FACTORS THAT AFFECTING THE INCREASE PRICING OF CONSTRUCTION MATERIALS

(Case study onZliteen Feed Factory)

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Abstract

Economic issues that are always a concern importance of the governments of countries in the world, especially developing countries namely Palestine is inflation. Inflation is an increase in general prices what happens in an economy from one period to another. Inflation is one of the indicators economic stability. If the inflation rate is low and stable it will be economic growth stimulator. A number of theories have been developed to explain the factors that affect inflation. According to the monetarist view, the main cause of inflation is the excess of money supply over what society demands. This study aims to analyze the factors that can affect the increase in the price of construction materials at Zliteen Feed Factory. Quantitative method was used to collect the required data from the questionnaire instrument. Only 30 employees who worked at the Zliteen Feed Factory were participated as the research sample. The conclusion are based on the results of the distribution of respondents to 30 respondents, respondents obtained responses to the inflation, Increased Production Costs and Social and Political Factors variable that the respondents agreed to all statements on the inflation dimension questionnaire. For the Increased Production Costs and Social dimension shows that respondents agree to all statements in the Increased Production Costs and Social questionnairedimension. For the variable of Social and Political Factors, the dimension of responsibility indicates that the respondents agree to all statements in the questionnaire of Social and Political Factors

Keywords: Social and Political Factors, Increased Production Costs, Inflation.

الملخص

القضايا الاقتصادية التي دائما ما تشغل بال حكومات دول العالم ، وخاصة الدول النامية وتحديدا فلسطين هي التضخم. التضخم هو زيادة في الأسعار العامة ما يحدث في الاقتصاد من فترة إلى أخرى. التضخم هو أحد مؤشرات الاستقرار الاقتصادي. إذا كان معدل التضخم منخفضًا ومستقرًا ، فسيكون ذلك بمثابة محفز للنمو الاقتصادي. في كل مرة يكون هناك اجتماعية وسياسية واقتصادية في الداخل والخارج ، يرتبط المجتمع دائمًا بمشكلة التضخمMankiw) ، .(2006تم تطوير عدد من النظريات لشرح العوامل التي تؤثر على التضخم. وفقًا لوجهة النظر النقدية ، فإن السبب الرئيسي للتضخم هو فائض المعروض من النقود على ما يطلبه المجتمع. تهدف هذه الدراسة إلى تحليل العوامل التي يمكن أن تؤثر على زيادة أسعار مواد البناء في مصنع الزليتن للأعلاف. السكان المستخدمون في هذه الدراسة هم الأشخاص الذين يعملون في مصنع زليتن للأعلاف. بينما كانت عينة البحث المستخدمة في هذه الدراسة 30 موظفًا يعملون في مصنع ج زليتن للأعلاف. بينما استخدمت تقنية جمع البيانات المستخدمة في هذه الدراسة أداة في شكل استبيان. الاستبيان هو أسلوب لجمع البيانات يتم عن طريق إعطاء مجموعة من الأسئلة أو البيانات المكتوبة للمجيب للإجابة. وجاء الاستنتاج بناء على نتائج توزيع المبحوثين على 30 مستجيبًا ، حيث حصل المستجيبون على ردود على متغير التضخم ، وزيادة تكاليف الإنتاج والعوامل الاجتماعية والسياسية ، حيث وافق المستجيبون على جميع البيانات الواردة في استبيان بعد التضخم. بالنسبة لتكاليف الإنتاج المتزايدة والبعد الاجتماعي ، يظهر أن المستجيبين يوافقون على جميع البيانات في زيادة تكاليف الإنتاج والاستبيان الاجتماعي. بالنسبة لمتغير العوامل الاجتماعية والسياسية ، يشير بعد المسئولية إلى موافقة المستجيبين على جميع العبارات الواردة في استبيان العوامل الاجتماعية والسياسية.

الكلمات المفتاحية: العوامل الاجتماعية والسياسية ، ارتفاع تكاليف الإنتاج ، التضخم.

