

# The Role of E-Commerce in Increasing MSME Income in the Covid-19 Pandemic (Survey on MSME in Medan City)



Bambang Sutejo<sup>1</sup>, Dedy Lazuardi<sup>2</sup>, Rahmat Lubis<sup>3</sup>, Rizky Rahmadani<sup>4</sup>, Dimas Abdul Aziz<sup>5</sup>

<sup>1,2,3,4,5</sup>sekolah Tinggi Ilmu Ekonomi Eka Prasetya

**ABSTRACT:** The problem is that more than 53% of MSMEs experience a decline in asset value. Then, two-thirds of MSMEs experienced a decline in income during the pandemic, while more than 80% recorded lower profit margins during COVID-19, This of course has an impact on the survival of MSME actors where income has decreased while the needs of family life are still running. The purpose of the study is to analyze the role of e-commerce through Interface, Navigation, Content, Reliability, and Technical indicators in an effort to increase MSME income during the Covid-19 Pandemic in order to improve the welfare of MSME actors. The analytical method of this research is descriptive quantitative research. This research uses data analysis with Partial Least Square (PLS) approach. and Technical in an effort to increase MSME income during the Covid-19 Pandemic in order to improve the welfare of MSME actors. The analytical method of this research is descriptive quantitative research. This research uses data analysis with Partial Least Square (PLS) approach. and Technical in an effort to increase MSME income during the Covid-19 Pandemic in order to improve the welfare of MSME actors. The analytical method of this research is descriptive quantitative research. This research uses data analysis with Partial Least Square (PLS) approach. Results Interface research, and influential reliability on the increase in the income of SMEs during the Covid-19 pandemic (Survey on SMEs in the city of Medan), while content, navigation and technical have no effect on increasing the income of SMEs during the Covid-19 pandemic (Survey on SMEs in the city of Medan)..

**KEYWORDS:** E-Commerce In Increasing Msme Income In The Covid-19

## INTRODUCTION

The development of micro, small and medium enterprises (MSMEs) in Indonesia has a major contribution to the country's economy. When the crisis hit Indonesia in 1997-1998, the MSME sector was proven to remain strong when other large businesses fell [1]. The advantages of MSMEs in surviving the crisis were due to various reasons. First, MSMEs generally produce consumer goods and services that are close to the needs of the community. Second, MSMEs do not rely on imported raw materials and utilize more local resources, both in terms of human resources, capital, raw materials and equipment. Third, MSME businesses generally use relatively small capital.

Bank Indonesia said as many as 87.5 percent of MSMEs were affected by the Covid-19 pandemic. Of this amount, around 93.2 percent of them were negatively affected on the sales side, where MSME income during this pandemic experienced a very significant decline. Plus the social distancing guidelines proposed by the respective governments and health departments to the public have resulted in the closure of schools and businesses and left the public confused in the face of an unprecedented level of change [2].

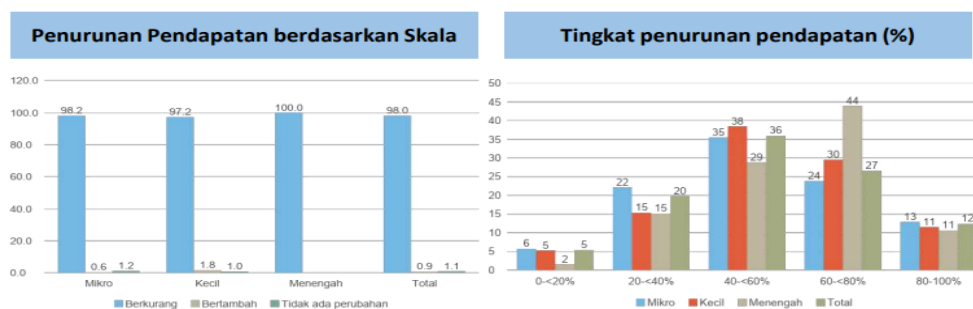


Figure 1. The Effect of the Pandemic on Business Income

## The Role of E-Commerce in Increasing MSME Income in the Covid-19 Pandemic (Survey on MSME in Medan City)

This fairly high decline in income is one of the main causes of MSMEs experiencing financial difficulties. This pattern is seen from several aspects, sectors and regions where the magnitude of the decline ranges from 40-80%.

