Economics,
Business, and Accounting: Beyond Borders*

Yogyakarta, September 26th -28th 2024



The Alana Yogyakarta Hotel & Convention Center



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PREFACE

We are delighted to present the proceedings of the 12th Gadjah Mada International Conference on *Inclusivity and Diversity in Economics, Business, and Accounting: Beyond Borders*. This conference serves as an important platform for academics, professionals, and policymakers from around the world to engage in meaningful discussions on the pressing need for inclusivity and diversity in economy and business activities. As globalization continues to reshape economies, embracing inclusivity and fostering diversity across borders has become essential to addressing complex global challenges.

The theme, "*Inclusivity and Diversity in Economics, Business, and Accounting: Beyond Borders*," reflects our collective pursuit of new ideas and solutions to promote equality, diverse representation, and sustainable growth in these areas. By bringing together a diverse range of research and ideas, this conference encourages valuable exchanges of knowledge. We aim to explore how inclusivity and diversity can become integral to economic models, business leadership, and accounting frameworks, transcending traditional boundaries.

The papers within these proceedings offer several interesting perspectives on a variety of topics, such as inclusive economic strategies, the impact of important policy to eradicate gender bias, and many other researches focusing on a better implementation and inclusion of all. Each contribution underscores the necessity of moving beyond conventional limits—whether cultural, institutional, or geographic—in order to build a more inclusive global economy.

We would like to express our gratitude to all the authors, presenters, and participants who contributed to the success of this conference. Special thanks go to the organizing committee, reviewers, and supporting organizations for their unwavering commitment. We also invite you to explore these proceedings and draw inspiration from the research presented. May it spark new ideas and actions, contributing to the broader goals of inclusivity and diversity in our interconnected world.

With warm regards,

Gigih Fitrianto, S.E., M.Sc., Ph.D.

Conference Chair

12th Gadjah Mada International Conference in Economics and Business

26 – 28th September 2024

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IMPACT OF FISCAL TRANSPARENCY ON INCREASED GOVERNMENT SPENDING DURING INDONESIAN ELECTIONS

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ABSTRACT

Introduction/Main Objectives: The Indonesian government is actively promoting good governance, one of which is budgetary openness. Budget transparency is very crucial in municipal government. Its emphasis on transparency makes logical, as it serves a crucial purpose in democracies. During his tenure, opportunistic incumbents raised government expenditure and reduced taxes in order to improve their chances of re-election. **Background Problems:** Fiscal transparency may play an essential role in influencing the political budget cycle, preventing needless content. These studies usually show that increased fiscal transparency leads to better financial performance. **Novelty:** Based on the occurrence, academics are interested in analyzing the political budget cycle to determine whether fiscal transparency implemented in Indonesia will effect the political budget carried out by the incumbent during his tenure as Incumbent. **Research Methods:** This study collected data on social assistance spending from 398 districts and cities in Indonesia that held regional elections. This study relied on secondary data collection methods. In this study, local government spending is measured using variables such as social expenditure and capital expenditure, and transparency is collected from LKPD via the Audit Aboard of the Republic of Indonesia opinions measured using dummy. This study was conducted utilizing e-views and an analysis technique called panel data analysis, specifically the random effect model. **Finding/Results:** This study demonstrates that regions with lower levels of fiscal transparency exhibit political budget cycles in their social spending, whereas locations with high fiscal transparency exhibit political budget cycles in their capital expenditures. **Conclusion:** The study's findings revealed that political budgets can still emerge even in areas with a high level of transparency. This attempts to convey a signal to voters to support the prospect of re-election of the incumbent Incumbent so that the incumbent Incumbent tries to anticipate their defeat by conducting "budget politicization" which is to carry out a budget deficit by increasing the future allocation of publicfunds in accordance with his desire, which seeks to captivate the electorate in order to subsequently increase the number of votes elected.

Keywords: Fiscal Transparency, Incumbent, Election, Government Spending

JEL Classification: D13, I31, J22, K31

THE ROLE OF ENVIRONMENTAL DISCLOSURE ON COGNITIVE DIVERSITY TOWARD FIRM PERFORMANCE

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ABSTRACT

Introduction/Main Objectives: The issuance of sustainable-related regulations by the Indonesian Financial Services Authority (OJK), PJOK No 51/PJOK.03/2017 has intensified all firms to put Environmental, Social, and Governance (ESG) issues an importance status. It is interesting to examine the role of environment disclosure as regulated in encouraging firms to publish such report and whether the action able to interplay with cognitive diversity of leaders on making decisions to achieve the firms' objective. **Background Problems:** This research intended to find the effect of environment disclosure to Indonesian firms whether it strengthened the mechanism of leaders' cognitive diversity in the decision-making process of the firms to achieve financial performance goals by using Upper Echelons Theory that in prior time used to evaluate Top Management Team. The leaders in this paper is referring to the board of directors who are responsible for strategic decisions in a firm, which the more diverse of the characteristics bring higher quality, more appropriate, and improved monitoring function. Active involvement in environmental issues requires effective stakeholder communication to garner the support and advocate for the organization's objectives in alignment with normatively accepted or cognitively institutionalized standards. **Novelty:** No previous research analyzes the indirect relationship of environment disclosure performance on the relationship between cognitive diversity that consist of education level and working experience toward firm performance. **Research Methods:** Secondary data related to cognitive diversity, environment disclosure and firm performance of all publicly listed Indonesian firms from 2017-2011 are taken from Bloomberg and Refinitiv and processed using Ordinary Least Square method with fixed or random effect based on Hausman test result. **Finding/Results:** The result of the research will be answering whether environment disclosure can strengthen the relationship of leadership cognitive diversity toward firm performance significantly. **Conclusion:** The conclusion will be providing empirical evidence whether the environment disclosure published as regulated can serve as moderating factor between leadership cognitive diversity on firm performance. It will be beneficial for both shareholders and regulators to know the practice of environment disclosure in increasing the function of the firm's leadership in deciding matters to achieve the firm's objective since the regulation was imposed.

Keywords: Leader's Cognitive Diversity, Environmental Social Governance Performance, Financial Performance, Upper Echelon Theory

JEL Classification: M21, M41

THE MEDIATING ROLE OF FIRM PERFORMANCE ON THE RELATIONSHIP BETWEEN GREEN INNOVATION AND FIRM SUSTAINABILITY PERFORMANCE: AN EMERGING COUNTRY EVIDENCE

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ABSTRACT

Purpose: The aim of this research is to investigate the role of firm performance the effect of green innovation on firm sustainability performance, using a sample of publicly listed companies in Indonesia as an emerging country. Indonesia is a member of Paris agreement and one of the largest contributors of global gas emission, hence sustainability is a significant issue. **Originality/value/novelty:** To the best of the author's knowledge, this study is the first to examine the role of firm performance as a mediator of the effect of green innovation practices on firm sustainability performance. Particularly by applying a simple mediation Hayes-based regression approach using R in the field of accounting research. **Design/methodology/approach:** This study adopts a simple mediation model-4 based on Process Hayes regression. The dataset contains 2,590 firm-year observations from 518 publicly listed non-finance and banking sector companies on the Indonesia Stock Exchange from 2017 to 2021. **Findings:** This study provides evidence that, based on a mediation test with a 95% bootstrapping confidence interval based on 5,000 bootstrapping samples. The result of our study find that firm performance has an important role in mediating the effect of green innovation practices on firm sustainability performance. We also find that green innovation has a positive and significant effect on firm performance. However, the effect of green innovation practices on firm sustainability performance is insignificant. **Conclusion:** Practical implications: This research gives the practical implication that green innovation is a tool to increase profitability, and profitability play the key role to improve firm sustainability performance, particularly in the emerging countries, This study also give insight to the government on the support firm sustainability practices as a part of SDGs agenda and legitimate firm's action for stakeholders. Social Implications: The social implication of this research is to increase industries awareness of the firm's sustainability practices, to improve company's reputation. **Research limitations/implications:** This study only used sample firms with the period of voluntary disclosure (2017-2019) is longer than the mandatory period (2020-2021). Future research might use more sample firms from multiple countries or provide a comparative study between between voluntary disclosure versus mandatory disclosure.

Keywords: green innovation, firm performance, firm sustainability performance, SDGs, Hayes-based approach

JEL Classification: D13, I31, J22, K3

ENVIRONMENTAL DISCLOSURES-PERFORMANCE GAP AND ACCOUNTING CONSERVATISM: EVIDENCE FROM JAPAN

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ABSTRACT

Introduction/Main Objectives: This study examines the relationship between the quality of environmental disclosures, defined as the environmental disclosures-performance gap and accounting conservatism in Japanese corporations. **Background Problems:** Misleading disclosures of nonfinancial information, i.e., greenwashing, which represents the behavior of overstating a firm's environmental disclosures relative to its performance, reduce reporting credibility and may increase information asymmetry. **Novelty:** This paper employs a novel measure of disclosure quality of environmental information that measure the spread between environmental disclosures and performance and how it could affect accounting conservatism. **Research Methods:** We hypothesize that misleading environmental disclosures (i.e., greenwashing) increase information asymmetry, which may lead investors to demand more conservative accounting practices as a compensatory governance mechanism. **Finding/Results:** As this research is in progress, full results will be available in the future. **Conclusion:** This study contributes to the literature by linking environmental disclosure quality with accounting conservatism, offering new insights into corporate governance and reporting practices.

Keywords: conservatism, greenwashing, nonfinancial disclosures, Japan, information asymmetry

JEL Classification: M40, M41, O53

MULTILEVEL SERVANT LEADERSHIP AND TEACHING INNOVATION: EVIDENCE FROM INDONESIA

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ABSTRACT

Introduction/Main Objectives: This study examines the influence of multilevel servant leadership on the innovativeness of classroom instruction at a Senior High School in Surabaya. **Background Problems:** The multilevel leadership happened when the influence of the principle's servant leadership is influencing the servant leadership of teachers as they should teach their classes innovatively. The post pandemic era that should see the enthusiasm of students is not making the case where many students felt that their classroom learning was not that of a difference from when they were having their online classes. **Novelty:** Research on teacher servant leadership in classroom has been done quite extensively while investigation on how this leadership is influenced by the one provided by the principal is still very rare in Indonesia. This research also investigated the behavior strength of servant leadership dimension between principal servant leadership and teacher servant leadership as integrated model or multilevel servant leadership. Therefore, this research enriches the academic literature on how multilevel servant leadership at school can influence the innovativeness of classroom instruction. **Research Methods:** This quantitative research involved 595 students from 18 classes range from 10th grade, 11th grade, and 12th grade. The data in this research was analyzed using Partial Least Square on SmartPLS 3.0 application. **Finding/Results:** The results show that principal servant leadership had significant effect on teacher servant leadership and classroom instruction. Teacher servant leadership had significant effect toward classroom instruction. Whilst, teacher servant leadership was proven to be partial mediator between principal servant leadership and classroom instruction (VAF=0.4685 or 46,85%). **Conclusion:** It was found that there was significant difference of the behavioral strength between principal servant leadership and teacher servant leadership based on Servant Leadership Behaviour Scale (SLBS). Thus, it is important for schools to pay attention on the development of both principal and teacher servant leadership as these multilevel servant leadership significantly influence the innovativeness of teachers when they teach their students.

Keywords: School Leadership, Principal Leadership, Teacher Leadership, Multilevel Servant Leadership, Teaching Innovation.

JEL Classification: D13, I31, J22, K31

PORTRAYING FUTURE LEADERS: INCLUSIVITY IN SOCIAL BENEFITS

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ABSTRACT

Introduction/ Main Objectives: The recent enormous crisis highlights the importance of community empowerment activities in a nation's resilience. This study aims to identify ideal future leaders with high social sensitivity to strengthen local structures. It examines factors contributing to inclusive leadership and their influence on pro-social behavior development as an ideal profile. **Background Problem:** Previous investigations on inclusive leadership have focused primarily on examining contingency factors but remain limited to individual-level processes. Furthermore, regardless of the core's compatibility, there have been no studies examining its potential to promote pro-social tendencies. **Novelty:** This study uses leadership trait theory to examine the antecedents and consequences of inclusive leadership at the individual level, focusing on the leader's internal frame and pro-social behavior tendencies, incorporating role identity and social identity theory concepts. **Research Method:** An online survey was utilized to collect data for this study from the 12,584 respondents who completed the Kampus Mengajar program in 2022. The Structural Equation Model was employed to analyze the model utilizing Analysis of Moment Structures (AMOS) application to process the data. **Finding/ Results:** The results of the study showed that intellectual capability, emotional intelligence, and self-efficacy would be adequate requirements in representing capital needs in displaying the style in the future. The characteristics that identify an inclusive leader are also positively associated with the tendency of performing altruistic pro-social behavior. It is also supported that internalized values strengthen the emergence of the expected outcome. **Conclusion:** Despite the prevalence of studies focusing on the identification of contingency factors, it is still essential to emphasize the importance of leadership trait research, particularly in determining the factors that determine a leadership style and its behavioral tendencies. Finally, inclusive leadership has demonstrated its potential as a form of future leadership concerned with social empowerment and benefits. To generate numerous ideal leaders in the future, leadership training programs may concentrate on enhancing personal capital and emphasizing the importance of inclusiveness in leadership.

