

Investor Experience and Expectation towards Decision-Making Process

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Chou et al. (2010) examined the relationship between investment experience and risk propensity, risk propensity to risk perception. This study developed Chou et al. (2010) by adding testing on risk perception to return expectation and investment experience on return expectation. This research will test the effect of investment experience on risk propensity, risk propensity on risk perception, and investment experience on return expectation. This research contributes to the issues of investors' decision-making toward several factors such as risk propensity, risk perception, investor experience, and return expectation. The results showed that investment experience positively affects risk propensity, risk propensity negatively affects risk perception, and risk perception positively affects return expectation. The research found an indirect effect of risk perception to return expectation. This result is likely because individual investors trade more in the short-run than in the long-run. This trend strengthen because more individual investors prefer technical rather than fundamental analysis.

Key words: *Investment Experience, Risk Propensity, Risk Perception, Return Expectation.*

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Research Background

Various factors are affecting investment. Losses and profits will provide a meaningful personal experience to investors, thus influencing their behaviour and attitudes towards the risks of financial products (Chou et al., 2010). The experience will change attitudes and behaviour, as well as making investment decisions in the future. Breckler & Wiggins (1989) explain that attitudes obtained through experience will influence subsequent behaviour. In this study, factors that show investor attitudes and behaviour are risk propensity and risk

perception. Risk propensity is a tendency towards specific risk, while risk perception is an assessment of decision-makers (investors) on the risks that exist in a particular situation (Sitkin & Pablo, 1992). Research on decision making can help investors objectively understand financial risks and able to evaluate investment instruments.

The study of behaviour finance states that investors are less likely to act rationally or consider all available information in their decision-making processes. Their irrational behaviour shows opposition to the traditional financial theory that previously considered investors as individuals who conducted investment valuations and rational decision making.

Kahneman and Tversky (1979) describe aspects of behaviour into the economy based on risk indicators. Kahneman and Tversky (1979) find that people seem irrational, and utility theory fails to explain the process of investment decision making. Prospect theory explains that a problem framing situation will determine a person's reaction to risk. Investors tend to protect the profits obtained previously in determining subsequent investment decisions. This argument shows that investors tend to be risk-averse. Staw, Sandelands and Dutton (1981) supported the argument and argued that a person with the possibility of loss would be defensive and risk-averse. Eric et al. (2015)' study shows that bank risk management decisions tend to engage in risk-taking behaviour because of limited analysis and human resource capabilities, and not just risk management techniques. Eric et al. (2015) show that the risk received by bank management increases; therefore, management tends to be risk-averse. However, Bedi and Kaur (2016) find that eagerness of the firm's top management as a decision-maker to exploit an environmental opportunity determines the risk-taking ability. The decision of risk-taking projects or opportunities will increase investor's risk propensity and accept riskier projects.

Osborn and Jackson (1988), and Thaler and Johnson (1990) oppose prospect theory arguments. They predict future risk behaviour and find that success in the past will encourage investors to take more risk. However, Bedi and Agarwal (2017) claim that the risk-taking propensity is not significantly associated with the age, size, type, and nature of a firm. Therefore, this research is crucial in determining risk propensity and investor decisions. Sitkin and Pablo (1992) also find different research results when testing the prospect theory. They developed a model based on theoretical analysis to provide other suggestions related to the contradiction. Sitkin and Pablo (1992) examine the risk propensity and risk perception issues in their role in supporting and counter-supporting arguments of prospect theory. Sitkin and Weingart (1995) examine the risk propensity and risk perception models as mediators to the influence of problem framing and outcome history on risky investment decision-making behaviour. Sitkin and Weingart (1995) conclude that mediation risk behaviour influences investment decisions. Dong et al. (2006) explain that irrational behaviour often occurs incorporate actions that involve an enormous investment value, for example, in a takeover or

acquisition of a company. Managers conducted firm acquisitions tend to be more risk-takers because of differences in their risk perception towards the target firm.

Byrne (2005) describes risk perception in investment decisions. The role of risk propensity and previous experience is also quite important. Experienced investors have a better evaluation of investment risk. Chou et al. (2010) evaluate risk attitudes towards investment instruments and estimate alternative sources of information such as the level of investor's optimism expectations. Through risk perception and risk propensity, which are mediators for attitudes, financial institutions can understand the influence of investor behaviour and return expectation.

Referring to Chou et al. (2010), investment experience in this study acts as an anchor, which is a benchmark of investor decision making. Risk propensity and risk perception show the attitude and behaviour of investors based on previous investment experience, whereas the return expectation of financial instruments reflects the decision making of investors on the selected investment. This research will test the effect of investment experience on risk propensity, risk propensity on risk perception and investment experience on return expectation.

Literature Review

Risk Propensity

According to Sitkin and Pablo (1992), risk propensity is an individual characteristic that influences risk behaviour and is conceptualised as a tendency to take risks. Furthermore, Markowitz (2010) defines risk tolerance as several risks accepted by individuals to achieve a goal. The definition indicates questions such as: "Indicate your feelings or preferences while investing in financial instruments X according to the level of risk." Possible answers to these questions are: "very dislike, rather dislike, like, or like it very much."

Wong (2005) defines risk propensity as the tendency of decision-makers to avoid or take risks. Individuals have different risk-taking behaviours. More mature decision-makers in terms of seniority and age have a lower risk propensity compared to young decision-makers, so they are risk-averse. Thus, high-risk propensity individuals are more risk-seeking, while lower risk propensity individuals are more risk-averse.

The risk behaviour determinant model proposed by Sitkin and Pablo (1992) explains that a person's risk propensity determines risk preferences, inertia, and outcome history. Furthermore, Sitkin and Weingart (1995) argue that risk propensity persists simultaneously and can change over time as a result of previous experiences. Richards et al. (1997) support

this statement by stating that risk propensity can change as a result of the learning process. Richards et al. (1997) also mention that when knowledge increases, their willingness to accept a higher level of risk also increases. This statement contradicts the traditional concept of risk, which states that risk propensity is permanent, constant, inherent, and not influenced by surrounding conditions (Richards et al., 1997). Weber, Blais and Betz (2002) state risk attitude as a construct to distinguish stable and unchanged individuals even though with different stimuli or contexts. Besides, Antony, Lin and Xu (2001) show that risk is relatively stable and unaffected by the situation or surrounding environment. Bedi and Kaur (2016) argue that managers would take higher risks to exploit business opportunities that give higher returns. Bedi and Agarwal (2017) further discuss the effect of age, size, type, and nature of business on risk propensity. Their result shows no significant effect of age, size, type, and nature of business on risk propensity.

Markowitz (2010) suggests that distinguishing between risk tolerance or risk propensity and risk perception is important to understand risk. Risk is a word often heard and part of every decision-making process. The word is identified as a negative connotation, therefore usually avoided because it is an undesirable event. For example, there is a risk to collide with motorised vehicles when someone travels by motorbike.

Risk Perception

Perception is a process carried out by individuals in selecting, organising, and interpreting stimuli into meaningful and logical images. Risk perception is a subjective assessment possibility of an unexpected event and concern about the consequences. Peter and Ryan (1976) define perception of risk as a subjective loss assessment. Risk perceptions include evaluating the possible consequences of poor outcomes. Risk perception is a tool to assess individual tendencies towards risk. A person with the right level of perception towards risk means that he understands the risks he will experience (Sitkin & Pablo, 1992; Roszkowski & Davey, 2010).

Risk perception, according to Sitkin and Pablo (1992), is an assessment of decision-makers on the risks that exist in a situation. The previous studies such as Douglas (1985), Dutton and Jackson (1987), and Vlek and Stalen (1980) have a consistent definition of risk perception with Sitkin and Pablo (1992). An example question of risk perception is "Indicate how risky you are in seeing investment X." Possible answers are "not too risky, somewhat risky, risky, and high risk" (Markowitz, 2010).

According to Sitkin and Weingart (1995), the assessment of risk reflects the degree to which a person considers a situation as negative, as a threat, and is out of control. Weber and

Milliman (1997) state risk perception as the main factor causing changes in behaviour in betting because a person's risk preference or risk attitude is stable.

In the ideal case, one must fully understand the risks they will face before planning with probabilistic results. In most cases, extensive experimental evidence is not available. Therefore, individuals depend on their probabilistic and subjective judgment. The assessment is not always accurate and sometimes systematically biased. Proper analysis of the nature and level of bias is hampered by a lack of data, especially the data of individual probability assessment and the actual risks.

Investment Experience

The failure and success of investors in investing can provide personal experience and influence future decision making. Nofsinger (2006, p. 33) explains that people tend to use the results that occur in previous events as a factor in evaluating current risk decisions. Investors will want to take greater risks after making a profit and prefer less risk after receiving a loss. House-money effects occur when a person gains experience in the form of profits, so they are willing to take more risks. On the other hand, after experiencing financial losses, a person will have a lower desire to take risks, which is called a snake-bite effect or risk-aversion effect. Thus, when experiencing a loss, people often feel they will continue to experience misfortune. Therefore, they avoid risk.

Sitkinand and Weingart (1995) show that successful or unsuccessful outcomes define outcome history as the degree to which decision-makers believe that previous decisions related to risk. This variable reflects the overall mentality of the individual that represents how well he is satisfied in a situation similar to his previous experience. In this study, successful investment events are the profits obtained by investors, while investment failures are losses experienced by investors.