INTRODUCTION

In macro theory, the macroeconomic problem that is a country always faces the problem of economic growth, problems of instability of economic activity, unemployment problems, problems rising prices (inflation), and trade balance problems. Economic issues are always a concern importance of the governments of countries in the world, especially developing countries namely Palestine is inflation. Inflation is an increase in general prices what happens in an economy from one period to another. Inflation is one of the indicators economic stability. If the inflation rate is low and stable it will be economic growth stimulator. Every times there are social, political and economy at home and abroad society always associates with inflation problem (Mankiw, 2006). A number of theories have been developed to explain the factors that

affect inflation. According to the monetarist view, the main cause of inflation is the excess of money supply over what society demands.

Money circulating can be defined in terms of narrow (M1) and in a broad sense (M2). M1 includes currency held community and demand deposits (giro denominated in Rupiah), while M2 includes M1, quasi-money (covering savings, time deposits in rupiah and foreign currency, and demand deposits in foreign currencies) foreign), and securities issued by the monetary system owned domestic private sector with the remainder a period of up to one year. Non-monetary groups, namely Keynesian doesn't deny opinion monetarist view but adds that without an expansion of the money supply, excess aggregate demand can be occurs when there is an increase in expenditure consumption, investment, government spending or net exports. Thus, inflation can be caused by factors monetary and non-monetary. Research on factors influencing inflation was conducted in Palestine by Theodores, Vecky, Henly (2014).

The theory that underlies the research is that there are many factors that affect changes in inflation, in outline large is divided into two parts, namely demand pull or demand pull inflation and cost push inflation. Another factor that can affect inflation is exports. Export determined by several factors will determine the country's ability exporter. According to Sukirno (2004), some of these factors include is competitiveness in foreign markets, economic conditions in other countries, protection policies in foreign countries, and foreign exchange rate.

This research focuses on the factors that can affect the price increase in construction raw materials. Based on the description that has been disclosed, the authors are interested in researching "Factors that Affecting the Increase Pricing of Construction Materials (Case study on Zliteen Feed Factory)"

Research Problem

The problem is the increase pricing of construction materials that affected by inflation. Inflation is a very big economic problem, especially for developing countries where inflation results in a significant increase in the price of goods.

Research Question

- How do inflation and Social and Political Factors affect the Increase Pricing of Construction Materials?

Research Aim

The aim of this study is:

> To analyze the factors that can affect the increase the price of construction materials at Zliteen Feed Factory.

Significance of the Study

The results of this study can be used to:

1. Theoretical Benefits

This research can be used as a basis for further research related to the factors that can affect the increase in the price of construction materials.

2. Practical Benefits

This research is expected to be a further study in general so that it becomes the company's consideration in dealing with the ups and downs of construction material prices.

LITERATURE REVIEW

Construction Materials

Material is an important component in determining the cost a project is absorbed by the materials used (Nugraha, 1985). Material construction in a project can be divided into two, namely the materials used will later become a permanent part of the structure (permanent material) and needed by contractor to build the project but will not be a part fixed from the structure (temporary material) (Ervianto, 2007).

1. Permanent Material

   Permanent materials are materials required by contractors to form a building and its inherent nature remains as a building element. This type of material is listed in the contract documents (working drawings and specification).

2. Temporary Material

   Materials needed by the contractor in building the project, but not will become part of the building after use. This type of material is not included in the contract document, so that the contractor is free to determine own materials needed and their suppliers. For this type of material contractors are not explicitly paid. Thus, implementer includes the cost of this material into the cost of carrying out various jobs included in the contract.

Inflation

Inflation is a very big economic problem, especially for developing countries. The source of inflation in developing countries comes from several factors, such as the government's budget deficit which later result in an increase in the money supply. Judging from the factors main cause of inflation, inflation can be caused from the demand side, supply side and expectations, as well as a combination of these three factors. These factors are explained in the book Central Banking, inflation series (Suseno and SitiAstiyah, 2009:11-17) are as follows:

a. *Inflation caused by demand factors (Demand Pull Inflation)*

Inflation caused by demand arises because of increase in the money supply in the short run. Increasing number money supply causes interest rates to decrease so that the amount of consumption and investment increased overall. As is an increase in demand will automatically lead to an increase in prices overall price. This event is known as demand inflation or demand-pull inflation. Definition of demand inflation in the book of central banking inflation series (Suseno and SitiAstiyah, 2009:13), Demand inflation or demand pull inflation is inflation that arises as a result of the interaction between demand and supply of domestic goods and services in the long run. Pressure demand-side inflation will arise if aggregate demand differs from available aggregate supply or potential output. The difference between requests aggregate and aggregate supply is called the output gap. If aggregate demand is greater than aggregate supply, then the pressure on inflation will gets bigger, and vice versa. Based on this, the output gap can be used as an indicator to measure pressure on the inflation rate. However, the output gap can only be used under normal economic conditions, not in a bad economic situation like in an economic situation after the financial crisis. Aggregate supply is basically the total demand for goods or services for consumption and investment in an economy. Meanwhile, in general, aggregate supply reflects the entire capacity production owned by an economy, and is influenced by factors available production, technology and productivity. In other words, offer Aggregate is all the potential possessed by an economy to be able to meet aggregate demand.

b. *Supply Inflation or cost push inflation/supply shock inflation*

Supply inflation is inflation caused by supply factors that triggers an increase in the supply price of an item, including goods to be imported, as well as the prices of goods controlled by the government such as the increase in world oil prices, the increase in the price of fuel oil (BBM) and an increase in the basic electricity tariff (TDL). Supply inflation is caused by an increase in production costs continuously for a certain period of time. It means that the increase in production costs caused by depreciation or a decrease in the value of foreign currencies. Apart from that, inflation This is caused by natural factors such as erratic weather conditions that resulting in crop failure, socio-economic factors such as obstacles in the distribution of goods, as well as factors arising from policy government policies such as tariffs, taxes and import restrictions.

c. *Mixed Inflation*

Mixed inflation is inflation caused by an increase in demand and supply increases, demand and supply behavior does not balance or the demand for goods and services increases. That matter resulting in a decrease in production factors and inventories of goods. Temporary, substitution or substitute goods are limited or even non-existent. Situations like it will eventually cause prices to rise.

d. *Expected Inflation*

Inflation is not only caused by supply and demand factors, however, inflation can be caused by the expectations of economic actors or called inflation expectations (Gordon, 2007:15). Expected inflation is inflation that occurs as a result of community behavior in general that is adaptive or forward looking. In this case, the community considers that in the future, come economic conditions are getting better than ever before. Hope the community can cause demand pull inflation and cost push inflation, depending on people's expectations and supply conditions current and future goods and factors of production. For economists, expected inflation is based on forecasts in the future as a result of the policies carried out government at this time. Economic actors, whether individuals, institutions or the world attempt to think that the inflation rate that occurred in the past will still occur in the future, therefore economic actors will do

anticipation to reduce losses that may arise. This type of inflation is difficult to be predicted with certainty, so that its occurrence is less noticed. However, the central bank has a major role in shaping those expectations. Credible and consistent central bank policies can lead to the formation of low inflation expectations in the future.

Overall and persistent increase in prices of goods and services have an impact on the decline in the value of a country's currency and result in buying against money is getting weaker. Then the decrease in purchasing power it has a negative impact on an economy as a whole on individuals, businesses and government revenue and expenditure budgets.

The uncertainty of the magnitude of the inflation rate creates a significant burden that must be faced by the government and society in general. The inflation rate fluctuating and erratic will result in changes in prices relative to the general price level, and that is very dangerous because in a market economy system, the price level is a signal for homes households as well as for the business world regarding the balance of resource allocation economy in an economy. In general, inflation can result in reduced investment in a country, encourage an increase in interest rates, encourage investment speculative nature, failure to implement development, instability economy, a balance of payments deficit and a decline in the standard of living and public welfare.

Inflation has both positive and negative impacts on economy, depending on the level of inflation that occurs. As for the impact positive and negative effects of inflation as posted on the blog (Divo, Husin and Setiawan,) are:

a. *Positive impact of inflation*

  1. For the economy

  If the inflation rate is light, it will have a positive effect in terms of can encourage a better economy, namely increasing national income and encourage people to work, save and invest.

