



PROCEEDINGS

The 4th International Conference on Sustainable Innovation (ICoSI) 2020

Cutting Edge Innovations for Sustainable Development Goals

Universitas Muhammadiyah Yogyakarta (Indonesia)

October 13 - 14 2020

<https://icosi.umy.ac.id/>

Focal Conferences



- ✔ (ICPU) The 2nd International Conference on Pharmaceutical Updates
- ✔ (ICOMS) The 6th International Conference on Management Sciences
- ✔ (ICLAS) The 9th International Conference on Law and Society
- ✔ (ICMHS) The 4th International Conference Medical and Health Sciences
- ✔ (ICAF) The 6th International Conference for Accounting and Finance
- ✔ (ILEC) The 2nd International Language and Education Conference
- ✔ (ICONURS) The 2nd International Conference on Nursing
- ✔ (ICITAMEE) The 1st International Conference on Information Technology, Advanced Mechanical and Electrical Engineering
- ✔ (IConARD) International Conference on Agribusiness and Rural Development
- ✔ (ISHERSS) The 2nd International Symposium on Social Humanities Education and Religious Sciences
- ✔ (ICONPO) The 10th International Conference on Public Organization
- ✔ (DREAM) The 5th Dental Research and Exhibition Meeting
- ✔ (ICHA) The 5th International Conference on Hospital Administration
- ✔ (ICOSA) The 3rd International Conference on Sustainable Agriculture





Proceedings

4th International Conference on Sustainable Innovation

2020

Publisher UMYPress

Lembaga Penelitian, Pengabdian, dan Pengembangan Masyarakat (LP3M)

Universitas Muhammadiyah Yogyakarta

Address

Gedung D Lantai 2

Universitas Muhammadiyah Yogyakarta

Jalan Brawijaya, Bantul,

55183 Indonesia

ISBN : 978-623-7054-43-6



The 4th ICoSI 2020 Commitees

Advisory Board

Dr. Ir. Gunawan Budiyo, M.P, IPM
Prof. Dr. Ir. Sukamta, M.T., IPM
Prof. Dr. Nano Prawoto, S.E., M.Si
Dr. Suryo Pratolo, M.Si, Akt
Prof. Hilman Latief, MA., Ph.D
Prof. Dr. Achmad Nurmandi, M.Sc

Chairs

Dr. Yeni Rosilawati, S.IP., S.E., MM
Dr. Arie Paksi, S.IP., M.A
Dr. Dyah Dewanti

Secretariat

Abdul Rasyid Ghazali, M.Sc.
Mariska Intan Sari, S.S., M.A
Fitria Rahmawati, S.Pd. M.Hum.
Khanza Nabila Iftina, S.I.Kom
Qholiva Yuni Fadilla, S.I.Kom

Treasurer

Twediana Budi Hapsari, S.Sos., M.SI., Ph.D
Safaroh Ivory Fananda, S.Sos

Scientific Committee

Prof. Agus Setyo Muntohar, S.T., M.Eng.Sc., Ph.D.(Eng.)
dr. Iman Permana, M.Kes., Ph.D
Dr. Sudarisman, M.T
Iwan Satriawan, Ph.D
Dr. Indira Prabasari, M.P
Eko Priyo Purnomo, S.IP., M.Si., M.Res., Ph.D
Dr Nuryakin, M.M
Prof. Dr. Achmad Nurmandi, M.Sc.
Rizal Yaya, S.E., M.Sc., Ph.D., Ak, CA
Dr. Mukti Fajar ND, SH., M.Hum

Proceedings and Journals

dr. Iman Permana, M.Kes., Ph.D
Dianita Sugiyo, S.Kep., Ns., MHID
Dr. Dyah Mutiarin, M.Si.

Program and Event

Hijriyah Oktaviani, S.IP, M.M
Krisna Mulawarman, S.Sos, M.Sn

IT Support

Miftahul Yaum

Winy Setyonugroho. S.Ked., M.T., Ph.D

Anhar Wahyu, S.E

Food and Beverages

Dr. Alni Rahmawati, M.M

Dr. Sri Handari Wahyuningsih, M.M

Siti Wijayanti

Dra. Luluk Chusniati

Equipment, Facilities and Infrastructure

Bagus Subandono, ST, M. Eng

Aris Nuryanta, S.H

Galuh Sudarsono

Assets and Logistics

Eko Wahyudi, S.E

Noor Fajari

Suparno

Reviewers of 4th ICoSI 2020

- Ahmad Zaki, Ph.D.
 Al Afik, S.Kep., Ns., M.Kep.
 Ali Awaludin, Ph.D.
 Ana Majdawati
 Angga Fajar Setiawan, S.T., M.Eng., Ph.D.
 Anita Rahmawati, S.T., M.T.
 Anugrah Ilahi, Ph.D.
 apt. Aji Winanta, M.Sc
 apt. Binar Asrining Dhiani, Ph.D
 apt. Didik Setiawan, Ph.D
 apt. Erza Genatrika, M.Sc
 apt. Hari Widada, M.Sc
 apt. Indah Hairunisa, S. Farm., M.Botech
 apt. Ingenida Hadning, M.Sc
 apt. Lusi Putri Dwita, M.Si
 apt. Nurul Maziyyah, M.Sc
 apt. Raditya Weka, M.Farm
 apt. Rifki Febriansah, M.Sc
 Assoc. Prof. Dr. Khairil Azmin Mokhtar
 Asti Widuri
 Azizah Khoiriyati, S.Kep., Ns., M.Kep
 Cahyu Septiwii, M.Kep., Sp.Kep., MB., Ph.D.
 Dedi Suryadi
 Dina Wahyu Trisnawati, Ph.D.
 Dr. Ahim Abdurahin M.Si., SAS., Ak., CA
 Dr. Anas Puri, S.T., M.T.
 Dr. Ani Hairani
 Dr. apt. Bangunawati Rahajeng, M.Si
 Dr. apt. Dwi Utami, M.Si
 Dr. apt. Ika Yuni Astuti, M.Si
 Dr. apt. Nurkhasanah, M.Si
 Dr. apt. Siska, M.Farm
 Dr. apt. Supandi, M.Si
 Dr. Arni Surwanti, M.Si.
 Dr. Astuti Masdar
 Dr. Birgit C. P. Koch, PharmD, Ph.D
 Dr. dr. Arlina Dewi, M.Kes., AAK
 Dr. Dr. Nur Hidayah, M.M.
 Dr. dr. Sri Sundari, M.Kes.
 Dr. drg. Dwi Aji Nugroho MDSc
 Dr. Drh. Sapto Yuliani, M.P
 Dr. Edi Soesanto, S.Kp., M.Kes
 Dr. Eko Hanudin
 Dr. Elsy Maria Rosa, M.Kep.
 Dr. Fadia Fitiyanti
 Dr. Firman Pribadi, M.Si.
 Dr. Firman Pribadi, SE., MM.
 Dr. Hosam Alden Riyadh A. Alazeez, M.S.A
 Dr. Ihsan Nurkomar
 Dr. Ika Nurul Qamari, SE., M.Si
 Dr. Indah Fatmawati, M.Si
 Dr. Innaka Ageng Rineksane
 Dr. Istianah ZA
 Dr. Lis Noer Aini
 Dr. Lisa Musharyanti, S.Kep., Ns., M.Med.Ed
 Dr. Mahendro Prasetyo Kusumo
 dr. Maria Ulfa, MMR., Ph.D.
 Dr. Muhammad Ichsan
 Dr. Muria Indah Sokowati, M.Si
 Dr. Ns. Umi Solikhah, S.Pd., M.Kep,
 Dr. Nur Chayati, S.Kep., Ns., M.Kep
 Dr. Nuryakin, MM.
 Dr. Qurratul Aini, S.KG., M.Kes.
 Dr. Seplika Yadi
 Dr. Siti Nur Aisyah
 Dr. Titih Huriah, M.Kep., Sp., Kom
 Dr. Yeni Rosilawati
 Dr. Eng. Rahmita Sari Rafdinal, S.ST., M.Eng.
 Dr. Eng. Pinta Astuti, S.T., M.Eng.
 Drg Arya Adiningrat PhD
 Drg Atiek Driana R Sp.KGA
 Drg Dian Yosi A MDSc PhD
 Drg Dwi Suhartiningtyas MDSc
 Drg Edwyn Saleh Sp.BMM
 Drg Erlina Sih Mahanani
 Drg Fahmi Yunisa Sp. Pros
 Drg Hartanti Sp.Perio
 Drg Iwan Dewanto MMR PhD
 drg Sartika Puspita MDSc
 Dr. Dyah Ekaari Sekar J
 Eko Purwanti
 Eko Purwanti, Ph.D
 Ema Waliyanti, S.Kep., Ns., MPH
 Endro Dwi Hatmanto
 Erna Rochimawati, Ph.D
 Erna Rochmawati
 Etik Kresnawati, Dr., M.Si.
 Evi Rahmawati, S.E., M.Acc., Ph.D., Ak., CA.
 Evy Rahman Utami, S.E., M.Sc.
 Fanny Monika, S.T., M.Eng.
 Ferika Indarwati, S.Kep., Ns., M.Ng
 Fitri Arofiati, S.Kep., Ns., MAN., Ph.D
 Galuh Suryandari
 Genesiska, S.Si., M.Sc.
 Gina Puspita
 Hafiez Sofyani, S.E., M.Sc.
 Harjanti Widiastuti, Dr., S.E., M.Si., Ak.
 Hendy Setiawan, Ph.D.
 Hidayatul Kurniawati
 Ida Faridah, S.Kp., M.Kes
 Ietje Nazaruddin, Dr., M.Si., Ak., CA.
 Ika Setyawati
 Ikhlas Muhammad Jenie
 Iman Permana
 Imaniar Ranti
 Inayati
 Indira Prabasari, Ph.D.
 Ir. Latif Budi Suparma, M.Sc., Ph.D
 Iwan Satriawan, Ph.D
 Jebul Suroso, Ns. M.Kep
 Jenita Doli Tine Donsu, S.KM. M.Si
 Lilis Suryani