The emergence of the e-commerce market has created broad market opportunities for retailers and logistics service providers, can increase purchase and sales satisfaction and can facilitate the ability of logistics service providers to manage greater [3]. Even though the Covid-19 pandemic is hitting, internet access can still be used.

E-commerce actually appeared long before the Covid-19 outbreak and brought major changes to the company's business patterns and influenced people's transaction patterns. During the world recession of 2008-2009, e-commerce was a relatively stable retail company. Online sales have even continued to increase since 2012 until now where the Covid-19 outbreak occurred, and is expected to continue to strengthen after the pandemic [4].

The world of e-commerce is wide open for MSME players to increase their sales. MSMEs are indirectly forced to change the way their transactions, which were initially offline, then during this pandemic turned to online [5]. E-commerce is believed to be able to increase sales of MSME actors.

During the COVID-19 pandemic, e-commerce has had great advantages over traditional transactions, offering reduced transaction costs and providing convenience for all consumers [6]. During the Covid-19 pandemic, e-commerce was able to accelerate business development and accelerate operational adjustments [7].

Problem Seeing the impact of the declining economy due to this pandemic which has an impact on the decline in the income of MSME actors, many business actors have turned to online business or what is called electronic commerce (e-commerce). The urgency of this research is to increase MSME income, e-commerce is believed to be able to increase sales of MSME actors by conducting transactions traditionally, offering reduced transaction costs and providing convenience for all consumers.

### THEORETICALBASE

#### ***Theory Planned Behavior(TPB)***

Starting from the Theory of Reasoned Action (TRA) which was developed. TRA is a derivation of previous research starting from the theory of attitude which studies attitudes and behavior. TRA explains that behavior (behavior) is carried out because the individual has the intention or desire to do (behavioral intention) something. So it can be said that

TRA is a determining factor of an individual's intention in doing a thing/activity. The definition of attitude is a person's affection (feeling) to accept or reject an object or behavior and is measured by a procedure that places the individual on a two-pole evaluative scale, for example good or bad, agree or reject, and so on [8].

#### ***Theory Technology Acceptance Model (TAM)***

*Technology Acceptance Model(TAM)* is a model to provide an explanation of what external factors affect the behavior of users of an information system from the acceptance of the use of the information system itself. A theory that examines what external factors motivate a person to accept or adopt an object/behavior (system, certain technology). The TAM model can produce an explanation of the acceptance of information systems with certain forms that can affect the response to whether or not an information system is accepted by its users [9].

#### **MSME Income**

In today's digital era, MSMEs in Indonesia are growing rapidly. MSMEs utilize technology, especially social media as a means to carry out digital marketing (digital marketing) to carry out their business activities [10].

According to PSAK No. 23 paragraph 6, income is "gross inflows of economic benefits arising from the normal activities of the enterprise during a period when these inflows result in increases in equity, which are not derived from contributions from investors.

Income is the maximum value that can be consumed by a person in a period by expecting the same conditions at the end of the period as the initial state. This understanding does not focus on the total quantitative expenditure on consumption for a period. In essence, income is the receipt or remuneration of the factors of production. Revenue is the receipt of producers in the form of money obtained from the sale of goods produced [11].

#### **E-commerce**

Electronic Commerce Business (E-Commerce) or better known as Online Shopping is the implementation of commerce in the form of sales, purchases, orders, payments, and promotions of a product of goods and/or services carried out by utilizing computers and digital electronic communication facilities or data telecommunications. In addition, this form of commerce can

## The Role of E-Commerce in Increasing MSME Income in the Covid-19 Pandemic (Survey on MSME in Medan City)

also be carried out globally, namely by using the internet network [12].

Electronic commerce is concerned with doing business electronically. E-commerce is based on the electronic processing and transmission of data, including text, sound and video. E-commerce includes all kinds of activities including electronic trading of goods or services, online delivery of digital content, electronic transfer of funds, electronic share trading, electronic bill of landings, commercial auctions, design and engineering collaboration, online sourcing, public procurement, direct consumer marketing, and after-sales service. This includes products (consumer goods, medical devices) or services (information, financial and legal services); traditional activities (health, education) and new activities (virtual malls) [13].

