

# Human Behavior Affects the Implementation of Non Cash Transaction

**Dian Safitri**

Magister of Public Administration, Postgraduate School, University of Merdeka Malang  
Jl. Terusan Raya Dieng No. 62-64, Malang ,65146, Indonesia

*Corresponding Author: E-mail: [safitridianmalang@gmail.com](mailto:safitridianmalang@gmail.com)*

## Abstract

It Start from the promotion of Non Cash Movement from Bank Indonesia in 2014, it was aimed at raising public awareness of the use of non cash transactions, business players and government institutions. In addition, this movement has a goals to increase public awareness for society to use non cash payment processes such as mobile banking, internet banking, virtual accounts and also QRIS. This paper is an analytical paper especially in government institutions, where the researcher aims to find out various perspectives from other researchers regarding on non cash transactions process and also human behavior which affected to person's decision to use non cash transactions or cash. In addition it is expected to provide summaries of several existing research.

**Keywords:** Analytical paper, Behaviour, Government, Non cash transaction

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## 1. Introduction

Starting from the promotion of the Non-Cash Movement by Bank Indonesia in 2014 was done to raise awareness and increase the use of non-cash among the public, business people, and government institutions. This movement aims to increase public awareness of to use of several non-cash instruments. Such as Mobile Banking, Internet Banking, and Virtual Accounts, even with the development of the era, some payment transaction models have emerged using QRIS or through merchants officially registered with OJK.

Non-cash transactions have been widely implemented in several developed and developing countries in reducing the practice of money laundry (Moshi, 2012). Changes in the payment system have an impact on economic growth in Indonesia (Wulandari, 2019). Non-cash transactions are also the most effective measure to reduce fraud (Sobko, 2014). In addition, people will find it easier and more practical when implementing this non-cash transaction, where they do not need to carry cash wherever they go.

Neil Howe and William Straus concluded that every 80 or 90 years a country will experience a major crisis. they had predicted that in 1990 there would be a crisis in 2020. It was never mentioned that the crisis was due to a pandemic. But there was a crisis where when the pandemic occurred in late 2019, it caused a significant change in all corners of the world. As a result of Covid 19, it has an impact on all aspects, both social aspects, known as social distancing, this affects the social life of Indonesian people who are known to be friendly and like to shake hands and are accustomed to gathering, while from an economic perspective, due to Covid the economic impact is greater than health impacts, and economic growth will slow down if there is a layoff of workers so that unemployment and poverty will increase.

In 2022, all countries are starting to clean up. And began to improve their economic life. Slowly but surely the country began to rise, as well as the people. Over time, people are now getting used to policies such as social protection programs, which use non-cash transactions. The non-cash transaction program has been followed up. Starting from only using ATMs to payments using barcodes.

In addition to the community, the Non-Cash Transaction Movement was also launched in the Government Environment. mandated by Bank Indonesia to carry out the Electronification of Regional Governments. It aims to increase efficiency, convenience, and inclusiveness driven by economic integration and digital financial which is have expectation to make a positive contribution to economic growth. Bank

Indonesia encourages the integration of the digital transaction of economy and finance through electronification policies and programs that include Electronic Transactions for Regional Governments (Pemda), Electronification of Social Assistance, and Electronification of Transportation. This program will later contribute to economic growth. The advantages obtained through the non-cash program are efficiency in cash handling, minimizing physical contact, maintaining security, fast processing, limiting spending, anti-robbery and easy to use, practical, broad access, increasing accountability, transparency in regional financial management, and also facilitating the identification of economic planning, which is more accurate.

The policy of restricting people's activities and mobility amid conditions of high public demand for goods and services as well as public services has encouraged the digital economy to develop exponentially and be able to emerge as a new force. In line with the GNNT program, Instruksi Presiden (Inpres) No. 10/2016 was issued, one of which contains directions for accelerating the implementation of non-cash transactions in all Ministries/Institutions (K/L) and Local Governments. To accelerate the electronification program for local government financial transactions, Surat Edaran Menteri No. 910/1866/SJ was issued concerning the Implementation of Non-Cash Transactions at Provincial Governments and the Minister of Home Affairs Circular No. confirmed by the issuance of Government Regulation (PP) No. 12/2019, which contains the local government's obligation to implement an electronic-based government system in the field of regional financial management.

