

Factors and Strategies Affecting and Improving Financial Performance of Old Age Protection

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ABSTRAK

Kinerja keuangan dana Jaminan Hari Tua yang dimiliki BPJS Ketenagakerjaan sebagai lembaga yang dipercaya untuk memberikan jaminan sosial berkelanjutan perlu mendapat perhatian besar saat ini. Penelitian ini bertujuan untuk mengetahui faktor dan strategi yang mempengaruhi dan meningkatkan kinerja keuangan perlindungan hari tua di BPJS Ketenagakerjaan. Dalam penelitian ini terdapat lima variabel independen seperti: Solvability ratio, effectiveness of membership, effectiveness of dues, efficiency ratio, dan varian ratio, sedangkan variabel dependen adalah growth assets yang diukur dengan Return on Net Asset Ratio. T-test digunakan untuk mengetahui perbedaan kondisi keuangan sebelum dan selama pandemi, metode analisis regresi linier berganda dengan variabel dummy digunakan dengan menggunakan data tahun 2019 dan 2020 untuk mengetahui faktor-faktor yang mempengaruhi kinerja keuangan, dan analisis SWOT digunakan untuk menentukan strategi peningkatan kinerja keuangan. Hasil penelitian ini menunjukkan bahwa kondisi keuangan berbeda sebelum dan selama pandemi, kemudian faktor solvabilitas, efektivitas keanggotaan, dan efisiensi berpengaruh signifikan terhadap kinerja keuangan program jaminan hari tua sebelum dan selama pandemi. Strategi yang dihasilkan dari faktor SWOT meliputi: penegakan hukum, pelatihan, pendidikan dan lain-lain, terkait dengan kinerja keuangan hari tua. Di akhir, penelitian ini diharapkan dapat membantu manajemen di BPJS Ketenagakerjaan meningkatkan kinerja keuangan program jaminan hari tua.

ABSTRACT

The financial performance of the Old Age Security fund held by BPJS Ketenagakerjaan as an institution that is trusted to provide sustainable social security needs to receive great attention nowadays. This research aims to determine factors and strategies affecting and improving financial performance of old age protection in BPJS Ketenagakerjaan. In this study, there are five independent variables such as: Solvability ratio, effectiveness of membership, effectiveness of dues, efficiency ratio, and varian ratio, while dependent variable is growth assets measured by Return on Net Asset Ratio. T-Test was used to find out the difference of financial condition before and during pandemic, the method of multiple linear regression analysis with dummy variable was utilized with using 2019 and 2020 data to determine the factors that influence financial performance, and SWOT analysis used to determine strategies to improve financial performance. The result of this study shows that financial condition is different before and during pandemic, then solvability, effectiveness of membership, and efficiency factors significantly affect the financial performance of old age security program before and during pandemic. The strategies resulted from SWOT factors include: law enforcement, training, education and etc., related to old age financial performance. At the end, this study is expected to help management in BPJS Ketenagakerjaan improve financial performance of old age security program.

1. INTRODUCTION

The BPJS Ketenagakerjaan for Old Age Security managed fund has the highest total net assets among other programs, such as Death Security, Work Accident Insurance, and Pension Security. Based on the financial statements of BPJS Ketenagakerjaan from 2017 to 2020, the net assets of Old Age Security reached around 80% compared to the total net assets of BPJS Ketenagakerjaan. Financial report BPJS Ketenagakerjaan in 2019 stated that the total net assets of the Old Age Security were around Rp.

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317.620.390 (in million) and in 2020 increased by Rp. 29.134.690 (in million) to Rp. 346.755.080 (in million) is still the managed fund with the highest assets among other programs. The Old Age Security Program also faces the biggest challenge among other programs. One of them shows in the Indonesian people's desire to immediately withdraw or claim their old age funds, which reflects the low level of knowledge about social security. In addition, the Covid-19 pandemic, which has increased the unemployment rate for workers in Indonesia, will automatically encourage people to withdraw their old-age insurance funds immediately.