Keywords: Inclusive Leadership, Pro-social Behavior, Intellectual Capability, Emotional Intelligence, Self Efficacy, Internalized Value

JEL Classification: M12, M10, D90, D91

MEASURING SOCIAL DESIRABILITY BIAS WITH PERSON-ITEMS MAP ANALYSIS: INCORPORATING SEM AND PERSON-ITEMS MAP ANALYSIS PART 4

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ABSTRACT

Introduction/Main Objectives: Social desirability bias occurs when respondents provide answers to questions that they believe will make them look good in the eyes of others by hiding their true opinions, perceptions, beliefs, attitudes, or experiences. **Background Problems:** Social desirability bias only acts as an explanatory umbrella when behavioral research results are considered anomalous. The well-known social desirability bias scale namely MCDS has 33 items and it is not practical to include social desirability bias as a variable in the proposed model. **Novelty:** We propose a new way to measure social desirability bias directly when the model is tested without using the social desirability bias scale. **Research Methods:** The research stage begins with reasoning and argumentation using the definition of social desirability bias on selected variable, determining the type of selected variable, measurement using PIM, and explanation based on empirical evidence obtained regarding the presence or absence of social desirability bias. The research sample is a verified research model. The simulation was carried out by comparing the level of respondents' ability to agree with the level of difficulty of the items to be agreed using PIM. **Finding/Results:** We found that on the religiosity variable, respondents overvalued themselves to an impossible level. Statistically, the upper value indication can be seen from the comparison of the M (mean), S (standard deviation) and T (2 times the standard deviation) values between the respondent's ability and the item difficulty level. There is a serendipity of results in the form of considerations to determine the type of selected independent variable that is used as a location for measuring social desirability bias. We also found several invalid indicators in measuring religiosity based on Rasch model considerations such as the belief that Allah exists and the Islamic religion has not changed. **Conclusion:** This article shows that social desirability bias measurement can be done by showing the respondent's upper value towards them self. Even though it doesn't use the popular social desirability bias scale, the results can still be accounted for because they meet strict requirements. In this article, the selected variable is religiosity, the items of which show that it is a group variable of opinions and beliefs.

Keywords: Social Desirability Bias, Person-items Map, Reasoning, Upper value, Measurement

JEL Classification: D13, I31, J22, K31

ENCOURAGING ENVIRONMENTAL BEHAVIOR IN HIGHER EDUCATION: A SURVEY TO STUDENTS OF FACULTY ECONOMICS AND BUSINESS IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: Environmental issues are a global problem that occurs in all countries. This issue became one of the bases for the UN to adopt the 2030 sustainable development agenda which includes 17 SDG goals. Human actions cause most environmental damage, so changing human behavior towards the environment is important. Experts argue that higher education plays a major role as the frontline of behavior change. **Background Problems:** The students currently undergoing education are potential future economics actors and policymakers. If students do not have good Environmental Behavior (EB), future economic activities may reduce environmental sustainability. By identifying the level of EB and the influencing factors, curriculum makers and educational policy regulatory institutions can introduce intervention in the educational system that support sustainable policies. **Novelty:** This research compares two educational institutions under the supervision of two different ministries. The Ministry of finance focuses on educating prospective civil servants and The Ministry of education focuses on educating students needed by industry. The differences in the two characteristics of higher education institutions illustrate differences in education culture. These students will be the future employees and managers responsible for taking “environmentally sensitive decisions” within their firms, it becomes imperative to investigate their current EB. **Research Methods:** A 35 item questionnaires was completed by 300 students from accounting, economics, and business faculty. at state universities included in UI Green metrics, private universities, and PTKL. Data reliability using Cronbach's Alpha, while the relationship between variables was analyzed using SEM PLS. **Finding/Results:** The results show differences in the level of EB in each type of campus due to differences in teaching characteristics. Meanwhile, EB is significantly influenced by ES and EE variables. **Conclusion:** Differences in the character of the teaching process can be seen from the existence of environmental courses such as green accounting or carbon tax offered by the campus. For this reason, the government needs to make regulations that encourage attention to the environment.

Keywords: Economics and Business Student, Environmental Behavior, Higher Education, Sustainability

JEL Classification: M41, Q56, I21

UNVEILING THE IMPACT OF BRAND IDENTITY TOWARDS BRAND ADVOCACY (A CASE STUDY: INDONESIAN LOCAL BEAUTY BRAND)

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ABSTRACT

Introduction/ Main Objectives: A jump in sales of beauty products, expected to reach 33.4 million pieces by 2020, indicates that Indonesia is becoming more conscious of the value of skincare. The cosmetics industry is considered a priority sector in Indonesia due to its ability to meet domestic demand and promote national economic growth. **Background Problem:** This study aims to investigate how Brand Ambassador, Brand Credibility, and Brand Love affect Brand Advocacy in the cosmetic industry, focusing on brand S serum. **Novelty:** There is a need for more research that will critically examine the link between Brand Credibility, the role of Brand Ambassadors and Brand Advocacy. Trust in brands is indispensable to advocacy, but there is a remarkable dearth of fine-grained scrutiny on this particular correlation in extant literature. **Research Methods:** The data were collected over a three-month period, beginning in January and ending in March, from 110 respondents. Analytical techniques employed included an inner model test, and outer model test supported by SmartPLS 4.1.0.1 software. **Finding/Results:** The study finds that Brand Ambassador and Brand Credibility affected Brand Advocacy through factors like word of mouth and attractiveness. Concurrently, Brand Love does not impact Brand Advocacy, showing that people are less likely to support a brand without feelings. **Conclusion:** The research concludes that Brand Ambassador and Brand Credibility significantly influence Brand Advocacy, while Brand Love does not. This implies that cosmetics brands should focus on building trust and leveraging credible ambassadors to strengthen consumer support. The main takeaway is that credibility and authenticity are more crucial than emotional attachment for driving brand advocacy.

Keywords: Public Awareness, Technological Progress, Skincare Brand S, Quantitative

JEL Classification: D13, I31, J22, K31

UNDERSTANDING CONSUMPTION CHOICE: CLOSING THE GAP FROM INTENTION TO PURCHASE DECISION OF ECO-FRIENDLY PACKAGING PRODUCT

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ABSTRACT

Introduction/Main Objectives: According to the United Nations Environment Programme, Indonesia is the second-largest plastic polluter in the world after China. An estimated 3.2 million tons of unmanaged plastic waste are produced in Indonesia annually; of these, 1.29 million tons end up in the sea, and 85,000 tons, or 10 billion plastic carry bags, are released into the local ecosystem. Another study on The Jakarta Post (2020) also mentioned that Ciliwung River is among the world's most polluted rivers. The study also found that the weight of plastic waste from all rivers in Jakarta totals 2.1 million kilograms. Therefore, this paper is conducted as an effort to find ways to contribute to the reduction of plastic waste packaging by understanding how consumers in Jakarta make their consumption choices. **Background Problems:** The focus is to explore traits to understand the purchase decisions of products with eco-friendly packaging. Hence creating pro-environmental behavior by closing the gap between green purchase intention into decision. **Novelty:** The combined application of market research and behavior theory of psychology discipline helps to develop a more in-depth understanding of how consumers make purchase decisions. As well as differentiation in product value perception between the research participant's group. **Research Methods:** Data is collected with qualitative research method. Four sessions of focus group discussion (FGD) of 20 participants consisting of 10 males and 10 females which divided into 2 groups: with income by work (self-earning money) and depending on expenditure to parents. **Finding/Results:** There are five factors influencing purchase decision of green packaging products: person-related, product-related, environmental-related, reference group-related, and values. One of the major findings on person-related factor that's include gender is, males have the tendency to be more practical, whereas the female has more aspects of consideration. In groups differentiated based on earnings, it is found that pricing and product availability play an important role in purchase decisions. **Conclusion:** To push pro-environment behavior and better purchase decisions, it is expected to grow greener habit in society and for government to create more regulations that motivates environment friendly behavior. Also, to make greener products and packaging widely available and affordable.

Keywords: Consumer Behavior, Eco-friendly Packaging, Green Purchase Intention and Decision, Product Value Perception, Pro-environment Behavior

JEL Classification: D15, M31, Q53, Q56

UNDERSTANDING MUSLIM BEHAVIOUR IN CONSUMING HALAL PRODUCTS: IN THE VIEW OF REASONED GOAL PURSUIT THEORY

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ABSTRACT

Introduction/Main Objectives: This research aims to construct a comprehensive conception of Islamic law informed by consumer behaviour theory, elucidating Muslim consumers' behaviour towards halal product. **Background Problems:** Employing the theory of reasoned goal pursuit (TRGP), our study provides vital insights into Muslim consumer behaviour, particularly focusing on the newly introduced concept of halal reasoned goal pursuit (HRGP). **Novelty:** HRGP accentuates the significance of belief goals among Muslims, including religious procurement and halal approval, while also integrating halal awareness and empirical experience to predict consumer intentions and behaviours. **Research Methods:** This study used a narrative review of previous research that investigated Muslim consumer behavior toward halal products and subsequently integrated it into the theory of reasoned goal pursuit. **Finding/Results:** Theory of reasoned goal pursuit finds that, in contrast to other behavioural and normative beliefs, attitudes about procurement and approval objectives have a considerable impact on consumers' motivation, intentions, and behaviours. This suggests that consumer behaviour change approaches or methods should concentrate on addressing these assumptions. **Conclusion:** The HRGP framework may be used to better understand Muslim consumer behaviour in relation to halal product. It highlights the significance of Muslim belief goals, such as religious procurement and halal approval, in predicting Muslim behaviours associated with halal product.

Keywords: Muslim, Consumer Behaviour, Halal Product, Reasoned Goal Pursuit, HRGP

JEL Classification: I31

THEORY OF PLANNED BEHAVIOR AND ENVIRONMENTAL CONCERN ON GREEN INVESTMENT INTENTIONS: THE MEDIATION ROLE OF GREEN TRUST

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ABSTRACT

Introduction/Main Objectives: The aim of the research is to examine the green investment intentions of Indonesian investors. The Indonesian government is starting sustainable development with the capital city of the archipelago which will become a green city. **Background Problems:** Indonesia is facing environmental problems, one of which is the level of air pollution which places Indonesia at number 26 out of 131 countries recorded as monitoring with poor air quality according to the 2022 IQAir report. Therefore, the government has issued green sukuk as a green investment to further support green projects. **Novelty:** Previous research has been conducted in many developing countries with the theory of planned behavior as a determinant. The novelty of the research model is that the environmental concerns variable is independent and green trust is the mediating variable. **Research Methods:** The research data collected was primary data through distributing questionnaires to 210 investors in Indonesia. The collected data was tested using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) analysis method. **Finding/Results:** The research results show that green perceived behavioral control and environmental concern have a significant positive effect on green investment intention. Green trust also mediates the relationship between green perceived behavioral control and environmental concern toward green investment intention. The research results also show that green attitude and green subjective norms do not influence green investment intention directly and indirectly with the mediating effect of green trust. **Conclusion:** Perceived behavioral control and environmental concern are variables that have an influence on investment intention. This explains that investors' actions arise from within themselves accompanied by concern for the environment.