Osborn and Jackson (1988), Thaler and Johnson (1990), and Sitkinand and Weingart (1995) argue that success or failure of investment affects how decision-makers assess risky situations and determine their actions. Thus, the events that occurred before will affect the tendency of decision-makers to take risks. Chou et al. (2010) state that prior investment experience and investor expertise will provide awareness of risk and become important factors for risk assessment in the future. Investment experience is an important factor that influences behaviour and is an anchor effect or anchor value.

Return Expectation

The investment procedure includes a basic understanding of the decision process and how to organise investment activities. To understand the investment process, an investor must first know the basic concept as a foundation in every stage of making investment decisions. The fundamental factor in the investment decision process is to understand the relationship between the expected return and the risk of an investment. The relationship between expected return and risk is direct and linear. The higher the expected return, the higher the level of considerable risk. The relationship between risk and return will justify the argument that not all investors will invest in assets that offer the highest level of return because investors must consider the level of risk while paying attention to high returns.

In investment decision making, investors must distinguish between expected return and actual return. Return expectations are the level of return that investors anticipate in the future, while the return obtained is an actual return. The expected return and actual return may differ due to investment risks. Investors will be reluctant to uncertainty or risk-averse, which considers an assumption of rational investors. Risk-averse investors will invest if the expected return is higher than risk. However, in practice, not all investors are risk-averse. There are moderately risk seeking individuals. A moderate risk will accept the risk when return expectations are satisfactory, while the risk seeker will invest in high-risk financial instruments. These attitudes tend to lead to irrational patterns or possibilities for emotionality.

According to Chou et al. (2010), traditional financial concepts stated that investors are risk-averse. Therefore, high risk must compensate with higher returns. Muradoglu (2005) explains that professional traders support a positive relationship between risk and return. However, novice traders and investors with low ability feel that the expected return is negatively related to risk. Research by Chou et al. (2010) examines decision-making behaviour proxies in return expectation and portfolio formation process. Based on Chou et al. (2010) finding, this research argues that investment decision making represents the return expectation of investors compared to the number of funds.

Investment Experience affects Risk Propensity

Osborn & Jackson (1988), and Thaler and Johnson (1990) find that decision-makers will take risks if the results of previous risk events are successful. Sitkin and Weingart (1995) test the determinants of risk through decision-making behaviour, based on risk behaviour argument of Sitkin and Pablo (1992). Using regression analysis, Sitkin and Weingart (1995) find that the historical outcome positively affects risk propensity.

Byrne (2005) suggests that historical outcome is the predictor variable in which a positive outcome in previous events will lead to a higher risk tendency. Therefore, investment

experience affects future investment behaviour. Research conducted by Chou et al. (2010) also uses a research framework of Sitkin and Weingart (1995). The sample was Taiwanese investors. Investors' experience is positively related to investor risk trends.

H₁: Investment experience positively affects risk propensity.

Risk Propensity affects Risk Perception

According to Sitkin and Pablo (1992), risk propensity influences perceive risk. Sitkin and Weingart (1995) find that risk propensity is negatively related to risk perception. If a person's tendency to take risks is higher, an individual's perception of risk is lower. These results are supported by Wong (2005), Byrne (2005) and Chou et al. (2010). Byrne (2005) uses Sitkin and Weingart's (1995) risk-taking model as a research framework. The study finds that risk propensity negatively affects risk perception. Chou et al. (2010) find that the tendency of risk is negatively related to risk perception.

H₂: Risk propensity negatively affects risk perception.

Risk Perception affects Return Expectation

Wong (2005) states that risk perception influences the outcome expectancy because of the following reasons: (a) A person with high trust will lead to positive results. Their expectation is high, while the risk is stable; (b) Differences of personal tendencies among investors, investment style and the level of risk awareness. The argument makes investors unique.

Behaviour finance explains that investors with lower risk perception will need high return expectations. The existence of a condition in which a person suffers an overly optimistic attitude towards investment will lead to an overestimation of the expected return.

Sitkin and Weingart (1995) find that risk perception is negatively related to decision making. The study also examines the mediating effects of risk propensity and risk perception. The test results show risk propensity mediates historical outcome with decision making and mediates the relationship between the historical outcome and risk perception. Besides, risk perceptions mediate the relationship between risk tendencies and decision-making. Chou et al. (2010) state that risk perception positively affects the expected rate of return. Data processing shows that investor risk perception negatively affects return expectations. The result contradicts with risk-return trade-off in traditional financial theory. Also, the results contradict Byrne (2005)'s research, which states that risk perception positively affects return.

H₃: Risk perception positively affects return expectations.

Investment Experience affects Return Expectation

In practice, individuals also use psychological factors in determining the rate of return they expect, for example, using experience and ability in previous investments as a benchmark (Nofsinger, 2006). The higher level of optimism and confidence will increase the expected rate of return.

Byrne (2005) finds that individuals with investment experience will undergo a positive relationship with the assessment of returns on specific risks. Chou et al. (2010) show that previous investment experience is positively related to return expectation. The result explains the level of excessive confidence and optimism when making investment decisions, consistent with behavioural finance theory.

H4: Investment experience positively affects return expectations.

Research Methods

The sample was obtained directly through questionnaires, which distribute to respondents (investors) who invested in several financial instruments. The population is individual investors that invest in the Indonesian Capital Market. This research used the Line group and WhatsApp group of individual investors to distribute questionnaires through on-line. This research obtained 497 filled questionnaires as a research sample.

Research Variables

Investment Experience Variable

The investment experience is a response from investors to their knowledge, abilities, and practices of their judgment. The experience of success and failure in the past will influence their judgment about their ability to invest.

Investment experience indicators were adapted from Chou et al. (2010) and Byrne (2005). Investment experience proxies were investment knowledge and experience of success or failure. Indicators for investment experience included the adequacy of knowledge about financial management, ability, and opportunity to invest, and the success story of investment. Investment experience indicators (X1) were measured with 1 Likert scale (strongly disagree) - 5 (strongly agree).

Risk Propensity and Risk Perception Variables

According to Byrne (2005), risk propensity describes the possibility of interest in specific activities. Risk propensity was measured with the value of investments in specific financial products. If the amount of funds is substantial, then investors will take risks to lose a certain amount of money.

The indicators used to measure risk propensity were adapted from Byrne (2005) and Chou et al. (2010). All risk propensity indicators used Likert 1 scale (strongly dislike) - 5 (truly like). Risk propensity is investors' subjective opinions towards risk, which include:

- a. Use daily wages/income to buy lottery tickets or place them on sports bets (soccer, boxing, horse-racing, etc.).
- b. Lend money to friends whose amount is equal to 1 month's income.
- c. Invest 10% of your annual income in highly speculative stocks.
- d. Invest 10% of your annual income in government bonds.
- e. Invest in high-risk businesses that have good and profitable prospects.
- f. Gambling using weekly income.
- g. Work to get income exclusively based on commission.

Risk perception is defined as an assessment of decision-makers from the risks contained in specific situations (Sitkin & Pablo, 1992). According to Sitkin and Weingart (1995), these assessments reflect the extent to which individuals perceive a particular situation as negative, a threat, and out of control condition. People with high-risk perceptions will be risk-averse or prefer to avoid risk. Risk perception indicators used a Likert one scale (not too risky) - 5 (very risky).

Return Expectation Variable

Investors will certainly expect a return that is following the amount of investment they spend and worth the risk. This study assesses return expectations of investors based on Byrne (2005) 's and Chou et al. (2010) 's questionnaires, where investors will give an option equal to their expected return. An example of the question is the amount you expect to return in the next three years assuming you have Rp. 300,000,000 to invest. The answer choices are (a) less than two hundred million, (b) 2-3 hundred million, (c) 3-4 hundred million, (d) more than four hundred million. Options (a) has a score of 1, option (b) has a score of 2, option (c) has a score of 3, while option (d) has the highest score of 4.

Technique Analysis

Validity test was used to measure questionnaire validity, which can reveal the measurement of constructs. This research used Karl Pearson's product-moment correlation coefficient to test validity. The statement of items is valid if Pearson's r value greater than the critical value in table r -Pearson product-moment correlation (according to the degree of freedom and significance). Instrument validity determines the correlation between the scores of each item with the total score.

This study used Structural Equation Modelling (SEM) analysis techniques to determine the effect of exogenous variables on endogenous variables and endogenous variables to other endogenous. SEM can help analyse relationships and influences of variables in a complex manner with multiple variables. SEM data analysis techniques were used not to design theory, but to examine and justify a model. Therefore, SEM were used to construct a hypothetical model consisting of a measurement model and a structural model in the form of theoretical justified path diagram. CR values were used to test the hypothesis (CR value produced by each equation). If the probability of test results is > 0.05 ; if $CR < 1.96$ or $CR > -1.96$, then the hypothesis is rejected. The hypothesis holds if the probability of test results is < 0.05 ; if $CR > 1.96$ or $CR < -1.96$.

Result and Discussion

Respondents' Characteristics

The characteristics of respondents based on demographic factors are gender, marital status, age, final education, employment, and monthly income. Four hundred ninety-seven questionnaires are valid. Male respondents are 348 people or 70%, while female respondents are 149 (30%). Furthermore, based on marital status, there are 273 or 55% of married respondents, and 224 people are single (45%). There are no widower or widow respondents. Based on respondent age, one respondent (0.2%) was under 20 years old, 272 (55%) respondents had the age between 21-30 years, 124 (25%) respondents were between 31- 40 years, 70 (14%) respondents were between 41-50 years, and 30 (6%) were above 50 years of age. Furthermore, the distribution of respondents based on the level of education showed respondents with high school or equivalent were 54 respondents (11%) and Diploma as many as 30 respondents (6%) whereas 378 and 35 respondents had taken Bachelor and Postgraduate programs, with the proportion of 76% and 7% respectively.