BPJS Ketenagakerjaan is a national institution of the Government of Indonesia aiming to protect all formal and informal workers in Indonesia Law Number 24 of 2011 (Satria et al., 2021). This goal encourages BPJS Ketenagakerjaan to acquire all workers registered in social security membership. Automatically, the membership increase will be proportional to the dues from program contributions. However, will an increase in the number of memberships and dues be related can do result in a good old-age security financial performance at BPJS Ketenagakerjaan? This has been proven by several theories from previous researchers which stated that non-profit organizations tend to have a good financial performance by optimizing the effectiveness and membership of the due (Fan et al., 2017; Ma et al., 2022; Wellens & Jegers, 2014; Wicker & Breuer, 2014). On the other hand, BPJS Ketenagakerjaan, as a government agency, has been trusted to remain optimal by considering the liquidity aspect. To maintain the continuity of the Old Age Security program, the number of obligations related to liquidity must be appropriately maintained. The regulation also states that to achieve optimal financial performance, liquidity control is needed to increase the net assets of the Old Age Security (Kusmawati, 2020). Therefore, this study aims to determine how liquidity can affect financial performance, especially in Old Age Security at BPJS Ketenagakerjaan.

BPJS Ketenagakerjaan is a non-profit government institution. Of course, several factors assessed by the government are efficiency and budget realization Law Number 17 of 2003 (Hutabarat et al., 2022). During the last five years, BPJS Ketenagakerjaan has been quite efficient with the achievement of income realization (a receipt of dues), which is higher than expenditure (payment of claims), especially in Old Age Security. In addition, the realization or absorption of the budget is also quite good due to the existence of policy standards that require the absorption of the budget to reach more than 95% Law Number 17 of 2003 (Hutabarat et al., 2022). However, is our efficiency and good budget absorption related to the financial performance of Old Age Security? Many previous studies have supported this theory in different institutions (Fadhilatunnisa et al., 2021; Rita et al., 2019). Therefore, it is hoped that the results of this study will finally answer this problem.

The Covid-19 pandemic that began in 2020 broadly impacted institutions' and corporations' financial conditions and performance, as evidenced by various previous studies. A previous study found that the company's financial condition before and during the pandemic was different, marked by a significant change in financial ratios (Aviantara, 2023; Devi et al., 2020). The similar outcome explains that the Covid-19 pandemic has made a significant difference to the financial condition of companies in Indonesia (Purba et al., 2021; Thompson et al., 2021). Previous study explained that the pandemic significantly impacted financial indicators such as solvency and liquidity (Alifa & Handayani, 2021; Ferina, Sri, et al., 2021).

To examine the things that affect the financial performance of an institution or organization, it is necessary to conduct a financial analysis. Previous researchers conducted two studies in which financial efficiency and financial effectiveness were indicators of financial performance at USA Hockey Inc. and at the American Table Tennis Association, a non-profit organization in Louisiana, USA. Similar studies state that debt and liquidity ratios have a positive effect on the financial performance of insurance companies (Hidayat & Yusniar, 2021). This is also supported by other research which explains that liability and liquidity are factors that have a positive relationship with the financial performance of non-profit companies in Albania (Hakim & Naelufar, 2017). After reviewing the factors that affect financial performance itself, it is also essential to determine improvement strategies to facilitate decision-making for management in the future. Of course, several strategies can be formulated based on the factors that affect financial performance. Other study explain that the strategy to improve financial performance using SWOT analysis is to increase productivity (Rahmah, 2020). Similar study also with a SWOT analysis, stipulates that law enforcement should be the primary strategy to improve financial performance for non-profit organizations (Awwaliyah et al., 2019). Based on the background explained, this study aims to describe financial conditions before and during the pandemic and analyze factors and strategies that influence and improve the financial performance of Old Age Security at BPJS Ketenagakerjaan.