M. Bahrul Ilmi, S.E., M.E.Sy
 M. Endriyo Susila, Ph.D.
 M. Syifa Amin Widigdo, Ph.D
 Mahendro Prasetyo Kusumo
 Matyana Dwi Cahyati, S.T., M.Eng.
 Meika Kurnia Puji, RDA,M.Si.,Ph.D."
 Muhammad Chairunsyah Riskyta Akbar
 Muhammad Hazyar Arumbinang, S.H., LL.M
 Muhammad Ibnu Syamsi, S.T., M.Eng.
 Mundakir, S,Kep. Ns. M.Kep
 Naim Abdul Majid
 Nasrullah, S.H., S.Ag., MCL.
 Naufal Bagus Pratama, S.H.
 Noriko Kuwano
 Nurvita Risdiana, S.Kep., Ns., M.Sc
 Prof. Djoko Legono
 Prof. Dr. Alan Lau, Pharm.D., FCCP
 Prof. Dr. apt. Dyah Aryani Perwitasari S.Si., M.Si
 Prof. Dr. Arthorn Riewpaiboon
 Prof. Heru Kurnianto
 Tjahjono,MM"
 Prof. Hilman Latief, Ph.D.
 Prof. Hironori Yasuda
 Prof. Iman Satyarno
 Prof. Ir. Mochamad Teguh, MSCE., Ph.D.
 Prof. Jamsari
 Prof. Keith Walters
 Prof. Kriengsak Panuwatwanich
 Prof. Maria Rosa Mosquera Losada
 Prof. Maurice S. B. Ku
 Prof. Michael Henry Boehme
 Prof. Normah Mohd Noor
 Punang Amaripuja,SE.,ST.,M.IT
 Ratna Indriawati
 Retno Widowati PA.,M.Si.,Ph.D.
 Rizal Yaya, S.E., M.Sc., Ph.D., Ak., CA.
 Rizka Fakhriani
 Rofi Aulia Rahman, S.H., LL.M
 sabtanti harimurti
 Shanti Wardaningsih, Ph.D
 Sherly Usman
 SN Nurul Makiyah
 Sri Atmaja P. Rosyidi, S.T., MSc.Eng., Ph.D., PE
 Sri Rejeki M
 Sri Sundari
 Sudarisman
 Suryanto
 Suryo Pratolo, Dr., S.E., M.Si., Ak., CA., AAP-A.
 Sutantri, Ns., M. Sc.,Ph.D
 Talqis Nurdianto
 Taufiq Hidayat, S.P., M.Sc.
 Taufiqur Rahman, S.IP, M.A, Ph.D.
 Titiek Hidayati
 Tri Pitara
 Tri Wulandari Kesetyaningsih
 Tumin, Ph.D
 Twediana Budi Hapsari, Ph.D
 Wantoro, M.Kep., Ns., Sp.Kep., M.B., Ph.D
 Warih Andan
 Winny Setyonugroho,Ph.D.
 Yanuar Fahrizal., S.Kep., Ns., M.Kep., Sp.Kep.J
 Dr. Yoni Astuti
 Yordan Gunawan, S.H., Int.MBA., M.H

Preface by the Chairperson of the 4th ICoSI 2020



Dr. Yeni Rosilawati, S.IP. S.E., MM.

Assalamu'alaikum Wr. Wb.

All praise is due to Allah, the Almighty, on whom we depend for sustenance and guidance. Prayers and peace be upon our Prophet, Muhammad SAW, his family and all of his companions.

On behalf of the organizing committee, it is my pleasure and privilege to welcome the honourable guests, distinguished keynote & invited speakers, and all the participants.

With the main theme of "Cutting-Edge Innovations on Sustainable Development Goals (SDGs)", the 4th International Conference on Sustainable Innovation (ICoSI) 2020 serves as a forum to facilitate scholars, policy makers, practitioners, and other interested parties at all levels from Indonesia and abroad to present their novel ideas, promote cutting-edge research, and to expand collaboration network. The conference has about 1373 participants participating from more than 8 countries 4 continents all over the world, making this conference a truly international conference in spirit.

This multidisciplinary conference was first held in 2012 and has undertaken various changes and adopted to the current technological trends of our education system. From having this conference with just 175 participants back in 2012 we have come a long way in making the conference a huge success with more than 1373 participants participating in this two-day conference.

Formerly, this conference consisted of only 9 (nine) focal conferences. This year, there are 14 focal conferences from various disciplines, namely: 1) The 2nd International Conference on Pharmaceutical Updates (ICPU), 2) The 6th International Conference on Management Sciences

(ICoMS), 3) The 9th International Conference on Law and Society (ICLAS), 4) The 4th International Conference Medical and Health Sciences (ICMHS), 5) The 6th International Conference for Accounting and Finance (ICAF), 6) The 2nd International Language and Education Conference (ILEC), 7) The 2nd International Conference on Nursing (ICONURS), 8) The International Conference on Information Technology, Advanced Mechanical and Electrical Engineering (ICITAMEE), 9) The 2nd International Conference of Agribusiness and Rural Development (IConARD), 10) The 10th International Conference on Public Organization (ICONPO), 11) The 2nd International Symposium on Social Humanities Education and Religious Sciences (ISHERSS), 12) The 5th Dental Research and Exhibition Meeting (DREAM), 13) The International Conference on Hospital Administration (ICHA), and 14) The 3rd International Conference on Sustainable Agriculture (ICoSA).

Accordingly, We are proud to announce that this year, the 4th ICoSI 2020 breaks the Museum Rekor-Dunia Indonesia (MURI) record as the Virtual Multidisciplinary Conference with the Largest Number of Area of Fields in Indonesia

In addition, this year, this conference holds special value since this is the first conference in the history of our university where the entire conference is taking place remotely on a digital platform through the use of advance technologies due to the Covid-19 Pandemic.

I would take this opportunity to express my highest respect to the Rector of Universitas Muhammadiyah Yogyakarta, Dr. Gunawan Budiyanto who gave approval and ensured the maximal support from all the faculty members of Universitas Muhammadiyah Yogyakarta (UMY) that made this event a big success. In addition, my appreciation goes to all the support teams who have provided their valuable support and advice from planning, designing and executing the program.

Let me conclude my speech by encouraging the delegates to participate with an increasing number in all the activities and discussions through the digital platforms for the next two days. I wish everyone a successful, safe, and fruitful conference.

Thank you!

Wassalamu'alaikum Wr. Wb.

Yogyakarta, Indonesia, 14 October 2020



Welcoming Remarks by the Rector of Universitas Muhammadiyah Yogyakarta



Assoc. Prof. Dr. Gunawan Budiyanto

Innovation is the beginning of the development of technology, and technology is a development machine that is expected to provide benefits to humans and provide the smallest possible impact on environmental quality. In the concept of sustainable development, development must improve the quality of human life without causing ecological damage and maintain the carrying capacity of natural resources.

