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THE INFLUENCE OF RISK MANAGEMENT ON ONLINE INVESTMENT IN INVESTORS IN BANDUNG CITY

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ABSTRACT

The Industrial Revolution 4.0 has a nature that breaks the existing establishment so far, including in the business sector. The Industrial Revolution is marked by an increase in information technology that can be seen from the development of digital technology. Risk management can be a reflection for investors in carrying out their investment activities. In investment activities, an investor is not only seen as successful if he gets a large profit, however, an investor in online investment will be considered good if the investor can stay in the online investment business for a long time, in other words the sustainability or sustainable investment is more important compared to profits. For the sustainability of this investment, risk management can guarantee the sustainability of investment activities of online investors can last a long time. Risk Management is included in both categories which indicate that online investors in Indonesia make online investments with good risk management in order to avoid losses and maintain profits. Risk Management has a significant influence on online investment. Hypothesis test tcount is 4,163 while ttable for n = 100 (df = nk) with 5% significance is 1,664 which means that tcount> ttable with a significance value of 0,000 <0.05, it can be proven that the Risk Management variable (X) has a significant influence towards Online Investment (Y).

Keywords: investment, risk, management

INTRODUCTION

The financial aspect of investment is an important thing that must be prepared by this generation in order to achieve the goals of the SDGs. Markus erik as the head of the Market Intelligence & Investment Specialist division of the DBS Indonesia bank team

said that investment is carried out so that needs can be met in the present and in the future, because investing can maintain the value of money not just the amount of money that will continue to be displaced by inflation . Having funding capital for the future will be a force for future generations to face their adult life (Tribun News, 2016).

One example of investing online is bitcoin investment. Bitcoin that we now know and become a lot of people talk, is an example of investing online with digital currency media or cryptocurrency created by people with the surname Satoshi Nakamoto. Bitocin became so big because it developed in the digital age. Bitcoin is mainly used in transactions on the internet without using an intermediary alias not using bank services. Bitcoin uses a peer to peer (P2P) system. Bitocoin can be equated in terms of its operation as a currency similar to other non-digital currencies, the difference is that bitcoin as a cryptocurreny currency is not decentralized or belongs to a country and the value of the currency is not determined by a country in the world. As an ata currency, bitcoin cannot be equated with a currency that is usually used as a tool for the military. Cryptocurrency can only be used for digital-based financial investments. This is the factor that so many people choose bitcoin online investment because it is easier compared to other types of investment. Because bitcoin is a digital-based currency, this currency is stored in a digital wallet or so-called e-wallet. A bitcoin investor cannot physically own the currency but can only see the amount of bitcoin in the e wallet that is on his digital device. Bitcoin is an investment discovery today that is based on the development of the industrial revolution 4.0 with a sign of changes in legislation from analaog to digital, including the currency also being converted into digital currency. This digital currency can be a media disrupted for the currency that already exists today, with all the benefits and can be accepted by the public.

Ownership also does not require an alias alias can be owned by an anonymous (Pinem, 2018).

So much convenience for bitcoin can be felt by the users or in this case by investors who choose bitcoin as their investment media. Such kemdahan is in line with digital developments, the operation of bitcoin only requires digital devices now owned by investors.

As a result bitcoin can be used in various types of transactions such as shopping online and others. Bitcoin transactions generally occur without repetition, in the sense that when an investor makes a transaction, then the transaction cannot be canceled or repeated. All transactions are recorded in an application that has been provided by the organizer of bitcoin.

In addition to shopping online, bitcoin can also be traded as a profitable investment tool and many people have become very rich. Bitcoin has characteristics like gold because:

1. Limited number of Bitcoin
2. A case of gold which can be divided into grams, then Bitcoin can be divided into the smallest units
3. Bitcoin values are expected to be stable with a low level of volatility.

4. With a digital dimension, bitcoin can be moved easily.

Investment online has a risk that is not small. This is the concern of investors, not even investors, but also the attention of regulators in this case the government. The risk that will occur in online investment activities is of course financial risk.

KERANGKA TEORITIS

Risk management

Risk management can be defined as any set of actions taken by the peak individuals involved or companies in an effort to change the risks arising from their business (Merna and Smith 1996). Meulbroek (2002) identified that the objectives of risk management are to: Maximize shareholder value. Handy (1999) summarizes risk management as: risk management is not an activity separate from management, it is management predicting and planning allows prevention ... reaction is a symptom of human-poor agement. Risk management offers both insured as well as insured risk and is an approach that involves a formal organized process for the system atically identifying, analyzing and responding to risk events throughout the life of the project to obtain an optimal degree or acceptable risk of elimination or control. Smith (1995) states that risk management is an important part of the project and the business planning cycle that requires acceptance that uncertainty exists resulting in a structured response to risk in terms of alternative plans, solutions and contingencies is a thought process that requires imagination and ingenuity produces a realistic attitude in investment to staff by preparing them for risk events instead of being surprised when they arrive. At the most fundamental level, risk management involves identifying risks, predicting how likely they are and how serious they might be, deciding what to do about them and implementing these decisions.