2. METHODS

The data used in this study are secondary data and primary data. Secondary data is in the form of Old Age Security (Jaminan Hari Tua/JHT) Financial Statements, budget absorption realization, net asset reports, net asset changes reports, and deficit surplus reports of 123 branches of BPJS Ketenagakerjaan from 2019 and 2020. For primary data collection, the researchers will do SWOT factors and strategy making using the questionnaires, interviews, and FGDs toward experts. There are three BPJS Ketenagakerjaan experts in this study, including the Director of Finance as the highest expert in the finance and accounting division, the Head of the Finance Division and the Head of Accounting Division at the headquarters of BPJS Ketenagakerjaan. The researchers divide the variables in this study into free and bound variables. The independent variable is the solvency ratio, which is often called the Leverage Ratio, which is a ratio comparing total liabilities to total assets of JHT (Hidayat & Yusniar, 2021; Kusnandar & Sari, 2020; Uhrenholt et al., 2022). Effectiveness of dues income ratio comparing the realization of dues income with targeted JHT dues income (Fan et al., 2017; Ma et al., 2020; Peter et al., 2019). Efficiency ratio, is the ratio that compares the realization of income with the realization of JHT expenses (Peter et al., 2019). Effectiveness ratio of membership coverage compared to realization of membership coverage with JHT membership targets and the variance ratio, the ratio that compares the realization of budget absorption with the targeted JHT budget (Agu & Neonbeni, 2019; Fadhilatunnisa et al., 2021; Fan et al., 2017; Ma et al., 2020; Peter et al., 2019; Rita et al., 2019; Satria et al., 2021; Yadav et al., 2018). The bound variable is the financial performance that can be measured by comparing the change in assets with the total net assets (ROA) of the Old Age Security (JHT) (Hakim & Naelufar, 2017).

Based on previous problems and studies, the hypothesis of this study is described as follows: H1: Solvency ratio has a negative and significant effect on financial performance before and during the pandemic. H2: The effectiveness of dues income has a positive and significant effect on financial performance before and during the pandemic. H3: The effectiveness of membership has a positive and significant effect on financial performance before and during the pandemic. H4: Efficiency has a positive and significant effect on financial performance before and during the pandemic, and H5: the variance ratio has a positive and significant effect on financial performance before and during the pandemic.

This study uses three test methods: T-test (difference test), multiple linear regression analysis, and SWOT analysis. The t-test determines whether there is a difference in the mean financial condition explained by the ratio before and during the pandemic by considering the *asympt* value. If the value of *asympt*. 2 tailed < 0.05, then there is a difference in the mean of conditions before and during the pandemic, and vice versa if the value of *asympt*. 2 tailed > 0.05, then there is no mean's difference (Pamungkas et al., 2018). Then, to find out the factors that affect the financial performance of the old-age security before (2019) and during the pandemic (2020), a multiple linear regression analysis of the 2019 and 2020 data will be carried out by placing the dummy variable in the equation (0 = before the pandemic and 1 = during pandemic). The significance value in multiple linear regression analysis < 0.05 indicates that there is a significant partial influence of the free variable on the bound variable, and in contrast, the significance value > 0.05, then there is no significant partial influence (Pamungkas et al., 2018). The method in this study adopts similar previous research (Amaroh, 2020; Kusnandar & Sari, 2020; Lintang et al., 2021; Peter et al., 2019; Rita et al., 2019; Yeti et al., 2020).

Before proceeding to multiple regression analysis, of course, the classical assumption test must be fulfilled. This study's four classical assumption tests are normality, Multicollinearity, Autocorrelation, and Heteroskedasticity tests (Ghozali, 2018). For determining the strategy, the SWOT Analysis method will be carried out by distributing questionnaires to experts with the aim of providing weighting and rating of SWOT factors to produce strategies that can ultimately improve the financial performance of the BPJS Ketenagakerjaan's Old Age Security (JHT). The strategy is generated by applying the analysis of the Internal-External matrix (IFE and EFE) and the SWOT matrix (Rangkuti & Freddy, 2015). The steps in determining the weights and ratings in the IFE and EFE matrices are as follows: (1) Give weight from 1 (unimportant) to 5 (very important) for each factor I (Internal) or E (External); (2) Give a rating from 4 (outstanding) to 1 (poor) for the Strength and Opportunity factor or which is positive and opposite where 1 (outstanding) to 4 (poor) for weaknesses and threats or negative ones; (3) The score is obtained by multiplying the weight by the rating (weight x rating) and the total score for each factor is generated from the entire score. Matrix IE is also divided into three strategy divisions, namely cells I, II, and V (growth and build strategy), cells III, V, VII (hold and maintain strategy), and cells VI, VIII, IX (harvesting and divesting strategy). The SWOT matrix consists of four strategies by combining the highest scores from internal and external factors, namely: Strength-Opportunity (SO) strategy, Weakness-Opportunity (WO) strategy, Strength-Threat (ST) strategy, and Weakness-Threat (WT) strategy (Rangkuti & Freddy, 2015).