This non-cash transaction policy is expected to optimize Pendapatan Asli Daerah (PAD) by collaborating between the Regional Government and RKUD managing banks and other banks that provide various payment channels to facilitate non-cash revenue receipts from paying taxes and levies. In addition, it also serves to strengthen the financial control system because it will be well recorded and documented so that it will make it easier for various parties to carry out control and evaluation in real-time, as well as facilitate various parties in compiling financial transaction reporting according to financial accounting rules.

However, this policy does not always favor all positive values, but on the negative side, it is also found that the non-cash transaction program has begun to appear, although it is not yet significant. This is because the socialization of non-cash transactions is still low, but residents who receive non-cash social assistance, understand but not all of them can operate optimally due to age, low education, and lack of technological knowledge, while for the Regional Government there is a movement non-cash is still not done thoroughly. Only certain SKPDs and certain expenditures have implemented this policy. Many factors influence such as education, ASN behavior, position, and organizational structure.

Based on the above background, the authors make research on human behavior that affects the implementation of non-cash transactions.

## **2. Literature Review and Hypotheses**

Policy studies developed in the early 1970s mainly through the writings of Harold D. Laswell. The earliest definition of public policy put forward by Harold Laswell and Abraham Kaplan in Howlett and Ramesh (1995: 2) defines public policy as "a projected program with certain goals, values, and practices (a projected of goals, values, and practices). In line with this definition, George C. Edwards III and Ira Sharkansky in Suwitri (2008: 10) define public policy as "a government action in the form of government programs to achieve goals or objectives". From the two definitions above, public policy has the keywords "purpose", "values", and "practice". Public policy always has a goal, such as government policy in implementing the Electronification of Regional Government Transactions. The practice implemented is to apply non-cash transactions to expenditures and income. From several expert opinions, it can be concluded that public policy is a desire to be implemented in order to achieve goals and make a positive contribution to an organization or government.

Regional Financial Management is all activities that include planning, budgeting, implementation, administration, reporting, accountability, and supervision of Regional Finance (PP12, 2019). Regional Financial Management is carried out in an orderly, efficient, economical, effective, transparent, and responsible manner by taking into account the sense of justice, propriety, and benefits for the community, and obeying the provisions of the legislation.

The implementation of regional finance must be carried out in a professional, open, and responsible manner in accordance with the basic rules that have been mandated in Article 23C of the 1945 Constitution in order to achieve good governance.

Good regional financial management will affect regional economic development. Arsyad (2010:374), defines regional economic development as a process in which local governments and their communities manage existing resources and form a pattern of partnerships between local governments and the private sector to create new jobs and stimulate the development of economic activities (growth). economy) in the

region. Supported by Kuncoro's statement (2004:114) that the fundamental target of regional economic development that many regions are trying to achieve is to increase the rate of regional economic growth.

Non-cash transactions can also mean transactions or payments through media such as debit cards, credit cards, automated teller machines (ATMs), checks, and so on. Based on Circular Letter No. 910/1866/SJ concerning the Implementation of Non-Cash in Provincial Governments, non-cash transactions are the transfer of a certain amount of money from one party to another using instruments in the form of Card-Based Payment Instruments (APMK), cheques, billets, demand deposits, electronic money or the like.

Electronification of financial transactions is a change in the method of payment from cash to non-cash. Electronification of financial transactions is a form of GNNT (National Non-Cash Movement) launched by Bank Indonesia. Electronification of Regional Government (Pemda) transactions is an integrated and integrated effort to convert payments from cash to non-cash to increase accountability and transparency of regional financial management.