International Conference on Sustainable Innovation (ICoSI) is an international conference which is an annual conference held by the University of Muhammadiyah Yogyakarta (UMY), Indonesia. In 2020 this raises the issue of "Cutting-Edge Innovations on Sustainable Development Goals." Therefore, on behalf of all UMY academics, I would like to congratulate you on joining the conference, hoping that during the Covid-19 Pandemic, we can still provide suggestions and frameworks for achieving sustainable development goals.

About The 4th International Conference on Sustainable Innovation (ICoSI) 2020

Cutting Edge Innovations for Sustainable Development Goals

The 2030 Agenda for Sustainable Development is enacted by the United Nations as a shared blueprint for peace and prosperity for people and the planet, now and into the future. It consists of strategies to improve health and education, reduce inequality, and spur economic growth while also conserving natures by 2030.

This year, however, at the first one-third of its timeline, the SDG Reports shows that the outbreak of COVID-19 did hinder the achievement, or at least decelerate the progress of achieving the 17 goals. In fact, according to the report, “some number of people suffering from food insecurity was on the rise and dramatic levels of inequality persisted in all regions. Change was still not happening at the speed or scale required”, accordingly.

Therefore, in this event of pandemic, the quantity and quality of research, innovation, and more importantly multi-disciplinary collaboration are indispensable. Furthermore, there needs to be clear ends of those works. That is how those research are applicable and benefits directly to the society. That is how those research is incorporated as the drivers of policy making, and used practically in the society. Hence, the stakeholders especially the triple helix of higher education institution, government, and industry must be re-comprehended and supported to reach the common goal of the SGD.

International Conference on Sustainable Innovation (ICoSI) has been essentially attempting to strengthen this regard since its first establishment. One of the goals of ICoSI is to provide primarily a platform where scholars, practitioners, and government could grasp the development and trends of research. Hopefully, meeting these actors altogether would result in stronger collaboration, sophisticated and advantageous research, and brighter ideas for further research. Based on these reasoning, this year, the 4th ICoSI 2020 UMY is themed ‘Cutting-edge Innovations for Sustainable Development Goals’.

Improving from last year conference which brought nine focal conference, this year ICoSI 2020 UMY brings 14 disciplines, from social sciences, natural sciences, and humanities. ICoSI 2020 received as much as 1005 papers. The paper works submitted in ICoSI 2020 UMY will be published in Atlantis Proceedings, IOP Proceedings, National/International Journals, and ICoSI ISBN-indexed Proceedings.

Nevertheless, ICoSI believes that publication is only the beginning of research dissemination. The publications will enhance the chance of the research known by wider audience, and then used, applied, and incorporated at either system, institutional, or personal level of human lives.





CONTENTS



The 4 th ICoSI 2020 Committees	2
Reviewers of 4 th ICoSI 2020	5
Preface by the Chairperson of the 4 th ICoSI 2020	7
Welcoming Remarks by the Rector of Universitas Muhammadiyah Yogyakarta.....	9
About The 4 th International Conference on Sustainable Innovation (ICoSI) 2020	10
CONTENTS	11
TRACK ECONOMICS, LAW, EDUCATION, SOCIAL, AND HUMANITIES	15
A Policy Analysis for Building Regulation in Disaster Situations on Sleman Regency	16
Wisnu Dimas Punto Aji ^{1,*} Dewi Sekar Kencono ²	16
Valuation of a Declining Oilfield under Stochastic Oil Prices and Non-Constant Interest Rates	20
Fransiscus Pratikto ^{1,*} , Sapto Indratno ² , Kadarsah Suryadi ³ , Djoko Santoso ⁴	20
The Dispute Board as an Alternative to the Construction Service Disputes Settlement.....	26
Fadia Fitriyanti ^{1,*} Emil Adli ²	26
The Promotion and Protection of Human Rights in Islam for Creating the Culture of Peace	33
Martinus Sardi ^{1,*}	33
Trusts Concept Settings in Management Limited Company.....	39
Reni Anggriani ^{1,*} King Faisal ²	39
Legal Protection of Nurses in Health Care Efforts During the co-pandemic Period 19	43
Reny Suryanti ^{1,*} Nyoman Putra Putra ²	43
Effect of Parenting against Smartphone Addiction	47
Mawaddah Nasution ^{1,*} , Siswanto Masruri ² , Khoiruddin Bashori ³	47
Model of Organizing Film Productio Amid the Covid-19 Outbreak in Indonesia.....	51
Citra Dewi Utami ^{1,*}	51
Accountability of Village Fund Allocation Management (ADD) in Village Government.....	56
Mohamad Sukarno ^{1,*}	56
Effect of Parenting against Moral Development of Children Aged 4-10 Years	62
Widya Masitah ^{1,*} Asmadi Alsa ² Abd.Madjid ³	62
The Influence of Family Communication on Children's Social Competence at SD Ar-Rahman Full Day School Medan.....	67
Juli Maini Sitepu ^{1,*} Asmadi Alsa ² Abd.Madjid ³	67
The Integration of Law and Religion for New Civilization in Indonesia	72
Dewi Nurul Musjtari ^{1,*} Nurmawati ² Zola Fi Dinillah Halim ³	72
Head of East Java Aisyiah Board Women's Empowerment Methods in Realizing Sustainable Development Goals Di Indonesia.....	78
Nur Azizah Hidayat ^{1,*} Iman Zukhrufi Nur Azzam ²	78
Optimization of Child-Friendly City Development Policy in Yogyakarta City	89
Septi Nur Wijayanti ^{1,*} Hanum Salsabila ²	89
The Obligation of Indonesian Government to Ratify the Rome Statute for the Global Justice	98
Muhammad Nur Islami ¹ , Martinus Sardi ²	98
Legal Politics of Restoration of Indonesia's State Policy Post Amendment of the 1945 Constitution	103
King Faisal Sulaiman ^{1,*}	103
Competition Price Regulations in an Islamic Perspective: Determination of the Aircrat Ticket Tariff	109
M. Tri Saputra ^{1,*} Mukti Fajar ND ²	109
Romanticism Dyanamics of Legal Politics Protection and Management of Environmental Protection to Indonesia's Ecocracy	116
Al Qodar Purwo S ¹ , Nur Azizah Hidayat ² , Iman Zukhrufi Nur Azzam ³	116
Ambiguity of Environmental Economic Instruments between Ecological or Economic Interests, in Controlling Environmental Damage in Special Region of Yogyakarta.....	123
Sunarno ¹ Arvin Setiyana Dewangga ²	123
The Law Enforcement against a Non-Sharia Compliance Banking Transaction by the Financial Services Authority in Indonesia	130
Dewi Nurul Musjtari ^{1,*} Nasrullah ² Aunurochim Mas'ad ³ Nurmawati ⁴	130



