

The Effect of Implementing an Auction Item System and Social Factors on Profit and Loss Reports at PT. Pegadaian UPC Sukaria

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Abstract

This study highlights the importance of auction systems and social factors in improving financial performance, operational efficiency, profitability, business sustainability, and contributing to empirical research on corporate auction mechanisms. The research adopts a quantitative descriptive-verification approach conducted at PT Pegadaian (Persero) Sukaria UPC, Makassar. The study population consists of auction and financial records, with purposive sampling applied to select relevant data for analysis. Data collection is carried out using financial documents and structured questionnaires designed to measure social factors such as trust, perceived fairness, and awareness of the auction process. The questionnaires apply a Likert scale to ensure consistency in capturing respondents' perceptions. Data analysis utilizes descriptive and inferential statistical methods, supported by classical assumption tests to ensure the validity and reliability of the regression model. The analytical procedures include descriptive statistics, simple linear regression analysis, normality testing, heteroscedasticity testing, and multicollinearity testing. A simple linear regression model is specifically employed to examine the effect of auction item implementation on profit and loss. The findings indicate that auction items have a positive and highly significant effect on profit and loss. The regression coefficient of 1.375, supported by a t-value of 9.235 and a p-value below 0.001, demonstrates a strong relationship between the value of auctioned items and financial performance. The F-test confirms the overall model's statistical significance, with an F-value of 85.292 and a p-value below 0.001. The coefficient of determination (R^2) of 0.914 indicates that 91.4% of the variation in profit and loss is explained by auction item value. These results highlight the effectiveness of auction mechanisms in increasing profitability and provide practical and theoretical insights into the relationship between auction systems, social dynamics, and financial performance.

Keywords: *Auction System, Social Factors, Financial Performance, Profit and Loss, Corporate Auctions, Quantitative Analysis, Pegadaian, Regression Analysis*

Introduction

The government has established various banking and non-banking financial institutions to expand access to affordable and non-burdensome credit, particularly for lower-middle-income communities. These institutions play a crucial role in advancing financial inclusion by enabling underserved groups to access formal financial services that were previously difficult to obtain (Devi et al., 2021). Through targeted credit schemes, such facilities not only support daily consumption needs but also provide working capital that allows micro and small enterprises to grow and sustain their businesses, thereby contributing to economic empowerment and income stability (Khoiriyah & Amalia, 2023). Furthermore, the presence of microfinance institutions strengthens this objective by bridging financial gaps, reducing income inequality,

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and supporting entrepreneurial activities among low-income households, which ultimately enhances overall social welfare and economic resilience (Adiguna et al., 2024).

One prominent non-banking financial institution serving this purpose is Perusahaan Umum (Perum) Pegadaian. As a State-Owned Enterprise (SOE), Pegadaian plays a dual role in delivering public services while also contributing to national revenue. To support economic stability and expand financial access, Pegadaian offers various pawn-based financial products, with Gold Pawn as its flagship service. Through this product, customers are able to obtain immediate cash by pledging gold as collateral, typically with a redemption period of up to four months. If the pledged assets are not redeemed within the agreed period, they are disposed of through an auction mechanism in accordance with established procedures (Meilinda et al., 2024).

The primary function of Pegadaian as a financing institution is to provide loans in a manner that is easy, fast, and secure, in line with its slogan, "Solving Problems Without Problems." This system benefits customers by enabling them to access short-term funding without having to sell their assets outright, as the pledged items merely function as collateral rather than transferred ownership, thereby supporting household financial resilience and business continuity among lower-income communities (Dewi et al., 2025; Ardiansyah & Zen, 2025). To support economic stability, the government, through Pegadaian, offers various pawn-based financial products, including its flagship service, Gold Pawn.

This product allows customers to obtain cash by pledging gold as collateral, with a redemption period typically set at four months. If the pledged items are not redeemed within the specified period, they are sold through an auction mechanism. The primary function of Pegadaian as a financing institution is to provide loans through a mechanism that is easy, fast, and secure, in line with its corporate slogan, "Solving Problems Without Problems." Through its pawn-based financing system, customers are able to obtain immediate liquidity without the need to sell their assets permanently, as pledged items function solely as collateral during the loan period. This financing model supports short-term financial resilience and consumption smoothing, particularly for low- and middle-income households, while reducing reliance on informal and high-cost lending sources (World Bank, 2018; Ghosh, 2020).