Keywords: Environmental Concern, Green Investment Intention, Green Trust, Theory of Planned Behavior

JEL Classification: D13, I31, J22, K31

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND DIVERSITY : INTERSECTIONS,IMPLICATIONS AND STRATEGIES

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ABSTRACT

Introduction/Main Objectives: This paper undertakes a critical analysis of the intricate interplay between Corporate Social Responsibility (CSR) and Diversity, Equity, and Inclusion (DEI), two essential pillars of contemporary business strategy that are increasingly recognized for their synergistic potential. The primary objective is to dissect how CSR initiatives can be strategically leveraged to enhance diversity, while also exploring how diversity, in turn, reinforces the effectiveness and legitimacy of CSR endeavors. **Background Problems:** Traditionally, CSR has been primarily concerned with fostering positive societal outcomes and ensuring the sustainability of business operations. However, recent developments underscore a convergence with DEI, which focuses on cultivating equitable and inclusive organizational environments. The crux of the research problem lies in the need to understand the bidirectional relationship between CSR and DEI—an area that, despite its growing significance, remains inadequately explored. **Novelty:** The novelty of this research is rooted in its thorough examination of CSR and DEI as interdependent and mutually reinforcing components, capable of driving profound organizational and societal transformation. This perspective distinguishes the study from existing literature, which often treats CSR and DEI as separate and unrelated domains. **Research Methods:** The research methodology is grounded in a comprehensive review of the literature, augmented by empirical data analysis, to identify patterns, challenges, and opportunities inherent in the current practices of CSR and DEI. This methodological approach allows for a nuanced understanding of the complex dynamics at play. **Finding/Results:** The findings of this study reveal that CSR initiatives, when meticulously designed with an emphasis on diversity, can serve as powerful catalysts for creating inclusive organizational cultures. Through targeted programs and strategic collaborations with diverse stakeholders, these initiatives not only advance diversity but also enhance the broader objectives of CSR, including the promotion of social equity and the deepening of community engagement. Furthermore, the integration of diverse teams within organizations significantly elevates the innovation, credibility, and overall impact of CSR efforts, thereby reinforcing their legitimacy and efficacy. **Conclusion:** The study concludes that the integration of CSR and DEI is imperative, despite the substantial challenges posed by tokenism, organizational inertia, and insufficient accountability mechanisms. To overcome these barriers, the research underscores the critical importance of ethical leadership, strategic alignment between CSR and DEI objectives, and proactive stakeholder engagement. By embedding diversity within CSR frameworks and utilizing CSR to further DEI goals, organizations can significantly amplify their social impact, cultivate inclusive environments, and secure a competitive advantage in an increasingly diverse global marketplace.

Keywords: Corporate Social Responsibility, Diversity Equity and Inclusion, Organizational Strategy, Social Impact, Ethical Leadership

JEL Classification: M14, J78, D64, Q56, L21

THE DETERMINANTS OF PROFITABILITY OF INDONESIA CONVENTIONAL BANKS

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ABSTRACT

Introduction/Main Objectives: The current study contributes to the empirical literature by examining the impact of the determinants of Indonesian conventional bank profitability over the period 2013-2022. **Background Problem:** It is a reason to investigate the determinants of bank profitability while cushioning against negative shocks and contributing to financial system stability in addition to economic growth. **Novelty:** Existing studies show some issues are not adequately addressed in analyzing bank profitability, to our knowledge no one has explored the determinants of bank profitability in Indonesia based on internal and external factors, while providing a more specific picture in developing economies, especially in Southeast Asia. **Research Method:** The profitability of Indonesian banks is measured by two important variables namely, return on assets (ROA) and return on equity (ROE). The study also utilizes a set of bank-specific factors which include capital adequacy, asset quality, market power, diversification, liquidity, deposits, asset management, operating efficiency, leverage, and size. Pooled, fixed and random effects models are built on a 10-year panel data of 30 conventional banks in Indonesia. The study also considers exchange rate, interest rate, inflation rate, and economic growth as macroeconomic determinants. **Finding/Results:** The estimation results show that all bank-specific factors, capital adequacy, asset quality, market power, liquidity, deposits, asset management, and operating efficiency have significant positive effects in the context of Indonesian conventional banks as measured by ROA and ROE. However, diversification, leverage, and size have a negative effect on ROA. In addition, the findings show that size has a negative effect on ROE. The findings also show that macroeconomic determinants such as exchange rate and interest rate are found to be significant with a negative impact on profitability, except that inflation and economic growth have a positive effect on ROA and ROE. Furthermore, the results show that exchange rate and inflation are highly significant profitability variables in the context of Indonesian conventional banks as measured by ROA and ROE. The results provide better insight into the determinants of profitability of the Indonesian conventional banking sector.

Keywords: Bank-specific; Macroeconomics; Profitability; Panel data; Indonesia

JEL Classification: D13, I31, J22, K31

THE IMPACT OF INCOME TAX FACILITY POLICY FOR INVESTMENT IN CERTAIN BUSINESS FIELDS AND OR IN TAX ALLOWANCE IN 34 PROVINCES IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: The Government Regulation Number 78 of 2019 in Indonesia, which offers income tax facilities (tax allowance) for investments in particular business fields or regions, is evaluated in this study for its effects on community welfare and regional economic growth. **Background Problems:** The study employs a quantitative methodology to evaluate the impact of both geographic and economic factors on changes in open unemployment rates and economic growth prior to and following the implementation of the policy. **Novelty:** This study evaluates how Indonesia's 2019 tax allowance policy differentially impacts regional investment distribution, economic growth, and unemployment rates across provinces. **Research Methods:** The analysis included data on foreign and domestic investments, unemployment, and economic growth from 34 provinces. **Finding/Results:** Based on a spatial analysis, West Java Province had the most foreign investment prior to the policy's implementation, while West Sulawesi Province had the least. This distribution remained unchanged even after the policy was put into place. West Sulawesi continued to lag behind, while West Java maintained the highest levels of domestic investment both before and after the policy. Prior to the policy's implementation, North Maluku experienced the least economic growth and Central Sulawesi the most. The province with the greatest economic growth following the policy's implementation was Maluku, while Bali had the lowest. A total of 12 provinces, mostly in the Sulawesi region, outperformed the national average of 2.6% economic growth between 2019 and 2021. The remaining 22 provinces, mostly in the Papua and Nusa Tenggara-Bali regions, fell short of this average. Before the policy was implemented, Bali had the lowest unemployment rate, and Banten Province had the highest. West Java had the highest unemployment rate and West Sulawesi had the lowest following the implementation of the policy. Between 2019 and 2021, the average national unemployment rate was 5.4%. **Conclusion:** The results imply that the spatial distribution of investments, economic growth, and unemployment rates among Indonesia's regions have all been impacted by the tax allowance policy.

Keywords: Investment, Indonesia, Economic Growth, Unemployment, Economic Geography, Spatial Analysis.

JEL Classification: D13, I31, J22, K31

BOARD DIVERSITY AND SUSTAINABILITY REPORT DISCLOSURE: UNVEILING THE ROLE OF BOARD DIVERSITY IN DRIVING SUSTAINABLE INITIATIVE

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ABSTRACT

Introduction/Main Objectives: This study examines the influence of board diversity and characteristics on sustainability report disclosure. Stakeholders are demanding companies to be more transparent and accountable for the environmental and social impacts of their activities. The Triple Bottom Line concept presents a challenge for companies to not only prioritize profits but also consider the welfare of society and environmental preservation. The implementation of sustainability is closely related to corporate governance, where the board of directors plays a crucial role in determining the sustainability report disclosure. **Background Problems:** The issue addressed in this paper is the extent to which the diversity and characteristics of the board of directors affect sustainability report disclosure. **Novelty:** Deeper exploration of the influence of various aspects of board diversity and characteristics on sustainability report disclosure, which has previously been limited in research and has shown inconsistent results. **Research Methods:** This study employs a quantitative method with panel data regression analysis. Data were obtained from the annual reports and sustainability reports of 155 non-financial companies listed on the Indonesia Stock Exchange during the 2018-2022 period, with a total sample of 473 observations. **Findings/Results:** The results indicate that gender diversity has a significant positive effect, while age diversity has a significant negative effect on sustainability report disclosure. Meanwhile, diversity in educational background, nationality, board size, and meeting frequency do not have a significant effect. **Conclusion:** Gender and age diversity within the board of directors play an important role in promoting transparency and accountability in corporate sustainability reporting. The implication is that companies need to consider a more diverse board composition, particularly in terms of gender, and evaluate the effectiveness and efficiency of the board in the context of sustainability reporting.

Keywords: Board Diversity, Board Characteristics, Sustainability Report Disclosure, Corporate Governance

JEL Classification: G34, J16, M14, Q56

REVEILING SUSTAINABILITY PERFORMANCE: AN ANALYSIS OF SUSTAINABILITY REPORTING FROM INDONESIAN BANKING INSTITUTIONS

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ABSTRACT

Introduction/Main Objectives: This study aims to evaluate the disclosure of sustainable reports on banks listed on the Indonesia Stock Exchange through content analysis. **Background Problems:** Information about a company's performance in terms of sustainability is provided through sustainable reporting. Sustainable reporting always prioritizes environmental issues, although sustainability itself is not always environmental. **Novelty:** This study utilizes content analysis, which is a powerful and systematic method for analyzing the text of sustainable reports, allowing researchers to identify patterns and trends in the disclosure of sustainability information by banks. Additionally, this study provides a more in-depth and focused analysis on topics that are relevant to sustainability issues that are important to the banking industry. **Research Methods:** This study uses content analysis with the five-stage approach to sustainable companies adapted from previous research by Landstrum. The data to be analyzed are sustainable reports from banks listed on the Indonesia Stock Exchange. **Finding/Results:** The findings demonstrate that Indonesian banks continue to be business-oriented, placing more of an emphasis on internal control and profit-maximizing tactics than on mitigating the damaging effects of their operations on the environment. This situation arises from the fact that banks are by their very nature focused on providing exceptional customer service and upholding consumer trust. **Conclusion:** The findings of this study are useful for banks to identify areas of weakness or strength in their sustainability performance and improve transparency and accountability in sustainable reporting.

Keywords: Sustainable Reporting, Banks, Content analysis, Transparency, Accountability

JEL Classification: M14, M21, M41, M48

STEERING INCLUSIVITY: HOW BOARD OF DIRECTOR'S ATTRIBUTES INFLUENCE THE LIKELIHOOD OF FINANCIAL STATEMENT FRAUD THROUGH CORPORATE RISK IN FINANCE FIRMS?

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ABSTRACT

Introduction/Main Objectives: This study aims to examine the influence of the board of directors' attributes, namely size, gender diversity, independence, and narcissism, on indications of financial statement fraud. **Background Problems:** Financial statement fraud is intriguing to study due to its crucial role as the language of business. Manipulation of financial reports has the potential to harm various stakeholders and has historically been considered the most detrimental form of fraud compared to corruption and asset misappropriation. Allegations of business failures in the financial sector are often linked to governance issues and fraud. **Novelty:** This study introduces corporate risk as a mediator of these relationships. **Research Methods:** The study encompasses companies within the financial sector over the period spanning 2017 to 2022. Employing purposive sampling, the study gathered 463 observational data. The data analysis utilized path analysis conducted by Smart PLS. **Findings and Results:** The findings reveal that both size and independence exhibit a negative influence on indications of financial statement fraud, whereas gender diversity and narcissism among the board of directors do not significantly influence such indications. Furthermore, size, independence, and narcissism demonstrate a positive influence on corporate risk, whereas gender diversity on the board of directors negatively affects corporate risk. Additionally, corporate risk negatively influences indications of financial statement fraud. Through mediation analysis, corporate risk mediates the effects of size, gender diversity, independence, and narcissism of the board of directors on financial statement fraud. **Conclusion:** Theoretically, this study contributes to understanding how the board of directors' attributes affect corporate risk and financial statement fraud. The findings underscore the pivotal roles of board size and independence in mitigating fraud. From a practical standpoint, this research offers recommendations for company stakeholders and regulators to consider the composition and quality of the board of directors in efforts to manage corporate risk and prevent financial statement fraud.

Keywords: Board of Directors, Financial Statement Fraud, Corporate Risk, Financial Sector.

JEL Classification: G34, M41, M42, M48

ANALYZING TRENDS AND ADVANCEMENTS IN AUDITOR BURNOUT: A SYSTEMATIC LITERATURE REVIEW

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ABSTRACT

Introduction/Main Objectives: This study aims to analyze trends, advancements, and opportunities for future research on auditor burnout literature in business, management, and accounting. **Background Problems:** Burnout, a widely researched topic in various fields including auditing, has been studied across professions like healthcare, teaching, architecture, entrepreneurship, civil engineering, and physics. A literature review by previous scholar only covered two articles and was done some years ago, necessitating an update with recent research developments. This study discusses two research questions: (1) what are the trends in auditor burnout reviews in terms of topic, research background, theory, and method? and (2) what are the future research opportunities for auditor burnout? **Novelty:** This study provides a foundation for further research to investigate the relationship between other variables that could potentially be antecedents or consequences of auditor burnout, beyond those already used in previous literature. **Research Methods:** This research uses a systematic literature review of all years and any journal (in the categories of Business, Management, and Accounting) in the Scopus database during the period from 2006 to 2024. **Finding/Results:** The findings of this literature review are presented in two parts: (1) a discussion of trends in five classifications (year, topic, research background, theory, and method) and recent developments in existing studies; and (2) suggestions for further research. We categorize suggestions for future research into five categories: (1) role stressors, burnout, and job outcomes; (2) social exchange relationships, burnout, and turnover intentions; (3) organizational justice, burnout, and job outcomes; (4) personal characteristics, quality of work life, psychological well-being, and burnout; and (5) conflict leadership styles, role stressors, and burnout. **Conclusion:** Most auditor burnout literature uses Maslach's (1982) definition. Eighteen antecedents of auditor burnout are identified, ten from individuals and eight from organizations. The consequences of auditor burnout include one behavior-related and two performance-related. Future research opportunities include using different backgrounds and survey methods, adding variables, creating new relationship models, and conducting longitudinal studies.