Several variables are used to evaluate e-commerce network sites [14], namely:

- a. Interface (Interface)
- b. Navigation
- c. Content
- d. Reliability (reliability)
- e. Technical (technical)

### HYPOTHESES

The hypotheses used in this study are:

H1 : E-Commerce Significantly Influential In Increasing MSME Income During the Covid-19 Pandemic (Survey on MSMEs in Medan City)

### SEARCH METHOD

#### Research Sites

This research was conducted on MSME entrepreneurs in Medan City. The research is planned from January 2022 to December 2022.

#### Population, Sample And Data Determination Techniques

The population in this study were 1,603 MSME entrepreneurs in Medan City based on data obtained from the Cooperatives and MSMEs Office in Medan City. The sample in this study uses purposive sampling, namely the technique of determining the sample with certain considerations, then the respondents will be filtered again according to certain criteria, namely:

1. MSME food traders
2. Have NPWP
3. Submitting SPT 2020-2021

Respondents who fit certain criteria amounted to 268 MSMEs, so the number of samples used was 73 people who were obtained based on the calculation of determining the sample using the Slovin Formula.

#### Research Approach

In this study, data analysis uses the Partial Least Square (PLS) approach, PLS is a component or variant-based Structural Equation Modeling (SEM) equation model. PLS is a powerful analytical method and is often referred to as soft modeling because it eliminates OLS (Ordinary Least Square) regression assumptions, such as the data must be normally distributed multivariately and there is no multicollinearity problem between exogenous variables. Basically Wold developed PLS to test weak theory and weak data such as small sample size or data normality problems [15]

#### Data analysis

The data collection method used a questionnaire with a modified Likert scale consisting of 4 answer options, namely point 4 Strongly Agree (SS), point 3 Agree (S), point 2 Disagree (TS), and point 1 Strongly Disagree (STS). [17]. The data analysis technique used in this study is multiple linear regression analysis, with the following stages:

- a. convergent validity
- b. discriminant validity.
- c. *average variance extracted*(AVE)
- d. *Composite Reliability and Cronbach Alpha*.
- e. Coefficient of Determination/RSquare value.
- f. Hypothesis test.

## The Role of E-Commerce in Increasing MSME Income in the Covid-19 Pandemic (Survey on MSME in Medan City)

Hypothesis testing serves to test research hypotheses, where the t test can be seen from the results of the Path Coefficient test which will provide an estimate of the influence between variables and provide very useful significant information regarding the relationship between research variables.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

Information :

Y = MSME Income

a = Constant

X1 = Interface

X2 = Navigation

X3= Content

X4= Reliability

X5 = Technical

b1-5 = Coefficient

e = Error

### RESEARCH RESULTS AND DISCUSSION

#### Investment Decisions

Convergent validity test is done by looking at the value of the loading factor on each construct. A loading factor value above 0.7 is declared as an ideal or valid measure as an indicator in measuring the construct, values from 0.5 to 0.6 are still acceptable, while values below 0.5 must be excluded from the model.