  2. For entrepreneurs

  The impact of inflation on currency depreciation will not be detrimental some groups of people who have irregular income. For example, such as entrepreneurs, because entrepreneurs get income based on profit.

3. For debtors

Debtors will benefit from inflation, because when payment of debt to creditors the value of money is lower than at the time of borrowing.

4. For producers

For producers, inflation can also be beneficial if the income higher than the increase in production costs.

b. *Negative impact of inflation*

1. For the economy

During times of hyperinflation or uncontrolled inflation, conditions the economy becomes "sluggish" and difficult to develop. Society does not eager to work, lowering people's interest in save and invest because the value of the currency is decreasing.

2. For employees or employees with fixed income

The impact of inflation on currency depreciation will be detrimental fixed income groups such as civil servants, private employees and workers, because in real terms their income will decrease.

3. For creditors

Creditors will suffer losses because of the value of the money back debt debtor is lower than at the time of borrowing.

4. For producers

For producers, high inflation greatly affects the increase in the prices of production needs which then affect the increased production costs.

5. For the government

High inflation rate has an impact on development plans government and disrupt revenue and expenditure budget plans government (RAPBN/RAPBD).

Social and Political Factors

The economic and political situation in a country can affect the emergence of inflation. If a country is in an insecure condition, then the price of goods tends to rise. This happened in Indonesia in 1998. In which the inflation rate in Indonesia reached 70 percent, whereas the normal inflation rate is between 3-4 percent. In general, inflation is

an event or economic turmoil that cannot be completely eliminated. Efforts that the government can do are limited to controlling or reducing inflation.

Increase Pricing

In interpreting the concept of price, of course, there are many things interpretation, according to Kotler basically price is one of the elements marketing mix or marketing mix that can produce revenue, where the other elements get costs. Such that expressed by Kotler (2009), that price is part of the elements of marketing mix i.e. price, product, channel and promotion, i.e. what known as the four (Price, Product, Place and promotions). The price for a business / business entity that produces income, as for the elements of the marketing mix others, namely Product (product), Place (place/channel) and Promotion (promotion) incur costs or burdens that must be borne by a business/enterprise. If the price is income for the entrepreneur then it is reviewed. From the consumer's point of view, price is an expenditure or sacrifices that must be made by consumers to get desired product to meet the needs of consumers the. For entrepreneurs/traders, the price is the easiest to adjust with market conditions while other elements such as product, place and promotion require a longer and longer time to adjusted to market conditions, because the price can provide explanation to consumers about the quality of products and brands of the product (Kotler & Keller, 2009).

Buchari Alma (2005) said that in economic theory, the notion of Price, value and utility are the most closely related concepts. It is meant by utility is an attribute attached to a goods, which allows the goods to meet needs (needs), wants (wants) and satisfy consumers (satisfaction). There is value which is the value of a product to be exchanged with other products. This value can be seen in a barter situation, namely exchange of goods for goods. Right now our economy is not did barter again, but already used the money as size is called price. Then the price is the amount of money that used to assess and obtain products and services that are needed by consumers. Prices are very important to the economy, because prices are very important play a role in the business and the business being run. In other words the set price level affects the turnover of goods for sale. The quantity of goods sold affects the cost generated in relation to the procurement of goods for trading companies and production efficiency for

manufacturing companies. Then price affect the income, so the price affects the profit business and financial position of the company.

Tjiptono (1997) revealed that price is used as an indicator of the benefits that consumers get from goods and services received, this is closely related to a value consumers get for the price. Setting one price for all buyers is a great idea it can be said that the modern that emerged when the trade began large-scale retailing that occurred at the end of the nineteenth century because at that time the trade took place due to the sale thus a lot of stuff and pay attention to his many employees. In setting prices, there are various methods that can be used can be used. Pricing is usually done to increase the value or amount of production costs that are calculated against costs incurred and the sacrifice of energy and time in processing goods or services. In determining the selling price of a product, a companies must pay attention to various parties such as end consumers, suppliers, competitors, suppliers of funds, workers, and governments. Because price level can not be separated from the purchasing power of consumers, the reaction of competitors, type of product and elasticity of demand and level of profit company (ibid).