Until the 1970s in the field of project risk management, that risk was something that was still small to be discussed and the impact of the pain on businesses and projects was either ignored, because they were unknown, or might be hidden if they were. Before and immediately afterwards both various risks and Uncertainty is treated as a necessary crime that must be avoided (Archibald and Lichtenberg 1992)

Good because the application of project risk management developed rapidly throughout the 1970s, first in relation to quantitative assessments and then with various methodologies and processes. By the end of the decade project management academics and professionals saw the importance of management functions for a project aimed at analysis risk and management, and several authors who published papers working together in that field.
In the early 1980s risk management was generally recognized as a specific topic in the project management literature (Artto 1997). The scope of identification, estimation, and risk response is generally well known (Lifson and Shaifer 1982, Chapman 1998).
Discussions about risk management emphasize quantitative analysis, some of which are referred to PETT (Program Evaluation and Review Techniques) three-fold type of estimates, and new concepts that are optimistic, average, pessimistic and others that are more advanced. The main project risk management applications basically focus on time and cost objectives, and also on project evaluation (probability). Software uses a

probability distribution to analyze costs and time risks often used on large projects. The use of significant risk analysis and management is made on large factory projects Companies such as BP and the Norwegian Petroleum Project Consultant have been pioneered well because of the application of risk management methods for decades, both in terms of developing and implementing risk management having the competency to manage risk methodologies and analytical techniques. Then we are BP. cost and time risk analysis (bwar) software program for deep use. With some athletes having the risk it allows subjective probability distribution and is used on offshore oil platform projects in the north sea. Norwegian earth oil consultants developed npc simayi tieliwaerdi our Muslim leaders are asking for things the same type of project. Npc simayi tieliwaerdi Muslim figures, such as catrap, are allowed to use sportsmen at risk of quantification and subjective probability distribution. They also have the capacity to calculate distribution targets from real life, costs and levels of data times and include the ability to combine subjective and objective distribution. npc simayi tieliwaerdi Muslim figures can also integrate the cost and time of athletes having an increased risk of net loan ratios. In the late 1980s caspar (computer software for computer projects) risk assessment was increasingly being developed To provide a risk analysis:

1. estimation of remaining risk is usually different in different response scenarios
2. Responses require time and money; hence the appropriate schedule and cost estimates are needed.

Research and Hypothesis Paradigm

In investing online the possibility to experience a loss is very large, to get a profit in accordance with the objectives of risk management investment is very important. Making risk management investments online can cause losses for investors. In this study there are two variables, namely Risk Management and online investment. These two variables are linked to the framework of thought that is used as a guideline in this study. The following is an overview of the framework of thought:

Figure 1. Research Paradigm
The hypothesis used in this study is:

H1: Risk Management has a significant effect on online investment

Research Methods, Research Design and Analysis Models

Quantitative research methods are research methods that are based on positivism, used to examine populations or specific samples, data collection using research instruments, analysis of quantitative (statistical) data, with the aim of testing hypotheses that have been established. Quantitative research places more emphasis on the freedom of information and not depth, so quantitative methods are suitable for wider populations with limited variables (Sugiyono, 2015: 64)

In this study the quantitative research method was used by spreading questions in the questionnaire both in open questions and closed questions which would be answered by respondents with the number of responses according to the sampling method determined by the author. (Martono, 2010: 19).

According to Sugiyono (2017: 38), variables are everything in the form of whatever is determined by researchers to be studied so that information is obtained about it, then conclusions are drawn. Meanwhile, according to Sekaran and Bougie (2017: 77), variables are everything that can distinguish or change values. A value can be felt differently at various times even on the same object or person, can also be at the same time for different objects or people. Meanwhile, according to Kerlinger in Darmawan (2014: 109) a variable is a construct or trait to be studied and the variable can be said to be a trait drawn from a different value (different values).