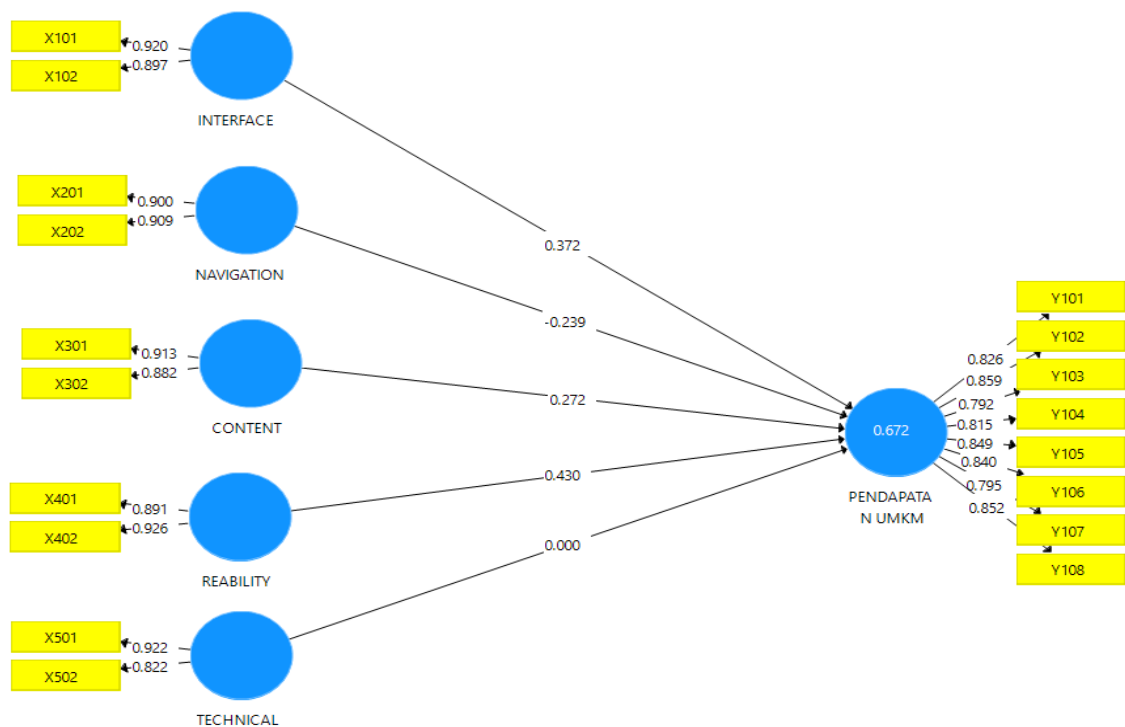


Figure 2. PLS Algorithm . Calculation Output Display

From the output of the analysis, the measurement model (outermodel) can be evaluated, namely by testing convergent validity, discriminant validity and reliability. All indicators are declared to be able to represent Independent and Dependent Variables, it can be concluded that all indicators have met the criteria for the validity of indicators for each construct.

Table 1. Construct Reliability and Validity

Variable	Composite Reliability
X1 = Interface	0.905
X2 = Navigation	0.900
X3= Content	0.892

## The Role of E-Commerce in Increasing MSME Income in the Covid-19 Pandemic (Survey on MSME in Medan City)

X4= Reliability	0.904
X5 = Technical	0.865

Table 1 shows that the category is quite good, each construct has met the outer model reliability assessment criteria with a composite reliability value > 0.7.

### Hypothesis test results

The results of the SmartPLS algorithm in assessing the Path Coefficient are directly given in Table 2.

**Table 2. Path Coefficient**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
CONTENT -> PENDAPATAN UMKM	0.272	0.251	0.217	1.252	<b>0.211</b>
INTERFACE -> PENDAPATAN UMKM	0.372	0.376	0.189	1.967	<b>0.050</b>
NAVIGATION -> PENDAPATAN UMKM	-0.239	-0.221	0.169	1.416	<b>0.157</b>
REABILITY -> PENDAPATAN UMKM	0.430	0.431	0.168	2.564	<b>0.011</b>
TECHNICAL -> PENDAPATAN UMKM	0.000	0.003	0.109	0.004	<b>0.997</b>

## DISCUSSION

### Effect of Interface on revenue

The design of a website not only determines the company's image, in the case of e-Commerce, website design also affects the level of sales. For this reason, in designing a website, it is necessary to consider several things such as visual appearance, application of the user interface, and ease of user access. In addition to attracting potential users, in principle, website design also aims to maximize the function of the website as a bridge between users and sellers, so that the appearance of the website must provide easy access for users to maximize the services provided by the website. The term user friendly is used to refer to the capabilities possessed by software or application programs that are easy to operate, and have a number of other capabilities so that users feel comfortable operating the program.

### Effect of Navigation on revenue

Navigation is important because it refers to the process of moving from one page to another. It should be noted that in this navigation, the display structure is easy for users to access. The navigation variable is proven to influence the decision of site users to buy on the Gojek application during the covid-19 pandemic in Indonesia because Gojek application users choose to view and analyze the product to be purchased first before deciding to buy and are not affected by how sophisticated or how easy the navigation is. the network site.