3. RESULTS AND DISCUSSIONS

Results

Financial Conditions Before and During the Pandemic

Table 1. Results of T Test (Differentiation Test) Financial Conditions Before and During a Pandemic

Factors	Mean		Sig 2-tailed (independent samples)
	2019	2020	
Solvency	0,0005	0,0008	0,000
Contribution Effectiveness	1.0247	0.9719	0,000
Membership Effectiveness	1.0811	1.1029	0.243
Efficiency	1,675	1,509	0,000
Variant	0.913	1.0087	0,000
Financial Performance	0.0789	0.0623	0,000

The sig 2-tailed (independent sample) t-test values in [Table 1](#) show differences in financial circumstances before and during the pandemic. If the value of sig 2-tailed is greater than 0.05, there is no difference in the financial conditions between 2019 and 2020. A value of sig 2-tailed less than 0.05 shows a difference in the financial conditions between 2019 and 2020 ([Ghozali, 2018](#)). From [Table 1](#), there was a general decrease in the *mean* value of dues effectiveness, efficiency, and financial performance, while there was an increase in solvency, membership effectiveness, and variants in the old-age security program. This result shows that the pandemic lowered dues receipts, efficiency, financial performance or changes in net assets and increased the amount of collateral debt or solvency of the old-age security program. Additionally, only the membership effectiveness variable that does not differ significantly between 2019 and 2020 can be seen from the t-Test findings due to the value of the 2-tailed sig being greater than 0.05. These results confirm that the pandemic has significantly changed the condition of old-age security.

Factors Affecting the Financial Performance of Old Age Security before and during the Pandemic

The method used is a multiple regression analysis with dummy variables to identify the factors influencing the financial performance of The Old Age Security at BPJS Employment. Several tests known as the "classical assumptions" must be fulfilled before using the multiple regression approach. Since the first normality test did not show normally distributed data, the authors eliminated 46 outliers from the overall sample of research data. Deleting data outlier or data transformation is a method to normalize research data ([Yuan et al., 2019](#)). In this case, the author chose to eliminate the outlier because it would be difficult to interpret the results using the transformation method.

Table 2. Results of the Classical Assumption Test

Variables	Mean	Sig. 2 tailed Sphearman	Tolerance	VIF
Solvency	0,0004	0,389	0.853	1.172
Dues Effectiveness	0,9940	0.862	0.578	1.731
Membership Effectiveness	1,0413	0,881	0.932	1.073
Efficiency	1,5525	0.244	0.608	1.645
Variance	0,9672	0.861	0.477	2.094
Dummy	0,5000	0.787	0.477	2.239
Durbin Watson	2.049	N=200		
Asymp. Sig. (2-tailed) (Kolmogorov smirnov)	0.195			

After eliminating the outlier, the data in [Table 2](#) reach normality with the value of Asymp. Significance (2-tailed) = 0.195 > 0.05, increasing the amount of data for regression to 200 ([Ghozali, 2018](#)). In the multicollinearity test, the model was free of multicollinearity issues because all variables had a Variance Inflation Factor (VIF) of < 10 and a tolerance value of > 0.10 at the regression indicated in [Table 3](#). Durbin Watson's score of 2.049 in [Table 2](#), which sits between dU (1.841) and 4-dU (2.159), indicates that the model did not experience autocorrelation problems ([Ghozali, 2018](#)). The Spearman sig. 2-tailed test findings in all variables > 0.05 in [Table 2](#) further supported the absence of heteroscedasticity ([Ghozali,](#)

2018). The model continues once the data pass the traditional assumption test, and Table 3 displays the regression findings.

Table 3. Results of Multiple Linear Regression Analysis with Dummy Variables

Variables	Coefficient	Std. Error	t-statistics	Sig.
Constanta	-0,111	0,019	-5,822	0,000
Solvency	-3,244	1,612	-2,012	0,046
Contribution Effectiveness	0,036	0,010	3,704	0,000
Membership Effectiveness	0,001	0,004	0,180	0,857
Efficiency	0,084	0,003	28,767	0,000
Variance	0,014	0,018	0,799	0,425
Dummy	-0,002	0,002	-0,876	0,382
Adj. R-Squared	0,888		F-Table	0,000