Shariah Audit Expectation-Performance Gap in Malaysian Islamic Banks.....	137
Supiah Salleh ¹ , Mustafa Mohd Hanefah ² , Zurina Shafii ³	137
Students' Attitudes towards Blended Learning Implementation in a private university of Yogyakarta	144
Avita Elok Faiqoh ¹ , Eko Purwanti ²	144
How Millenial Think About Privacy Concern?	152
Anissa Hakim Purwantini ¹ , Betari Maharani ¹	152
Impact Of Changes in Psak on the Competence of Lecturers and Students Understanding Levels.....	157
Duwi Rahayu ^{1*} , Imelda Dian Rahmawati ^{1*} , Bayu Hari Prasajo ¹	157
The Influence of Internal Locus of Control, Idealism, Ethical Knowledge, and Gender on Accounting Students' Ethical Perception.....	167
Aji Baskoro ^{1*} , Dyah Ekari Sekar Jatiningsih ¹	167
Effect of Net Income, Rupiah Exchange Rate, Interest Rate dan Inflation on Stock Price	174
Edon Ramdani ^{1*} , Zehan Nur Apsah ²	174
A Comparative Analysis on the Recognition of Zakat in the Taxation Systems of Malaysia and Indonesia	187
Suhaila Abdul Hamid ^{1*} , Ickuk Rangga Bawono ^{2*} , Ayu Ratu Wulandari ²	187
Developing an Environmental Tax Framework for Malaysia:	192
Izlawanie Muhammad ^{1*} , Norfakhirah Nazihah Mohd Hasnu ²	192
Determining Factors for Success Use of E-Learning in Learning Process in College.....	196
Mohammad Alfian ^{1*} , Hikmatul Maulidah ²	196
Effect Of Money Ethics And The Use Of Siskeudes On The Level Of Fraud In Village Fund Management With Religiosity As A Moderation Variable.....	202
Elisa Purwitasari ^{1*} , Mohammad Alfian ^{1*} , M. Sofyan Firman Syah ^{1*}	202
The Relationship between Performance Based Budgeting Implementation, Budget Absorption, Accountability and Local Government Performance.....	208
Parwoto ^{1*}	208
The Influence of Information Technology (IT) on Accrual Accounting Adoption of the Jordanian Public Sector .	217
Moawiah Awad Alghizzawi ^{1*} , Rosnia Masruki ¹	217
The Effect of Professional Skeptisism, Auditor Expertise, and Integrity of Audit Quality.....	224
Ruci Arizanda Rahayu ^{1*} , Sarwenda Biduri ^{1*} , Mahardika D. Kusuma Wardana ^{1*}	224
E-Procurement and Effectiveness of Internal Controls on Fraud Prevention	231
Sarwenda Biduri ^{1*} , Wiwit Hariyanto ^{1*} , Ilmi Usrotin ¹	231
Usefulness of Accounting Information in Predicting Hedging Decision	234
Sustari Alamsyah ^{1*} , Triana Zuhrotun Aulia ¹	234
Religious Belief & Halal Cosmetic Products Consumption	241
Tanti Handriana ¹ , Praptini Yulianti ² , Ryan Bayu Permana ³	241
Does Corporate Social Responsibility Disclosure Affect Profit Sharing Ratio?	246
Veni Soraya Dewi ^{1*} , Fritztina Anisa ^{1*} , Faqiatul Mariya Waharini ¹	246
Determination Analysis Affecting Intellectual Capital Disclosure and Its Effect on Market Performance and Cost of Equity Capital.....	252
Wawan Sadtyo Nugroho ^{1*} , Nia Kurniati Bachtiar ¹	252
TRACK HEALTH AND NURSING SCIENCE	261
The Effect of Assertive Behaviour Therapy towards Bullying Behavior in Adolescents	262
Chindy Maria Orizani ^{1*} , Dwi Yuniar Ramadhani ²	262
Characteristics and Level of Knowledge of Newborn Baby Care in Pandemic Covid 19	265
Devita Elsanti ^{1*} , Diyah Yulistika Handayani ²	265
Risk factors for disease severity in paediatric patients with Covid-19: A literature review	269
Eka Oktavianto ¹ , Gani Apriningtyas Budiyati ² , I Made Moh. Yanuar Saifudin ^{3*} , Endar Timiyatun ⁴ , Aris Setyawan ⁵	269
The Role of Self-Efficacy and Family Support in Improving the Quality Of Life of Patients with Hypertension ...	276
Erni Tri Indarti ^{1*} , Oktaffrasya Widhamurti ² , Remita Yuli Kusumaningrum ³	276
The Influence of Head Nurses Supervision on Discharge Planning Completeness	280
Etik Kustiati ^{1*} , Vivi Yosafianti Pohan ²	280
Lemon and Rose Aromatherapy Reduce Blood Pressure in Preeclampsia during Pregnancy	284
Etika Purnama Sari ^{1*} , Dewi Andriani ²	284



Phenomenology of Acceptance Process and Self Concept Changes of the Hernia Post-Surgery Clients in Kebumen Regency, Central Java Indonesia	288
Ike Mardiaty Agustin ¹ , Doni Kurniawan ² , Sawiji ³	288
The Role of Family Support to Medication, Diet and Activity of Diabetic Patients.....	292
Indah Wulandari ^{1,*} , Kusnanto ² , Sony Wibisono ³ , Dwi Abdul Aziz ⁴	292
The Effectiveness of Giving Fe Tablet in Increasing Hemoglobin Levels in Adolescent at Vocational School of Swadaya Temanggung.....	297
Halimah Sarjiyati ¹ , Luluk Rosida ^{2,*}	297
The Effect of Passive Physiotherapy on Hemodynamic Status of Patients with Head Injury: A Literature Review	300
Ni Luh Seri Astuti ¹ , I Made Moh. Yanuar Saifudin ^{2,7,*} , Novida Prima Wijayanti ³ , Marsha Yoke Nancy ⁴ , Ahmad Firdaus ⁵ , Sri Setiyorini ⁶	300
The Effectiveness of Cognitive Behaviour Therapy towards Hallucination Intensity in Skizofrenia Patients.....	312
Noviana Ayu Ardika ^{1,*} , Mohammad Fatkhul Mubin ²	312
The Effect of Tuberculosis Event on the Self-Concept of Positive Pulmonary Tuberculosis and Negative Pulmonary Tuberculosis	316
Nurbaiti ¹ , Meynur Rohmah ^{2,*}	316
An Overview of the Implementation of IMCI in Primary Health Community of Bantul and Yogyakarta City.....	320
Rahmah ^{1,*}	320
The Influence of Cervical Cancer Education on Cervical Cancer Prevention Behaviour in Women of Childbearing Age: a Literature Review	325
Riska Putri Miharja ¹ , Enny Fitriahadi ^{2,*}	325
Family Support for Type 2 DM Patients in Controlling Blood Sugar levels in Kebonsari Surabaya	330
Rusdianingseh ^{1,*} , Difran Nobel Bistara ²	330
Relationship Family Support with Menstrual Hygiene Behavior in Early Adolescents.....	333
Julita Kartrikasari Eka Pratiwi ¹ , Sarwinanti ^{2,*}	333
Risk Factors of Stunting: A Literature Review	339
Sholihah Gustavia Yolanda ^{1,*} , Ellyda Rizki Wijhati ²	339
Analysis of Education and Family Income Factors on Caregiver Burden in Elderly Care at Community Health Center of Perak Timur	345
Siti Aisyah ^{1,*} , Gita Marini ²	345
Analysis of Diet Compliance in Patients with Diabetes Mellitus on the occurrence of complications in the Polyclinic in Nganjuk Regional Hospital.....	350
Sony Wahyu Tri Cahyono ^{1,*} , Laili Indana Lazulva ² , Indah Permatasari ³	350
Anti-Cancer Activity of Ants Nest Plant (<i>Myrmecodia Pendans Merr. & Perry</i>) on Protein Transduction Signal Resistance Complex CDK-2-Cyclin-E and NF-Kb: Silico Molecular Docking Study.....	354
Ana Medawati ^{1,*} , Supriatno ² , Sofia Mubarika ³ , Sitarina Widyarini ⁴	354
Black Triangle Treatment with Non Surgeryaesthetic Restoration (Case Report).....	358
Any Setyawati ^{1,*}	358
The Effect of Rosella Flower Tea Solution Onto Discoloration of Plate Heat Cured Acrylic Resin Base	361
Fransiska Nuning Kusmawati ^{1,*} , Tabitha Nurul Arifa ²	361
Management of Dental Mobility with Combinations of Splinting And Jacket Crown.....	367
Hartanti ^{1,*}	367
Dental Service Time in the Implementation of Indonesia National Health Insurance Based on the Highest Dental Treatments At Primary Care	370
Iwan Dewanto ^{1,*} , Sharon Sesita Frinces ²	370
The Oral Hygiene Level Of Dentistry School Female Students Using Fixed Orthodontics	374
Muhammad Shulchan Ardiansyah ^{1,*} , Rizki Adzhani Nur Shabrina ²	374
Radix Anchor Post as Intracanal Retention in Porcelain Fused Metal Crown Restoration.....	378
Nia Wijayanti ^{1,*}	378
Correlation between Dental Behavior and Dental Caries Status (DMF-T) of Pendul Community Sedayu District Bantul Yogyakarta	381
Novitasari Ratna Astuti ^{1,*}	381
An Evaluation of the Training of Structured Feedback with 4c/Id Method in Clinic Advisors.....	385