Based on the risk classification, the average respondent is moderate risk-taking. Classification of respondents in answering the tendency towards risk justified the result. The

average value risk propensity (tendency in risk-taking) shows a value of 2.53, which belongs to the moderate category.

Validity and Reliability Test

This study uses the Pearson product-moment correlation to determine the questionnaire validity index. There are four variables, including investment experience, risk perception, risk propensity, and return expectation. All questions in revealing investment experience variables declared valid because all correlation coefficients of questions have a value of more than 0.159 or can measure investment experience variables.

One question in revealing the risk propensity declared as invalid because the fourth question item correlation coefficient has a value of less than 0.159, while the other six indicators declared valid to measure risk propensity variables. The second risk perception indicator declared invalid because of the correlation coefficient with a value of less than 0.159 (unable to measure the risk perception variable). The alpha coefficient for validity and reliability test is 0.449. Therefore, it is necessary to re-validate the test. In subsequent tests, invalid indicators excluded.

The first and sixth risk perception indicators declared invalid because of the correlation coefficient with a value of less than 0.159 (unable to measure the risk perception variable). The validity test showed an alpha coefficient of 0.476; it is necessary to test the validity again, which includes only valid indicators. From the third stage validity test, there are four questions revealing the risk perception variable, which declared valid with a correlation coefficient value of more than 0.159 or can measure the risk perception variable. All indicators used in the return expectation variables have a correlation coefficient with values above 0.159. Thus, all indicators in this variable are valid and able to measure return expectations.

Reliability tests show the ability of instruments to measure consistently. Cronbach's alpha is used to measure consistency. According to Malhotra (1999), the measurement item is reliable if an alpha coefficient is greater than 0.6. The measurement items on each indicator are reliable.

The Goodness of Fit, Validity and Reliability Construct

The estimation results of the Maximum Likelihood with GFI gives a perfect fit suitability index, but the probability shows low value. Based on the principle of parsimony, if there are one or two fit criteria for the model, the model declared as fit. Based on the suitability index,

it is concluded that the measurement model in the proposed exogenous construct fits, and there is no need to eliminate indicators from latent variables.

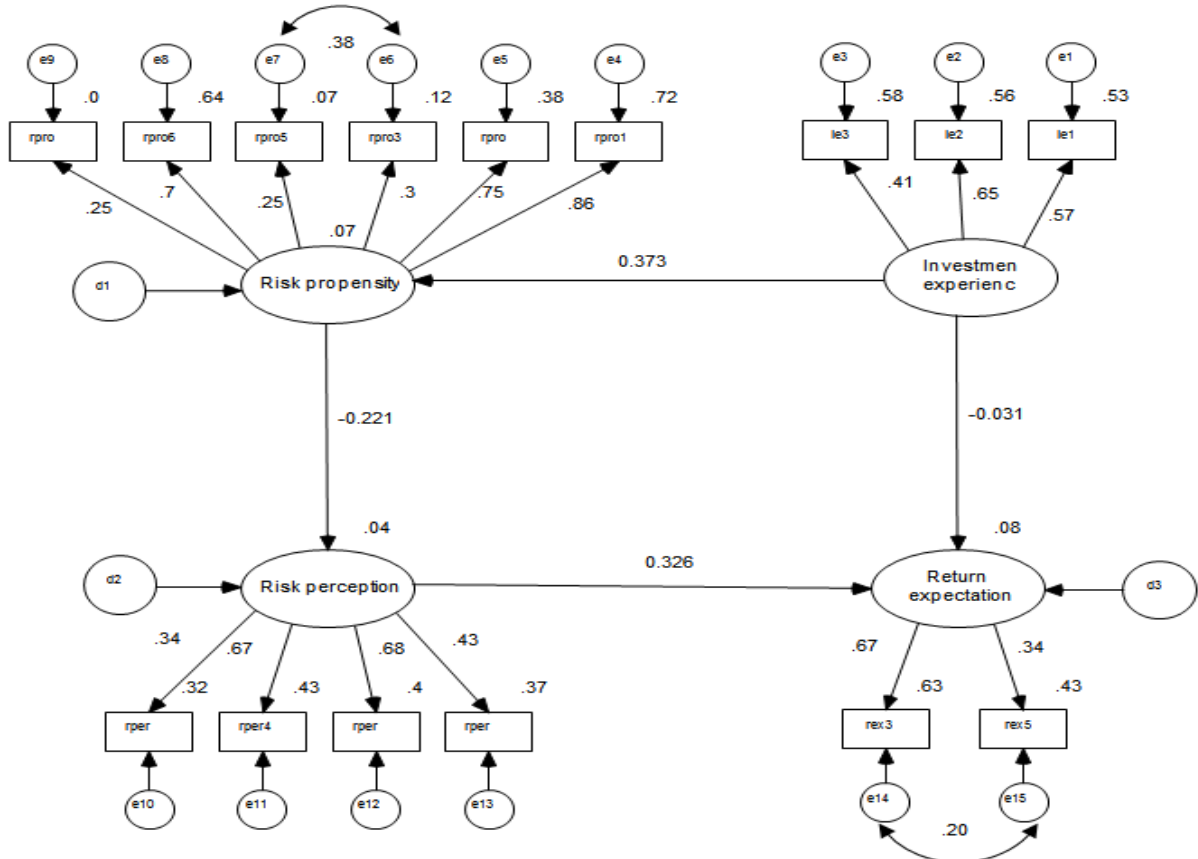
The GFI, NFI, and CFI criteria provide a suitability index that matches the cut-off standard, but the probability, CMINDF, AGFI, RMSEA, RMR, and TLI show values less than 0.90. Thus, the measurement model in the proposed endogenous construct is fit and there is unnecessary to eliminate indicators from latent variables. None of the criteria provides a suitability index above the cut-off standard. The conformity index shows that measurement model on the endogenous construct proposed is unfit, and it is necessary to eliminate the indicator from the latent variable. The elimination of indicators that have a low standardised regression estimation value consists of the first, second and fourth return expectation latent variables. The criteria for GFI, AGFI, TLI, NFI and CFI provide a suitability index that matches the cut-off standard, but the probability of CMINDF, RMSEA, and RMR shows low value. The results of the suitability index indicate that the measurement model on the proposed endogenous construct is fit.

Validity testing with SEM has two tests, namely convergent validity and discriminant validity. Convergent validity test uses $CR > 2$ (Standard Error) cut off. If the CR (critical ratio) value is greater than twice S.E., then the indicator is valid. The construct validity test concludes that all indicators fulfil convergent validity requirements. Thus, all indicators are part of the construct and able to use for structural model tests. Discriminant validity implemented to justify that the scale used does not have two constructs that measure the same phenomenon. Discriminant validity measures through the correlation between constructs, which must be more than 0.90. If the correlation between constructs reaches 0.90 or more, there is multicollinearity between constructs. The test results show that all latent constructs have high-reliability values and above the cut-off value of 0.70. Thus, all latent constructs have good reliability.

This research uses confirmatory factor analysis, which allows the researcher to test the hypothesis that a relationship between the observed variables and their underlying latent factor(s)/ construct(s) exists, whereas Exploratory Factor Analysis requires researchers to decide how to conduct the analysis. In addition to calculating construct reliability, variance extracted is also considered because, in confirmatory factor analysis, the average percentage of extracted variance values between indicators (a set of latent constructs) is a summary of convergent indicators. The calculation results show that the latent risk propensity and risk perception construct does not meet the criteria of $AVE > 0.50$ while investment experience and return expectation have a value of $AVE > 0.50$. Thus, investment experience and return expectations have valid extracted variance values.

Structural Model

Figure 1. Modified structural model



The first stage in the structural stage is the suitability evaluation of the model. Suitability of the model is the degree of conformity of estimation results with matrix input from research data. If the conformity testing of the model does not meet the requirements, then modifications are made.

The calculation results show that only CMINDF, RMSEA and CFI have model suitability criteria of recommended limits or cut-offs. Thus, it is necessary to modify the model to improve the goodness of fit, for example correlating e6 and e7 (in the construct of risk propensity), e14 and e15 (in the construct of return expectation).

Table 1: Path coefficient value between Variables

This table shows the relationship between variables in the SEM model using standardised coefficient values

Variables			Standardised Coefficient
<i>Investment Experience</i>	⇒	<i>Risk Propensity</i>	0.373
<i>Risk Propensity</i>	⇒	<i>Risk Perception</i>	-0.221
<i>Risk Perception</i>	⇒	<i>Return Expectation</i>	0.326
<i>Investment Experience</i>	⇒	<i>Return Expectation</i>	-0.031

The results show that there are 4 model conformity index criteria that have a standard cut-off value, namely CMINDF index, RMSEA, CFI, and TLI. Whereas those who do not fulfil the assumption of model fit and have a value of less than 0.90 are chi-square index, probability level, RMR, and NFI. GFI and AGFI are in the marginal category because the value is close to 0.90. According to parsimony rules, if there are one or two fit criteria for the model, the model will declare fit.

The value of the path coefficient on the investment experience to risk propensity is 0.373. The result indicates that there is a positive relationship between investment experience and risk propensity. A positive sign indicates a unidirectional change. That is, if the investment experience is high, the level of risk propensity is high; otherwise, if the investment experience is low, the risk propensity level is low. The value of path coefficient from risk propensity to risk perception is -0.221, indicating that there is a negative relationship between risk propensity and risk perception. A negative sign indicates a change in the opposite direction where if the risk propensity is high, then the risk perception is low; otherwise, if risk propensity is low, then risk perception is high.