Based on Table 3, the regression model used can be described by the following equation: Financial Performance of JHT BPJS Employment = $-0.111 - 3.244 \text{ Solvency} + 0.036 \text{ Dues Effectiveness} + 0.001 \text{ Membership Efficiency} + 0.084 \text{ Efficiency} + 0.014 \text{ Variance} - 0.002 \text{ Dummy} + e$. The significance value for the solvability variable (X_1) = $0.046 < 0.050$ and has a negative T value. The coefficient value was -3.244 before the pandemic and was -3.246 ($-3.244 - 0.002 \text{ dummy}$) during the pandemic. The Solvency ratio (X_1) has a considerable and partially negative impact on the financial performance of the Old Age Security (Y) BPJS employment before and during the pandemic because the figure demonstrates that H_0 is rejected and H_1 is accepted.

Strategy in Improving Financial Performance of Old Age Security

After determining which factors have a significant or insignificant effect on the financial performance of the old-age insurance before and during the pandemic, proceed to strategies that can improve JHT's financial performance. In determining the internal and external factors that form the basis for formulating the strategy researcher performs a SWOT analysis. To find out the old age insurance SWOT factor associated with the previous regression results, the authors interviewed and started a small discussion with experts in the financial performance of the Health Insurance Company (BPJS Ketenagakerjaan). Namely, the Director of Finance, Deputy Director of Accounting, and Deputy Director of Finance. Previously described in the methodology with information that the factors affecting Old Age Security's financial performance based on the results of multiple linear regression analysis are solvency variables, contribution effectiveness, and efficiency before and during the pandemic. Then after getting the SWOT factor, the next step is to distribute the internal and external factor evaluation questionnaires by giving weights and ratings per factor (Ghozali, 2018). Microsoft Excel is used to calculate the weight and rating per each internal and external SWOT, shown as follows in Table 4 and Table 5.

Table 4. Matrix of Internal Factor Evaluation (IFE)

No	Strength	Weight	Rating	Score
1	The receipt of old age security dues was quite good before and during the pandemic.	0.102	4	0.410
2	Maintaining old age security loads (warranty and operational expenses) is quite efficient.	0.089	3.666	0.326
3	The amount of old age security's liabilities retained is lower than old age security's assets.	0.095	3.666	0.351
4	The realization of achieving the old age security's membership target is quite good.	0.089	3.666	0.326
5	Adequate financial management and investment in human resources at BPJS Ketenagakerjaan	0.089	3.666	0.326
6	The budget realization is quite good in supporting the old age security program	0.102	3.666	0.376
7	The old age security development returns that are higher than bank interest	0.089	3.333	0.296
Strength Score				2.415
No	Debilitation	Weight	Rating	Score

No	Strength	Weight	Rating	Score
1	There is still data on registered participants who do not participate in the old age security program	0.089	2	0.178
2	Non-Wage Earners Program (BPU) that does not require the old age security program	0.041	1.33	0.054
3	Law enforcement that is less strong in supporting the old age security program obligations	0.082	1.33	0.109
4	Access to contribution payments that people feel are not practical	0.054	2	0.109
5	Regulation of the old age security program that can be disbursed after stopping work does not support long-term sustainability	0.075	2	0.150
Debilitation Score				0.602
Total Internal Analysis				3.018

Table 5. Matrix Evaluation of External Factors (EFE)

No	Opportunities	Weight	Rating	Score
1	Government support both central and regional ministries and other institutions for the old age security of BPJS Employment program	0.115	3.333	0.385
2	Indonesia's economic climate is quite suitable for investment and will help increase old age security 's investment returns	0.099	3	0.297
3	There are still many potential participants in Indonesia who have not been acquired	0.107	3.333	0.358
4	Community expectations for a prosperous old age support the sustainability of the old age security program	0.107	3.666	0.393
Opportunity Score				1.435
No	Threat	Weight	Rating	Score
1	The existence of a pandemic that weakens economic capabilities, primarily business entities, has an impact on the payment of contributions, especially the old age security program.	0.099	1.666	0.165
2	The failure to merge Taspen and Asabri into BPJS Ketenagakerjaan reduces the potential for membership, especially in old age security program	0.066	2	0.132
3	The increasing interest in old age security program disbursements caused by the pandemic and regulations that allow disbursements if workers are laid off leads to a decrease in the efficiency level of the program	0.090	1.666	0.151
4	Frequently found Wage Partial List Companies	0.115	1	0.115
5	The low financial literacy of the community is evidenced by the large number of prospective participants who are still reluctant to take part in the old age security program	0.099	1.666	0.165
6	Declining return on investment due to the pandemic	0.099	1.666	0.165
Threat Score				0.895
Total External Analysis				2.330

From the IFE and EFE matrices, the total Internal Factor Evaluation (IFE) scores are 3.018 and 2.330 for External Factor Evaluation (EFE). Thus, the IFE and EFE result matrix lies in Cell IV with growth and build strategies as outlined in Table 6.