HYPOTHESIS

H1: Inflation affects the Increase Pricing of Construction Materials

H2: Social and Political Factors affect the Increase Pricing of Construction Materials

RESEARCH METHODOLOGY

Types and Sources of Data

The data utilized in this study collected by researchers using a questionnaire technique that is delivered or supplied to research participants directly. Primary data is information gathered directly from a source utilizing a defined set of questions. From the commencement of the initial source, researchers or their officials directly collected one or more data sets. The research respondents or the research sample are the major data sources in this study.

Population and Sample

According to Sugiyono (2019), population is a generalization area consisting of objects/subjects that have certain magnitudes & characteristics determined by researchers to be studied and then drawn conclusions. The population used in this study

are people who work on the cement factor. While the research sample used in this study were 30 employees who worked at the Zliteen Feed Factory.

Data Measurement Method

A scale can be used to determine the size of the measurement. An interval scale was employed to assess respondents' responses in this study, which is a scale that measures the distance between two points or each point. A Likert scale was utilized in this investigation as the sort of interval scale. Because the five-scale assessment may capture respondents' replies in phases, this form of Likert scale was chosen (Sekaran, 2016). Because the Likert scale that is commonly used in marketing testing is 1-5, and it is easy for respondents to determine responses.

Data Collection Technique

The questionnaire is a data collection technique which is done by giving a set of questions or written statements to the respondent to answer. Therefore, the questionnaire was used as a tool to collect data in this study. Questionnaires were created depending on both dependent and independent study factors. The questionnaire in this study comprised of questions derived from the characteristics of the variables being assessed and their operational definitions. This item graded on a 5-Likert scale. The options for the sample range from Strongly Agree (SS) to Strongly Disagree (STS). This is considered a technique that can prevent bias because each respondent gets the same question.

Data Analysis Method

After the data is gathered, data management techniques are used to examine it. The researchers' data analysis in this study seeks to address the issues posed in the problem identification. Statistical analysis was performed to analyze it by using IBM SPSS statistics 22 software. Data analysis is a type of research activity that entails gathering and organizing data in order to understand the results. After the data collected from all respondents or other data sources has been obtained, data analysis begins. Grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each studied, performing calculations to answer problem formulations, and performing calculations to test hypotheses that have been proposed are all examples of data analysis activities (Sugiyono, 2016). Data

analysis is used to convert data into information, making it simpler to grasp and analyze the information. The information to be evaluated comes from field research and publications.

Validity test

The validity test is used to determine if a questionnaire is valid or not (Ghozali, 2016). Validity is determined by an indicator that indicates how closely a measuring device measures what it claims to measure. The extent to which a measuring instrument is genuinely suitable or in agreement with the planned measuring instrument is determined by the validity test. The correlation coefficient formula of Karl Pearson's product moment technique was employed to assess the questionnaire's correctness.

Testing the validity of the significant level used is (α) = 5%

1. If r count > r table then the questionnaire is declared valid

2. If r count < r table, the questionnaire is declared invalid

Reliability Test

Reliability is a method for assessing the validity of a questionnaire that serves as an indication of a variable or construct (Ghozali, 2016). If a person's response to a statement is constant or stable throughout time, the questionnaire is considered to be dependable. If the result of (cronbach alpha) > 0.60, the variable is deemed to be trustworthy (Ghozali, 2016). Because the Cronbach alpha formula is one of the most commonly used reliability coefficients, here's how to determine the reliability of a questionnaire using it.

Descriptive statistics

The variables supplied by frequency, a measure of central tendency, and dispersion are the three descriptive statistics. The frequency with which the number of individuals in various departments for a sample of firms increases, as indicated in the output, is known as frequency (Sekaran and Bougie 2017). The average value is sought in this investigation utilizing an interval scale. The average value derived from the average value of each respondent's questionnaire responses.