Nyka Dwi Febria ^{1,*} , Mora Claramitha ² , Widyandana ³	385
Halal and Tayyib is The New Life Style of Food Consumption in Achieving Sustainable Development Goals ...	389
Arif Pujjiono ^{1,*}	389
Entrance and Exit Wound in Gunshot Death Cases at Forensic and Medicolegal Installation of Dr. Soetomo Hospital in 2019: Case Study	392
Desy Martha Panjaitan ^{1,*} , Ahmad Yudianto ² , Ariyanto Wibowo ³	392
Measuring Urban Self-Payers' WTP for the JKN-KIS Health Insurance: A Choice-Based Conjoint Approach ...	395
Fransiscus Rian Pratikto ^{1,*} Rika Teddy ²	395
Level of Lipoprotein (a) as A Predictive Factor for Coronary Thrombus.....	400
Iin Novita Nurhidayati Mahmuda ^{1,*}	400
The Influence of Health Education (Health Promotion) Breast Self Examination (BSE) Against Behavior of BSE (Knowledge, Attitudes, and Action) Student of Madrasah Aliyah Ar-Raudlatul Ilimiyah Islamic Boarding School Kertosono in Early Detection of Breast Cancer	403
Lina Nur Hidayah ¹ , Nurma Yuliyanasari ² , Musa Ghufro ³ , Muhammad Anas ^{4,*}	403
Case Report: Misdiagnosis Case Of Nasopharyngeal Carcinoma in Patient with Chronic Rhinosinusitis: Family Doctors Awareness is Essential	408
Oke Kadarullah ^{1,*}	408
The Effectiveness of Iler Leaf (<i>Plectranthus Scutellarioides</i> [L.] R.Br. <i>Folium</i>) on the Healing Process (Diameter) Of Burn Injury Grade II A on White Mouse (<i>Rattus Norvegicus</i>) Wistar Strain.....	411
Wulandini Ayuning Dinda ^{1,*} , Kusumawinakhyu Titik ² , Bahar Yenni ³ , Romdhoni Fadhol Muhammad ⁴	411
Influence of Body Height on Central Motor Conduction Time Using Transcranial Magnetic Stimulation	415
Yetty Hambarsari ^{1,*} , Priyanka Ganesa Utami ² , Rivan Danuaji ³ , Baarid Luqman Hamidi ⁴ , Subandi ⁵ , Sulistyani ⁶	415
The Effect of <i>Phoenix Dactylifera Pollen</i> on Histology Liver of <i>Rattus norvegicus</i> Exposed with Air Fresheners.....	419
Yuningtyaswari ^{1,*} , Mega Silviana Dewi ²	419
Comparison of Dominant and Non-Dominant Hemisphere Cortical Excitability Using Transcranial Magnetic Stimulation	425
Yetty Hambarsari ^{1,*} , Baarid Luqman Hamidi ² , Rivan Danuaji ³ , Priyanka Ganesa Utami ⁴ , Sulistyani ⁵	425





TRACK ECONOMICS, LAW, EDUCATION, SOCIAL, AND HUMANITIES



Usefulness of Accounting Information in Predicting Hedging Decision

Sustari Alamsyah^{1,*} Triana Zuhrotun Aulia¹

¹ Muhammadiyah Tangerang University
Tangerang, Indonesia

*Corresponding author. Email: doni.alamsyah06@gmail.com

ABSTRACT

The purpose of this study is to determine the effect of accounting information such as liquidity, cash flow volatility, sales volatility and leverage to hedge decisions. In order to minimize the potential risk of financial loss from the uncertainty of the transaction value due to changes in exchange rates. The research population is manufacturing companies of consumer goods sub-sector listed on the Indonesia Stock Exchange in 2014-2018. The reason researchers used the company it's because the sale and purchase transactions made by foreign companies with different currency units with reporting currencies. The sampling technique used is the purposive sampling method. Data analysis used logistic regression and testing of the hypothesis using the simultaneous f test and partial t test. The result of this research that simultaneously the independent variable influences the dependent variable. While partially the liquidity, volatility of cash flows and sales volatility affect hedging decisions, while leverage does not affect hedging decisions.

Keywords: Hedging Decision, liquidity, cash flows volatility, sales volatility and leverage

INTRODUCTION

The issue of free trade which has been intensified globally has resulted in increased business competition. This issue provides an opportunity for companies to maximize transaction activities, not only transactions with domestic entities, but also foreign entities. Transactions with domestic parties have consequences for being tied to the value of the currency prevailing in that country. Meanwhile, transactions with foreign entities have consequences for being tied to internationally accepted currencies, the consequence will have an impact on the transaction value if there are currency differences. Fluctuations in currency exchange rates have an effect on the increase or decrease in the value of transactions when measured in the standard currency (Shaari and Hasan, 2013). This will have implications for the gain or loss resulting from foreign exchange differences. An example of the case of Garuda Indonesia Corp which suffered losses due to a difference in exchange rates of IDR 2 trillion, this can be seen in the 2017 financial statements (www.idx.co.id).

One of the way to avoid the risk of loss due to exchange rate fluctuations is by hedging. Hedging can enable companies to predict cash expenses and receipts accurately, thereby improving the quality of cash budgeting decisions (Weston and Copeland, 1995). Hedging activities can be carried out using derivative instruments, such as futures, forward contracts, forex options and swaps from a transaction (Kurniawati et al., 2017). These instruments have a beneficial or adverse

effect due to differences in value at the time the transaction occurs and when the transaction is completed.

Hedging is one of the strategies implemented by the company to minimize the potential risk of loss that will be faced in the future due to foreign exchange differences. Risks faced by companies include exposure to exchange rate fluctuations, namely the extent to which company transactions can be affected by exchange rate fluctuations. Hedging in the definition above is part of currency exposure, which means determining a foreign exchange loss, for example, a loss or gain on the original value of a currency exposure can actually be equated with a gain or loss in currency exchange rates on a currency hedge (Shapiro, 1998). The hedging activity carried out by the company is influenced by several factors, both external and internal. From the external side, hedging can be affected by foreign exchange rates and macroeconomic instability. Meanwhile, from the internal side, it is influenced by transaction value, financial condition and company performance which can be seen based on accounting information, for example liquidity level, solvency, transaction size, company size and company policy itself in implementing risk management (Paramita, 2011).

According to the background of the problems above, the research motivation is: First, re-examining the company's internal factors used by previous research which obtained contradictory results (Research gap) on the influence of internal factors on hedging decision making Kurniawan and Asandimitra (2015); Mediana and Muharam (2016); Megawati, et al (2016); Krisdian

and Badjra (2017); and Fransisca and Natsir (2019); Aditya dan Asandimitra, (2017); Ariana dan Sudiarta (2017). Second, fluctuations in the exchange rate of the rupiah against foreign currencies that are unstable, have the potential to result in financial risks, especially for companies that have obligations in foreign currencies, so that the choice to hedge (hedging) is more appropriate; Third, knowing the lack of research that discusses hedging with derivative instruments in Indonesia is also a reference for re-examining the role of accounting information in hedging decision making. The accounting information includes liquidity, cash flow volatility, sales volatility and leverage.

THEORITICAL REVIEW AND HYPOTESIS

Risk Management Theory

Risk management is a series of systematic and structured procedures that are used to identify, measure, monitor and control all potential uncertainties related to threats or risks that occur from any activities carried out by the company (Rivai and Ismail, 2017). The potential risks that occur are pure and some are speculative (Condamin, et al, 2006). Pure nature, if the risk causes loss and occurs accidentally, for example, the occurrence of fire, theft, natural disasters, and so on. Meanwhile, it is speculative, that is, the risk that is intentionally caused by the company so that the uncertainty will give it an advantage, for example, the risk of debts, hedging, and so on. Effective and efficient risk management will result in a good level of performance and financial health for the company (Mohamed and Knapkova, 2016).

Hedging

Hedging is a strategy undertaken by a company to minimize the potential risk of loss that will be faced in the future (Fahmi, 2011). One of the risks faced by companies is due to changes in foreign exchange (exposure). Hedging is the exchange of future foreign currency with a reporting currency to protect the transaction value from changes in exchange rates (fluctuations). If company transactions (sales or purchases) generate debt or receivables in the form of foreign currency and fluctuating interest rates, the need for hedging is also felt to be even greater, especially by public companies that frequently carry out export and import transactions (Suryani and Fathoni, 2017).

Liquidity

Liquidity is a ratio that shows the company's ability to pay off short-term obligations (Sulindawati et al, 2017). With a high level of liquidity, this indicates the more liquid the company's ability to pay off all its short-term obligations. The more current assets, the more liquid the company is, and vice versa. However, if the amount is too much, it can be said that ideal capacity (excessive

capacity) indicates less effective management in managing company finances.

Cash Flow Volatility

PSAK No. 2 states that the cash flow statement can provide information that allows report users to evaluate changes in the company's net assets, financial structure and its ability to influence the amount of cash flows in order to predict the uncertainty of the operating environment (Martani, 2015). Cash flow volatility is an indicator used to deal with uncertainty in an operating environment where one of the causes is insufficient information. Cash flow volatility describes the fluctuations in cash flows that occur in a company, sharply fluctuating cash flows can cause difficulties in assessing future cash flows (Fanani, 2010). The higher the cash flow uncertainty, the greater the level of investment risk that may be faced and also the lower the cash flow uncertainty, the lower the risk.

Sales Volatility

Sales are a part which is very important of the operating cycle companies, especially in generating profits. Volatility of sales can show ability revenue in predicting cash flow in the future. Dechow and Dichev (2002) define volatility sales are the degree of spread distribution sales or spread index from distribution of sales generated by the company. Sales volatility measurement is performed by comparing standard deviation of sales during four years (2014-2018) in total assets owned by the company namely.