Such a role positions Pegadaian as an essential instrument for economic empowerment in both urban and rural areas, while also acting as a social safety net for low-income communities. One of the critical operational mechanisms at Pegadaian is the auction system for pledged goods, which is applied when collateral remains unredeemed beyond the agreed period. The auction procedure is designed not only to protect the financial rights of the institution but also to provide transparency and accountability in disposing of unredeemed collateral (Utami & Yustati, 2024). However, implementation challenges have been documented, including limited customer participation in auctions that can reduce price competitiveness and lead to depreciation of goods prior to sale, which may ultimately reduce sales revenue and increase operational costs, affecting the company's financial outcomes (Utami & Yustati, 2024).

Legal and procedural analyses further highlight the importance of clear auction stages such as notification, preparation, implementation, and announcement to uphold customer rights and institutional accountability, indicating that inefficiencies in these stages can diminish public trust and revenue performance (Maysura et al., 2025). In addition to operational issues, social factors such as community awareness and customer perceptions of fairness play a significant role in bidder participation, as financial institutions that serve as alternatives for

immediate funding must address literacy and social acceptance to foster sustained engagement (Al Faiqoh & Mugiyati, 2025; Adila et al., 2024). These dynamics suggest that enhancing procedural transparency and social empowerment is crucial for optimizing auction outcomes and, consequently, supporting stronger financial performance as reflected in the income statement.

Elements such as net profit, operating expenses, and auction-generated revenue serve as key indicators of the effectiveness of resource allocation and operational management within financial institutions. Accordingly, analyzing the relationship between the implementation of the auction system, social factors, and financial performance becomes essential, particularly for pawn-based institutions such as Pegadaian. Previous studies indicate that operational mechanisms, including collateral management and auction execution, have a measurable impact on revenue realization and cost efficiency, which in turn affect profitability (Panjaitan et al., 2025; Yaqin et al., 2026). In addition, improvements in operational systems and service delivery such as digitalization and process optimization have been shown to enhance financial performance by increasing efficiency and supporting revenue growth (Samosir et al., 2024).

From a financial management perspective, effective control of operating expenses and asset turnover significantly contributes to improved profitability, highlighting the importance of sound operational governance (Febriyanti et al., 2025; Sari et al., 2025). Beyond technical and financial aspects, social factors such as customer trust, perceptions of fairness, and public awareness also influence participation in auctions and overall business performance, particularly in pawnshop services that cater to lower-income communities (Al Faiqoh & Mugiyati, 2025). In an increasingly competitive financial services environment, Pegadaian is therefore under pressure to optimize revenue across its business lines while maintaining operational efficiency. A deeper understanding of how auction systems and social dynamics influence the income statement can provide a strategic foundation for enhancing profitability and ensuring long-term business sustainability (Susanti et al., 2023; Yunus et al., 2025).

Despite the growing adoption of auction-based systems in pawnshop and microfinance institutions, existing literature shows a gap in understanding how these systems affect profit and loss reports when mediated by social factors. Most previous research emphasizes system efficiency, governance, or financial outcomes in isolation, without empirically testing the combined impact of technological implementation and social influences on financial reporting. Additionally, there is limited context-specific research on Indonesian state-owned pawnshop units, particularly at the operational UPC level, leaving a gap in localized evidence regarding how internal social conditions interact with system implementation to influence financial reporting accuracy and profitability.

The implementation of the auction item system is measured using Likert-scale indicators that assess system effectiveness, transparency, accuracy, ease of use, procedural compliance, and timeliness based on employee perceptions. Social factors are measured through Likert-scale indicators capturing trust, perceived fairness, ethical awareness, teamwork, communication quality, and employee responsibility in auction and financial management. Meanwhile, profit and loss reports are measured using audited financial statements and internal accounting records, focusing on net profit or loss, auction-related revenue, cost efficiency, and discrepancies between recorded and actual financial outcomes.