Regression Test

A statistical approach for evaluating and modeling connections between variables is regression analysis. The problem of regression analysis that results in the

relationship of two or more independent variables is frequently solved using multiple regression. The equation model for multiple linear regression is as follows:

$Y = a + b_1 X_1 + b_2 X_2 + e$

Information:

Y : Increase Pricing

a : regression constant

X_1 : Inflation

X_2 : Social and Political Factors

T Test (Partial)

Multiple regression analysis was utilized as a testing method in this investigation. The t-test is used to determine how much each explanatory/independent variable contributes to the variance of the dependent variable, where = 0.05. (Ghozali, 2016).

1. Formulate the hypothesis:

H0 : There is no significant effect of variable X on Y.

Ha : There is a significant positive effect of variable X on Y.

2. Criteria for acceptance of the hypothesis:

If sig. t < 0.05 then Ha is rejected.

If sig. t < 0.05 then Ha is accepted

F Uji Test

The F test compares all of the regression coefficients at once. This test was designed to investigate how all of the independent factors in the model influenced the dependent variable at the same time. One of the study's hypotheses is evaluated using multiple linear regression analysis and the F test. The F test is used to determine how the independent variables interact with the dependent variable (simultaneously). The results of the F test may be seen in the ANOVA table's sig column. in accordance with the needs:

1. If the probability value is < 0.05, it can be said that there is a jointly significant influence between the independent variables on the dependent variable.

2. If the probability value is > 0.05, then there is no significant effect jointly between the independent variables on the dependent variable.

RESULT AND DISCUSSION

Respondent characteristics

Table 1. Gender of respondents

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	30	100,0	100,0	100,0
	Female	0	0,0	0,0	100,0
	Total	30	100,0	100,0	

Based on the results of descriptive statistics on the gender of the respondents in the table above, all 30 respondents were male. This indicated that all of respondents are male because he works in Zliteen Feed Factory.

Table 2. Age of respondents

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
age	30	23	58	38,53	9,766
Valid N (listwise)	30				

Based on the results of descriptive statistics in the table above, the minimum age is 23 years and the maximum age is 58 years. This indicated that the respondents in productive aged.
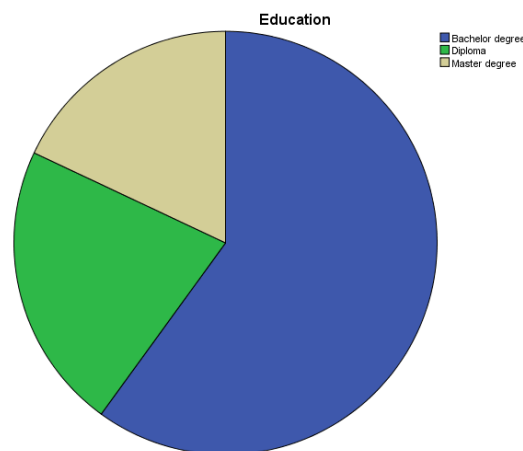

Figure 1. Respondent's Education

Based on the graph, it showed that majority of respondents is bachelor degree (70% or 21 persons), and Diploma (17% or 5 persons), and the rest is master degree (13% or 4 persons).

Validity and Reliability Test

Table 3.Validity test results Inflationvariable

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
INF1	14.7667	6.530	.650	.788
INF2	15.1000	6.990	.416	.846
INF3	15.1000	6.507	.614	.796
INF4	15.1667	5.454	.761	.748
INF5	15.0667	5.237	.711	.767

Based on the results of the validity test in the figure above, it is known that r count > 0.361 so all statement items from the Inflation variable are declared valid.

Table 4. Validity test results Social and Political Factors variable

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SP1	14.8000	6.510	.651	.818
SP2	15.1333	7.154	.459	.860
SP3	15.1000	6.300	.691	.807
SP4	15.2000	5.407	.771	.781
SP5	15.1000	5.128	.738	.794

Based on the results of the validity test in the table above, it is known that r count> 0.361 so all statement items from the Social and Political Factors variable are declared valid.

Table 5. Validity test results Increase Pricingvariable

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
IP1	15,4333	3,082	,762	,693
IP2	15,1333	4,395	,566	,771
IP3	15,3333	3,954	,635	,745
IP4	15,3000	4,148	,427	,809
IP5	15,4667	3,913	,567	,764

Based on the results of the validity test in the table above, it is known that r count> 0.274 so all statement items from the Increase Pricing variable are declared valid.