The path coefficient value at risk perception towards return expectation is 0.326, indicating that there is a positive relationship between risk Perception and Return Expectation. A positive sign indicates a unidirectional change. That is, if the Risk Perception is low, the Return Expectation of the investor is also low. In contrast, if the Risk Perception is high, the expected return on the investor for investment is also high.

The value of the path coefficient between investment experience and return expectation is -0.031. The result indicates that there is a negative relationship between investment experience and return expectation. Negative signs indicate changes in opposite directions, i.e., if the investment experience is high, the return expectation of investors is low, otherwise, if the investment experience is low, the return expectation of investors is high.

Proved of Direct Hypothesis

The next step is to test the hypothesis using the CR / -CR value and its probability. The parameter of the presence or absence of direct influence can be known based on the CR (critical ratio) value, which is to compare CR count with the standard CR 1.96. If the CR count > 1.96 or -CR counts < -1.96, there is a direct effect of exogenous variables on endogenous or endogenous to endogenous. Besides, to determine whether or not there is an influence of exogenous variables on endogenous and endogenous to endogenous, the provisions are used to compare the probability value with a level of significance $\alpha = 0.05$.

Table 2: Testing of direct effect hypothesis

This table shows the direct influence between research variables, according to the CR of each variable

Variable			CR table	Sig.	Note
<i>Investment Experience</i>	⇒	<i>Risk Propensity</i>	2.587	0.004	Significant
<i>Risk Propensity</i>	⇒	<i>Risk Perception</i>	-2.794	0.008	Significant
<i>Risk Perception</i>	⇒	<i>Return Expectation</i>	2.235	0.018	Significant
<i>Investment Experience</i>	⇒	<i>Return Expectation</i>	-0.254	0.882	Insignificant

If the significance value is <0.05, then there is an effect of exogenous variables on endogenous and endogenous to endogenous. The parameter used as a reference is to compare the significance value calculated with the standard significance of 0.05 and to compare the calculated CR with the standard CR of 1.96. Table 2 shows results of hypothesis testing.

The CR value calculated for investment experience on risk propensity is 2.587, which has a value greater than 1.96. The significance level obtained is 0.004, which has a value smaller than 0.05. There is a significant direct influence of investment experience on risk propensity. Thus, the first hypothesis holds, which states that investment experience has a positive effect on risk propensity.

The value of CR for investment experience on risk propensity is -2.794 with significance level obtained is 0.008, which has a value smaller than 0.05. There is a significant direct effect of risk propensity on risk perception. Thus, the first hypothesis holds, which states that risk propensity harms risk perception.

The CR value for risk perception of the return expectation is 2.235, and the significance level obtained is 0.018. There is a significant direct effect of risk perception on return expectation. Thus, the first hypothesis holds, which states that risk perception has a positive effect on return expectation.

The CR value for investment experience on risk propensity is -0.278, and the significance level is 0.781. There is no significant indirect effect of investment experience on return expectation. Thus, the first hypothesis is rejected, which states that investment experience has a positive effect on return expectation. There is no direct influence, so investment experience has an indirect influence on return expectation through risk propensity and risk perception.

The first hypothesis holds, which states that investment experience has a positive influence on risk propensity on investors. Hypothesis testing with path analysis produces a path coefficient of 0.373, and the higher the investment experience, the higher the risk propensity of investors. Based on the findings, traders and investors have great experience in investing. The experience is obtained from the financial sciences, and investment methods studied. The results obtained from investments affect the level of preferences for risk. The result indicates that investors who have quite high experience in investing tend to like risk. Chou et al. (2010) suggested that investment experience is an important factor that influences behaviour, in addition to the failure or success of previous investment experiences, which can affect investor tendencies to risk.

Experience can certainly influence how someone behaves in his life, especially in investing. Experience in the area of finance, investment, and success in investing will increase investor confidence. This confidence gives investors optimism, so optimistic investors will prefer risk and be more willing to take risks. This study states that investment experience has a significant positive effect on investors' tendency to risk. This finding supports the research conducted by Chou et al., (2010), showing that investors who have high investment experience have a high-risk propensity and tend to have characters who like risk.

The second hypothesis holds, which states that risk propensity has a significant negative influence on risk perception. Hypothesis testing through path analysis produces a path coefficient value of -0.221, that the higher the risk propensity, the lower the investor's risk perception. These findings support the research of Sitkinand and Weingart (1995) on risk decision-making behaviour, which states that someone who tends to like the risk is someone who likes challenges and wants to take high risks and expect a high return on investment so that their perception of risk is low. Research findings also support previous research by Byrne (2005) and Chou et al. (2010) which states that risk propensity has a negative influence on investors' risk perception.

The third hypothesis holds, which states that risk perception has a significant positive effect on investor return expectations. The value of path coefficient is 0.326, and risk perception has a positive influence on return expectation. These results are contrary to Chou et al. (2010) and Sitkinand and Weingart (1995), which show that risk perception harms return expectation. This is due to investor perceptions of risk, based on the view of the traditional finance Capital Asset Pricing Model, where investors are rational. Rational investors assume

that high risk will give a high return, while less risky investment will provide a low rate of return. They tend not to use their psychological aspects in determining the return expectation of an investment instrument.

The fourth hypothesis, which states that investment experience has a significant positive influence on investor return expectation, is rejected. The path coefficient value is -0.031, and investment experience has an insignificant negative influence on return expectation. The findings of this study contradict the research by Chou et al., (2010), Sitkinand and Weingart (1995) and Byrne (2005).

The limitation of this research is that investment experience is less likely to be used as an investor benchmark in determining the expected rate of return in the future, maybe because the experience of individual investors (as sample) is less supportive of the behaviour of investor towards risk propensity, risk perception, and return expectation. Whereas, in previous research, investors use their psychological aspects so that the investment experience influences return expectations. Thus, investors use their investment experience as a benchmark for future decision making. Future research should classify investors based on their experience and knowledge of investment to better understand the investment decision process. Nguyen et al. (2017) suggest that risk tolerance also plays an important role in risk perception. Future research should include risk tolerance as a variable affecting risk perception.

Conclusions

The practical implication of this research is that investment experience is important to encourage investors to be more aware of investment risks and determine investors' courage in bearing investment risks. Regulators and capital market players should develop regulations that support increased investment experience of investors so that investors can become smart investors.

Investment experience on risk propensity shows that the improvement of investor's ability will cause investors to prefer risk. The practical implication is that experienced investors who have high-risk investment, while novice investors are less willing to take high risks; this is following government advice that novice investors should invest in financial assets that are more predictable and have small investment value, and spread over several financial assets.

The implication for management is experienced investors tend to prefer high-risk propensity for the sake of high return. Therefore, management should better classify investors based on their experience of investment and risk propensity towards higher returns. An investor with better experience will tend to invest in high-risk assets to achieve higher returns. Meanwhile,



management should be careful with novice investors and better guide them to form a stable portfolio of assets.

The academic implication is that future research should discuss the detail of investors' classification and their investment decision concerning their risk propensity, risk perception, and return expectation. The risk experience of investors also should be divided into several categories because there is an insignificant effect of investor experience on return expectation. This result also suggests researchers should focus on the acceptable risk level within investors.

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/iss8/12801_Zulaikha_2020_E_R.pdf)

Comparison of the Islamic and the Conventional Stock Market in Indonesia and Developed Countries

Siti Zulaikha^{a*}, Ariff Abdul Kareem^b, Mansur Masih^c, Yamazaki Yoshihiro^d, Sulistya Rusgianto^e, Tika Widiastuti^{f, a, e, f} Faculty of Economics and Business, Universitas Airlangga, Indonesia, ^{b, c}INCEIF, Malaysia, ^dFukuoka University, Japan, Email: ^asiti-z@feb.unair.ac.id

In the global economy, global financial shocks adversely affect the financial industry, especially stock markets. Focusing on this, the present study aims to assess how global financial shock affected the links between Indonesia and seven other selected countries (U.S.A., U.K., Japan, Kuwait, Saudi Arabia, Malaysia, and Qatar) from December 2004 to December 2012. The correlations between the Islamic and conventional stock markets tend to be higher at both high and low frequencies during a crisis period. Using the wavelet method, this study demonstrates higher correlations during a crisis period, in both the short and the long term. The co-movements for certain countries were apparent across the analysed horizon in the periods of lower frequencies (more than one year). The obtained results also reveal varying responses for both types of stock markets, particularly in the Indonesia-Malaysia nexus and the Indonesia-Saudi Arabia nexus. This indicates the solidity of the Islamic finance system against global financial shock that typically affects the conventional finance system. Nevertheless, this does not mean that the Islamic finance system is free from the impact of global financial shock, given its linkages to the U.S.A., Japan and other markets. The outcomes of the present study create significant implications for financial investors to optimise their asset allocation strategies or to diversify their global investments, as the changing correlations of the stock markets at high and low frequencies (or investment horizons) influence the portfolios with different rebalancing horizons. Pages 1 to 21

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The Influence of Corporate Social Responsibility (CSR) Disclosure on Firm Values with Stakeholder Reaction as the Mediation Variable