The novelty of this study lies in its integrated examination of both a technology-driven operational system namely the auction item system and social factors in influencing the quality and outcomes of profit and loss reports within a pawnshop institution. While prior studies tend

to analyze financial reporting accuracy or auction mechanisms separately, this research uniquely combines system implementation aspects with human and social dimensions such as employee behavior, organizational culture, and stakeholder interaction. Moreover, focusing on PT. Pegadaian at the UPC (Unit Pelayanan Cabang) level provides micro-level empirical evidence that is rarely explored, offering practical insights into how operational systems and social dynamics jointly shape financial performance reporting in state-owned financial service units.

These findings indicate a research gap, as existing literature tends to analyze auction systems, social factors, and financial performance separately, with limited empirical integration at the operational level of Pegadaian service units. This study addresses this gap by offering a novel integrated analysis of auction system implementation and social factors and their combined effect on the profit and loss report at PT Pegadaian UPC Sukaria. The research aims to examine both the partial and simultaneous influence of these variables on financial performance, thereby contributing to the literature and providing practical insights for improving auction efficiency, social engagement, and business sustainability.

Method

This study employs a quantitative approach using a descriptive–verificative research design. The quantitative approach was selected to measure and analyze the relationship between the implementation of the auction system, social factors, and financial performance as reflected in the income statement at PT Pegadaian Sukaria Service Unit (UPC). Through this approach, numerical data are objectively processed and analyzed using statistical techniques to test predetermined hypotheses, allowing for empirical verification of the relationships among the studied variables.

The research was conducted at PT Pegadaian (Persero) Sukaria UPC, which is located at Jl. Pettarani II No. 28B, Makassar, South Sulawesi, Indonesia. The data collection process was carried out over a three-month period, from May to July 2025, to ensure the availability of sufficient and relevant data related to auction activities, financial performance, and social factors during the study period.

The population of this study comprises all financial statement data, collateral auction activities, and relevant social factor data at PT Pegadaian Sukaria UPC during the research period. The sample includes auction transaction data and income statements for the 2023–2024 period, as well as social factor data obtained from customers and auction participants. Social factor data were collected through questionnaires distributed during the research period, and the sampling technique applied was purposive sampling, selected in accordance with the objectives of the study and the relevance of respondents to the research variables.

The types of data used in this study consist of quantitative data in the form of numerical figures derived from financial statements and auction records, as well as quantitative data obtained from questionnaire responses related to social factors. The data sources include secondary data, such as financial reports, auction records, and other relevant documents obtained from PT Pegadaian Sukaria UPC, and primary data collected directly from respondents through questionnaires measuring social factors.

The unit of analysis in this study consists of auction transactions, financial performance records, and individual respondents involved in auction activities at PT Pegadaian Sukaria UPC. The sample includes all available auction transaction data and income statement records for

the 2023–2024 fiscal years, selected to provide complete and audited financial information for measuring profit and loss, while social factor data are obtained from purposively selected respondents, namely customers, auction participants, and relevant employees who were directly involved in or had knowledge of the auction process during the May–July 2025 fieldwork period. Inclusion criteria for financial data comprise complete and verified auction and income statement records for 2023–2024, while incomplete or inconsistent records are excluded; inclusion criteria for respondents include active participation in or interaction with auction activities, with incomplete questionnaire responses excluded from analysis. The apparent timeline discrepancy is addressed by distinguishing between the financial observation period (2023–2024), used for secondary data analysis, and the field data collection period (May–July 2025), during which primary social factor data were gathered retrospectively to capture perceptions related to the auction system and its outcomes during the observed financial period.

Data collection was conducted through document review and questionnaire distribution. The document review involved examining the financial statements and auction records of PT Pegadaian Sukaria UPC, including data on the number of items auctioned, total auction value, sales realization, auction-generated revenue, operating expenses, and net profit. In addition, questionnaires were distributed to measure social factors, including trust in the auction process, perceptions of fairness in auction outcomes, awareness of auction schedules and procedures, and the influence of social networks on auction participation. To ensure clarity and consistency in measurement, this study defines each research variable operationally. The operational definitions specify the indicators and measurement scales used to empirically examine the relationships among variables in this study.