Table 6. Internal-External (IE) Matrix

EXTERNAL	INTERNAL		
	Strong (3.0 - 4.0)	Medium (2.00 - 2.99)	Weak (1 -1.99)
Strong (3.0 - 4.0)	I	II	III
Medium (2.00 - 2.99)	IV (IE: 3.01; 2.33)	V	VI
Weak (1 -1.99)	VII	VIII	IX

Source: Interview Data and questionnaire (2022)

Discussion

Financial Conditions Before and During the Pandemic

The research findings confirm those of other studies by which explain why the organizations or institutions' financial situation in Indonesia differs significantly before and during the pandemic (Alifa & Handayani, 2021; Ferina, Mujiatun, et al., 2021; Kenang et al., 2021). Table 2 shows that in 2020 financial performance (ROA) decreased and the level of solvency (old-age security debt) increased. The BPJS Ketenagakerjaan branches reported negative values in changes to net assets in 2020, such Bogor, Tangerang, Malang, Bali Denpasar, and Bali Gianyar Branches, which contributed to the fall in financial performance (ROA) of old age security. This is a result of how the Covid19 pandemic has affected the Bali tourism industry as well as the MSME sector in Bogor and Malang. Then, at the BPJS Ketenagakerjaan branch, which employs many people, including the Jakarta Cilincing, Kelapa Gading, Makasar, and Samarinda branches, the increase in solvency or JHT debt contributed to a significant increase in the value of debt as a result of layoffs during the pandemic.

Factors Affecting the Financial Performance of Old Age Security before and during the Pandemic

These findings support the results of previous studies which state solvency has a negative and significant effect on financial and research performance (Uhrenholt et al., 2022). Similarly, according to similar studies solvency substantially impacts financial performance since it increases the weight that a firm or institution must bear when debt or obligations increase (Kusnandar & Sari, 2020; Yeti et al., 2020). The significance value for the dues effectiveness variable was $(X2) = 0.000 < 0.050$ and has a positive T-value. The coefficient value was 0.036 before the pandemic and was 0.034 (0.036-0.002 dummy) during the pandemic. The figure shows that H0 is rejected and H2 is accepted, so the dues effectiveness ratio significantly and positively affects JHT's financial performance before and during the pandemic. These findings support research conducted which states that the effectiveness of revenue affects the financial performance of non-profit *Hockey* institutions in the USA, who researched the Indonesian Tax Service Office, explained that the effectiveness of tax revenues has a significant effect on the financial performance of Indonesian tax offices (Yadav et al., 2018). Then the significance value for the efficiency variable was $(X4) = 0.000 < 0.050$ and has a positive t value. The coefficient value was 0.084 before the pandemic and was 0.082 (0.084-0.002 dummy) during the pandemic. The figure demonstrates that H0 was rejected and H4 was accepted in the case when the efficiency ratio significantly and positively impacted JHT's financial performance both before and during the epidemic. These results support research which shows that efficiency significantly impacts the financial performance of non-profit organizations in China (Fan et al., 2017). According to increasing efficiency is one of the aspects that help tax offices and non-profit organizations perform financially (Peter et al., 2019). The more efficient the institution, the more significantly and positively its financial performance or net asset value will increase. The participation effectiveness (X3) and variance (X5) variables did not have a significant impact before and during the pandemic because they had a significance value of > 0.050 , H0 was approved, and H3 and H5 were denied. These findings contradict studies by, which explained that membership or the effectiveness of non-profit organization participation and variances had a significant and positive effect on financial performance in China and Indonesia (Ma et al., 2020). However, it supports studies by that claim that variance (budget absorption) has a positive and significant effect on the financial performance of local government institutions in Indonesia (Rita et al., 2019). For dummy (X6), the variable dummy has a coefficient of 0 before the pandemic and -0.002 during the pandemic. It means that the coefficient of each variable will be reduced by 0.002 due to the impact of the pandemic. However, the dummy variable (pandemic) partially does not significantly affect the financial performance of the old age guarantee of the BPJS employment.