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This study aims at evaluating CSR programs in Indonesia by examining the influence of CSR disclosure on firm values through the mediation of stakeholders' (customers and employees) reaction. This study applies an explanatory research approach and uses data of non-service corporations that were listed on the Indonesian Stock Exchange (IDX) from 2010 to 2012. Saturated sample technique is implemented to draw the sample and this study employs a structural equation modelling (variance-based). The implication of these results suggests that the government, as a regulator in the stock market, should provide a complete guide about how to make a good CSR report that refers to Global Reporting Initiative. Eventually this guidance could be used by stakeholders to make appropriate economic decisions. For companies, it is important to pay attention to CSR disclosure in the annual report or in the company's sustainability report because it is positively responded to by employees and investors. Pages 22 to 34

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Improving the Effectiveness of Employee Performance: the Value of a Series of Influence Factors

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The main aim of this study was to understand factors that influence employee performance and provide empirical evidence as to whether employees' performance is affected by the mediating role of the work environment, leader behaviour, and organisational communication in this effect. Employee performance is the value of a series of employee behaviours that contribute positively to the achievement of organisational goals. Data were collected through the use of a questionnaire from 85 employees working at the Education Local Administration Office of East Jakarta City in East Jakarta. Samples were taken using the simple random sampling technique — survey methods and using path analysis to test the hypotheses. The results of this study indicated that as long as employees are required with their positive atmosphere of the work environment and as long as they identify the responsibility with positive leader behaviour, and lead with the excellent organisation communication, which in turn influences the overall performance of the organisation. Pages 35 to 52

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Practices and Acquisition of Rights to Land in a State-Established Community on the Thai-Cambodia Border

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The purpose of this article is to study the practices in a state-established community on the Thai-Cambodian border using Pierre Bourdieu's theory of practice as an analytical framework based on social capital and symbolic capital in order to acquire the rights to residential and agricultural land. This study made use of qualitative methodology and the phenomenological approach. Research participants included household representatives and state officers. The study was conducted in the Thai Romyen community (pseudonym), a state-established border community made up of households from Ban Kruat Self-Help Settlement Village. In 1980, the community was appointed as a Thai-Khmer border self-defence village; as a result, the community land was divided into residential areas, reserved areas for all members, and bunkers surrounding the community to keep the residents safe in the event of battles. The study results revealed three major practices of community residents in acquiring their rights to land. The first is the practices of being a member of the self-help settlement village to acquire 25 rai of land for making a living. These practices were based on social capital, that is, the network of relatives and people from their natal villages. The second is the practices of getting married to earn the right to residential land in the Thai-Khmer border self-defence. Marriage practices were grounded on social capital and could convert to symbolic capital through obtaining a marriage certificate. Third, the practices of utilising the bunker area were based on the social and symbolic capital of being a state-established border community. The practice of community meetings enabled residents to reach common agreements and to negotiate with the local government. Furthermore, residents also built houses in the bunker areas and applied for house registration numbers, electricity, and running water to emphasise the security of their rights in using the bunker areas. Such practices reflected the power of the local community that had the strength to act in the border context. Pages 53 to 72

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Factors Influencing Students' Intention to Establish a Digital Business (Start-up)

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This study aims to determine the main factors influencing students' intention on digital business (Start-up) in Indonesia by considering several factors such as the character of entrepreneurship, entrepreneurship education, economic literacy and digital literacy. This research followed a survey study using the correlational approach with research design ex post facto. The population in this study were students joining entrepreneurship education courses in Faculty of Economics, Universitas Negeri Jakarta with 250 students. There was about 146 respondents using the random sampling technique. The findings showed that the character of entrepreneurship provides about 13 per cent. Furthermore, the character of entrepreneurship, entrepreneurship education, economic literacy, and digital literacy had an effect of 13%, 72%, 22%, 18%, respectively on the intention on digital business (Start-up) and simultaneously all the variables had an effect of 57% on establishing business digital (Start-up). **Contribution/Originality:** In this study, we found the influence of entrepreneurial character, entrepreneurship education, economic literacy, and digital literacy on intentions of digital business as a competence in the industrial development of the 4.0 era. This finding has not been revealed in any previous studies. Pages 73 to 91

Pdf (/images/vol12/iss8/12808_Aldegether_2020_E_R.pdf)

Saudi Arabia's Vision 2030: Approaches to Multicultural Education and Training

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Although multicultural education is a distinctly American reform movement, it is also relevant to social and educational issues in other countries. Due to the moderation process occurring in Saudi Arabia since the launch of Saudi Vision 2030 (Vision 2030) in 2017, Saudi culture is in flux. Vision 2030 hopes to nurture respectful, tolerant students who are proud of their heritage. Openness to different cultures is encouraged to develop globally-engaged, open-minded, and competent students. This article explores the application of multicultural education theory to Saudi Arabian education, arguing that various contemporary approaches to multicultural education can be used to craft a multicultural curriculum that takes Saudi Arabia's unique situation into account. The article examines each approach's strengths and limitations, reflecting on social considerations that may be relevant to the Vision 2030, and hoping to advise Saudi educators about incorporating multicultural education into their curricula. Implementation challenges and the need for further research are discussed. Pages 92 to 109

Pdf (/images/vol12/iss8/12809_Ismiyanti_2020_E_R.pdf)

Investor Experience and Expectation towards Decision-Making Process

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Chou et al. (2010) examined the relationship between investment experience and risk propensity, risk propensity to risk perception. This study developed Chou et al. (2010) by adding testing on risk perception to return expectation and investment experience on return expectation. This research will test the effect of investment experience on risk propensity, risk propensity on risk perception, and investment experience on return expectation. This research contributes to the issues of investors' decision-making toward several factors such as risk propensity, risk perception, investor experience, and return expectation. The results showed that investment experience positively affects risk propensity, risk propensity negatively affects risk perception, and risk perception positively affects return expectation. The research found an indirect effect of risk perception to return expectation. This result is likely because individual investors trade more in the short-run than in the long-run. This trend strengthen because more individual investors prefer technical rather than fundamental analysis. Pages 110 to 130

Pdf (/images/vol12/iss8/12812_Dakhi_2020_E_R.pdf)

The Competency of the Head of the District Health Services (DHS) and the Development of District Public Health Performance

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This study aims to confirm the relationship between the competency of the Head of the District Health Services (DHS) and the District Public Health Development Performance in North Sumatra Province. In Indonesia, the district autonomy policy came into force in 2000, and since then each region has been given authority by the central government to carry out the development in its area for all sectors including the health sector. This research is a quantitative survey research with a purposive sampling technique. The results showed that there was a correlation between the competency of the Head of the DHS and the District Public Health Development Performance in North Sumatra Province. Therefore, to improve the performance of public health development in the regions, more serious attention needs to be paid to one's competency since recruitment, coaching, and even on the fit and proper test of someone who holds the position of Head of the DHS. Pages 131 to 142

Pdf (/images/vol12/iss8/12814_Trong_2020_E_R.pdf)

The Measurement of Operating Results in the Public Sector: a Systematic Revaluation and Academic Interpretation of Performance Aspects

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With the recognition of the limitation in the literature of public sector accounting in the world as well as in Vietnam, this research aims to identify and analyse the emerging literature on the performance measurement (PM) in the public sector (PS) and shed a light for other research in the future. The systematic literature review (SLR) methodology proposed by Denyer and Tranfield (2009) was applied with a total of 80 papers published in 38 scientific journals for evaluating and establishing current trends. Apart from indicating an increasing demand on a better understanding in PM of PS despite regionally heterogeneous, vision and mission for improving performance, the results also revealed gaps stemming from choice of number as well as the type of keywords and journals through seven categories in those research trends. Taking these results into account, academics can keep on exploring this type of subject area on their own topic, while practitioners and policy makers can employ in their empirical work. Pages 143 to 163

Pdf (/images/vol12/iss8/12815_Ahmadi_2020_E_R.pdf)

Promoting Personality Psychology through Literary Learning: An Appreciative-Reflective Study

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This is an appreciative-reflective study that aims to explore the understanding of personality psychology through literary learning. In this context, the literature used is *Maleficent*, (film). The method used is qualitative psychology. Respondents: 44 students who programmed literary theory. Data analysis techniques used the stages of identification, classification, reduction, and exposure of data in an interpretive-heuristic manner. The results showed that more students understood the *Maleficent* films from a psychological perspective. Students are more likely to focus their research on the main character Maleficent, which brings up many psychological elements through this character's behaviour and mental processes. However, in this context, they understand that psychology is still in the stage of general psychology. Therefore, the teacher gives a deepening of the material related to personality psychology contained in *Maleficent*. Pages 164 to 174

Pdf (/images/vol12/iss8/12816_Shimal_2020_E_R.pdf)

Power and Knowledge as Route to Social and Political Control as depicted in the novels Nineteen Eighty-Four and Animal Farm

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This paper questions the strategies of social and political control in dystopian societies, particularly in the first of the 20th century. This research is based on the hypothesis of power and knowledge theory exposed by the philosopher and thinker Michael Foucault (1926 -1984), where he claimed that the exercise of power perpetually creates knowledge and conversely, knowledge constantly induces effects of power. For this reason, we selected power and knowledge as concepts having a close and alternate relationship, to discuss how the route of control is created. We selected Orwellian society as depicted in the novels *Nineteen Eighty-Four* and *Animal Farm* as examples of these concepts. These works are rich sources with the strategies that led to the control and domination of individuals such as fear, torture, propaganda, and alteration of past and language. In this study, the data have been collected by using the library and documentary method. Pages 175 to 191

Pdf (/images/vol12/iss8/12818_Ikhwansyah_2020_E_R.pdf)