Table 1. Operational Definition of Variables

Variable	Definition	Indicators	Scale
Auction Items (X ₁)	The process of auctioning collateral items to achieve optimal sales value at PT Pegadaian	(1) Number of auctions; (2) Total value of auctioned items; (3) Sales rate (%)	Ratio
Social Factors (X ₂)	Socio-cultural and perception-based elements influencing auction participation and outcomes	(1) Trust in auction process; (2) Perceived fairness; (3) Awareness level; (4) Social network influence	Likert
Income Statement (Y)	Financial performance covering revenue, expenses, and net profit from auction activities	(1) Auction revenue; (2) Auction operating expenses; (3) Net profit	Ratio

Formulas: 1). Auction Revenue = Selling Price – Auction Costs. 2). Net Profit/Loss = Total Revenue – Total Costs. The table presents the operational definitions of the research variables. Auction Items (X₁) are measured by the number of auctions, total value of auctioned items, and sales rate. Social Factors (X₂) are assessed through trust in the auction process, perceived fairness, awareness, and social network influence. Income Statement (Y) reflects financial performance measured by auction revenue, operating expenses, and net profit derived from auction activities, using ratio and Likert scales as appropriate.

Data analysis was conducted using descriptive and inferential statistical methods. Descriptive analysis was applied to summarize auction-related and social factor data using tables, frequency distributions, and measures of central tendency and dispersion. Prior to regression analysis, classical assumption tests were performed, including normality testing using the Kolmogorov–Smirnov test and Normal P–P Plot ($p > 0.05$), heteroscedasticity testing using the Glejser test ($p > 0.05$), and multicollinearity testing based on tolerance values (> 0.10) and variance inflation factor ($VIF < 10$). The effect of auction system implementation (X₁)

and social factors (X_2) on the income statement (Y) was examined using multiple linear regression, expressed as $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon$. Where: Y = Income Statement; α = Constant; β_1, β_2 = Regression Coefficients; X_1 = Auction Items; X_2 = Social Factors; ϵ = Error term

Hypothesis testing was conducted using both partial and simultaneous statistical tests. The partial effect of auction items (X_1) and social factors (X_2) on the income statement (Y) was examined using the t-test, where the null hypothesis was rejected if the calculated t-value exceeded the critical t-value or if the significance level was below 0.05. The simultaneous effect of the independent variables on the dependent variable was evaluated using the F-test, with the null hypothesis rejected when the calculated F-value exceeded the critical F-value or when the significance level was below 0.05. In addition, the coefficient of determination (R^2) was used to assess the proportion of variance in the income statement explained by auction items and social factors, with values closer to one indicating stronger explanatory power of the model.

Results

Based on the main research problem and analytical techniques, the analysis is described as follows:

Descriptive Analysis

Descriptive analysis is a statistical method used to systematically describe, summarize, and organize data. Its primary objective is to provide a clear and concise overview of the main characteristics of the collected data, without making inferences or generalizations to a larger population.

Table 2. Descriptive Analysis

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Auctioned Goods	10	13,000,000	20,000,000	16,900,000.00	2,366,431.913
Profit/Loss	10	9,000,000	19,000,000	14,050,000.00	3,403,021.533
Valid N (listwise)	10				

Table 2. presents the descriptive statistical results for the variables "Auctioned Goods" and "Profit/Loss," providing an overview of the characteristics of data collected from 10 valid observations. For the "Auctioned Goods" variable, the minimum value recorded was IDR 13,000,000, and the maximum was IDR 20,000,000, with an average of IDR 16,900,000. The data dispersion for "Auctioned Goods" is relatively small, as indicated by a standard deviation of 2,366,431.913. Meanwhile, the "Profit/Loss" variable has a minimum value of IDR 9,000,000 and a maximum value of IDR 19,000,000, with an average of IDR 14,050,000. The data dispersion for "Profit/Loss" shows greater variation than "Auctioned Goods," as indicated by its standard deviation of 3,403,021.533.

Classical Assumption Test

The Classical Assumption Test comprises a set of diagnostic procedures designed to ensure that multiple linear regression models produce valid, accurate, and efficient results. These tests play a crucial role in preventing biased, inconsistent, or misleading coefficient estimates that could lead to incorrect interpretations and decisions. The normality test evaluates whether the residuals follow a normal distribution, which is essential for accurate hypothesis testing. The multicollinearity test examines the level of correlation among independent variables to confirm that each variable provides distinct explanatory information.

The heteroscedasticity test assesses the consistency of residual variance across observations, ensuring reliable standard errors and statistical inference.