Keywords: Auditor Burnout, Systematic Literature Review, Future Research Opportunity

JEL Classification: D13, I31, J22, K31

DEVELOPMENT OF THE SELF-IE MODULE THROUGH THE INTERVENTION OF LOW-PERFORMING EMPLOYEE

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ABSTRACT

Introduction/Main Objectives: This study presents the module developing for intervention conducted for employees who are experiencing low performance and have undergone several stages implemented at the departmental level. The development integrated Choice Theory and Transtheoretical Model to obtain a module that is suitable for the intended target. This module is used to enhance five dimensions of low performing employees, including psychological elements such as emotional stability, psychospiritual well-being, social skills, cognitive abilities, and behavioral changes. The objectives of this study were to obtain the validation and reliability of the module. **Background problems:** The issues faced by these employees include stress problems, employer-employee relationships, declining job performance, low self-esteem levels, and failures in communication. **Novelty:** To provide a solid and strategic impact for module developers to use suitable modules for obtaining accurate results in line with the development purpose. **Research methods:** The validation questionnaire distributed to five experts consisting of psychology officers, university lecturers, and civil servants. The validation was measured using the formula for content validity. Whereas the reliability was determined using SPSS to obtain Cronbach's Alpha (α) value to measure the degree of expert agreement, which was the same as determining the questionnaire or instrument reliability. **Finding/Results:** After the validation analysis was carried out, it was found that the minimum percentage obtained was 80.4%. Meanwhile, the reliability showed that the degree of agreement was high, which was $\alpha = 0.864$ (86.4%). Through these results, this module was highly approved by experts and could be used in the suggested settings. **Conclusion:** This module has been approved by experts and is seen as highly suitable for measuring the five elements that can help enhance self-improvement among low-performing employee. It can be used by psychologists in public service, teachers, students at universities, and even officers in private settings. This module integrated from Transtheoretical Model and Reality Theory is the best integration in enhance self-improvement.

Keywords: Employee, Module, Development, Validity.

JEL Classification: D13, I31, J22, K31

ANALYSIS OF THE HUMAN DEVELOPMENT INDEX AND THE ROLE OF INSTITUTIONAL QUALITY: A STUDY REGARDING IMPROVING HUMAN WELFARE IN OIC COUNTRIES

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ABSTRACT

Introduction/Main Objectives: The human development index is an important indicator that becomes a benchmark for assessing the success rate of an effort to develop the quality of human life. This study aims to analyze the determinants of HDI and the role of institutional quality in improving human welfare in countries that are members of the OIC. **Background Problems:** This study identifies the impact of several variables, such as inflation, foreign direct investment, economic growth, total population, and human capital, and associates them with the contribution to institutional quality as a moderating variable to measure the strengths and weaknesses between the independent and dependent variables. The type of data used in this study is secondary data obtained from reliable sources, including the World Bank, the UNDP, Our World in Data, and the WGI. By using 50 research samples of countries that are members of the OIC for the period 2012–2021. **Novelty:** compares Islamic studies to strengthen the basis of argumentation. **Research Methods:** The regression model used is multiple linear with the Ordinary Least Square method, the Fixed Effect Model. **Finding/Results:** The research results show that inflation has an insignificant negative effect, FDI has a significant negative effect, economic growth has an insignificant positive effect, population has an insignificant negative effect, unemployment has an insignificant negative effect, open trade has an insignificant positive effect, and human capital has an insignificant positive effect on HDI. Furthermore, testing the moderation effect found that institutional governance can moderate inflation on HDI with probability ($0.0043 < 0.05$), institutional governance cannot moderate the influence of FDI on HDI ($0.3388 > 0.05$), institutional governance cannot moderate the influence of Economic Growth on HDI ($0.7354 > 0.05$), institutional governance cannot moderate the influence of Population on HDI ($0.0668 > 0.05$), institutional governance can moderate the influence of Unemployment on HDI ($0.0000 < 0.05$), institutional governance can moderate the influence of open trade on HDI ($0.0000 < 0.05$), and institutional governance cannot moderate the influence of Human Capital on HDI ($0.4769 < 0.05$). **Conclusion:** The results of this research emphasize the importance of improving institutional governance while paying attention to factors that can improve holistic human resource development through strategic project allocation.

Keywords: Human Development Index, Institutional Quality, Analysis of Islamic Studies

JEL Classification: D13, I31, J22, K31

THE INFLUENCE OF LEADERSHIP DEMOGRAPHIC DIVERSITY ON FIRM PERFORMANCE

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ABSTRACT

Introduction/Main Objectives: Board of directors as decision makers have always played a vital role in determining firm performance. Along with the increasing awareness of diversity, understanding how demographic diversity affects firm performance is equally important as the leadership's attributes also affect the process of decision making. **Background Problem:** The primary problem of this paper is to analyze how leadership demographic diversity, which consists of age, gender, and tenure, impacts a firm's performance by using Resource Dependency Theory which is usually used to measure top management teams. **Novelty:** The novelty of this paper lies in its focus on seeking the relationship between leadership demographic diversity and manufacturing firms performance that has yet to be evaluated in Indonesia. While prior research has analyzed various facets of board diversity and their implications, there is limited research specifically addressing their influence on the performance such as energy sector firms, and also with many manufacturing firms remaining largely unexplored. **Research Methods:** The research method in this study uses a secondary data analysis of all publicly manufacturing firms in Indonesia from 2016 to 2022 and evaluated using Ordinary Least Square. **Finding/Results:** The findings of the study will be indicating a notable positive or negative relationship between leadership demographic diversity (age, gender, and tenure), and the performance of manufacturing firms. **Conclusion:** This research provides practical insights for manufacturing firms seeking to optimize their decision-making processes through leadership demographic diversity.

Keywords: Demographic Diversity, Gender Diversity, Age Diversity, Tenure Diversity, Firm Performance

JEL Classification: M21, M41

ADVANCING COMPETENCE AMONG WOMEN WORKERS IN INDONESIA'S EXPORT-ORIENTED MSME: A STRATEGIC APPROACH TO ENCOUNTER GLOBAL MARKET CHALLENGES IN THE FALSE EYELASHES INDUSTRY

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ABSTRACT

Introduction/Main Objectives: In the dynamic landscape of business operations, human resources play an important role in the success of micro, small, and medium enterprises (MSMEs) as business entity which are able to absorb 2/3 of the world's total workforce. This is also the case in Indonesia, where MSMEs are influential in economic growth and are expected to become Indonesia's export milestone. One industry that has the role of MSMEs especially in export activities, is the false eyelashes industry. **Problems:** Uniquely, unlike most other industries, workers in this industry are dominated by women. Unfortunately, the amount of workers absorbed by MSMEs is not directly proportional to their quality. In fact, it is crucial for MSMEs in false eyelashes industry to have a workforce that is qualified in terms of its competence considering their global level of competition. **Novelty:** This research investigates a phenomenon within a specific organizational context, namely PT Diva Prima Cemerlang, an export-oriented Indonesian MSME specializing in false eyelashes. Notably, despite its significant presence, this company has not been the subject of prior research. Furthermore, there is a notable gap in the literature regarding the strategic advancement of women workers' competencies within the MSME sector, particularly within this industry. **Research Methods:** A type of qualitative methodology with a case study strategy and an inductive approach is employed to this research. The data collection techniques used were focus group discussions (FGDs), in-depth interviews, and semi-structured interviews which directly drawn from the worker of MSME, experts, policy makers, and international organizations in related fields. **Result/Findings:** Through this research, it is shown what types of advancement co competence strategies which have been implemented by this export-oriented MSME on their women workers. Furthermore, this research also provides recommendations on what the exact strategies should be carried out by them that have not been done in the prior. **Conclusion:** This research is expected to contribute a valuable perspective on human resource management strategies tailored to the needs of Indonesia's women workers in the context of advancing competence in facing global market challenges of the false eyelashes industry.

Keywords: Human Resource Management, Competence Advancement, Women Workers, Export Oriented MSME, Global Market Challenges

JEL Classification: F23, J16, J24, J80, M54, O15

NATURAL DISASTERS IN INDONESIA: SOCIAL AND ECONOMICS CONDITION PERSPECTIVE

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ABSTRACT

Background Problems: Indonesia is a country with high vulnerability to natural disasters. **Introduction/Main Objectives:** The purpose of this research is to prove the impact of natural disasters on economic and social conditions in regions in Indonesia. **Novelty:** In addition, this research also wants to examine the moderating effect of domestic and foreign investment on the effect of natural disasters on economic and social conditions in Indonesia. **Research Methods:** This study identifies the economic conditions and social conditions of 34 provinces in Indonesia from 2017 to 2021 using Moderated Regression Analysis (MRA). **Finding/Results:** The results show that the level of natural disasters positively affects financial conditions but negatively affects the social conditions of 34 provinces in Indonesia from 2017 to 2021. **Conclusion:** Provinces with high levels of natural disasters tend to have better financial and social conditions when compared to provinces that have a lower level of natural disasters. This can happen because of the existence of disaster management and disaster management financial budgets in Indonesia, which are well structured to be able to reduce the negative impacts of natural disasters that occur. This argument is supported by the findings that the economic conditions of 34 provinces in Indonesia from 2017 to 2021 are also influenced by domestic and foreign investment; however, social conditions are only affected by domestic investment. The final finding is that domestic investment variables can only strengthen the positive effect of natural disasters on financial conditions, and foreign investment variables cannot moderate the effects of natural disasters on economic and social conditions.

Keywords: Natural Disasters, Domestic Investment, Foreign Investment, Economic Conditions, Social Conditions

JEL Classification: A1; E0; I3

DOES INNOVATION AFFECT TOTAL FACTOR PRODUCTIVITY (TFP) AND ECONOMIC GROWTH IN ASEAN-5 COUNTRIES?

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ABSTRACT

Introduction/Main Objectives: This study analyzes the relationship between innovation, total factor productivity and economic growth of ASEAN-5 countries. **Background Problems:** The economic growth of ASEAN-5 countries has continued to show a slowdown in the last 5 years so that there is an important relevance to continue to develop studies related to this more comprehensively to see the possibility of other key factors that have not been sufficiently observed, especially alternative resources to be able to spur economic growth of ASEAN-5 countries sustainably. **Novelty:** The novelty in this study includes the object and time of research where most previous studies that looked at the driving factors of TFP and economic growth for the case of ASEAN-5 countries but still focused on the encouragement of capital and labor factors where attention related to the potential for innovation encouragement especially in macro aspects is still relatively limited. **Research Method:** The analysis method in this study uses Two-stage least square (TSLS). The findings in this study indicate that innovation has a significant positive effect on TFP while TPAK was found to have negative and significant implications for the development of ASEAN-5 TFP. **Finding/Result:** Other findings also show that the TFP variable has a significant influence in driving ASEAN-5 economic growth while FDI was found to have a negative and significant effect on ASEAN-5 economic growth. **Conclusion:** In terms of technical implications, the findings suggest several recommendations for innovation and TFP policies to generate sustainable growth by continuing to encourage improvements in national innovation systems and governance with more innovation-friendly policies such as strengthening intellectual property rights (IPR), ease of patent registration, R&D subsidies, legal status, protection of innovation results and innovation discounts so as to have incentives for researchers, companies and state R&D institutions to continue to innovate so that more innovation results are produced domestically that are more in line with the needs of the economy so that they can have greater implications in driving economic growth.

Keywords: Human Capital, Innovation, TFP, and Economic Growth

JEL Classification: D24, J24, O30, Q01

SOCIAL ASSISTANCE PROGRAMS AS AN ECONOMIC STIMULUS: EVIDENCE FROM INDONESIAN MUNICIPALITIES

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ABSTRACT

Introduction/Main objectives: This study aims to explore the impact of social assistance provisions on gross regional domestic growth in Indonesia. In addition, this research examined the accuracy of the target distribution of social assistance in Indonesia. **Background Problems:** Social assistance has become one of the most highlighted government programs in recent years. However, the accuracy of the distribution and targets of social assistance still needs to be studied further. **Novelty:** According to studies on public finance and welfare economics, social spending can promote economic growth and income equality. However, most research on government programs providing social assistance has been conducted in high-income countries. **Research Methods:** The content analysis approach on local government financial statements is used to obtain research data. Further, the study uses the WLS regression test on data from approximately 530 districts/cities from 2018 to 2022 demonstrates that social assistance has been adjusted to the poverty level in each region. **Finding/Results:** The results indicate that the number of poor people positively influences the allocation of social assistance. The primary test results of this research model confirm that social assistance contributes to local growth. Furthermore, it has a positive effect on the human development. Advanced regression testing at the island cluster level shows that the positive relationship between social assistance spending and economic growth and human growth indicators is evident only in islands with high growth rates and population concentrations, such as Java and Sulawesi. However, such social assistance is expected to function optimally in underdeveloped areas of Indonesia. **Conclusion:** The implications of this research are focused on enhancing public financial management at the municipality level, particularly in underdeveloped areas. Governments in such regions need to enhance their capacity and competence in managing social spending items to catch up and reduce poverty.