An Empowerment of a Village Economy: (BUMDES) in Indonesia

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A Village of Enterprise (BUMDes) is a micro-scale community business entity in a village jointly managed by the community and the local village government. The management of BUMDes is separated from village government management but supports village income. This article discusses issues on the institutional form of BUMDes that is said to be adjustable with the economic, social, and cultural conditions of rural communities in Indonesia, as well as efforts that BUMDes can take in raising funds as village assets. This article presents the results of normative and qualitative research. Results show that the institutional form of BUMDes can be adjusted with the economic, social, and cultural conditions of rural communities. In addition, BUMDes is a non-profit legal entity with a management that is based on the principles of family and mutual cooperation, similar to Cooperative Enterprises. Efforts that can be made by BUMDes in raising funds as village assets can be conducted through the establishment of group business companies (holding). Pages 192 to 207

Pdf (/images/vol12/iss8/12832_Sani_2020_E_R.pdf)

Entrepreneurship Program in Nigeria: Indicators for Graduates Employability

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The main study aim is to examine the relationship between university graduate unemployment and entrepreneurship activities using data regarding indicators such as new business registration, new business density and ease of doing business. Therefore, this study sampled data from world bank development on the indicators as measures of entrepreneurship for a sample period from 2006-2016. Data on unemployment rate was also collected and analysed using the Ordinary Least Square model. Findings revealed that there is a relationship between the indicators of entrepreneurship activities (ease of doing business, new business registered and business density) and graduate unemployment in Nigeria, indicating that Nigeria needs to have a flexible policy on the time required to start-up and the subsequent cost of business. Therefore, this study concludes that the Nigerian government should create policies to support ease of doing business, and encourage business registration as these have a significant effect on graduate unemployment. Pages 294 to 308

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Effect of Preservation Techniques on Tilapia Introduced with *Dermestes Maculatus*

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This is a study of the effect of preservation techniques on Tilapia introduced with *Dermestes maculatus*. The techniques used were sun drying, smoking and salt drying. Several unsexed adults of *Dermestes maculatus* obtained from naturally infested smoked fish materials served as the source of the pests. Fresh fish were sun dried, dried salted and smoked fresh using smoking kiln. It was carried out under the following environmental factors: Temperature at 32°C, Humidity from 28% to 45%, Annual rainfall 3000mm and Photo period 12L 12:D. Data was analysed using statistical tools, ANOVA, Kolmogorov-Smirnov and Spearman correlation. The result implied that the combined effect of smoking and dry salting results in highest weight loss in fish while the combined effect of sun drying and salt drying results in the lowest weight loss in fish. The preservation methods suggested to combat every cause are also different. By implication, the use of both sun drying and salt drying reduce the total weight losses in fish. The lowest moisture content in dry salting and sun dried fish product is attributed to its longer shelf life as microbial growth is favoured by moisture and are responsible for spoilage in fish and fishery products. The findings suggest that the most reliable, cost effective and efficient pest control method would drastically reduce post harvest loss and thereby making the business to boast. Pages 309 to 319

Pdf (/images/vol12/iss8/12834_Ahmed_2020_E_R.pdf)

Effect of Emotionally Positive Classroom Atmosphere on Student Social-Emotional Competence

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Purpose: This study intends to examine the effect of an emotionally positive classroom atmosphere in improving student Social-emotional competence among junior secondary school students. **Methodology:** A quasi-experimental pre-test post-test non-equivalent design was conducted with 207 Junior Secondary School students enrolled in form III. The students were divided into two groups: an experimental and a control group. The experimental group was exposed to the use of Emotional Positive Classroom atmosphere as an environment of learning for enhancing student social-emotional competence while the control group used the conventional classroom practice. **Findings:** A comparison of the pre-test and post-test results determined that the students performed remarkably better in the latter, hence an emotionally positive classroom atmosphere could be considered as an important interactional context that contributes to increased student social-emotional competence and function as a learning community of practice for reticent students who have little awareness of how to interact with colleagues in a learning environment. **Significance:** An emotionally positive classroom atmosphere prepares students to be more active, affable and confident when working with others. This development does not only shape their behavioural outcomes but also yields positive results in their social and emotional capability. Pages 320 to 339

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Models of Program Evaluation for Teacher Education Training

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Little emphasis has been given to evaluation research of mathematics teacher education training in Nigeria, specifically on the effectiveness of training in achieving national objectives of teacher education that groom quality preservice mathematics teachers who will shoulder the responsibility of providing quality education at secondary school level. This conceptual paper discusses the theory of program evaluation and explains when, where and how some methods apply in program evaluation and others not. The paper also explains complexity theory as the most common and widely used theory in evaluation of educational programs for different and interrelated components. The function, strengths and weaknesses of different evaluation models that are used in education were discussed and CIPO evaluation model was identified as the most appropriate and relevant evaluation model for mathematics teacher education training, as the model allow evaluators to identify the relationship between the Context, Input, Process, and Outcomes of any educational program. A description of how CIPO evaluation model and its independent components can be applied in the process of evaluation of mathematics teacher education training was discussed. The study recommended CIPO evaluation model, as the model to be used in the evaluation process for mathematics teacher education training, as the model is identified as an effective, powerful evaluation model that is not hampered by linear relationship of components of the program and it has the power of evaluation of each independent component of the program. Pages 340 to 355

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Factionalization of Political Parties in North Moluccas, Indonesia

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This article intends to describe some of the causes of factionalism and its impact on the National Mandate Party (Partai Amanat Nasional, PAN), the Prosperous Justice Party (Partai Keadilan Sejahtera, PKS) and the United Development Party (Partai Persatuan Pembangunan, PPP) for the five year period from 2014 to 2019 in North Moluccas Province, Indonesia. The analysis uses qualitative methods and Nvivo 12 Software through interviews, observations and documentation. The results of this study showed that PAN is struggling most in terms of the leader position, PKS experiences intense internal competition, and factionalism in PPP has resulted in the experience of greater welfare motivation. Factionalism in PAN has an impact on the conflict of relatively high structures, but experienced struggle in recording success in 2019 local elections, while the PPP and PKS recorded decreased votes and fewer representative seats as a result of the 2019 elections. PPP also is in an even more compromised because as it suffers the worst impact of Party Factionalism. Pages 356 to 382

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The Effect of Auditor Independence and Ethics on Auditor Professional Scepticism: Its Implications for Audit Quality in Indonesia

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The purpose of the current research is to analyze the effect of auditor independence and ethics on audit quality through professional scepticism. Respondents of the study were all auditors working in the office of the Inspectorate of Regional Government, Papua Province- Indonesia. This research was conducted using a quantitative approach. The sample was taken using a purposive sampling method. The data were analyzed using path analysis with the assistance of SPSS 21 application. The results of the study have shown that auditor independence directly affects professional scepticism. Furthermore, auditor independence has a positive and significant effect on audit quality, and auditor ethics has a positive and significant effect on professional scepticism. Next, auditor ethics does not have a positive and significant effect on audit quality, while professional scepticism has a positive, but not significant effect on audit quality. In conclusion, professional scepticism does not mediate the influence of independence and ethics on audit quality in Indonesia. Pages 383 to 396

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Information Systems Success Model: A Review of Literature

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The most significant topic for current researchers and scholars is Information Systems (IS) success. DeLone and McLean developed an IS success model and introduced it to provide a complete and extended definition of IS success. To-date, thousands of scholarly articles have cited the IS success model. However, despite its evident impact, only a few researchers have reviewed these studies. Hence, the purpose of this study is to perform a comprehensive literature review of past research papers that have utilised the IS success model as a theoretical foundation. Using the Scopus database, the review of literature is based on 114 scholarly articles and conference papers from the years 2012 to 2018. The analysis covers demographics, methodology, significance and limitations of association of the variables. The results show that developing countries are the major sources of the primary data; while, e-government, enterprise resources planning and e-learning systems are the most examined systems. The review shows that the methodologies most used are survey and cross-sectional approaches. The analysis also indicates a lack of longitudinal work and use of homogeneous samples, as among the limitations highlighted by prior researchers. The results of this study will add to the extant knowledge of the past studies which have incorporated the IS success model. Pages 397 to 419

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Fostering Student Discipline in Boarding Schools toward Industry 4.0

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This study focused on school strategy in fostering student discipline in boarding schools. These strategies are: (1) fostering discipline and education in state defence, (2) religious formation, and (3) evaluation of its fostering activities. This study uses a qualitative approach with a type of case study — data collection techniques were conducted through observation, interviews and documentation. Data analysis was effected by reducing data, presenting data and drawing conclusions. The results of this study indicate that: (1) the strategy for improving student discipline of is to adopt a military system which involves personnel of the Indonesian military and police (TNI and POLRI) as trainers for fostering student habitual greeting and respect when meeting older people and habituation in eating manners, inherent supervision and formation and activation of the student organization, (2) a strategy in religious formation that adopts a quasi-Islamic boarding school coaching, for example, which obliges prayer five times in the congregation, follows Islamic religious obligatory activities, such as Qur'an reading, lecturing, praying in Friday, visit study, Friday sermon and celebration of forty days and working with third parties in conducting religious guidance and (3) evaluating the development of a reward and punishment system that has an impact for each student. Pages 420 to 432

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Diffusion of Innovation and Political Engagement Model of Millennial Generation in a Semi-Urban City