### Effect of Content on revenue

*Content*(content) refers to the actual information on the website, for example the amount and quality of information contained in the website. From the data, it is known that users assume the E-commerce platform used already has the right display structure and clear communication directions. Has a fast navigation system that makes it easier for customers to transact and interact on the site. This is also supported by research conducted [29] which states that the online transaction variable (e-commerce) has a positive and significant effect on increasing income, in line with research conducted by [28] which argues that online transactions (e-commerce) have a significant effect to income, research conducted by [14] also states that online transactions (e-commerce) have a significant effect on income. This is because with the advancement of time and technology as well as changes in human behavior that are increasingly advanced which requires them to be all practical so that with practicality it opens up opportunities for companies to sell and advertise products and services on internet sites so that everyone can buy the products and services needed with just one click. and can be done anytime and anywhere.

### Effect of Reliability on Income

Reliability has 4 indicators, namely: storing consumer profiles, ordering processes, after ordering until receiving orders and customer service. [13] expressed satisfaction is the level of feeling in which a person states the results of a comparison of the performance of the product or service received and expected after making a purchase or use. The reliability variable in this study was proven to have an effect on the income of MSMEs during the covid-19 pandemic. E-service quality is basically a development of traditional service quality, but has been developed into service quality electronically. E-service quality broadly is the extent to which a website facilitates efficient and effective shopping, purchasing, and delivery

## The Role of E-Commerce in Increasing MSME Income in the Covid-19 Pandemic (Survey on MSME in Medan City)

### Technical influence on revenue

Several technical aspects of a network site are important to note so that the site can perform its functions properly. The technical variable that proved to have no effect was due to the fact that many consumers complained about the changing and too large postage rates, especially in the early days of the PSBB in the city of Palembang. This happens because there are few food pickup drivers, so food delivery costs go up, so that people's purchasing power decreases which results in a decrease in the income of MSME actors. At the beginning of the pandemic, income rose not too significantly, maybe due to adjustment to the situation, but over time due to limited mobility, food and goods pickup became the main choice because it was considered safer than having to go out to buy food or other necessities.

### CONCLUSION

Based on the analysis and discussion of the Influence of E-Commerce and Product Innovation on the Marketing Performance of MSMEs in Lubuk Pakam City Amid the Covid-19 Pandemic, several conclusions and suggestions can be drawn as follows:

1. Influential Interface in Increasing MSME Income During the Covid-19 Pandemic (Survey on MSMEs in Medan City)
2. Navigation has no effect in increasing MSMEs' income during the Covid-19 pandemic (Survey on MSMEs in Medan City)
3. Content has no effect on increasing MSMEs' income during the Covid-19 pandemic (Survey on MSMEs in Medan City)
4. Reliability has an effect on increasing MSMEs' income during the Covid-19 pandemic (Survey on MSMEs in Medan City)
5. Technical has no effect in increasing MSMEs' income during the Covid-19 pandemic (Survey on MSMEs in Medan City)

### SUGGESTION

Future researchers are expected to be able to further develop this research by examining other variables, the number of samples, and researching case studies of other sectors so that they cover a wider range of research..