The regulation on electronification of regional government transactions begins with GNNT which was initiated by BI and the government in 2014 to create a cashless society. In line with GNNT, Presidential Instruction (Inpres) No. 10/2016 was issued, one of which contained directions for accelerating the implementation of non-cash transactions in all Ministries/Institutions (K/L) and Local Governments. To accelerate the electronification program for regional government financial transactions, the Minister of Home Affairs Circular Letter No. 910/1866/SJ on the Implementation of Non-Cash Transactions with Provincial Governments and Circular Letter of the Minister of Home Affairs No.910/1867/SJ on Implementation of Non-Cash Transactions on Regency/City Governments have been confirmed by issuance of Government Regulation (PP) No.12/2019 Article 222 which contains the obligation of the Regional Government to implement an electronic-based government system in the field of regional financial management.

According to Griffin 2022, an organization is a group of people who work together in a certain structure and coordination to achieve a certain set of goals. According to Ernie and Kurniawan; 2005, an organization is a group of people or groups who have certain goals and strive to realize these goals through cooperation.

Human behavior is a function of the interaction between individuals and their environment. All individual behavior is shaped by personality and experience.

Individual behavior is studied in depth in the branch of psychology. According to Robbins (2003), there are four psychological concepts that most contribute to the science of Organizational Behavior, namely: 1) Values; 2) Attitudes; 3) Perception (perception), and 4) Learning (learning)

Types of values can be classified by several approaches, including the Rokeach Value Survey approach, Contemporary Work Cohort (Robbins, 2003). According to the Rokeach Value Survey (RVS), there are two groups of values, namely the terminal values group (ie the values that a person ultimately wants) and the instrumental values group (ie the values that should be implemented, or carried out to achieve terminal values).

### 3. Methods

About the data, because this is an analytical paper. There is only a data about previous research. For the method that the first research According to Herlen *et al.* (2021) about "Implementation of Non-Cash Transaction Policies for Regional Governments in Indonesia" the method used is qualitative research, namely the type of documentary analysis research. With the object of research 9 Provinces, 36 Regencies, and 28 Cities throughout Indonesia were analyzed. From second research Kurniati & Nurasa (2021), "Implementation of Non-Cash Transaction Policies in Regional Financial Management in Bandung Regency (Study at the Bandung Regency Regional Secretariat)" This research uses qualitative methods through observation, interviews, documentation, and a combination of the three.

According to Monginsidi *et al.* (2021), "Analysis of the implementation of non-cash transactions in the financial management of the Manado city area". The research method used in this research is descriptive qualitative research.

According to Hendrawan (2019), "Implementation of Non-Cash Transactions as a Basis for Good Governance: A Case Study of the Government of Jombang Regency" This journal is discusses about the implementation of non-cash transactions especially in local governments carried out by the Jombang government to create good and effective performance in the public interest. With a qualitative approach and a case study, about data in this study were obtained through depth-interviews.

#### **4. Discussion**

Several previous studies have become the reference of researchers in researching who can enrich the theory used in reviewing research conducted. To realize a cashless society in government activity. According to Herlen *et al.* (2021) about "Implementation of Non-Cash Transaction Policies for Regional Governments in Indonesia" the result is shown. different for each local government. The implementation of the cashless system has shown results that all governments in Indonesia have implemented it. In the application of this system, not all direct transactions can be carried out in a non-cash way. This system is carried out in stages so that in its implementation it is still possible to find cash transactions with a certain nominal value. In this research, the method used is qualitative research, namely the type of documentary analysis research. With the object of research 9 Provinces, 36 Regencies, and 28 Cities throughout Indonesia were analyzed.

Kurniati & Nurasa (2021), "Implementation of Non-Cash Transaction Policies in Regional Financial Management in Bandung Regency (Study at the Bandung Regency Regional Secretariat)" This research uses qualitative methods through observation, interviews, documentation, and a combination of the three. The object under study is the Regional Secretariat in Bandung Regency. In this study, it was concluded that the Regional Secretariat of Bandung Regency in the Implementation of Non-Cash Transactions based on the Grindle perspective could run well.