Leverage

Leverage or solvency ratio is a ratio that shows a company's ability to pay off all its short-term and long-term financial obligations if the company is liquidated. (Muliawan & Cholid: 2019). Leverage ratio describes the relationship between corporate debt to assets (Sarra dan Alamsyah, 2018). Good leverage is a company that has bigger assets than debt.

Conceptual Framework

In managing risk, companies definitely need accurate information, both external and internal. External information includes macroeconomic conditions and changes in foreign currency, while internal information is information derived from the accounting function, such as liquidity levels, cash flow volatility, sales volatility and company leverage (Ross, 1997). With this information, the company is expected to be able to make the right decisions, especially the decision to hedge from transactions affected by foreign exchange rates with the aim of avoiding all potential financial risks that may occur in the future. Based on this explanation, the framework of this study is as follows:

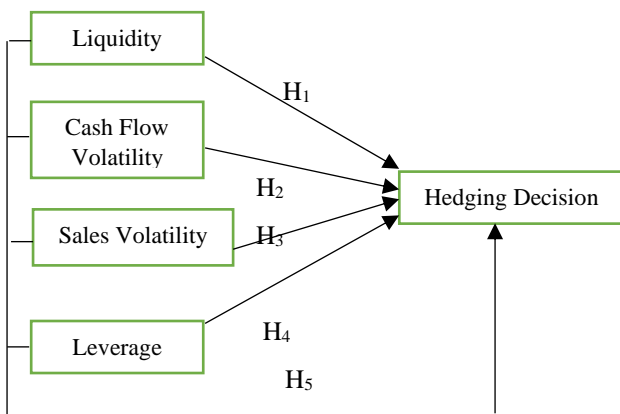


Figure 1. The Framework of the Research

Research hypothesis:

- H1: Liquidity affects the hedging decision
- H2: Volatility of cash flows affects hedging decisions
- H3: Leverage affects the hedging decision
- H4: Sales volatility affects the hedging decision

H5: Liquidity, cash flow volatility and leverage simultaneously affect hedging decisions.

THE METHOD OF RESEARCH

Research designs

This research is quantitative associative with the type of relationship between variables is causality and the unit of analysis is the financial report. Data analysis used logistic regression with the help of the SPSS 24 program.

Population and Sample

The research population is manufacturing companies in the consumer goods sub-sector listed on the IDX in 2014-2018. The sampling technique used purposive sampling, the criteria are: 1. Manufacturing companies in the consumer goods sub-sector listed on the IDX in 2014-2018; 2. Issuing complete and audited financial statements; 3. Has transaction exposure (debt or receivables) in foreign currency; 4. Hedging during the year of observation.

Operational Definition and Variable Measurement

Dependent Variable

Hedging decision is a decision taken by the company to minimize the potential risk of loss that occurs on transactions that are affected by foreign exchange fluctuations. The measurement of the variable is dummy, with a score of 1 for companies that are hedging and a

score of 0 for companies that are not hedging (Fahmi, 2011).

Independent Variable

1. Liquidity, which is proxied by Current Ratio (CR), is the ratio of current assets to current debt (Kasmir, 2014).

2. Cash Flow Volatility, is an index of the distribution of the company's cash flow distribution. Measured using the deviation of operating cash flow for 5 (five) years, divided by total assets in year t (Fanani, 2010).

3. Sales volatility, is the degree of spread of distribution sales or spread index from sales distribution. Sales volatility measurement is performed by comparing standard deviation of sales during four years (2014-2018) in total asset (Dechow and Dichev, 2002).

4. Leverage, is proxied by the Debt to Asset Ratio (DAR) (Kurniawan, 2018).

Data Analysis

Data analysis techniques consist of (Ghozali, 2016):

1. Descriptive statistical analysis;
2. Goodnees of fit model;
3. Assess the overall model;
4. Classification table;
5. Multicollinearity test;
6. Coefficient of determination;
7. Hypothesis testing

RESULT AND DISCUSSION

Overview of Research object

The object of this research is manufacturing companies in the consumer goods sub-sector listed on the IDX, namely companies whose activities are to process raw materials into finished products and sell products directly to consumers or other companies (Alamsyah, 2019). The total number of consumer goods sub-sector manufacturing companies listed on the Indonesia Stock Exchange from 2014-2018 respectively is 43 companies (www.idx.co.id). The sampling criteria are as follows:

Table 1. Determination of the number of samples

Criteria	Amount
Consumer goods sub-sector manufacturing companies listed on the IDX consecutively during 2014-2018	43
Failure to publish complete and audited financial reports	(3)
Do not have business exposure (receivables or payables) in foreign currency	(5)
Did't hedge during the year of observation	(4)
Number of sample companies	31
Number of Observations (31 x 5 years)	155

Descriptive statistical analysis:

Descriptive Statistic analysis can be seen in the table below:

Table 2. Descriptive statistic

Descriptive Statistics					
	N	Min	Max	Mean	Std. Dev
Hedg	155	0	1	.64	.482
CR	155	.28	3.97	2.1228	.94372
VAK	155	.01	2.37	.9559	.42644
SV	155	.04	4.36	2.375	.85432
DAR	155	.02	5.18	.8437	.70078
Valid N (listwise)	42				

Feasibility Testing of Regression Models

Hosmer and Lemeshow's Goodness of Fit Test, was used to assess the feasibility of the regression model.

Table 3. Feasibility Testing of Regression Models

Hosmer and Lemeshow Test			
Step	Chi-square	Df	Sig.
1	8.852	8	.355

The Hosmer and Lemeshow Test value shown in the Chi-square value is 8,852 and the sig. 0.355 which value is above 0.05. It can be concluded that the model is able to predict the value of the observation so that it can be said that the model is acceptable because it matches the observation data (Ghozali, 2016).

Overall Model Fit

The result of overall model fit, can be seen in the table below

Table 4. Overall model fit

		Iteration History ^{a,b,c,d}					
				Coefficients			
Iteration	-2 Log likelihood	Constant	CR	VAK	VS	DAR	
Step 1	1	51.040	1.042	-.145	.546	.357	-.452
	2	50.977	1.150	-.175	.679	.385	-.555
	3	50.977	1.154	-.176	.685	.389	-.560
	4	50.977	1.154	-.176	.685	.392	-.560

In the table above, the initial -2LL value is 51.040 and after entering the three independent variables, the final -2LL value has decreased to 50,977. This -2LL decrease indicates that the regression model is good or the hypothesized model is fit with the data (Ghozali, 2016: 341).

Coefficient of Determination

The coefficient of determination of the logistic regression model is shown in the Nagelkerke R square value and can be seen in table:

Table 5. Coefficient of Determination

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	50.977 ^a	.583	.613

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

The Nagelkerke R square value in table 4.4 above is 0.613, which means that the variability of the dependent variable that can be explained by the independent variable is 61.3% and the remaining 39.7% is explained by other variables outside the research model (Ghozali, 2016).

Multicollinearity Test

Multicollinearity testing in logistic regression uses a correlation matrix between independent variables.

Table 6. The result of multicollinearity test

		Correlation Matrix					
		Constant	CR	VAK	SV	DAR	
Step 1	Constant	1.000	-.593	-.315	-.345	-.556	
	CR	-.593	1.000	-.275	.365	.199	
	VAK	-.315	-.275	1.000	.684	-.267	
	SV	-.345	.365	.684	1.000	-.285	
	DAR	-.556	.199	-.267	-.285	1.000	

The test results show that there is no correlation coefficient between independent variables that is greater than 0.8, so it can be concluded that there is no indication of multicollinearity in this study (Ghozali, 2016).

Classification Table

Table 6. The result of classification table

Classification Table ^a					
	Observed	Predicted			
		Hedg		Percentage	
		0	1	Correct	
Step 1	Hedg	0	0	56	.0
		1	0	99	100.0
	Overall Percentage				

a. The cut value is .500

The results of the SPSS output in table 6 can be concluded that the predictive power of the regression model in predicting the possibility of companies doing hedging is 69%. This means that by using this regression model there are as many as 99 who are predicted to hedge from a total of 155 observations.

Logistic Regression Analysis Results

The logistic regression model can be formed by looking at the estimated value of the parameter variables in the equation. Estimates of model parameters and their level of significance can be seen in the table below.