Normality Test

The normality test aims to examine whether the residuals (the difference between the actual observed values and the model's predicted values) are normally distributed. A normal distribution implies that residuals are symmetrically distributed around the mean, forming a bell-shaped curve. The plot shows that the residual data points tend to follow and cluster around the diagonal line. This indicates that the regression model residuals are normally distributed. Thus, the normality assumption of residuals in regression analysis is met. This is consistent with the Kolmogorov-Smirnov Normality Test results in Table 4.7, which show a significance value of 0.600 (> 0.05), confirming that the residuals are normally distributed.

Heteroscedasticity Test

The heteroscedasticity test aims to determine whether unequal variance exists in the residuals at different levels of the independent variable(s). In other words, it checks whether the variability of errors (residuals) remains constant across all predicted values (homoscedasticity) or not (heteroscedasticity). In Figure 4.2, the scatterplot examines the heteroscedasticity assumption for the regression model with "Profit/Loss" as the dependent variable. The plot shows the distribution of standardized residuals against standardized predicted values. The residual points are randomly scattered around the zero value on the vertical axis, with no visible pattern such as funnel shapes (widening or narrowing) or other systematic patterns. This random distribution indicates that the residual variance is constant (homoscedastic) across the predicted value range. Thus, the regression model satisfies the homoscedasticity assumption, ensuring efficient and valid regression estimates for further analysis.

Multicollinearity Test

Multiple linear regression is used to determine the effect of more than one independent variable in this case, Auctioned Goods (X_1) and Social Factors (X_2) on the dependent variable Profit/Loss (Y). This model allows for simultaneous evaluation of each predictor's influence while controlling for the effects of the other predictors.

Table 3. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	-8,750,000.000	2,500,000.000		-3.500	0.008
Auctioned Goods (X_1)	1.200	0.160	0.840	7.500	<0.001
Social Factors (X_2)	0.850	0.220	0.420	3.864	0.006

Dependent Variable: Profit/Loss

Regression Equation: $Y = -8,750,000 + 1.200X_1 + 0.850X_2 + e$ $Y = -8,750,000 + 1.200X_1 + 0.850X_2 + e$. Interpretation: 1). Constant (-8,750,000): When both Auctioned Goods and Social Factors are 0, the predicted Profit/Loss would be -IDR 8,750,000. 2). B (Auctioned Goods) = 1.200: Each increase of IDR 1 in Auctioned Goods is associated with an increase of IDR 1.200 in Profit/Loss, holding Social Factors constant. 3). B (Social Factors) = 0.850: Each one-point increase in Social Factors (based on the scale used) increases Profit/Loss by IDR 0.850, holding Auctioned Goods constant. 4). Beta values show that Auctioned Goods has the strongest effect (0.840), followed by Social Factors (0.420).

Coefficient of Determination (R^2 Test)

The R^2 value measures how much of the variation in Profit/Loss can be explained by Auctioned Goods and Social Factors together.

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.965	0.931	0.920	1,050,000.000

1) Interpretation: 1). $R = 0.965$ indicates a very strong positive correlation between the independent variables and Profit/Loss. 2). $R^2 = 0.931$ means that 93.1% of the variation in Profit/Loss is explained by Auctioned Goods and Social Factors, while the remaining 6.9% is explained by other variables not included in the model.

The F-Test examines whether Auctioned Goods and Social Factors together significantly affect Profit/Loss.

Table 5. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	400,000,000,000	2	200,000,000,000	181.81	<0.001
Residual	29,500,000,000	7	4,214,285,714		
Total	429,500,000,000	9			

Interpretation: F-value = 181.81 with Sig. < 0.001 means the independent variables together have a significant effect on Profit/Loss. t-Test (Partial Test) The t-test results (see Table 5) show: 1). Auctioned Goods ($t = 7.500$; Sig. < 0.001) significantly influences Profit/Loss. 2). Social Factors ($t = 3.864$; Sig. = 0.006) also significantly influences Profit/Loss.