### REFERENCES

- 1) Ayu, Sandra., Ahmad Lahmi. The role of e-commerce in the Indonesian economy during the Covid-19 pandemic. *Journal of Business Management Studies*, Vol. 9 (2) pp:114-123. 2020.
- 2) Afsar, A., Nasiri, Z., & Zadeh, M. O. E-loyalty Model in e-Commerce. *Mediterranean Journal of Social Sciences*, 4(9), 547-553. 2013.
- 3) Fathimah, V. Determinants of E-Commerce Adoption and Its Impact on the Performance of Micro, Small and Medium Enterprises (MSMEs). *Journal of Accounting and Financial Research*, 7(3), 445–464. 2019.
- 4) Bartik, A. W., Bertrand, M., Cullen, Z., Glaeser, E., Luca, M., & Stanton, C. The impact of COVID-19 on small business outcomes and expectations. *Proceedings of the National Academy of Sciences*, 117(30), 17656-17666. doi:DOI: 10.1073/pnas.2006991117. 2020.
- 5) Alwendi, A. Application of E-Commerce in Improving Business Competitiveness. *Journal of Business Management*, 17(3), 317. 2020.
- 6) H. Joo. A study on understanding of UI and UX, and understanding of design according to user interface change. *International Journal of Applied Engineering Research*, vol. 12, no. 20, pp. 9931-9935. 2017
- 7) Fishbein, M, & Ajzen, I. *Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research*, Reading, MA: Addison-Wesley. 1975.
- 8) Fishbein, M, & Ajzen, I. *Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research*, Reading, MA: Addison-Wesley. 1975.
- 9) Setyorini, D., Nurhayaty, E., & Rosmita, R. The Effect of Online Transactions (e-Commerce) on Increasing MSME Profits (Case Study of MSMEs in Iron Processing Ciampea Bogor, West Java). *Journal of Management Partners*, 3(5), 501–509. <https://doi.org/10.52160/ejmm.v3i5.228>. 2019.
- 10) Rambe, et al. *Online Business During the Pandemic Umkm Rise*. Publisher: Cattleya Darmaya Fortuna. ISBN 6239586021, 9786239586027. 2021.
- 11) Fathimah, V. Determinants of E-Commerce Adoption and Its Impact on the Performance of Micro, Small and Medium Enterprises (MSMEs). *Journal of Accounting and Financial Research*, 7(3), 445–464. 2019.
- 12) Komalasari, R. Benefits of Information and Communication Technology during the Covid 19 Pandemic. *THEMATIC - Journal of Information and Communication Technology*, 7(1), 38-50. doi:<https://doi.org/10.38204/tematik.v7i1.369>. 2020.
- 13) Sudaryono; Rahwanto, Efana; & Komala, Ratna. *E-Commerce Drives the Indonesian Economy, During the Covid 19*

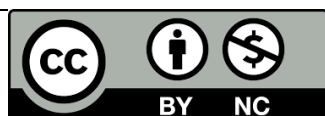
## The Role of E-Commerce in Increasing MSME Income in the Covid-19 Pandemic (Survey on MSME in Medan City)