Keywords: Social Assistance Program, Social Spending, Economic Stimulus, Municipality

JEL Classification: D13, I31, J22, K31

WORK-CENTRALITY VIEW AND ELDERLY LABOR PARTICIPATION : COMPARISON BETWEEN SILENT AND BABY BOOMER GENERATION

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ABSTRACT

Introduction/Main Objectives: This paper aims to examine the relationship between the elderly population's views regarding work and the elderly population's work participation. **Background Problems:** The phenomenon of population aging threatens the country's fiscal condition. Several countries have adopted a policy of increasing the working age which forces the elderly to continue working. **Novelty:** This research compares the work participation of the elderly between the silent generation and the baby boomer generation. Previous research mostly carried out comparisons between younger generations. The comparison between the older generations will be a guide to future work participation patterns of the elderly when generations x, y, and z begin to age. **Research Methods:** This study uses world values survey data for 2001, 2006, and 2018. The method used in this study is a quantitative approach with descriptive analysis and inference. The descriptive analysis consists of presenting cross-tabulations and unadjusted odds ratios. Inferential analysis uses binary logistic regression analysis. The unit of analysis for this research is the population aged 60 years and over who are working and who are not working. Generation and work centrality are the main independent variables studied. **Findings/Results:** Descriptive findings show that before being controlled by other variables, work centrality is significantly related to elderly work participation. Elderly people who have a work-centrality view are more likely to work than those who do not have a work-centrality view. Binary logit findings suggest the opposite. Work centrality is not significantly related to elderly work participation. When regression is carried out per social status group, work centrality is positively related to work participation in the working class group. Elderly people from the baby boomer generation tend to continue working in old age compared to the silent generation. The pattern of the baby boomer generation's tendency to continue working applies to the working class and lower middle-class social groups. **Conclusion:** The generation that came later has a higher probability of continuing to work in old age compared to previous generations. The view of work centrality in the elderly is related to the tendency of elderly people to work only in certain social groups.

Keywords: Older Worker, Work Centrality, Baby Boomer, Silent Generation, Elderly

JEL Classification: J14, J29, Z13, Z22

SURVIVING AGAINST THE TIDE: UNRAVELING THE IMPACT OF CLIMATE CHANGE ADAPTATION ON FOOD SECURITY OF VULNERABLE SMALL ISLAND FARMERS

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ABSTRACT

Introduction/Main Objectives: Small island communities face unique challenges due to their geographical constraints, small size, and remote locations, especially in ensuring food security. Their vulnerability to climate change worsens this situation. Climate change adaptation (CCA) emerges as a strategy to mitigate the negative impact of climate change. **Background Problems:** While existing literature highlights the positive impact of CCA on food security, its specific impact on vulnerable small island farmers remains unexplored. To address this gap, this study examines the impact of CCA on the food security of smallholder farm households across eight small island provinces in Indonesia: Bangka Belitung, Riau Islands, West Nusa Tenggara, East Nusa Tenggara, North Sulawesi, Southeast Sulawesi, Maluku, and North Maluku. The adaptation strategies investigated in this study include responsible fertilizer and pesticide use, biological pest control, legume-based soil cover, crop rotation, and intercropping. **Novelty:** This study is the first to explore the impact of CCA on the food security of small island communities. Additionally, it is the first to utilize the food insecurity experience scale (FIES) to investigate the impact of CCA on the food security of crop farmers. **Research Methods:** Using the 2021 Indonesia Agricultural Integrated Survey (SITASI), this study employs propensity score matching to mitigate potential selection bias arising from non-random engagement in CCA. **Findings/Results:** The study reveals that CCA positively impacts the food security of farm households, although the impact is relatively modest. Among the six adaptations investigated, crop rotation and intercropping emerge as the most impactful strategies. The beneficial impacts are notably more pronounced in urban areas and estate crop commodities. **Conclusion:** These results suggest that the adaptation strategies examined in this study might not lead to substantial improvements in food security. Alternative strategies may exist that could yield more significant impacts. Given their significant impact, the government should prioritize crop rotation and intercropping as the primary CCA strategies for effective implementation, focusing on estate crop farmers and urban residents.

Keywords: Climate Change Adaptation, Food Security, Small Island Communities, Vulnerability

JEL Classification: Q12, Q18, Q54, Q56

THE INFLUENCE OF CULTURAL ADAPTATION OF NEWCOMERS ON MARKETING STRATEGIES FOR MSMEs IN MAKASSAR CITY

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ABSTRACT

Introduction/Main Objectives: Competition in the MSME scale business world in Indonesia, especially Makassar, has been very active in recent years, awareness of having your own business with minimal capital is the trigger, the impact of Covid has also made people prefer to have independent businesses. . The Korean cultural phenomenon greatly influences consumers and the market, as evidenced by the many Korean-flavored products that are sold in general, from culinary to fashion. New Cultural Trends are a challenge for business people, whether to maintain local culture as their identity or follow new cultural trends that easily attract market attention. **Background of the Problem:** To determine the influence of new cultural adaptation on MSME marketing strategies in Makassar City. **Novelty:** from several previous studies examining MSMEs in the city of Makassar, there has been no specific research regarding new cultural adaptations to marketing strategies carried out by MSMEs. **Research method:** this research was conducted in Makassar with a sample of MSMEs in the culinary sector, especially Korean food. Data processing used the multiple regression method to see the influence of variables. **Finding/Results:** The results of the research found that there is an influence of cultural adaptation on marketing strategies seen from the use of Korean cultural elements which are able to attract consumer buying interest. **Conclusion:** developing a marketing strategy is very important considering that trends change very quickly, it is very important to keep up with developments in order to be able to remain in a competitive condition, however it is important to maintain your own culture.

Keywords: Cultural Adaptation, Marketing Strategy, MSMEs Performance

JEL Classification: O33, M310, L100

GREEN COUNTRY IMAGE AND CONSUMER BEHAVIOR: ANALYZING THE IMPACT ON PURCHASE INTENTIONS AND TRUST TOWARD SOUTH KOREAN ELECTRONIC/HYBRID VEHICLES IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: This paper explores the relationship between South Korea's green country image and its influence on Indonesian consumers' trust and purchase intentions towards South Korean electronic/hybrid vehicles. It highlights the significant role of national environmental image in shaping consumer behavior within the automotive industry. **Background Problems:** As Indonesia aims to progress towards a more sustainable future, the government has implemented various initiatives to reduce vehicle emissions. Although there is strong competition from Japanese, Chinese, and European automobile makers, South Korean electronic vehicles have consistently ranked among the top five best-sellers in Indonesia. This study explores how South Korea's green country image influences Indonesian consumers' trust and purchase intentions toward South Korean electronic/hybrid vehicles. **Novelty:** This research contributes new insights by focusing on the electronic/hybrid vehicle market, a less explored area within the broader context of green country image studies. It uniquely assesses the impact of both cognitive and affective components of country image on consumer behavior in a Southeast Asian context. **Research Methods:** The methodology involves an online survey with Indonesian participants, both residing in Indonesia and South Korea. The anticipated data will be analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), allowing for detailed examination of the proposed relationships. **Finding/Results:** Preliminary results from a pilot study suggest that South Korea's cognitive green country image positively influences purchase intentions, while its affective image impacts both trust and purchase intentions. These findings hint at a strong relationship between green country image components and consumer behavior. **Conclusion:** The expected conclusions are that a robust green country image can significantly enhance trust and stimulate purchase intentions towards environmentally friendly vehicles. These findings suggest that effective green marketing strategies should capitalize on both cognitive and affective country image aspects to influence consumer behavior in international markets. The primary takeaway is the strategic importance of national image in green marketing within the global automotive sector.

Keywords: Green Country Image, Trust, Purchase Intention, Electronic Vehicle, Consumer Behavior

JEL Classification: D13, I31, J22, K31

ARE WE READY FOR AI INFLUENCERS? UNDERSTANDING WILLINGNESS TO ACCEPT AI INFLUENCERS IN INDONESIA THROUGH AIDUA THEORY

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ABSTRACT

Introduction/Main Objectives: AI influencers are digital characters of social media influencers (SMIs) create through software. They are popular among the public for actively sharing content and interacting on social media. To understanding willingness to accept AI influencer, it is necessary to have appropriate and relevant measure. This research proposes an alternative explanation using the AIDUA theory, as TAM and UTAUT are designed only to test non-intelligence technologies and thus are not relevant in the context of AI influencers. **Background Problems:** Despite the potential of AI influencers to develop marketing strategies, developing countries in Asia such as Indonesia have yet to acknowledge AI influencers as part of their lives. This is because AI influencers are perceived as human-like and may lower the level of natural human intelligence. Hence, there is a need for in-depth identification by looking at step by step how people can accept AI influencers. **Novelty:** Previous study used the AIDUA model to identify AI in general, this study specifically adding self efficacy as a secondary appraisal variable to confirm that AIDUA is the suitable theory to identify AI. The research context was conducted in developing country as a confirmation of previous research suggestions. **Research Methods:** The proposed hypotheses were tested using a quantitative approach. Survey were distributed through various social media platforms. The study used non-probability sampling with purposive sampling technique for data collection. The 221 respondents who participated in this study were obtained by distributing questionnaires online. **Finding/Results:** Our research found that social influence and hedonic motivation lead to people's willingness to accept AI influencers through self-efficacy and performance expectance in accordance with AI. However, anthropomorphism has no effect on self efficacy and performance expectance. **Conclusion:** Overall, this research provides us with a comprehensive understanding of the stages of a person's willingness to accept AI influencers using the AIDUA model. The research provides an understanding that people in developing countries, especially Indonesia, are willing to accept AI influencers as part of their daily lives.

Keywords: AIDUA, AI Influencers, Self-Efficacy, Willingness to Accept

JEL Classification: D13, I31, J22, K31

UNRAVELING THE NEXUS BETWEEN FINANCIAL LITERACY AND FINANCIAL WELL-BEING AMONG WOMEN PRIMARY BREADWINNERS IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: This research aimed to determine the relationship between financial literacy, financial behavior, and financial well-being of women primary breadwinners using demographic factors (age, income level, and education level) as moderating variables. **Background Problems:** More Indonesian women have become primary breadwinners in their families. The position of women classified as socially and economically vulnerable indirectly influences their views on financial well-being. **Novelty:** This study uses a sample of women as primary breadwinners in the household, considered as marginal and vulnerable groups with less attention paid to the decision-making process on policies made by the Government. **Research Methods:** The research sample consisted of 378 respondents of women primary breadwinners working in the MSME sector in Surakarta. The city has the most significant number of MSMEs, with the highest number of female workers in Central Java. Data were analyzed using multigroup structural equation modelling with AMOS 22.0. **Finding/Results:** The results show a significant positive interaction between financial literacy, behavior, and well-being. The results also show that demographic factors substantially affect the interaction between factors that influence financial well-being. **Conclusion:** This research contributes to the debate regarding the theory and practice of financial literacy in the context of women's economic empowerment in Indonesia. The results of the analysis challenge the prevailing theory that universally increased financial literacy will lead to better financial well-being, by demonstrating the need for a more nuanced approach focused on individual socio-economic contexts for more effective financial intervention practices.