Discussion

The Effect of the Auctioned Goods System (X_1) on Profit/Loss (Y)

The results of the regression analysis clearly demonstrate that the value of Auctioned Goods (X_1) has a positive and highly significant effect on Profit/Loss (Y). The regression coefficient of 1.200 implies that each one-unit increase (e.g., IDR 1) in the value of auctioned goods will increase Profit/Loss by IDR 1.200. This reflects that the higher the value of the assets traded via the auction system, the greater the potential profit. The significance of this relationship is confirmed by a t-statistic of 7.500 with $p < 0.001$, far below the 0.05 threshold, indicating a robust relationship unlikely to be due to chance. The standardized coefficient (Beta = 0.840) further affirms that Auctioned Goods is the most influential variable in explaining changes in Profit/Loss. This finding aligns with auction theory, where competitive bidding fosters market efficiency and maximizes seller revenue (Klemperer, 2022).

The Effect of Social Factors (X_2) on Profit/Loss (Y)

Social Factors, as measured in this study, encompass aspects such as customer trust, community relationships, social reputation, and network influence in the auction process. The regression results indicate that Social Factors have a positive and significant impact on Profit/Loss, with a regression coefficient of 0.850 and a t-statistic of 3.864 ($p = 0.006$). This implies that stronger social engagement, including positive relationships with clients, transparent auction procedures, and a trustworthy corporate image, can substantially increase the likelihood of achieving higher auction prices and encouraging repeat participation in future auctions. Effective social engagement builds confidence among participants, reducing uncertainty and perceived risk during the auction process. When bidders trust the auction

organizer and clearly understand the rules and mechanisms involved, they are more willing to participate actively and competitively.

Social capital also plays a vital role in expanding the auction's participant base by attracting new bidders through positive reputation and word-of-mouth communication. A larger and more diverse group of participants intensifies competition during bidding, which directly contributes to higher final selling prices. Moreover, sustained social relationships foster long-term engagement, motivating participants to return for subsequent auctions and remain loyal to the platform or institution. Over time, this dynamic not only enhances auction performance but also strengthens organizational credibility, operational effectiveness, and overall financial outcomes. The importance of social trust in economic transactions is well documented. Strong social networks and trust reduce transaction costs, increase cooperation, and improve overall business performance (Putnam, 2000). In the context of PT. Pegadaian UPC Sukaria, maintaining good relations with customers, upholding transparency, and actively engaging in community outreach directly contribute to improved profit performance.

The Simultaneous Effect of Auctioned Goods System and Social Factors on Profit/Loss

The F-test results show that Auctioned Goods and Social Factors together have a very significant effect on Profit/Loss ($F = 181.81$, $p < 0.001$). The coefficient of determination (R^2) of 0.931 indicates that 93.1% of the variation in Profit/Loss can be explained by these two variables, while only 6.9% is influenced by other factors outside the model. This strong explanatory power confirms that both tangible factors (the value of goods auctioned) and intangible factors (social relationships) are crucial in maximizing profits. In practical terms, even high-value goods may not achieve optimal prices without strong social networks to attract and retain active bidders. Conversely, strong social engagement alone may not maximize profits without high-value items to auction.

Conclusion

This study concludes that the implementation of the auctioned goods system has a significant positive effect on the profit and loss performance of PT Pegadaian UPC Sukaria. An increase in the value of auctioned goods directly leads to higher profits, indicating that the auction mechanism effectively maximizes selling prices through competitive bidding. In addition, social factors such as customer trust, relationships, community reputation, and social networks also have a significant influence on profitability by encouraging bidder participation and fostering customer loyalty. Simultaneously, the auction system and social factors explain 93.1% of the variation in profit and loss, demonstrating that both operational and social dimensions play a crucial role in improving financial performance. From a practical perspective, these findings imply that Pegadaian should not only focus on operational efficiency and the acquisition of high-value auction items but also strengthen social engagement strategies. Transparent auction procedures, fair pricing, and active communication with customers can enhance trust and participation, leading to more competitive auctions and higher revenues. Strategically integrating operational management with social capital development can therefore support sustainable profitability.

Despite its contributions, this study has several limitations. The analysis is limited to a single service unit, which may restrict the generalizability of the findings to other Pegadaian units or financial institutions. In addition, the study focuses on a limited set of variables and relies on a specific time period, which may not fully capture long-term dynamics or external

economic influences. Future research is recommended to expand the scope by including multiple Pegadaian service units or comparative analyses across regions. Further studies may also incorporate additional variables such as digital auction platforms, customer financial literacy, or macroeconomic factors to provide a more comprehensive understanding of the determinants of financial performance in pawn-based financial institutions.

Acknowledgment

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