Strategy in Improving Financial Performance of Old Age Security

The Growth and Build strategy are obtained when the IFE and EFE values are in quadrant IV in the IE matrix table (Rangkuti & Freddy, 2015). Then to determine the SWOT matrix as an advanced step of strategy determination, the highest values of the combination of external and internal factor scores are the strength factor (2.415) and the opportunity factor (1.435) based on Table 4 and Table 5. Therefore, the strategy used is the Strength-Opportunity (SO) strategy. Based on the Strength-Opportunity (SO) strategy and discussions with experts, the following explanations will improve the performance of the BPJS employment old age guarantee: (1) Inviting the government to strengthen the existence and enforcement of old age guarantee laws that can increase the effectiveness of contributions and participation, efficiency, and net assets/funds managed by old age. The previous literature strongly advised law enforcement to improve financial performance (Awwaliyah et al., 2019). In order to implement this strategy, it is to establish a new Law or regulation that deals with law enforcement for non-compliance with the Old Age Guarantee program. The draft law on law enforcement and compliance with the old age guarantee

program is expected to be implemented within three years of service (2023-2025); (2) Old-age security assets are increasing with plenty of room for flexibility in investment instruments. This flexibility will later significantly affect financial performance, especially given Indonesia's investment climate, which is favorable in terms of return on investment and has a low risk (2023-2027); (3) With the return rate of the old age guarantee, which is always higher than bank interest, this must be more exposed and mediated either in the form of media or advertising by collaborating with other relevant agencies to educate the public within three years (2023-2025). This strategy is expected to realize public awareness of the importance of the old-age guarantee program and increase knowledge of people's financial literacy, which in turn can reduce the solvency or debt of old-age guarantees (Astrid et al., 2019); (4) Technical training or coaching related to the accuracy of budget use needs to be significantly improved due to strong support for the old age guarantee program by conducting training and benchmark programs on budgets involving government or private agencies in Indonesia. The output of this strategy is the proper and effective use of budget posts, especially in the old-age guarantee program, to improve financial performance (2023-2024).

Managerial Implications

The management of BPJS Ketenagakerjaan can optimize the level of solvency or liquidity by socializing and educating more about financial literacy, which can change people's perspectives on the existence of the BPJS Employment of old age security program. In addition, BPJS Ketenagakerjaan must also pay attention to the effectiveness of contribution and cost income in the old age security program. The higher the old-age income (Expense), the higher the efficiency. This contribution can be achieved by internal control and strengthening law enforcement. For the issue of budget absorption, which is very important to pay attention to, management should review and pay attention to whether the use of the budget in BPJS Ketenagakerjaan is in accordance with budget rules and is more intense to conduct training or self-development related to the absorption of the old age guarantee program budget at BPJS Ketenagakerjaan. Finally, management must be more willing to socialize with business entities or employers in Indonesia to provide transparency of data related to wages and contributions to provide a prosperous future for all workers. Due to data and time constraints, researchers did not include 2021 financial data in the study. The researcher hopes that 2021 data will be added to the following study to get more relevant results related to the influence of the pandemic. Further research needs to study other aspects such as investment performance and be able to conduct additional research such as SWOT analysis and multiple regression analysis related to other programs BPJS Employment (Accidents, pensions, and other programs).

4. CONCLUSION

Covid-19 has greatly impacted the financial condition and performance of BPJS Ketenagakerjaan's old age security showing the decrease in the program's net assets, the effectiveness of participation and contributions, and efficiency. Solvency (X1) has a significant and negative effect, while Efficiency (X4) and the effectiveness of contributions (X3) have a significant and positive effect. In contrast, the effectiveness of participation (X3) and Variance (X5) does not have a significant effect on the financial performance of the Old Age Guarantee (Y) BPJS Power work before and during the pandemic. Then based on the analysis of the External Internal Matrix and swot matrix, the strategies that can be prioritized are Strength-Opportunity (SO) and Growth and Build Strategy (weight score 3. 850). This strategy can be carried out through strengthening law enforcement, variations in investment instruments, education, and training.

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