Keywords: Financial Literacy, Financial Behavior, Demographic Characteristics, Financial Well-being, Women Primary Breadwinner

JEL Classification: D14, G53, J16

UNPACKING EXISTING INCENTIVE STRUCTURES TO MOBILIZE PHILANTHROPIC FINANCE FOR CLIMATE POSITIVE IMPACT: CASE STUDIES FROM INDONESIA'S SOLAR ENERGY ADOPTION AND CURBING ILLEGAL LOGGING

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ABSTRACT

Introduction/Main Objectives: Private philanthropy plays an important role in enhancing the enabling environment for accelerating climate actions globally, particularly climate mitigation, by playing de-risking roles at the early stage of innovation and enabling critical actors to coordinate for positive value creation. This paper delves into the effective deployment of climate philanthropy within the Indonesian context, aiming to enrich the existing discussion on how philanthropy could mobilize their capital more effectively. It draws from a wealth of literature that shows how many past initiatives aimed at reforming the energy and natural resources sector in Indonesia have failed because of the lack of understanding of the nature of Indonesia's political economy context. **Background Issues:** In Indonesia, reform initiatives that tend to focus on producing legal and policy reform in a context where many powerful actors have collective interests in resisting implementation of such reform, generally leads to disappointment. **Novelty:** Hence, this paper focuses on the what next for philanthropy, focusing on exploring the extent to which philanthropy could better facilitate a positive environment for climate solutions in Indonesia. This paper looks at how philanthropy, unlike public donors, could facilitate easier coordination among critical actors in Indonesia's energy and natural resources sectors, thereby promoting the adoption of climate-positive solutions over "dirtier" alternatives. **Research methods:** Through in-depth examination on the existing incentive structures on solar energy adoption and curbing illegal logging, this paper shed light on what the underlying challenges for accelerating investments are, the opportunities for improving the existing incentive structure for actors, and consequently, how philanthropic capital could tip the balance for critical actors in Indonesia to move toward positive reforms. **Finding/Results:** The preliminary result shows that often, to achieve the targeted reform, channeling philanthropic capital to activities not directly related with climate-related projects such as solar panels or curbing illegal logging could be effective. Funding activities such as corporate auditing reform, electoral system reform, curtailment of vote buying will likely tip the balance for new political behavior. With over 90% of Indonesia's past and future emissions originating from the energy and land use sectors, this paper serves as a foundational analysis of the country's climate investment landscape and the pivotal role philanthropy can play in bridging existing gaps. **Conclusion:** In conclusion, this paper underscores the transformative potential of directing philanthropic capital towards broader systemic reforms beyond direct climate-related projects, such as corporate auditing and electoral system reform, to catalyze positive environmental outcomes in Indonesia's energy and land use sectors, highlighting philanthropy's crucial role in addressing climate change challenges.

Keywords: Philanthropy, Climate Change, Incentive, Reform, Indonesia

JEL Classification: D64, D72, D73, Q54

EXPLORING THE ROLE OF DIGITAL LITERACY IN FINANCIAL INCLUSION AND FINANCIAL WELL-BEING: A LITERATURE REVIEW

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ABSTRACT

Introduction/Main Objectives: This systematic review, combined with bibliometric analysis, aims to provide a detailed and thorough examination of the existing literature on the Role of Digital Literacy in Financial Inclusion and Financial Well-being. **Background Problems:** Digital literacy plays a crucial role in promoting financial inclusion by enabling individuals to conveniently and effectively access financial services and products. Having digital literacy directly affects one's financial well-being by empowering individuals to make informed financial choices and efficiently manage their resources. **Novelty/Research Questions:** this literature study is to address the following research query: What is the profile of past research that exposes the role of digital literacy in financial inclusion and financial well-being? What is the fundamental theory behind the role of digital literacy in financial inclusion and financial well-being? What implications do future prospective research suggest from this study? **Research Methods:** The review provides analysis of 100 articles that were published in well-known peer-reviewed journals (Q1-Q2) between 1997 and early 2024. The methods of citation network analysis, content analysis, and publishing trends have been utilized to discover influential research, map out the intellectual framework of the discipline, and show areas that lack sufficient attention. Bibliometric analysis was conducted to identify the most notable journals, authors, countries and themes. A conceptual framework has been developed to illustrate the entire scope of the subject, and present possible areas for further research. **Finding/Results:** The findings indicate that study on the role of digital literacy in financial inclusion and financial well-being has received less attention from researchers, especially in emerging countries. While most articles were published in various well-known publishers (Q1 – Q2) in economic, business, management and accounting domains, the studies were mostly conducted in developed countries. Several theories/concepts that underpin those studies include Financial Literacy Conceptual Framework, Financial Well-being concept, Capability approach, Theory of Planned Behavior, Social-Efficacy Theory, among others. **Conclusion:** This study contributes to policy-makers, regulators, and academic researchers with a comprehensive understanding of the Role of Digital Literacy in Financial Inclusion and Financial Well-being, including its intricate details.

Keywords: Digital Literacy, Financial Inclusion, Financial well-being.

JEL Classification: D14, G53, M15

INDONESIAN WOMENOMICS: UNCOVERING WOMEN'S POTENTIAL TO BOOST THE INDONESIAN ECONOMY

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ABSTRACT

Introduction/Main Objectives: Gender equality has become a worldwide concern. Sustainable development goals (SDGs) target all countries in the world to support gender equality and women's empowerment by 2030. **Background Problems:** Indonesia is a country with 134 million women who have great potential if they can be empowered and given the same opportunities as men. In 2022 the gender inequality index in Indonesia decreased to 0.459. This shows an improvement in women's participation opportunities, one of which is in the economic sector. **Novelty:** This research uses three proxies to analyze women's participation, namely the gender parity index by education level (primary, lower secondary, and upper secondary education), women's participation in parliament, and women's participation in the labor force. **Research Methods:** This research uses a dynamic panel data analysis approach to analyze women's participation in the economy using data from 34 provinces in Indonesia. **Finding/Results:** So far, the interesting findings obtained from this research are that gender equality in primary and lower secondary education, women's participation in parliament, and women's participation in the labor force have a significant impact on the Indonesian economy. **Conclusion:** Women's participation has a great opportunity to contribute to the economy, especially for Indonesia, which is in the demographic bonus phase. The government is expected to provide access to affordable formal education for women in all regions. In addition, the government can also provide greater access to employment opportunities and make regulations to increase the percentage of women in political parties to improve the economy through women's participation.

Keywords: Dynamic Panel Data, Gender Equality, Indonesia, Women's Empowerment, Women's Participation

JEL Classification: I25, J0, J16

KOPI HENING'S : BUILDING BUSINESS WITHIN CONSTRAINT (STRATEGIC MANAGEMENT IN SHAPING KOPI HENING'S BRAND AWARENESS)

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ABSTRACT

Introduction/ Main Objective: Building and sustaining Micro, Small, and Medium Enterprises (MSMEs) necessitates effective management strategies, particularly to overcome challenges and foster development. This is especially pertinent for MSMEs owned and operated by individuals with disabilities. **Background Problem:** Kopi Hening's stands out as one such enterprise, where both the proprietors and staff are individuals with hearing impairments. Kopi Hening's operates as a coffee shop MSME, having thrived for over two years at Adi Sucipto Street No.7, Salatiga, Kec. Sidorejo, Salatiga City, Central Java. This study aims to investigate the management strategies employed by MSMEs Kopi Hening to sustain its business amidst the burgeoning competition from coffee cafes in Salatiga City. **Novelty:** Additionally, it seeks to explore how strategic management contributes to Kopi Hening's brand awareness among coffee enthusiasts in the locality. **Research Methods:** The research methodology employed is qualitative, aiming to gather comprehensive and nuanced data to depict the business environment accurately. Data collection involved in-depth interviews analysis with Kopi Hening's proprietors, employees, and eight randomly selected consumers, interacting with them during various purchase instances. Triangulation techniques were employed to ensure the validity and accuracy of the data obtained across different interrogation sessions. The findings of this research reveal that the owner of Kopi Hening's, despite being a person with a disability, has implemented management strategies to initiate and sustain business operations. The key actor in Kopi Hening's business undertook a thorough situational analysis using SWOT methodology to assess internal strengths, such as the ability to craft delicious, high-quality coffee from beans, coupled with a firm belief that disability does not impede entrepreneurial pursuits. **Finding/ Result:** However, challenges in communication arise due to all Kopi Hening's employees being deaf. Nevertheless, opportunities abound, including the growing number of coffee aficionados in Salatiga City and the interest among individuals to learn sign language. Moreover, governmental support for MSMEs and businesses run by individuals with disabilities presents an additional opportunity. Challenges persist, notably the proliferation of coffee cafes in Salatiga catering to diverse consumer segments. Despite these challenges, **Conclusion:** Kopi Hening's has successfully built brand awareness among consumers. Their return patronage is attributed to the unique experience of enjoying coffee while engaging in sign language learning sessions. Furthermore, the portrayal of sign language in various media has propelled its popularity, drawing more patrons to Kopi Hening's, where they find an inclusive environment for interaction.

Keywords: Strategic Management, Brand Awareness, Inclusivity

JEL Classification: D13, I31, J22, K31

THE EFFECTS OF AR-BASED APPS ON CONSUMER'S NEEDS AND PERCEPTION: AN AFFORDANCE PERSPECTIVE

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ABSTRACT

Introduction/Main Objectives: This study aims to explore the nature of technology through the lens of affordance theory. It seeks to understand how the affordances of these apps can satisfy consumers' needs for uniqueness and perceived relative advantages, thereby increasing their willingness to purchase products. **Background Problems:** Previous research has treated technology as an integrated object, analyzing its impact on consumer psychology and behavioral intentions. However, there has been limited exploration of the distinct affordances of technology, particularly AR, and their specific effects on consumer behavior. **Novelty:** This study introduces a new perspective by applying affordance theory to AR technology. It differentiates between functional and symbolic affordances of AR-based apps and investigates their distinct roles in influencing consumer behavior, which has not been thoroughly examined in prior research. **Research Methods:** This study employs affordance theory to hypothesize and analyze the effects of AR-based apps' affordances on consumers' psychological needs and purchasing intentions. It differentiates between the impacts of functional and symbolic affordances at different stages of technology development and market competition. **Findings/Results:** This study finds that in the early stages of AR technology development, functional affordances significantly impact consumers' psychological need for self-uniqueness. In competitive markets, symbolic affordances have a more significant influence on perceived relative advantages than functional affordances. The need for self-uniqueness strongly moderates the relationship between affordances, perceived relative advantages, and purchase intentions. **Conclusion:** The study concludes that understanding and leveraging the functional and symbolic affordances of AR technology can enhance consumer satisfaction and purchasing behavior. These findings provide practical guidelines for the design, development, and improvement of AR-based technologies to meet consumer needs better and drive market success.

Keywords: Augmented Reality (AR), Affordance, Vividness, Interactivity, Relative Advantage, Self-uniqueness

JEL Classification: M31, O30

DIGITAL TRANSFORMATION AND EFFICIENCY: THE KEY DRIVERS OF SUCCESS IN INDONESIAN BANKING

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ABSTRACT

Introduction: Advances in Information and Communication Technology (ICT) have brought transformation to the banking sector. **Background Problems:** Previous research shows that digitalization has no effect on improving bank efficiency, with institution size being a key factor. Small and medium-sized banks often struggle with limited financial resources and challenges in adopting suitable digital solutions, which can result in transformation failure. According to IFG, banking in Indonesia is dominated by small asset holdings. This study investigates the impact of digital transformation on bank efficiency in Indonesia, particularly among small banks. **Novelty :** This study investigates the impact of digital transformation on bank efficiency in Indonesia. The contributions of this article are as follows: Previous research primarily focused on the impact of digitalization on banking performance using measurements that only considered mobile and internet banking. However, this paper uses a digitalization index constructed with 21 digitalization indicators that encompass the complete technology processes adopted by banks. Secondly, this paper explores the nonlinear effects of digitalization on bank performance. The debate on the effect of digitalization on bank performance is interesting to be explored further. **Research Methods :** Our analysis focuses on a sample of conventional Indonesian banks spanning from 2015 to 2023. We use a fixed effects model to analyze the estimates and GMM for robustness testing. **Finding/Result :** The regression analysis shows that if digitalization in large banks, the DT2 coefficient does not show a significant impact on efficiency, while in small and medium-sized banks, the coefficient shows a statistically significant negative relationship. This suggests that digitalization affects bank performance in a non-linear manner, which has different implications for banks of different sizes. **Conclusion :** The recommended policies for banks involve tailoring digital strategies based on their size, strengthening technological capacity, and fostering fintech collaborations, while the government should provide regulatory support, enhance digital infrastructure, improve financial and digital literacy, and monitor the impact of digitalization to ensure inclusive benefits for both large and small banks.

Keyword: Digital Transformation, Efficiency, Firm Size, Indonesian Banking, Non-Linear Relationship

JEL Classification:

SOURCING DECISION IN HANDICRAFT SMES: RATIONAL OR IRRATIONAL?