Operational variables according to Sugiyono (2013: 40) are variables that are given restrictions so that these variables can be measured using instruments or measuring instruments. While variables are anything in the form of what is determined by researchers to be studied so that information is obtained about it, then conclusions are drawn. There are two research variables used in this study, namely:

a) Independent variable or free variable (X)
According to Sekaran and Bougie (2017: 79), Independent variables are variables that affect both dependent variables in a measurable way. Independent variables affect the dependent variable in various ways and it must be proven in this study. The independent variable referred to in this study is Risk Management

b) Dependent variable (Y)
According to Sekaran and Bougie (2017: 77), the dependent variable is a variable that is influenced by other variables. The dependent variable in this study is online investment that can be used as a variable that becomes the main variable in this study.

Variabel	Dimensi	Indikator	Skala
Manajemen Risiko (X2) Sawidji Widoatmodjo, Lie Ricky Feriianto dan Joni Rizal (2012)	Cut loss	Saya menutup transaksi yang merugi/cut loss sesegera mungkin dengan tujuan untuk menghindari kerugian yang lebih besar	Ordinal
		Saya melakukan cut loss berdasarkan pertimbangan yang matang	Ordinal
	Switching	Saya menutup posisi yang rugi dan segera mengambil posisi baru yang searah dengan pergerakan harga	Ordinal
		Saya segera membuka posisi baru apabila terjadi perubahan arah harga yang cepat dan drastis untuk me-recovery kerugian yang diakibatkan oleh posisi transaksi sebelumnya	Ordinal
	Locking	Untuk mengurangi kerugian yang lebih besar atau mempertahankan keuntungan, saya mengunci kerugian atau keuntungan tersebut dengan posisi yang berlawanan dengan posisi pertama	Ordinal
		Saya tidak melakukan aksi apapun ketika mendapatkan trend positif	Ordinal
	Averaging	Saya melakukan average atau mengulangi posisi yang sama pada saat dalam keadaan floating loss, dimana posisi pertama dibiarkan terbuka	Ordinal
		Ketika terjadi kerugian, saya justru menambah modal investasi saya	Ordinal
Variabel	**Dimensi**	**Indikator**	**Skala**
Investasi Online (Y)	Keuntungan	Saya melakukan investasi online karena nilai tukar yang dapat dikatakan fantastis	Ordinal
		Saya melakukan investasi online untuk mendapatkan fungsi pembayaran antar pihak tanpa mengandalkan rasa saling percaya	Ordinal
	Kemudahan	Saya melakukan investasi online karena bersifat fleksibel (mudah diakses dari berbagai perangkat, seperti komputer, laptop, dan handphone)	Ordinal
		investasi online secara online memudahkan saya karena bisa dilakukan dimanapun dan kapanpun	Ordinal

Gambar 5. Operasionalisasi Variabel

RESEARCH RESULTS AND DISCUSSION

Risk Management of the level of Online Investment in investors in Indonesia. The researcher distributes questionnaires regarding the respondents' opinions on this study consisting of 25 statement items and each statement is given 5 alternative answers that must be chosen. The following are the results of the research obtained from the instrument in the form of a questionnaire given to all respondents.

Obtained the results of the calculation of the percentage score on each statement that becomes a measurement tool in the Risk Management variable on each indicator which will be explained in detail as follows:

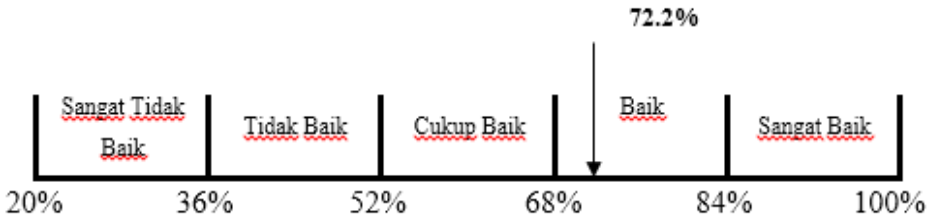
a. Respondents regarding the Cut Loss indicator obtained a score of 786 and the percentage of 78.6%, so that the indicator is included in both categories. This shows that bitcoin investors in Indonesia immediately close their actions when they lose money and do it with careful consideration.

b. Respondents' responses regarding the Switching indicator obtained a score of 755 and the percentage of 75.5%, so the indicator is included in both categories. This shows that bitcoin investors in Indonesia use one risk management to avoid losses, namely switching.

c. Respondents' responses regarding the Locking indicator obtained a score of 666 and the percentage of 66.6%, so that the indicator is quite good. This shows that bitcoin investors in Indonesia are considered to know what to do when they get profit or loss.

d. Respondents' responses regarding the Averaging indicator obtained a score of 682 and the percentage of 68.2%, so that the indicator is included in both categories. This shows that bitcoin investors in Indonesia are considered using averaging as one of risk management.