- Pandemic As A Modern Entrepreneur And Its Effect on Offline Business. *Journal of Management and Business (Jumanis) Entrepreneurship Study Program*, 02(01), 200-213. 2020.
- 14) Nurhayati, E., & Rosmita. The Effect of Online Transactions (e-Commerce) on Increasing MSME Profits (Case Study of MSMEs in Iron Processing Ciampea Bogor, West Java). *Journal of Management Partners (JMM Online)*, 3(5), 501–509. 2019.
  - 15) Ghozali, Imam, Hengky Latan. *Concepts, Techniques, Applications Using Smart PLS 3.0 For Empirical Research*. BP Undip. Semarang. 2015.
  - 16) Sujarweni, V. Wiratna. *Research methods*. First Printing, Yogyakarta : Pustakabarupress. 2014.
  - 17) Lubis, Irna Triannur. Analysis Of The Effect Of Competence And Objectiveness On The Quality Of Internal Audit Results In The Inspectorate Of Medan City. *Mantik Journal*. ISSN : 2685-4236. Vol. 5 No. 3. 2021.
  - 18) Aristantya, S. (2019). The Influence of Service Marketing Mix In Improving Customer Loyalty Of Service Users In Cv. Medan Main Blue. *ReadyStar*, 2(1), 330-336.
  - 19) Hakim, L., Irene Svinarky, S. H., Kn, M., Hartini, S. E., Murwantono, D., Fitriyanti, S. P., ... & Surahmat, Z. (2022). *BUM Desa As A New Economic Force (An Idea For Villages In Indonesia)*. Lakeisha Publishers.
  - 20) Ningsi, E. H. (2021). The Effect Of Working Capital Efficiency And The Level Of Liquidity On Profitability In The Mining Industry Registered In Indonesia Stock Exchange. *Enrichment: Journal Of Management*, 11(2), 602-608.
  - 21) Ningsi, E. H. (2019). Effect of Credit Risk, Financing To Deposit Ratio (Fdr) and Bi Rate Interest Rate on Capital Adequacy of Banking Companies Listed on the Indonesia Stock Exchange. *ReadyStar*, 2(1), 305-311.
  - 22) Ningsi, E. H., & Manurung, L. (2021). The Influence Of Financial Attitude And Financial Knowledge On Saving Interest (Case Study On Students Of Brigjend Katamso I Vocational High School Medan). *Mantik Journal*, 5(3), 1873-1882.
  - 23) Lubis, I. T. (2021). Analysis Of The Effect Of Competence And Objectiveness On The Quality Of Internal Audit Results In The Inspectorate Of Medan City. *Mantik Journal*, 5(3), 1694-1699.
  - 24) Lubis, I. T., & Shara, Y. (2021). Analysis of the Influence of Human Resource Competence, Transparency and Utilization of Information Technology on the Preparation of Regional Revenue and Expenditure Budgets in Medan City. *Simantek Scientific Journal*, 5(3), 144-153.
  - 25) Lubis, I. T., & Ningsi, E. H. (2022). Determinants Of Financial Performance In Local Governments In District/City In Indonesia. *Enrichment: Journal of Management*, 12(2), 2385-2390.
  - 26) Lubis, I. T., Ningsi, E. H., Aristantya, S., Rizki, I. H., & Kaur, M. (2020). Effect of Firm Size, Liquidity, and Managerial Ownership on Dividend Payout Ratio in Banking Companies Listed on the Indonesia Stock Exchange (IDX). *Simantek Scientific Journal*, 4(2), 232-241.
  - 27) Rizki, I. H., Chaniago, S., Yogi Putra Se, M. M., Aristantya, S., Sutejo, B., Kom, S., ... & Par, M. M. (2022). *Independent SMEs in the Industrial Revolution 4.0 Era*. Cattleya Darmaya Fortuna.
  - 28) Syahputra, O. (2022). The Effect Of Internal Control And Quality Of Accounting Information Systems On Quality Information On Pt. Pandu Siwi Sentosa (Pandu Logistics). *Enrichment: Journal Of Management*, 12(2), 1712-1717.
  - 29) Syahputra, O., & Siregar, F. A. H. (2022). The Influence of the Implementation of Sales Accounting Information Systems and the Quality of Accounting Information on the Effectiveness of Internal Controls at Pt. Pandu Siwi Sentosa (Pandu Logistics). *Maksitek Scientific Journal*, 7(1), 1-8.
  - 30) Alim, M., T. Hapsari, and L. Purwanti. 2007. "The influence of titleless competence and independence on examination quality with examiner ethics as a moderating variable". *X Makassar National Accounting Symposium*.
  - 31) Angelo, L.E. De. 1981. "Auditor's Independence, 'Low Balling' and Disclosure Rules". *Journal of accounting and economics*.
  - 32) Anggoro, A. Poncho. 2015. "Inspections have not yet completed corruption prevention." in. *Kompas.com*.<https://national.kompas.com/read/2015/03/26/15000041/Inspektorat.Belum.Paripurna.Cegah.Corrupcion? Sides = all>.
  - 33) Anttle, R. 1984. "Independence Examiner". *Journal of Accounting Research* 22 (1): 1-20.
  - 34) Arnold, DF, RA Bernardi, PE Neidermeyer, and J. Schmee. 2006. "National and Cultural Influences on Perceptions of Appropriate Ethical Action Required by a Code of Conduct: A Western European Perspective Among Accountants." *Journal of Economics and Ethics*, 327-40.
  - 35) Baotham, Sumintor. 2007. "The Impact of Professionalism on Audit Quality and Self-Image of Auditors in Thailand." *International magazine for corporate strategy*. Editor: Academy of International Economics and Business.
  - 36) Barrainkua, Itsaso and Marcela Espinosa-lucio. 2017. "Differences between employees and PhD students". To quote this

## The Role of E-Commerce in Increasing MSME Income in the Covid-19 Pandemic (Survey on MSME in Medan City)

article: no. xx: 1-12. <https://doi.org/10.1016/j.rcsar.2017.07.001>.