Table 6. Reliability test results

Variable	Cronbach's Alpha	Criteria	Result
Inflation	0.826	0.60	Valid
Social and Political Factors	0.846	0.60	Valid
Increase Pricing	0.789	0.60	Valid

Based on the results of the reliability test in the table above, it is known that r count> r table, so all variables are declared reliable.

Respondents' Responses

Table 7. Respondents' responses of Inflation

No	Question	Answer										Total Score	Mean Score
		Score 5		Score 4		Score 3		Score 2		Score 1			
		F	S	F	S	F	S	F	S	F	S		
1	INF1	4	20	25	100	0	0	0	0	1	1	121	4,03
2	INF2	3	15	17	68	8	24	2	4	0	0	111	3,70
3	INF3	1	5	22	88	4	12	3	6	0	0	111	3,70
4	INF4	1	5	21	84	6	18	0	0	2	2	109	3,63
5	INF5	4	20	18	72	6	18	0	0	2	2	112	3,73
	Mean :												**3,76**

Based on the index of respondents' responses from 5 (five) statements in the table above, it was obtained an average score (index) of 3.76 and included in the agree category. Based on this classification, it means that respondents agree to all statements on the inflation questionnaire.

Table 8. Respondents' responses of Increased Production Costs

No	Question	Answer										Total Score	Mean Score
		Score 5		Score 4		Score 3		Score 2		Score 1			
		F	S	F	S	F	S	F	S	F	S		
1	IPC1	3	15	17	68	8	24	0	0	2	2	109	3,63
2	IPC2	3	15	25	100	0	0	1	2	1	1	118	3,93
3	IPC3	3	15	19	76	8	24	0	0	0	0	115	3,83
4	IPC4	4	20	19	76	6	18	1	2	0	0	116	3,87
5	IPC5	1	5	21	84	6	18	2	4	0	0	111	3,70
	Mean :												**3,79**

Based on the index of respondents' responses from 5 (five) statements in the table above, it was obtained an average score (index) of 3.79 and included in the agree category. Based on this classification, it means that the respondents agree to all statements in the Increased Production Costs dimensions.

Table 9. Respondents' responses of Social and Political Factors

No	Question	Answer										Total Score	Mean Score
		Score 5		Score 4		Score 3		Score 2		Score 1			
		F	S	F	S	F	S	F	S	F	S		
1	SP1	4	20	25	100	0	0	0	0	1	1	121	4,03
2	SP2	2	10	18	72	9	27	1	2	0	0	111	3,70
3	SP3	1	5	23	92	3	9	3	6	0	0	112	3,73
4	SP4	1	5	21	84	6	18	0	0	2	2	109	3,63
5	SP5	4	20	18	72	6	18	0	0	2	2	112	3,73
	Mean :												**3,77**

Based on the index of respondents' responses from 5 (five) statements in the table above, it was obtained an average score (index) of 3.77 and included in the agree

category. Based on this classification, it means that the respondents agree to all statements in the dimensions of Social and Political Factors.

Table 10.T-Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	8,589	2,041		4,209	,000
INF	,952	1,014	1,199	2,938	0,036
SP	,389	1,015	,489	2,383	0,005

a. Dependent Variable: IP

1. First Hypothesis

From table 10 it is known that the significance value for the Inflation variable is 0.036 < 0.05 with a coefficient value of 0.952, which means that the first hypothesis in this study is accepted. So there is influence between Inflation on Increase Pricing.

2. Second Hypothesis

From table 9 it is known that the significance value for the Social and Political Factors variable is 0.005< 0.05 with a coefficient value of -0.389, meaning that the second hypothesis in this study is accepted. So there is a positive influence between Social and Political Factors on Increase Pricing.

CONCLUSION

Based on the results of the distribution of respondents to 30 respondents, respondents obtained responses to the inflation, Social and Political Factors and Increase Pricing. Based on the results of the analysis conducted, it shows that there is influence between Inflation on Increase Pricing and Increase Pricing has influence on Company Performance.

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