According to Ulfi (2020), „Challenges and Opportunities for Non-Cash Policy". The results of this study indicate that the existence of a non-cash policy is expected to have a positive impact on the economy of a country. The emergence of efficiency, convenience, and transaction security also has a positive impact on consumers. Several challenges must be faced to implement efficient non-cash transactions including the low level of consumer acceptance, business models that must be standardized and additional costs due to maintenance and security activities on non-cash transactions.

According to Monginsidi *et al.* (2021), "Analysis of the implementation of non-cash transactions in the financial management of the Manado city area". This research focuses on the implementation of non-cash transactions in Manado City to know the process of implementing a non-cash transaction system for regional financial management in Manado City. The research method used in this research is descriptive qualitative research. The results obtained are the application of the non-cash transaction system at the Manado City Regional Revenue Service which is implemented in stages based on the Circular of the Minister of Home Affairs. The advantage of implementing a non-cash transaction system at the Manado City Regional Revenue Service is that the use of flow of funds for all transactions can be traced so that it is more accountable because all transactions are supported by valid evidence. In implementing the non-cash transaction system, there are several obstacles faced by the Manado City Regional Revenue Service, namely the difficulty of implementing the system for retribution receipts.

According to Hendrawan (2019), "Implementation of Non-Cash Transactions as a Basis for Good Governance: A Case Study of the Government of Jombang Regency" This journal is discusses about the implementation of non-cash transactions in local governments carried out by the Jombang government to create good and effective performance in the public interest. This study aims to determine how the implementation of non-cash transactions in local governments in an effort to realize good governance. With a qualitative approach - a case study, the data in this study were obtained through depth-interviews. The results of this study indicate that accountability, transparency, and orderly administration have been successfully achieved in the implementation of non-cash transactions. However, the efficiency of the use of the budget has not been able to be achieved. However, at the strategic level, systems and structures have been running well. Factors of ability, human resources, and leadership style need to be considered on an ongoing basis so that the strategy for achieving good governance is successful.

#### **5. Conclusion**

The implementation of non-cash transactions in regional financial transactions has a positive impact on regional income as well as regional economic and financial management. With non-cash transactions, it will affect the increase in PAD for each region that conducts non-cash transactions. Increase the transparency and accountability of regional financial management. Where the KPK itself has included an increase in PAD as a success factor of the integrated corruption eradication program. Apart from that, it can also optimize regional income and expenditure realization during the crisis, namely during the Covid-19 pandemic. Where regional governments that have higher levels of non-cash transactions, tend to decrease PAD smaller, and actual spending is higher.

It is hoped that the role of non-cash transactions in regional government finances will support various economic activities in Indonesia, including; can optimize Regional Original Income (PAD) either by implementing an MOU between the Regional Government and the RKUD management bank and other banks which are later expected to be able to provide various payment channels in order to facilitate the receipt of non-cash income both from tax payments and levies. With the improvement of financial governance in the Regional Government, it will reflect the provision of a simpler administrative process when compared to the previous one, and can also have broad access so as to be able to record all financial transactions that occur between the Regional Government and the community or between the Regional Government and Third party. Apart from that, it can also increase efficiency related to financial management and can support better and more accurate economic planning. Accelerating non-cash transactions can also increase access to finance, so that it is more evenly distributed in every region in Indonesia, with the availability of various payment channels in every city in Indonesia. And do not forget to strengthen financial control in a systematic or well-documented manner, so that it can facilitate various parties in carrying out real-time control and evaluation, and can facilitate various parties in preparing financial transaction reporting so that it complies with applicable financial accounting principles.

Based on the five studies above, to connect human behavior to the use of non-cash transactions, it is better to use depth interviews. In order to know more about human behavior. And it can be concluded that it shows that accountability, transparency, and orderly of administration that have been successfully achieved in the implementation of non-cash transactions. However, the efficiency of the use of the budget has not been able to be achieved. However, at the strategic level, systems and structures have been running well. Factors of ability, human resources, and leadership style need to be considered on an ongoing basis so that the strategy for achieving good governance is successful.

Understanding digitalization or using non-cash financial transactions is no longer an option but a necessity. Where every local government is expected to use non-cash transactions for their daily financial activities, especially in conducting APBD transactions, both shopping and retribution.

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