- 37) Behn, BK, JV Carcello, DR Hermanson, and RH Hermanson. 1997. "Determinants of Customer Satisfaction When Tested Among Big Six Customers". *The accounting universe* 11:7-24.
- 38) Bogdanović, M. 2008. "cimbenici Utjecaja Na Etičnost Poslovnog Sustava". *Radovi Zavoda Za Znanstveni Rad HAZU*.
- 39) Bouhawai, S., Mohammed, Irianto Gugus, and Baridwan Zaki. 2015. "Influence of professional experience, integrity, competence and organizational commitment on inspection quality (survey of state-owned companies in Libya)". *Journal of Economics and Finance*.
- 40) Cameran, M, and AK Pettinicchio. 2011. *The effect of mandatory rotation rules on audit firms, Vers Guelle Rules de Audit Faut-Il Aller? Lextenso. Edition 7789 Paris: LGDJ*.
- 41) Carolita, Metha Kartika. 2012. "The influence of professional experience, independence, objectives, integrity and organizational commitment on the quality of examination results." *Scientific journals*.
- 42) Chang, YT, H Chen, RK Cheng, and W Chi. 2018. "The effect of internal audit attributes on the effectiveness of internal controls on operations and compliance." *Journal of Contemporary Economics and Accounting*. <https://doi.org/10.1016/j.jcae.2018.11.002>.
- 43) Chi, Wuchun, Linda A. Myers, Thomas C. Omer, and Hong Xie. 2017. *The impact of previous experience and client - specific experience of audit partners on audit quality and perceptions of audit quality. Review of accounting reviews. Volume 22. Review of accounting reviews.* <https://doi.org/10.1007/s11142-016-9376-9>.
- 44) Chrisdinawidanty, New Zealand, Hiro Tugiman and Qia. 2016. "Influence of auditors and audit fees on audit quality". *ISSN 3(3): 3466-74*.
- 45) Christiawan, Yulius Yogi. 2002. "Competence and independence of auditors: reflecting on the results of empirical research". *Journal of Accounting and Finance* 4: 79-92.
- 46) Cowperthwaite, P. 2010. "Cultural Matters: How Our Culture Influences Auditing." *Outlook/accounting table Table 9 (3): 175–215*.
- 47) Daniels, Bobbie W, and Quinton Booker. 2011. "Accounting Regulation Research on the Impact of Audit Firm Rotation on Perceived Auditor Independence and Audit Quality." *Research in Accounting Regulations* 23 (1): 78-82. <https://doi.org/10.1016/j.racreg.2011.03.008>.
- 48) Goddess, Anita Kusuma. 2010. "The influence of auditor professionalism on the consideration of materiality level in the final audit process (empirical study of auditors in KAP Yogyakarta)". *Scientific journals*.
- 49) Ege, M, S. 2015. "Does the quality recognition management of the internal audit function not work?" *Accounting Report* 90 (2): 495-527.
- 50) Erlina and Iskandar Muda. 2018. "The influence of self -efficacy and professional development on the quality of work of internal auditors". *International Journal of Civil Engineering and Technology* 9 (5): 1292-1304.
- 51) Eulerich, Marc, Joleen Kremin and David A. Wood. 2019. "Factors influencing perceptions of the use of internal audit work by management and the audit committee". *Advances in accounting* 45 (xxxx): 1–7. <https://doi.org/10.1016/j.adiac.2019.01.001>.
- 52) Fauziah. 2017. "The Influence of Competence, Independence and Motivation on Audit Quality in District Financial Supervision". *Journal of Research and Accounting* 1.
- 53) Lubis, Irna Triannur. 2018. *Determinants of investment activity with economic growth as a moderation variable in government districts / cities on the island of Sumatra. Doi: 10.18502 / Kss.V3i10.3448*.
- 54) Mardiasm. 2002. *Changes in the company, challenges or threats? Me too. Yogyakarta*.
- 55) Marita and YPS Gultom. 2018. "The influence of professionalism, professional ethics, independence, motivation and organizational skills on the performance of internal auditors." *Journal of Economic Research and Accounting III (1): 645-61*.
- 56) Maulana, Mifta Khoirul. 2015. "The influence of competence, independence, professionalism and work experience on examination quality with examiner ethics as a moderate variable." *Scientific journals*.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.