To categorize how the description of Risk Management, the authors make categorization with the calculations in the previous chapter in the interval as follows:



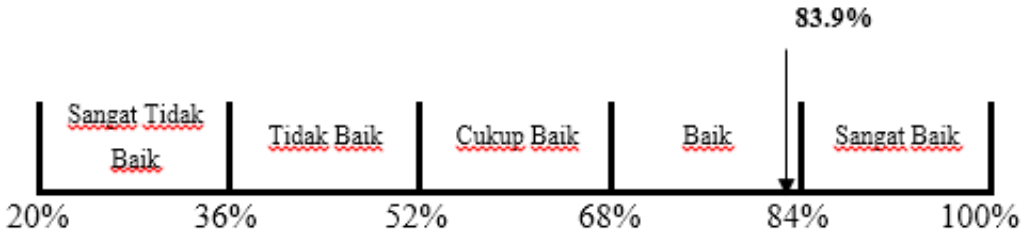
Based on the continuum line in the picture above, the average score of respondents' responses regarding Risk Management obtained a score of 2889 and a percentage score of 72.2% which can be categorized as good which shows that bitcoin investors in Indonesia carry out bitcoin trading with good risk management in order to avoid losses the big one.

Obtained the results of the calculation of the percentage score on each statement that becomes a measurement tool in the Online Investment variable on each indicator which will be explained in detail as follows:

a. Respondents' responses regarding the profit indicator obtained a score of 779 and the percentage of 77.9%, so the indicator is included in both categories. This shows that bitcoin investors in Indonesia trade bitcoin to get profits because of the fantastic price of bitcoin and can be used as a means of payment.

b. Respondents' responses regarding the Ease indicator obtained a score of 899 and the percentage of 89.9%, so the indicator is included in the excellent category. This shows that bitcoin investors in Indonesia agree with the convenience gained in doing bitcoin online trading.

To categorize how the description of Onlinemaka Investments the writer makes categorization with the calculation in the previous chapter in the interval line as follows:



Based on the continuum line in the picture above, the average score of respondents' responses on Online Investment obtained a score of 1678 and a percentage score of 83.9% which can be categorized as good which shows that bitcoin investors in Indonesia agree with the advantages and ease of doing Bitcoin Online Trading.

Hypothesis test
T test was used in this study to determine the level of significance of the effect of each independent variable on the dependent variable. The hypothesis used in this study is:
H2: $\beta \neq 0$ Risk Management has a significant influence on Bitcoin Online Trading

Test Criteria:
Reject H0 if, t> t table or reject H0 if, p-value <α.
α = 0.05

For X tcount (4.163) is greater than ttable (1.664), the p-value <α (0.05) is 0.000 <0.05, so it can be concluded that H0 is rejected and H1 is accepted. This means that Risk Management has a significant effect on the dependent variable, online investment

Coefficient of Determination
The coefficient of determination is used to see the percentage of influence exerted by Risk Management on Online Investment by using the formula KD = r2 X 100% then obtained as follows:

Based on the above table, it can be seen that the influence of the Risk Management variable is 0.156 which means that the results indicate that 15.6% of the Online

Investment variable can be explained by the Risk Management variable. While the remaining 84.4% is influenced by other variables.

Respondents' responses about Risk Management obtained a score of 2889 and a percentage score of 72.2% which can be categorized as good which indicates that bitcoin investors in Indonesia are trading bitcoin with good risk management in order to avoid large losses. The percentage score on the indicator about "Cut Loss" is the biggest. This shows that bitcoin investors in Indonesia immediately take a quick step when they experience a loss that is by immediately closing an ongoing transaction.
Risk Management has a significant influence on online investment. Hypothesis test tcount is 4,163 while ttable for n = 100 (df = nk) with 5% significance is 1,664 which means that tcount> ttable with a significance value of 0,000 <0.05, it can be proven that the Risk Management variable (X) has a significant influence towards Online Investment (Y). In line with an article that says "By managing risk management, even bad methods can still generate profits" (Bayu, 2011).

CONCLUSIONS AND RECOMMENDATIONS

The conclusions of the study of the Effect of Risk Management on Online Investment are as follows:

a. Risk Management is included in the good category which shows that online investors in Indonesia make online investments with good risk management in order to avoid losses and maintain profits.

b. Online investment is included in the good category, which shows that investors in Indonesia value both the benefits and the ease of investing online

c. Risk Management has a significant influence on online investment. This shows that risk management is very important for investors in Indonesia in making online investments. By managing risk management, even bad methods can still make a profit.

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