Table 7. Logistic Regression Analysis Results

		Variables in the Equation					
		B	S.E.	Wald	Df	Sig	Exp(B)
Step 1 ^a	CR	-.176	.333	3.280	1	.047	5.838
	VAK	-.685	.916	3.560	1	.044	4.985
	SV	.273	.645	3.437	1	.038	4.375
	DAR	.560	.761	.540	1	.462	.571
	Const	1.154	1.260	.839	1	.360	3.169

a. Variable(s) entered on step 1: CR, VAK, SV DER.

The table above shows the test results with logistic regression at an error level of 0.05. The regression model is formed based on the estimated parameter values in the variables in the equation:

$$\text{Hedge (P / (1-P))} = 1.159 - 0.176\text{CR} - 0.685\text{VAK} + 0.273\text{SV} + 0.560\text{DAR} + \epsilon$$

From the results of the logistic regression analysis, the constant value is 1.154, this shows that if all the coefficients of the independent variables (CR, VAK, and DAR) are zero, the hedging decision value is 1.154.

The Result of Testing Hypothesis

The table below shows the results of testing the hypothesis partially and simultaneously using logistic regression analysis:

Hypothesis Testing

H₁: There is an effect of liquidity (CR) on hedge decisions

Based on table 7, the sig value of the liquidity variable (CR) is 0.047 which is smaller than α (0.05), it can be concluded that the first hypothesis (H₁) which states that liquidity affects hedging decisions is **accepted**.

H₂: There is an Effect of Cash Flow Volatility (VAK) on Hedge Decisions

Based on table 7, the sig value of cash flow volatility (VAK) is 0.044 which is greater than α (0.05), it can be concluded that the second hypothesis (H₂) states that firm size affects hedging decisions is **accepted**.

H₃: There is an Effect of Sales Volatility (SV) on Hedge Decisions

Based on table 7, the sig value of sales volatility (SV) is 0.038 which is greater than α (0.05), it can be concluded that the third hypothesis (H₃) states that sales volatility affects hedging decisions is **accepted**.

H₄: There is an Effect of Leverage (DAR) on Hedge Decisions

Based on table 7, the sig value of the leverage variable (DAR) is 0.462 which is greater than α (0.05), it can be concluded that the fourth hypothesis or H₄ which states that leverage has an effect on hedging decisions is rejected.

H₅: There is a simultaneous effect of liquidity, company size and leverage on hedge decisions.

Table 2 above shows that the chi-square value is 8,852 with a probability level of 0.355 which is greater than 0.05, so it can be said that liquidity, company size, and leverage simultaneously affect hedging decisions or H₅ is **accepted**.

Discussion

The results of research conducted on H₁-H₄ testing indicate that there are hypotheses that are accepted and rejected. The discussion of each hypothesis is as follows:

The effect of liquidity on hedging decisions

The results showed that liquidity had a negative effect on hedging decisions. The liquidity that is represented by the current ratio is the ratio between current assets and current liabilities owned by the company. A high liquidity level indicates that the entity has a great ability to pay off its short-term obligations. The more liquid a company is, the smaller the risk of failure of the company to fulfill its short-term obligations so that the potential for financial difficulties that will occur is very small, this will have an impact on decreasing hedging activities. In addition, companies that have a high level of liquidity have a greater opportunity to develop their business so

that their funds tend to be used for activities other than hedging activities. Thus the higher the liquidity value, the lower the hedging activity is carried out because the risks that arise tend to be low and vice versa (Guniarti, 2011).

The effect of cash flow volatility on hedging decisions

The results prove that the volatility of cash flows has a negative effect on hedging decisions. Cash flow volatility is the fluctuation or the varying movement of cash flows that occurs from one period to the next (Fanani, 2010). The high volatility of cash flows indicates that the turnover of operating cash flows to total assets is getting higher, so that the company's operational activities run optimally. The higher the level of cash flow volatility indicates that the company has higher cash availability, so that the company's ability to face all potential financial risks that may occur can be faced, this will have implications for decreasing the level of hedging of a transaction. The results of the study are in line with research conducted by Mediana and Muharam (2016) who found that cash flow volatility affects hedging decisions.

The effect of sales volatility on hedging decisions

The results showed that sales volatility have a positive effect on hedging decisions. This occurs because the high pressure on sales illustrates that sales transactions made by the company occur very often. An increase in the sales value will result in a large number of transaction exposure, especially if the sales transaction is carried out on credit and involves a currency that is different from the reporting currency. So that the potential for the company to receive losses will be even greater if there is a negative fluctuation of the foreign exchange rate. Therefore, the company will endeavor to overcome this potential loss by hedging transactions. So, it can be concluded that the greater the sales volatility, the greater the hedging decisions to be taken.

The effect of leverage on hedging decisions.

The results prove that leverage proxied by the debt to asset ratio (DAR) has no effect on hedging decisions. DAR is the company's ability to pay off all its debts that can be guaranteed from the total assets it owns. The high level of leverage will have implications for companies becoming more cautious in facing all financial risks that occur, so that companies are more conservative in financial management. In protecting the transaction value, a large cost of hedging is required, so that companies with high debt levels tend to ignore hedging, because the high costs incurred will have an impact on the company which will ultimately affect the company's financial condition. The results of this study are in line with research conducted by Megawati et al. (2016).

The Effect of liquidity, the cash flows volatility, sales volatility and leverage on hedging decisions

The results showed that simultaneously all independent variables had an effect on hedging decisions. This means that the accounting information contained in the financial statements can help predict the company's ability to hedge. With accounting information, users of financial reports can assess the condition and ability of an entity in a certain period, so that they are able to predict activities that a company undertakes, such as hedging activities.

CONCLUSION OF THE RESEARCH

Based on the results of the analysis that has been done, the conclusions of this study are:

1. Simultaneously, the variables of liquidity, cash flow volatility, sales volatility and leverage affect hedging decisions.
2. Partially, the liquidity, cash flow volatility variables have a negative effect on hedging decisions, sales volatility have positive effect on hedging decision, and leverage has no effect on hedging decisions.

Research Findings

Negative effects of liquidity and cash flow volatility on hedging decisions, this shows that companies have a high level of liquidity and cash flow tend to reduce hedging transactions because the large transaction costs can reach 5% of the transaction value, so it will become a financial burden that must be avoided for the company.

Limitations

The number of samples obtained is very small when compared to the total population, so that the results of this study are not sufficient to generalize. And the year of observation was quite short.

Recommendation

For the future research, you should add to the sample used in the study, such as using all manufacturing companies or use other variables such as accounting profit, firm size or the volatility of accounts receivable.

REFERENCES

- [1] Aditya, Angga Tri dan Nadia Asandimitra. (2017). Pengaruh Leverage, Likuiditas, Market To Book Value, Financial Distress dan Firm Size Terhadap Keputusan Hedging Sektor Consumer Goods Industry Periode 2011-2016. *Jurnal Ilmu Manajemen*, Vol 7 (2), Universitas Negeri Surabaya.
- [2] Alamsyah, Sustari dan Hustna Dara Sarra. (2019). Perilaku Analisis Efek Di Pasar modal Indonesia Berdasarkan Perspektif Laporan Keuangan. *Jurnal Online*