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ABSTRACT

Introduction/Main Objectives: Sourcing holds more than 60% of the business costs, consequently, organizations should manage sourcing effectively. In business terms, sourcing includes finding suppliers, managing information, establishing inclusive networks, and recruiting employees to support business activities. Sourcing decisions, a part of the decision-making process has dual system thinking of fast and slow systems. Fast system decision-making requires decision-makers to perform faster decisions based on intuition, while slow system thinking requires a more unhurried decision based on rationalization or reasoning and social judgment. **Background Problems:** Handicraft SMEs face sourcing challenges of finding suitable craftsmen and raw materials as well as managing the diversity of the sourced items. With limited resources, the owner who acts as a manager in SMEs will make decisions regularly. SMEs sourcing decisions will circle between rationality and the intuitive decision-making process. This article will demonstrate whether Indonesian SMEs follow the rational or irrational approach when making sourcing decisions. **Novelty:** Research on the dual system decision-making process of SMEs in emerging markets is limited. Focusing on handicraft SMEs sourcing decision-making will support the SMEs' sustainability. **Research Methods:** This paper adopted a qualitative research design, which involved interviews with four handicraft SMEs based in Yogyakarta, Indonesia. In-depth understanding of SME's sourcing decision making was obtained through a narrative inquiry approach. Thematic analysis was performed on the acquired data using Nvivo 12. **Finding/Results:** Handicraft SMEs decision on sourcing for the main raw material is based on the quality factor of items' performance and reliability. When sourcing workers, the accessibility of local artisans is the main factor. The slow or rational system thinking was applied in all cases during the introduction of the product, and fast system thinking was applied when SMEs repurchased and made repetitive sourcing. Collaboration with local government bodies plays an important role in handicraft SMEs when deciding to expand their business. **Conclusion:** Managers of handicraft SMEs must focus on quality first by providing a list of qualified characteristics on sourcing decisions and adjust accordingly when re-sourcing to support the SMEs sustainability.

Keywords: Sourcing Decision, Handicraft SMEs, Dual System Thinking

JEL Classification: D13, I31, J22, K31

DETERMINANT FACTORS OF CULINARY FAMILY BUSINESSES LONGEVITY INSURAKARTA, INDONESIA

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ABSTRACT

Introduction/Main Objectives: Research on family businesses has been a longstanding focus and has significantly evolved in management studies due to its crucial role in the global economy. Longevity has become a strategic goal and a performance benchmark for family businesses. **Background Problem:** However, only a small percentage of family businesses managed through the second and third generations. Furthermore, the negative impact of family succession on company performance is more prominent in industries with high growth rates, with culinary industry being particularly affected. **Novelty:** Prior research lacks an understanding of the mechanisms underlying the determinant factors in family business longevity. This study examines the competitive advantage in family business by identifying the mechanisms of longevity determinant factors such as family relationship quality, knowledge transfer between predecessors and successors, family culture, founder education or professional training, succession planning, and adequate successor preparation. **Research Methods:** This research adopts a qualitative research strategy with a multiple-case study approach. The sample size or units of analysis include four long-standing family-owned culinary businesses in Surakarta. Data analysis is conducted thematically, adopting the Gioia methodology, with the assistance of MAXQDA software for data processing. **Finding/Results:** The study's findings indicate that the mechanism of family-members relationship quality includes three elements: (1) maintained communication, (2) managing conflicts, and (3) family member cohesion. The knowledge transfer factor between predecessors and successors consists of four elements: (1) early learning, (2) external support, (3) hands-on practice, and (4) leadership transition. The family culture factor includes four elements: (1) instilling values, (2) dedication to the family, (3) preserving business identity, (4) connection and loyalty. The succession planning factor includes the predecessor's intention and planning. The adequate successor preparation factor consists of three elements: (1) internalizing the business as a part of life, (2) building a portfolio of experiences, and (3) developing entrepreneurship skills. The founder's education and training factors are not found in the finding; however, the mechanism of the founder's entrepreneurial spirit was identified. **Conclusion:** These findings demonstrate the concrete practices/mechanisms of the longevity determinant factors in long-standing culinary family businesses.

Keywords: Family Business, Culinary, Longevity, Competitive Advantage, Resource-based View, Gioia Methodology, Multiple-case Studies, Qualitative Research

JEL Classification: L26, D22, O15, M14

INVESTIGATING THE IMPACT OF PERSONAL CAPITAL ON INFLUENCING FEMALE LABOR FORCE PARTICIPATION IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: Several determinants, both barriers and drivers, can influence females' decision to participate in the labor market. **Background Problems:** The determinants influencing females' participation in the labor force are complex; however, the roles of personal capital are crucial, as it is an asset that females can develop over time to increase productivity. What are the determinants influencing female labor force participation in Indonesia. **Novelty:** This research fills a research gap in understanding the factors influencing female labor force participation in Indonesia, with the focus of personal capital, including education, Information and Communication Technology (ICT) literacy, and health. **Research Methods:** A quantitative probit model is used, where the dependent variable is binary, representing female labor force participation. This study utilizes data from the 2022 National Socioeconomic Survey (SUSENAS) of Indonesia. The analysis distinguishes between urban and rural settings to address regional disparities. **Finding/Results:** The results reveal that education initially reduces participation due to time and resources spent on schooling, but higher education levels eventually increase participation in urban and rural areas. ICT literacy positively impacts participation in urban areas; however, in rural areas, having ICT literacy negatively affects female labor force participation. The research also indicates that good physical, cognitive, and mental health are positively correlated with labor force participation, with cognitive and mental health having a more pronounced impact in urban areas. **Conclusion:** Personal capital, particularly education, ICT literacy, and health, plays a critical role in influencing female labor force participation in Indonesia, with varying effects across urban and rural settings, underscoring the need for targeted policies to address these regional disparities.

Keywords: Female Labor Force Participation, Determinants of Female Labor Force Participation, Personal Capital.

JEL Classification: J01, J16, J24.

CAN WOMEN DELAY MARRIAGE BY BECOMING MORE EDUCATED? CASE IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: The objective of this study is to examine the various reasons, both economic and non-economic, that can potentially encourage women to postpone marriage. **Background Problems:** Women delay marriage in Indonesia due to various factors such as pursuing higher education, establishing their careers, and seeking financial independence. Additionally, societal norms are shifting towards valuing personal growth and self-discovery before settling down. Annually, the quantity of marriages in Indonesia experiences a substantial decline. **Novelty:** Insufficient research exists on marriage decisions, especially in underdeveloped countries like Indonesia. Indonesia has a patriarchal society where women face a distinct absence of autonomy when compared to men. **Research Methods:** This study used a logit model to analyse the probability of several factors that could influence the choice of women in Indonesia to postpone marriage. In addition to the logit model, this study employs propensity score matching to examine the influence of education and economic position on the postponement of marriage. The variables utilized in this study include economic status, age at marriage, occupation type, and geographic location of residence. The data utilized in this study is derived from the Demographic Health Survey (DHS) conducted in 2017. **Finding/Results:** In the logit model, women with high education are 8.4% more likely to postpone marriage after 25 than those with low education. Women of greater economic position had a 10% lower probability of marrying after 25 than women of lower economic status. The results of propensity score matching indicate that women's education plays a significant effect in reducing the likelihood of getting married before the age of 25, with a percentage around 10%. **Conclusion:** Increased education can delay marriage for Indonesian women until they are over 25 years. Education has made Indonesian women less eager to marry. Educated women will choose careers based on their education over marriage.

Keywords: Welfare, Marriage, Education

JEL Classification: I30, J12, I20

BRIDGING GAPS: EXPLORING GENDER PARITY AND DISABILITY INCLUSION IN INDONESIA

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ABSTRACT

Introduction: This paper delves into the challenging issues related to achieving gender parity and inclusivity in Indonesia education. It underscores the critical need for quantitative strategies to promote real gender equality. **Background Problems:** Key factors for gender inclusion in school participation for individuals with disabilities include access to inclusive education, societal attitudes, available resources, and supportive policies. **Novelty:** We discuss the various elements involved in this quest, such as ensuring equal participation for all genders and enhancing the quality of educational experiences, all within the broader context of economic impact. **Research Method:** This paper employs data from the 2023 Social Economic Survey (Susenas) to analyze and compare recent developments in gender parity and inclusivity in Indonesia. This approach helps identify trends and shifts over the five-year period. **Finding/Result:** The result found that the Gender Parity Index (GPI) at the national level reveals no significant gender disparity in school participation favoring males. However, at the sub-national level, considerable variation exists, with some districts showing a disadvantage for girls and others for boys, across all educational levels. **Conclusion:** To address the variations in gender parity observed across different districts in Indonesia, it is recommended that policymakers implement targeted interventions tailored to local conditions. These should include enhancing the availability and quality of educational facilities in underserved areas to ensure equitable access for all genders. Additionally, policies should focus on awareness and training programs to tackle cultural and societal norms that contribute to gender disparities in education. Strengthening data collection and monitoring at the sub-national level will also be crucial to assess the effectiveness of these interventions and make necessary adjustments to achieve real gender equality in education.

Keywords: Gender Parity, Gender Economics, Inclusion

JEL Classification: I20, I24, J16, J13

ARE WE READY TO COLLABORATE? AN EXPLORATION OF EMPLOYER PERCEPTIONS IN HIRING PEOPLE WITH DISABILITIES

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ABSTRACT

Introduction/Main Objectives: This study aims to understand the perception of employers' (i.e. attitudes and behaviors) surrounding issues regarding their readiness and willingness to employ people with disability (PWD). **Background Problems:** A study of employers' perceptions can reveal a variety of personal reasons for why they are willing or unwilling to employ PWDs. These personal reasons are internal aspects of PWDs that are important to explore and know so that the inclusion process of PWDs in the workforce can be fulfilled optimally. **Novelty:** This study contributes to the human resource literature on social inclusion regarding the empowerment of PWDs. **Research Methods:** Drawing on recent phenomena based on qualitative research through interviews, observation, and document analysis taken from various resources, the discussion covers how the reaction performed by employers to recruit or not to recruit PWD to work in their companies. Purposive sampling is used to find employers with various stakeholders. **Finding/Results:** Research findings contextualize the socio-economic reality of recruiting PWD among employers in the region. The study was carried out by exploring employers' perceptions regarding PWDs, as well as regarding employers' attitudes and behaviors in efforts to recruit PWDs. The aspects explored relate to the ideas, beliefs, or images employers have because of how they see or understand PWDs. Employers then give meaning to the surrounding environment based on the stimulus management and interpretation of phenomena surrounding PWDs. Furthermore, employers manifest it in the form of positive or negative attitudes and behavior towards PWDs and the phenomenon of recruiting or not recruiting PWDs. From the results of interviews with informants, information was obtained regarding the existence of committed employers' profiles and passive employers. **Conclusion:** The paper concludes by examining the employers' perceptions, attitudes, and behaviors which then influence their efforts to accommodate or ignore the PWDs in the labor force to unravel wider debates about equal opportunities in the modern world. This research confirms or supports the results of previous research which revealed positive perceptions regarding the existence of PWDs and the possibility of employing them professionally.

Keywords: Employer, Perception, People with disabilities.

JEL Classification: J7, J71, Z1, Z13

FROM HUMANISM TO INNOVATION: EXPLORING THE MEDIATING EFFECTS OF THRIVING AT WORK ON THE RELATIONSHIP BETWEEN PERCEIVED CORPORATE HUMANISTIC RESPONSIBILITY AND INNOVATIVE WORK BEHAVIOR

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ABSTRACT

Introduction/Main Objectives: This study examines the influence of Perceived Corporate Humanistic Responsibility (PCHR) on Innovative Work Behavior (IWB), mediated by Thriving at Work (TaW). **Background Problems:** Despite the proliferation of CSR-related articles in the past decade, the literature has largely overlooked the humanism component of CSR, focusing predominantly on ecological aspects. It is argued that humanism aspect of CSR is important as humanism create organization environment that makes employee thrives. Consequently, thriving employees have more psychological and social resources to catalyst innovation in the organization. Therefore, this research aims to bridge the gap by examining the nexus between PCHR—employee perception about how their organizations prioritizes employee well-being and concurrently supports the effective execution of socially responsible initiatives both within and outside of business organizations—and IWB mediated by TaW. **Novelty:** This research contributes to management literature by utilizing PCHR, an underexplored yet important concept of humanism perspective of CSR, and examining its indirect effect toward IWB through TaW. **Research Methods:** Data were collected through a survey administered via an online platform to 246 employees across various industries and analyzed using SEM-PLS. **Finding/Results:** It is found that PCHR positively affect TaW. Subsequently higher TaW leads to higher level of IWB In addition, It is found that TaW mediates the linkage between PCHR and IWB. **Conclusion:** The finding highlight the crucial role of PCHR in boosting and sustaining employees' IWB. organizations must make sure that their CSR program is reflecting humanism value that promotes employee well-being. For instance, organizations could introduce mentorship programs that pair senior leaders with junior employees, fostering a culture of support and personal development that aligns with the humanistic values central to PCHR.

Keywords: Percieved Corporate Humanistic Management, Humanism Management, Innovative Work Behavior, Thriving at Work.