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Recently, developments in science and technology are characterized through many discoveries which can be applied to various kinds of science, and increasingly affect human life. Various phenomena, issues, and dynamics related to the sense of place, social capital, the diffusion of innovation, and political engagement occurring in demographical groups of millennial generations in a semi-urban city are the main points to be developed. This study aimed to analyze the influence of the sense of place on social capital, the influence of social capital on diffusion of innovation and the influence of social capital on political engagement. Subsequently, this study was also aimed at analyzing the effect of social capital in mediating the sense of place on diffusion of innovation as well as mediating the influence of the sense of place toward political engagement. Pages 433 to 453

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Combining Two Models: Digital Storytelling and Everyone Is a Teacher Here

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Digital storytelling is a model that describes a story or idea by utilizing multimedia content such as text, audio, images, and video. Using a multimedia tool can generate a more interesting story. Moreover, to prepare to become future teachers, students need to be equipped with a variety of effective learning models. One of those models is Everyone is a Teacher Here. Combining the learning models of digital storytelling and Everyone is a Teacher Here can make a class more interactive and effective. The purpose of this study was to combine the digital storytelling and Everyone is a Teacher Here models and to explore student responses to the use of the two models. The methods used in this research were the ADDIE and qualitative methods. The development phase consisted of analysis, design, development (or production), implementation (or delivery) and evaluations. The participants consisted of 40 students (future teachers). The results of this research show that learning history with the digital storytelling and Everyone is a Teacher Here models could help students (future teachers) to understand the material and competently lead their classes. The results show that 62.5% of students strongly agree with using a combination of the digital storytelling model and the Everyone is a Teacher Here model, which can motivate them to study. Furthermore, 55% of students strongly agree that the combination of the digital storytelling and Everyone is a Teacher Here models can improve their learning outcomes. Pages 454 to 467

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Teacher Orientation of Post Competence Mapping in 21st Century Teaching Systems

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The purpose of the study is to determine the conditions of mastery competence mapped through Teacher Competency Test (UKG) taken before participating in official teacher certification. The method used is analysis of current statistics. All respondents in this study were given a questionnaire and were all teachers who had not been certified and were participating in the 2016 Teacher Professional Education and Training (PLPG) activities that took place at Makassar State University and University of Muhammadiyah Makassar. The sample size was 109 teachers. The result showed 1) The 2015 UKG average score, especially for South Sulawesi Province, is still below the Minimum Competency Standard of 55, 2) Teacher pedagogical competence is lower than professional competence, and 3) The productive age of teachers at intervals of 30-40 years. Pages 468 to 484

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Impact Analysis of Information and Electronic Transactions Law (Law Number 19 Year 2016) on the Level of Cyber-Crime in Social Media

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This study was aimed to determine the impact of law number 19, year 2016 about information and electronic transactions (UU ITE) on the level of cyber-crime in social media. This research was a qualitative study with a normative juridical approach. The method used in this research comprised a literature study and exploratory methodology involving secondary data. The object examined in this study was Law Number 19, year 2016 and other relevant sources. Crimes involving social media have become increasingly diverse alongside the development of information technology. Before the enactment of the ITE Law, several criminal cases involving information technology as a medium did not have clear laws. However, with the enactment of Law Number 19, Year 2016 which was a result of the refinement of Law Number 11, Year 2008, cyber-crime can now be prosecuted with strict and binding sanctions. This research is based on data from 2019 cyber cases that occurred which were dominated by cases of fraud and the spread of provocative content. Information from the Indonesian Cyber-crime Directorate indicates that the number of cyber-crimes from 2016-2019 increased. The increasing number of cyber-crimes was proportional to the increasing number of social media users. Even though the numbers of cyber-crime incidence increased, criminal acts that were not previously regulated in the Criminal Code at least with the law number 19 of 2016 can be dealt with according to the rules and sanctions in force. Pages 485 to 500

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The Mediating Role of Accounting Conservatism on the Influence of Independent Commissioners and Managerial Ownership of Financial Performance

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This research was conducted by analyzing the mediating role of Accounting Conservatism on the influence of Independent Commissioners and Managerial Ownership on Financial Performance. The population of this research is the manufacturing industry listed on the Indonesia Stock Exchange from 2012 to 2016. The sampling technique uses purposive sampling produced from 174 sets of observational data. Data analysis method used is multiple regression. The result of the research is that Independent Commissioners and managerial ownership have a direct positive effect on financial performance. Other verification results mediate accounting conservatism on the effect of managerial ownership on financial performance. Meanwhile, accounting conservatism as a mediating variable on the influence of Independent Commissioners on financial performance is not proven. Pages 501 to 516

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Examination of the Validity of Instruments used for Students in Vocational High Schools

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This study aims to examine the validity and reliability of the instrument used as a result of learning. Instrument learning outcomes of vocational high school student engineering practices consist of 5 indicators and 20 descriptors, each descriptor there are 5 observation items (checklist). Standardization of the items of observation was carried out through the Expert Panel and Field Test (empirical test), through a Factor Analysis Test sample of 298 vocational students. The results found that the inter-panel panel showed consistency with rkk value = $0.87 \geq 0.5$. The conclusions obtained through the study are according to use as a scale rubric on the results of learning the technical practices of vocational students. The results of the empirical tests showed that the value of the goodness of the test produced an index of 208,823 with a degree of freedom of significance and 0,000. The contributions of this study include: (1) providing an alternative way to test the quality of student performance assessment instruments in learning in Engineering Field Practice; (2) adding a more objective form of rubric in assessing students using observation sheets. Pages 517 to 531

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Education for All: The Evaluation of Inclusive Education Programs in Elementary School in Jakarta, Indonesia

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This study aims to identify the key components in the implementation of inclusive education programs in elementary schools in Jakarta, Indonesia. The effectiveness of inclusive education programs can be determined through an internal and external aspects evaluation such that known obstacles, benefits and impacts of the program as well as a variety of important information that is useful for the implementation of future programs can be identified. This research uses an exploratory sequential mixed-method approach through two phases, qualitative and quantitative. This research collaborated with two elementary schools in Jakarta, 52 elementary school students, 160 parents of elementary school students, and 5 elementary school teachers. In general it was found that students have a positive attitude towards students with special needs. Based on teacher input data, a lot of teachers meet administrative requirements as graduates from a Bachelor Degree in education. Several of the schools already has a special assistant teacher even though not yet present for the whole week, the result is that teachers have developed individual curriculum with the needs and abilities of students in mind. Pages 532 to 547

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Review of the Application of Artificial Intelligence in Education

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With the development of artificial intelligence technology, more and more artificial intelligence products are being applied to the education industry. Many countries in the world have also formulated relevant policies to promote the application of artificial intelligence technology in education. This paper briefly discusses the history of the development of artificial intelligence technology and its application in the field of education including teaching and learning innovations, effective teaching and learning approaches and smart campus life styles. This research analyzes the changes brought by artificial intelligence to education from different application aspects. It is suggested that, in order to better promote the application of artificial intelligence in education, there are three important aspects that must be considered at: the technical level; the model level and the practical level. Pages 548 to 562

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Female Purchasing Behaviour Concerning Skin Whitening Products

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This study aims to analyse the purchasing behaviour of female consumers in purchasing skin whitening cosmetic products. Data was collected through a survey of 187 women in Indonesia. The Covariance Based Structural Equation Model (CB-SEM) with AMOS software was used for analysing the data. The results of the analysis show that of the thirteen hypotheses proposed, there are nine supported hypotheses, and four hypotheses that are not supported. This study found that the antecedents of purchasing cosmetics skin whitening decisions were product quality, brand image, price, promotion, reference group, and family factors. The consequences of cosmetics skin whitening purchasing decisions are consumer satisfaction and the intention to share by Word of Mouth (WoM). Pages 563 to 580

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The Influence of International Experiences on Firm Value with Corporate Social Responsibility as a Mediation Variable

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This research aims to provide an explanation of CSR in Indonesia by proving that CSR mediates the influence of international experiences on firm value. This study is explanatory research with non-service sector companies listed on IDX in 2010-2012 as the population. The sampling was conducted using the saturated sampling method. Moreover, the method of analysis used was SEM (based on variance). The result of the study suggests that CSR disclosure mediates the influence of international experiences on firm value. In addition, the result of this study implies that companies should implement and report CSR accordingly, especially companies that run export trade, as it would have a positive impact on firm value. For the government, through the stock market regulator, it is crucial to provide guidance in making CSR report in detail by referring to GRI that has been universally accepted, in order to be used for economic decision-making for stakeholders. Pages 581 to 599

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Effects of Earning Manipulation, Strength of Financial Position and Financial Distress on Firm Value (Case of Listed Manufacturing Firms in Indonesia)

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Financial accounting information is often used by researchers and investors to measure firms value. The objective of this research is to investigate whether earning manipulation, strength of financial position and financial distress effect firm value. In this research earning manipulation is measured using Beneish M-Score, strength of financial position is measured using Piotroski F - Score, Financial distress measured using Altmann Z-score, and firm value is measured using Price Book Value (PBV). We used 125 observations from publicly listed manufacturing companies in Indonesia Stock Exchange (Bursa Efek Indonesia) in 2014, 2015, and 2016. Our research uses panel data analysis, and as the hypothesis test using E-VIEW. Results of our research show that only financial distress influences firm value. However, all independent variables simultaneously influence firm value. This finding also indicates that financial distress is more important than the other earning manipulation and strength of financial position in determining firm value. Pages 600 to 612

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Informal Entrepreneur: A Study of the Street Vendors in Indonesia