- Insan Akuntan. Vol 4, No 2. E-ISSN : 2528-016. Hal : 157-170. Universitas Bina Insani. Bekasi
- [3] Ariana, Ni Nengah Novi dan Gede Merta Sudiartha. (2017). Pengaruh Leverage, Profitabilitas, dan Likuiditas Terhadap Keputusan Hedging PT. Unilever Tbk. E-Jurnal Manajemen Unud, Vol. 6 No. 3, 1312-1339. Universitas Udayana.
- [4] Condamin, Laurent. Jean-Paul Louisot, and Patrick Maim. 2006. "Risk Quantification: Management, Diagnosis and Hedging". Chicester, UK : John Wiley & Sons Ltd.
- [5] Dechow, P. and I. Dichev. 2002. The Quality of Accruals and Earnings: The Role of Accruals Estimation Errors. *The Accounting Review*, 77 (Supplement), 35-39.
- [6] Fahmi, I. 2011. Manajemen Risiko, Teori, Kasus dan Solusi. Bandung: Alfabeta.
- [7] Fanani, Zaenal. (2010). Analisis Faktor-Faktor Penentu Persistensi Laba. *Jurnal Akuntansi dan Keuangan Indonesia (JAKI)*, Vol 7, No 1. Universitas Indonesia.
- [8] Ghozali, Imam. (2016). Aplikasi Analisis Multivariate dengan Program SPSS. (Edisi Ketujuh) : Badan Penerbit Universitas Diponegoro. Semarang.
- [9] Ikatan Akuntan Indonesia. (2018). Standar Akuntansi Keuangan per 1 Januari 2018. Penerbit : Salemba Empat. Jakarta.
- [10] Kasmir, 2014. Analisis Laporan Keuangan, Edisi Pertama, Cetakan Ketujuh. Jakarta: PT. Rajagrafindo Persada.
- [11] Kieso, Donald E, Jerry J. Weygant dan Terry D. Warfield. (2012). Akuntansi Intermediate, Jilid 1 dan 2. Edisi 12. Gelora Aksara Wacana.
- [12] Krisdian. Ni Putu Candra dan Ida Bagus Badjra (2017). Pengaruh Ukuran Perusahaan, Tingkat Hutang, Dan Kesulitan Keuangan Terhadap Keputusan Hedging Pada Perusahaan Manufaktur Indonesia. E-Jurnal Manajemen Unud, Vol. 6, No. 3, 2017: 1452-1477 ISSN : 2302-8912.
- [13] Kurniawan, Dimas Prasetyo dan Nadia Asandimitra. (2017). Analisis Faktor Yang Mempengaruhi Penggunaan Instrumen Derivatif Sebagai Pengambilan Keputusan Hedging Pada Perusahaan Yang Terdaftar Di BEI Periode 2011-2015. *Jurnal Ilmu Manajemen*. Vol 6 No 1. Universitas Negeri Surabaya.
- [14] Martani, et al. (2015). Akuntansi Keuangan Menengah Berbasis IFRS, Penerbit : Salemba Empat. Jakarta.
- [15] Mediana, Ima dan Harjum Muharam. (2016). Analisis Faktor-Faktor Yang Mempengaruhi Keputusan Lindung Nilai (Hedging) Menggunakan Instrumen Derivatif (Studi Kasus Pada Perusahaan Manufaktur Dan Perusahaan Energi Dan Sumber Daya Mineral Yang Terdaftar Di BEI Periode 2010-2014). *Diponegoro Journal Of Management*. Vol 5, No 2, Tahun 2016. Hal 1-14. ISSN (Online) : 2337-2982. Semarang.
- [16] Megawati, et al. 2016. Determinasi Keputusan Hedging Pada Perusahaan Manufaktur Di Bursa Efek Indonesia. E-Jurnal Ekonomi dan Bisnis Universitas Udayana 5.10 (2016). ISSN : 2337-3067. Bali.
- [17] Mohammed, Hamdu Kedir and Adriana Knapkova. 2016. "The Impact of Total Risk Management on Company's". 19th International Conference Enterprise and Competitive Environment. 10–11 March 2016, Brno, Czech Republic.
- [18] Paramita, E. S. (2011). Kebijakan Hedging Dengan Derivatif Valuta Asing. Seminar Nasional Ilmu Ekonomi Terapan Fakultas Ekonomi UNIMUS 2011 , 1-10.
- [19] Rivai, Veithzal dan Rifki Ismail. (2013). Islamic Risk Management for Islamic Bank. Gramedia Pustaka Utama. hlm. 63-66. Jakarta
- [20] Ross, S. A. (1977). The Determination of Financial Structure: The Incentive Signalling Approach. *Journal of Economics*, 8(1), 23-40.
- [21] Saragih, Friska dan Musdholifah. (2017). Pengaruh Growth Opportunity, Firm Size, dan Liquidity Terhadap Keputusan Hedging pada Perusahaan Perbankan Indonesia. *Jurnal Ilmu Manajemen Fakultas Ekonomi*. Vol 5 No 2. Universitas Negeri Surabaya
- [22] Sarra, Hustna Dara dan Sustari Alamsyah. (2018). Creative accounting behavior dalam perekeyasaan laporan keuangan pada perusahaan manufaktur terdaftar di BEI. *Jurnal Online Insan Akuntan*. Vol 3, No 2. E-ISSN : 2528-016. Hal : 89-100. Universitas Bina Insani. Bekasi
- [23] Shaari, N. A., & Hasan, N. A. (2013). The Determinants of Derivative Usage: A study on Malaysian firms. *Interdisciplinary journal of contemporary research in business (ijcrb.webs.com)*, 1:17.
- [24] Shapiro, Daniel M dan Eric R Gedajlovic. 1998. Management and Ownership Effects: Evidence from Five Countries. *Strategic Management Journal* (19): hal. 533-553.
- [25] Sulindawati, Ni Luh Gede Erni, Gede Adi Yuniarta dan I Gusti Ayu Purnamawati. 2017. Manajemen Keuangan : Sebagai Dasar Pengambilan Keputusan Bisnis. Depok : Rajawali Pers.
- [26] Weston, J. Fred., dan Thomas E. Copeland. 1995. Manajemen Keuangan, Edisi 8. Jilid 1. Alihbahasa : Jaka Wasana dan Kirbrandoko. Gelora Aksara Pratama, Jakarta
- [27] Gatra.com.(2018). diakses pada Januari 2020, <https://www.gatra.com/detail/news/336915-Biaya-Hedging-Kemahalan-Pengusaha-Ogah-Konversi-Devisa-Ekspor>
- [28] www.idx.co.id. (2017). Diakses pada januari 2020

Religious Belief & *Halal* Cosmetic Products Consumption

*Tanti Handriana¹, Praptini Yulianti², Ryan Bayu Permana³

^{1,2,3} Department of Management, Faculty of Economics and Business, Universitas Airlangga, Surabaya, Indonesia

*Corresponding author. Email: tanti.handriana@feb.unair.ac.id

ABSTRACT

This study aims to conduct an analysis of the millennial generation regarding their consumption of *halal* cosmetic products. A qualitative research approach was used in this study, using in-depth interviews to collect data from research informants. The informants in this study are 27 people. The study found that the reasons for the millennial generation to consume *halal* cosmetic products is because these products are in accordance with the guidance in religion, they perform as expected, they're affordable, easy to get, endorsed by celebs, as well as the users feel comfortable when using *halal* cosmetic products, they trust the benefits and safety of the products and enjoy the attractive promotions. The results of this study are expected to contribute to the development of consumer behavior theory, especially in *halal* cosmetic products in developing country where the majority of the population is Muslim.

Keywords: *millennial generation, in-depth interview, female, halal cosmetic product.*

INTRODUCTION

As a woman, generally have the hope of looking good. As one of the ways taken by most women is to use cosmetics in their daily appearance. This is captured by the producers and marketers of cosmetic products by providing a wide variety of cosmetic products in the market. Various tempting offers from producers and marketers make consumers, especially women, interested in buying and using these products. In this case, it includes Muslim female consumers. As a Muslim, consuming *halal* products is mandatory, including consuming cosmetic products

Cosmetics that do not contain ingredients that are not justified by Islamic law and are carried out in accordance with Islamic law is the meaning of *halal* cosmetics. These products are currently being offered by many producers and marketers to the world community. In Indonesia, to guarantee that cosmetic products are *halal* and of good quality, *halal* certification from the Indonesian Ulema Council (MUI) is required. and a permit from the Food and Drug Inspection Agency (BPOM). These two institutions are institutions that are under government control. These institutions are established in order to guarantee the security and safety of consumers or society in general.

From the results of a preliminary survey of millennial generation women in Indonesia, it was found that they had practiced the teaching that the food and drinks they consumed were *halal*. However, it is different from when they consume cosmetic products, some of them think that cosmetic products are not products to be eaten or drunk,

so they do not need to fulfill *halal* elements. Meanwhile, the definition of *halal* is related to everything that is allowed according to Islamic teachings, and preferably something that is not allowed is called *haram*. In a broad context, the meaning of *halal* is related to all activities, how to dress, behavior, and how to get sustenance are also included in it. This study focuses on the behavior of the Muslim millennial generation in consuming *halal* cosmetic products. By conducting this research, it is hoped that a comprehensive picture will be obtained regarding the buying behavior of the millennial generation in *halal* cosmetic products based on religious belief. The findings from this study are expected to contribute to the development of consumer behavior theory, especially regarding the purchase of *halal* cosmetic products for the millennial group.

The *halal* labeled product industry continues to increase. The total annual trade in *halal* products on the global market has reached US \$580 billion [1]. In Indonesia, the market for *halal* cosmetic products seems to increase in demand annually. Currently, *halal* cosmetic products can also be found in various countries such as Thailand, Malaysia, Canada, USA, UK, Japan and other countries.

The term cosmetics is defined as a combination of ingredients that are ready to be used or applied on the outside of the human body, for example hair, lips, skin, teeth and oral cavity, with the aim of cleaning, providing additional attractiveness, and other uses, but not intended. to cure or treat a disease [2]. Thus, for consumers, cosmetics are expected to provide many