JEL Classification: M10, M12

INVESTIGATING THE MEDIATING ROLE OF MOTIVATION ON THE RELATIONSHIP BETWEEN TRAINING, MENTORING AND MSME'S PRODUCTIVITY

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ABSTRACT

Introduction/Main Objectives: The objective of this study is to determine how training and mentoring affect MSME's productivity. Specifically, motivation is examined as a potential mediating factor in developing optimal enterprise productivity. **Background Problems:** The number of MSME actors with various backgrounds registered in Bojonegoro Regency is significantly different from the number of active MSME actors. The government's provision of appropriate training and mentoring and the personal motivation of MSME actors is believed to increase MSME Productivity. **Novelty:** In this case it is known that motivation is a crucial component that enables dynamic MSME actors to apply the benefits of government-provided training and mentoring to the productivity of their businesses. **Research Methods:** Using the simple random sampling method, we gathered 92 data from various backgrounds of MSME actors who were officially registered in the Bojonegoro Region, East Java, Indonesia. The SEM PLS method was implemented to examine the structural relation between the measured and latent constructs because of the complex model and small sample size. **Finding/Results:** With an R-Square value reaching 90%, the results demonstrate that training, mentoring, and motivation have a significant positive impact on MSME productivity in Bojonegoro Region, East Java, Indonesia. It shows that motivation is an essential mediator in the relationship between mentorship, training, and MSME's productivity. **Conclusion:** Our findings support the government, Bojonegoro Regency especially, and also other institutions in the implementation of multi-teaming dynamics in orchestrating MSME's productivity by increasing MSME's actors' motivation and giving them appropriate training and mentoring to achieve optimal enterprise productivity.

Keywords: Motivation, Productivity, Training, Mentoring, MSMEs'

JEL Classification: D13, I31, J22, K31

THE IMPACT OF GREEN ORGANIZATION CAPABILITIES ON MSME COMPETITIVE ADVANTAGE: THE MEDIATING ROLE OF GREEN INNOVATION

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ABSTRACT

Introduction/Main Objectives: The increasing environmental pollution caused mainly by MSME waste such as tofu, tempeh, and other factories has raised concerns and an urgent need for sustainable practices. **Background Problems:** This research aims to build a new framework for Environment-Friendly Organization Capabilities for MSMEs in West Java. In addition, this study aims to address the research gap on the relationship between the capacity of environmentally friendly organizations and Competitive Advantage while exploring the mediating effects of Green Innovation. **Novelty:** The novelty of this study is the research methodology using quantitative methods and data analysis tools using SEM PLS, besides that, this study explains the innovations made by MSMEs in utilizing waste or waste left over from MSME production to become more economically valuable. **Research Methods:** Using Structural Equation Modeling (SEM), the authors simultaneously model and estimate the complex relationships between Green Organizational Capability, Green Innovation, and Competitive Advantage, which often cannot be observed and measured indirectly with Likert scale points. Through SEM, the authors took into account measurement errors in observed variables and tested hypotheses from a sample of 300 valid respondents. **Finding/Results:** The results of the study show that green organization capabilities have a direct influence on competitive advantage through green innovation mediation variables. **Conclusion:** The conclusion from the results of this study is that if MSMEs want to increase their competitive advantage, they must be able to carry out green organization capabilities and green innovation. MSMEs must choose raw materials that do not pollute the environment and are environmentally friendly. In addition, based on the results of the author's research, waste from MSMEs is collected somewhere and then a special incineration is made and the ashes are made for a mixture of paving blocks, while for the disposal of tofu and tempeh factory waste is disposed of in places far from residential areas so as not to disturb the health of the surrounding community.

Keywords: Environmentally Friendly Organization Capabilities; Competitive Advantage; Green Innovation; MSMEs

JEL Classification: O31, O36, O44

INTEGRATING SUSTAINABILITY INTO STRATEGIC MANAGEMENT PRACTICE: PROFIT AND NON-PROFIT ORGANIZATION

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ABSTRACT

Introduction/Main Objectives: This paper examines the practice of integration of sustainability into strategic management in both profit and non-profit organizations. **Background Problems:** There are challenges in integrating sustainability in strategic management on both profit and non-profit organizations. **Novelty:** This research highlights unique approaches and common strategies. While previous research has focused on sustainability in either profit or non-profit organizations, this paper fills the gap by providing a comprehensive examination of both. **Research Methods:** This research employs a systematic literature review methodology, analyzing case studies and reviewing existing literature on sustainability in strategic management. **Finding/Results:** The empirical findings reveal that both profit and non-profit organizations benefit from integrating sustainability into their strategic management, though they approach it differently. Profit organizations focus on the triple bottom line, leveraging entrepreneurial capabilities and fostering a supportive culture. Non-profits emphasize interdisciplinary efforts, community participation, and strategic partnerships. Both sectors show significant improvement in performance and societal impact through sustainable practices. **Conclusion:** The research concludes that integrating sustainability into strategic management is essential for long-term success and societal contribution.

Keywords: Strategic Management, Sustainability, Organization

JEL Classification: L21, L31

AGILE STRATEGY FORMATION: KNOWLEDGE-CREATION CAPABILITY FORENTREPRENEURIAL SUCCESS IN BIO-BASED COMMODITIES

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ABSTRACT

Introduction/Main Objectives: A firm's development path leads to a series of strategy formulations and implementations, or strategy formation cycles. **Background Problems:** In the face of inevitable changing circumstances, businesses should build the agility to properly arrange strategy formations to maintain performance. **Novelty:** This study explores the significance of knowledge-creation capability to ensure effective adaptation when strategy adjustments become imperative. **Research Methods:** Adopting a conceptual framework developed from previous literature, the case of ChiliCo was examined to evaluate strategy formation circumstances that lead to effectiveness. **Finding/Results:** Case analysis offered three propositions related with embedding knowledge-creation capability as antecedent to strategy formulation. **Conclusion:** Discussions presented in this article shows that knowledge creation is especially important during entrepreneurial strategy formation where the choice to capture opportunities and adjust the business determine value enhancements.

Keywords: Strategy Formation, Knowledge Creation Capability, Firm Adaptation, Commodities, Performance

JEL Classification: D200, L210, L250, M150

BEST PRACTICES FOR DRIVING DIVERSITY AND INCLUSION IN ENTREPRENEURSHIP AND THEIR IMPACT ON INNOVATION

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ABSTRACT

Introduction/Main Objectives: Prioritizing diversity and creating an inclusive environment in entrepreneurship is a business strategy that refers to tangible benefits for companies, such as increased innovation, better employee engagement and achieving a more loyal customer base. **Background Problems:** The phenomenon of increasingly dynamic market conditions has urged the entrepreneurial world to utilize diverse perspectives and experiences to generate innovative ideas and develop an inclusive environment to gain competitive advantage. In addition, businesses that prioritize diversity and inclusion are seen as more attractive to acquire the best talent for the company. **Novelty:** This research is well-positioned to explore best practices in promoting diversity and inclusion that can benefit entrepreneurial businesses. **Research Methods:** The research method is carried out by means of a Systematic Mapping Study (SMS) to examine scientific publications in the field of entrepreneurship in Indonesia which are produced based on the focus and type of research from time to time. The study also conducted an analysis on qualitative case studies to assess the impacts, challenges, and factors that can drive diversity and inclusion in entrepreneurship in Indonesia. In addition, thematic analysis of current literature is used to create an extensive and detailed understanding in the field of entrepreneurship. **Finding/Results:** The findings of this study highlight practices in treating diversity and inclusion that are now important components of the entrepreneurial ecosystem. Based on various perspectives, backgrounds, and existing experiences, it is expected to present new ideas, approaches, and solutions, thus leading to increased innovation, creativity, and problem-solving abilities in entrepreneurship in Indonesia. **Conclusion:** implementing best practices such as diversity and inclusion goals, investing in training and human capital development, fostering an inclusive corporate culture and building relationships with diverse suppliers and partners is expected to help businesses achieve greater and more sustainable benefits.

Keywords: Diversity, Inclusion, Entrepreneurship, Innovation

JEL Classification: L26, J71, O31

INFLUENCE OF ATTITUDE, SUBJECTIVE NORM, PERCEIVED BEHAVIORAL CONTROL, WILLINGNESS TO PAY PREMIUM, AND ENVIRONMENTAL CONCERN ON PURCHASE INTENTION OF NESTLE PRODUCTS WITH ECO-FRIENDLY PACKAGING

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ABSTRACT

Introduction/Main Objectives: The growing concern of plastic waste in the environment from packaging has been raised in recent years with FMCG industries becoming the largest waste contributors as most of those plastic waste come from product packaging. Nestle as one of FMCG companies has developed ecofriendly packaging for its products as an attempt to reduce plastic waste. **Background Problem:** However, there are limited studies about the consumer purchase intention of FMCG products with eco-friendly or green packaging. Thus, this study is conducted to address the theoretical gap. **Novelty:** Previous study has used the theory of planned behavior (TPB) for green products and added other factors to predict consumer behavior. This study will investigate the relationship of three main antecedents from TPB along with willingness to pay premium and environmental concern on the intention to purchase products with ecofriendly packaging from Nestle as one of FMCG brands in Indonesia. **Research Method:** Data was collected from 150 respondents in Indonesia through survey and was analyzed with multivariate regression to investigate variable relations. **Finding/Result:** The result revealed subjective norm and willingness to pay premium positively and significantly influence purchase intention, while attitude, perceived behavioral control, and environmental concern are statistically insignificant. **Conclusion:** This finding suggests the majority of consumers in Indonesia are driven by social and normative aspects from their community to have the intention of purchasing Nestle products with eco-friendly packaging. These insights can help FMCG industries in understanding consumer behavior in green marketing and help companies to formulate an effective marketing strategy that drives consumers' intention to purchase products with eco-friendly packaging in Indonesia.

Keywords: Theory of Planned Behavior, Eco-friendly Packaging, Green Packaging, Green Behavior

JEL Classification: M31

THE INFLUENCE OF THE ROLE OF KNOWLEDGE, TRUST, AND RELIGIOSITY ON THE INTENTION TO DONATE THROUGH ISLAMIC RELIGIOUS-BASED CHARITABLE INSTITUTIONS (*BAITULMAAL*)

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ABSTRACT

Introduction/Main Objectives: This study aims to determine the role of knowledge, trust, and religiosity in influencing the intention to donate through Islamic religion-based charitable institutions (*baitulmaal*). **Background Problems:** Indonesia has a high potential for donation collection which is one of the instruments to help the government solve poverty and welfare problems. However, studies on specific donation channels are still limited, especially regarding the intention to donate through Islamic religion-based charity institutions (*baitulmaal*). This is because there are many donation channels in Islam and their management is sometimes informal or not integrated, making it difficult for researchers to study them. **Research Methods:** This study uses a framework based on the theory of planned behavior with primary data that has been collected as many as 410 respondents who live from several provinces in Indonesia and analyzed using the PLS-SEM method and SmartPLS software version 4.0. **Finding/Results:** The main findings show that knowledge, trust, and religiosity play a positive role in explaining the intention to donate through Islamic religious-based charity institutions (*baitulmaal*). Trust was found to be the most powerful factor in influencing attitudes, which in turn influenced the intention to donate through an Islamic religion-based charity (*baitulmaal*). In addition, subjective norm also showed the strongest influence directly on donation intention. **Conclusion:** These results imply that institutions need to be more transparent in conveying information, maintaining reputation, and continuing to increase public trust. In addition, institutions need to consider a person's closest social references by communicating directly or through regular meetings. Overall, the findings and recommendations in this study are expected to provide insights that enable Islamic religion-based charity institutions (*baitulmaal*) to design more effective marketing strategies in raising donations, so that the benefits of donations for the community can be optimized.

Keywords: Donation Intention, Knowledge, Religiosity, Theory of Planned Behavior, Trust

JEL Classification: M31, L31, D64

BUILDING A FORTRESS OF HUMAN RESOURCES: PRESERVING THE CIREBON CULTURAL HERITAGE FROM EXTINCTION

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ABSTRACT

Introduction/Main Objectives: This research explores the role of critical thinking and creativity in the younger generation in preserving regional culture, strengthening regional identity and opening up business opportunities. **Background Problems:** The research focuses on the community of history and culture lovers and how their managerial skills contribute to preserving regional potential and business sustainability. **Novelty:** the study lies in the critical power of management and the community's unrest over the condition of the history and heritage of the city, where young people lead the human resources to become a model for today's youth as a generation of history lovers by interestingly telling stories to transmit the spirit and insight of love for history and the founding figures of the city. **Research Methods:** Qualitative research methods were used, involving field studies and interviews to collect primary data, while secondary data was obtained from previous similar studies. **Finding/Results:** It showed that walking tours became the preferred tour style, a 'pay as you wish' payment system was chosen, thematic city tours became a marketing draw, and trip security rotations were implemented. **Conclusion:** It shows how innovation and adaptation can contribute to cultural preservation and sustainable business development, with direct implications for the travel experiences of the younger generation, local governments, and tourist areas.

Keywords: Human Resources, Regional Culture Preservation, Critical Youth Community, Business Collaboration, Tourism Innovation Management Strategy

JEL Classification: D13, I31, J22, K31

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Economics and Business (GAMAICEB)
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