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Public space has become the place of work for the urban poor especially, in developing countries. This paper seeks to examine how street vendors use public space for their livelihood and the response by the Bogor municipal government to control street vending. This paper begins to fill this gap by analysing informal entrepreneurs' motives in Indonesia. The Research was carried out in the Merdeka market, Bogor city, a temporary market, with various street vending activities. The study employed qualitative research methodologies in gathering the data, including personal observation, and a field survey with a sample of 75 respondents in their motivation to make a living around the market and outside the area. The key findings show that the street vendors were often motivated by necessity. Family tradition also has been one of the reasons to participate in informal economic activities, while others were reluctant to participate in the field survey. Pages 613 to 630

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Funding Sources Consideration in the Framework of Capital Structure Decision

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Many firms, especially CFO's, still use a quantitative approach in determining capital structure decisions. To complete this quantitative approach, this research proposes the topic of Qualitative Judgment in determining financing decisions. As such, the respondents are CFO's from LQ 45 firms in IDX (Indonesia Stock Exchange). The several judgments are the cheapness and easiness of financing sources and managerial ownership structure. The qualitative investigation of Miles and Huberman (2001) has several steps: data collection; data reduction; data display & conclusion will be run by NVivo. Several list questions will also be considered that will be filled by the CFO's. The questions relate to: 1) The cheapness of financing sources 2) The ease of obtaining a financing source 3) The managerial ownership structure, referring to balancing power between insiders and outsiders. The expected conclusion is the description of a response profile from CFO's that will indicate the most important factors in choosing a financing source. Pages 631 to 644

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Public Services in the Borobudur Temple Area: An Asymmetrical Standard

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Village governments were urged to implement good governance as a form of support for Indonesia's Nawa Cita program. This study, therefore, aims to analyse the implementation of the principles of good governance in administrative services in the Borobudur Temple area, with the socio-legal research approach used to examine the principles and its application in the society. The results showed that there were no standard services in the villages, with the principles of participation, accountability, and transparency yet to be applied in the region. The Borobudur district government needs to strive for the standardisation of public services in order to attract tourists to its temple. Pages 645 to 655

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A Proposed Theoretical Model for Assessing the Quality of the Electronic Document Management Systems in the Construction Sector: A Case Study in Construction Companies

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This study aims to evaluate the quality attributes of the Electronic Documents Management systems (EDMS) and identify the direct impact of these quality attributes on achieving the satisfaction of employees in Jordanian construction companies. In addition, it aims to investigate the impact EDMS is attributing on the performance of these companies. The study uses a description analytical approach to collect data via a designed survey to be analysed using the SPSS package. The study sample includes (65) respondents working in construction companies. The results showed that there is a significant impact of quality attributes of EDMS on the satisfaction and performance of the companies that work in the construction sector. Moreover this study recommends for the Jordanian companies that work in this sector to adopt EDMS and developed strategy toward EDMS implementation, and pay more attention to the advantages of new systems that contribute in achieving a high quality service level raising the level of revenue for these companies. Pages 656 to 681

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Sheltered Workshop Model on Social Protection and Empowerment of People with Disabilities (PwDs) to Prepare Competitive Human Resources in the Era of the ASEAN Economic Community

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The ASEAN Economic Community (AEC) has two consequences: the readiness of commodities or products (goods and services) and the competitiveness of Human Resources. During this time, the human resources concerned are those who are normal and healthy. The data show that around 2.45% of the Indonesian population have disabilities and need special handling so that they can play a role in development, especially to face the MEA. The objectives of this study were to (1) analyse the needs of people with disabilities in developing their competencies; (2) analyse priority factors affecting the empowerment of people with disabilities; (3) formulate Sheltered Workshop policy development models for Disability Enterprises. This research uses mixed methods with Atlas.ti, Analytical Hierarchy Process (AHP), in-depth interview, and Focus Group Discussion (FGD) as the analytical tools. The results show that (1) a disabled person's needs network covers aspects such as family, education, health, employment and public facilities; (2) Priority factors that influence are, in order, internal factors with a priority value of 0.38, institutional with 0.36, and external with 0.26; (3) The sheltered workshop policy development model links various stakeholders, namely family, community, central government, local government, institutions, private institutions, and State-Owned Enterprises. Pages 682 to 699



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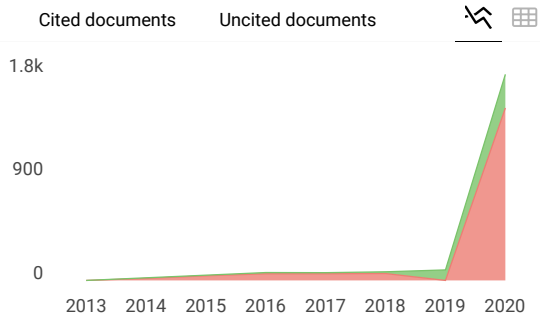
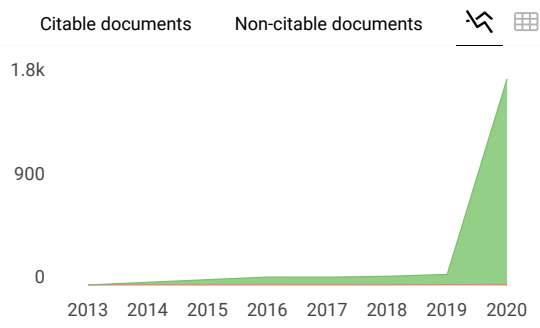
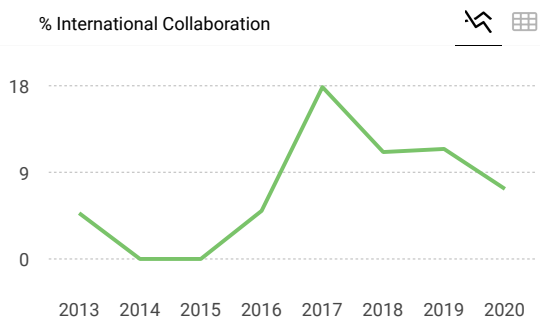
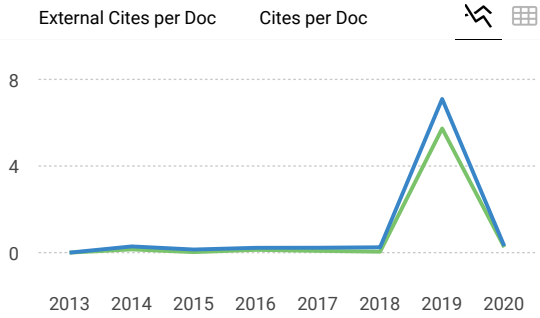
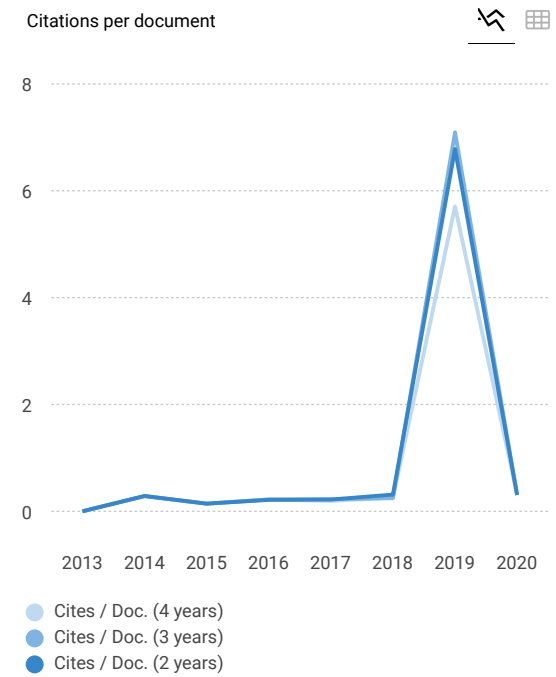
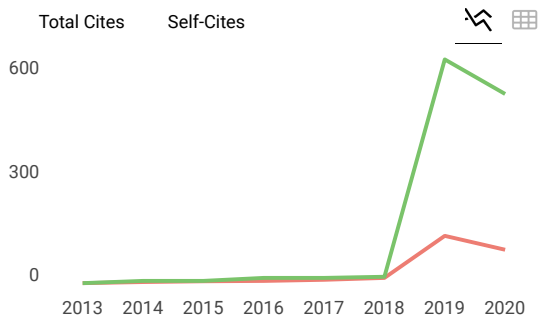
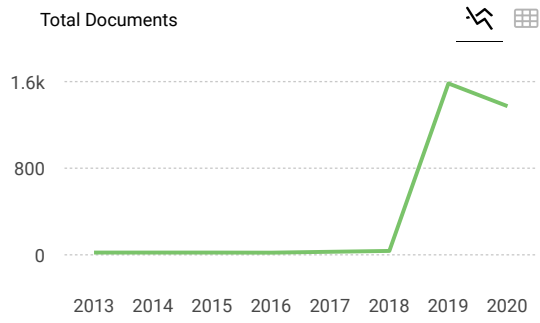
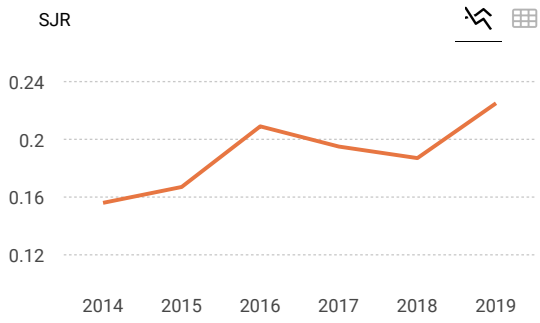
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