



**IRCMB 2018**  
The 3rd International Research Conference  
on Management and Business

# CERTIFICATE OF PARTICIPATION

This is to certify that

**AHMAD ROZIQ**

Has Participated in conference as

**PRESENTER**

At Illira Hotel, Banyuwangi Indonesia On December 11, 2018



Prof. Dr. H. Maskuri, M.Si

Keynote Speaker

Prof. Rubi Ahmad  
Faculty of Business and Accounting,  
University of Malaya, Malaysia



Nur Diana, SE, M.Si

Cohost:



## **PROCEEDINGS**

### *THE 3<sup>rd</sup> INTERNATIONAL RESEARCH CONFERENCE ON MANAGEMENT AND BUSINESS (IRCMB 2018)*

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## RECTOR'S WELCOME

I am delighted to welcome you to IRCMB 2018 in Banyuwangi, Indonesia. The Purpose of IRCMB is to bring together researcher and practitioners all over the world to share new ideas and present latest developments in the theoretical and practical area of Economics, Business and Management. This year's conference brings together researchers and practitioners to discuss the latest issues.

We are honored to have keynote speakers in the conference : Professor Rubi Ahmad from Universiti of Malaya, Malaysia and we are hoping that all participants of the conference to take time not only for paper and presentation, but also actively engage one another and to take this opportunity for further develop your professional link.

The Conference will not be possible to be organized the dedicate effort of many individuals who have contributed to the various process that make up this event. For the dedication, i sincerely convey my appreciation. My sincere gratitude also goes to our institution' partner that provide their support co-host and sponsors in this conference.

Rector  
University of Islam Malang

**Prof. Dr. H. Maskuri, M.Si**

## SPEECH FROM DEAN

In the Name of Allah, the Most Beneficent, the Most Merciful.

We are pleased to welcome you to the Third International Research Conference on Management and Business (IRCMB) and Banyuwangi, Indonesia. Our enthusiasm and excitement for scientific research and sharing knowledge have motivated us to organize this conference.

We hope that all participants of the conference to take time not only for paper presentation, but also to actively engage one another and to take this opportunity to further develop your professional links. The conference will not be possible to be organized without the dedicated efforts of many individuals who have contributed to the various process that make up this event. For their dedication, we sincerely convey our appreciation. Our sincere gratitude also goes to our journal partners that provide their support in this conference.

Lastly, our personal thanks to all of you for participating here today. You are crucial to the program's success - thank you for coming! Please enjoy the conference and make sure you take some time to enjoy and explore Banyuwangi!

Best regards,

**Nur Diana, SE, MSi**

*Dean, Faculty of Economics and Business University of Islam Malang*

*Conference Chair – 3rd IRCMB*

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## PROGRAM

December 11, 2018, Illira Hotel, Banyuwangi

Hour	Program
07.30 – 14.00	Registration (Blambangan Ballroom)
08.00 – 10.00	Concurrent session 1 (Blambangan, Tawang Alun, Agung Wilis, Sido Pekso Rooms)
10.00 – 10.15	Coffee break
10.15 – 10.20	Welcoming speech by dean (Blambangan Ballroom)
10.20 – 12.00	Keynote speech (Blambangan Ballroom) Seminar on how to publish in Scopus-indexed journal (Blambangan Ballroom)
12.00 – 13.00	Lunch
13.00 – 15.00	Concurrent session 2 (Blambangan, Tawang Alun, Agung Wilis, Sido Pekso Rooms)
15.00 – 15.15	Coffee break
15.15 – 17.00	Concurrent session 3 (Blambangan, Tawang Alun, Agung Wilis, Sido Pekso Rooms)

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**CONCURRENT SESSION 1 (Hour: 08.00 – 10.00)**

ROOM	BLAMBANGAN BALLROOM	TAWANG ALUN	AGUNG WILIS	SIDO PEKSO
<b>Session Chair</b>	M. Ridwan Basalamah (Universitas Islam Malang)	Muhammad Rizal (Universitas Islam Malang)	Abdurrahman (University of Esa Unggul)	JFX. Susanto Soekiman (Univ. Dr. Soetomo)
	EXISTENCE OF THE MAX WEB BUREAUCRATIC CONCEPT AS AGENT OF CHANGE OF BUREAUCRATION REFORM IN INDONESIA Afifuddin (Universitas Islam Malang), Dadang Krisdianto (Universitas Islam Malang)	INFLUENCE OF FINANCIAL PERFORMANCE AGAINST COMPLIANCE WITH DISCLOSURE OF FINANCIAL INFORMATION THROUGH INTERNET FINANCIAL REPORTING ACCESSIBILITY Anissa Windarti (UIN Syarif Hidayatullah Jakarta)	INVESTIGATION MODEL OF PRICE LINKAGES IN INDONESIAN FINANCIAL MARKETS Abdurrahman (University of Esa Unggul), Muhammad Facruddin Arrozi Adikara (University of Esa Unggul), Nurhayani (University of Esa Unggul)	THE ROLE OF HALAL LABEL AND PRODUCT QUALITY AGAINST THE PURCHASE INTENTION OF WARDAH COSMETIC PRODUCT THROUGH BRAND IMAGE AS AN INTERVENING VARIABLE (case study on facebook fans page wardah cosmetics) Sukei (University of Dr. Soetomo) Wanda G. P. A. Hidayat (University of Airlangga)
	RECONSTRUCTION OF THE STREET VENDORS HR DEVELOPMENT MODEL IN LAMONGAN REGENCY Nurul Badriyah (Islamic University of Lamongan), Titin (Islamic University of Lamongan)	IMPROVING THE QUALITY AND QUANTITY OF RATTAN HANDICRAFTS TOWARDS TRANGSAN TOURISM VILLAGES IN ORDER TO INCREASE EXPORTS Sri Suranta (Universitas Sebelas Maret), Santoso Tri Hananto (Universitas Sebelas Maret), Christiyarningsih Budiwati (Universitas Sebelas Maret), M. Syafiqurrahman (Universitas Sebelas Maret)	ANALYSIS ON ECONOMIC FEASIBILITY AND TRADE VALUE OF BEEF CATTLE IN EAST NUSA TENGGARA Sri Seventi (Universitas Sebelas Maret), Heru Agustanto (Universitas Sebelas Maret), Akhmad Daerobi (Universitas Sebelas Maret), Arum Setyowati (Universitas Sebelas Maret)	THE INFLUENCE OF ELECTRONIC WORD OF MOUTH, BRAND ATTITUDE AND BRAND IMAGE AND IMPACT ON PURCHASE INTENTION. XIAOMI SMARTPHONE PRODUCT Hary Soegiri (Politeknik Penerbangan Indonesia), Supriyanto (Politeknik Penerbangan Indonesia)
	THE INTRODUCTION AND APPLICATION OF US' INDEX THEORY TO ENHANCE QUALITY OF LOAN WITHIN BANKING INDUSTRY AND FINANCIAL INSTITUTIONS CASE STUDY: BANK ABC Uke Marius Siahaan (Institute of Technology Bandung)	THE EFFECT OF FAMILY OWNERSHIP AND MULTIPLE LARGE SHAREHOLDERS ON CORPORATE INVESTMENT Anandha Sartika Putri (University of Indonesia), Cynthia A. Utama (University of Indonesia)	ANALYSIS OF THE EFFECT OF STOCK MARKET LIQUIDITY AND INVESTMENT OPPORTUNITIES ON STOCK REPURCHASE POLICY Dimas Satrio Utomo (University of Indonesia), Zaifri Ananto Husodo (University of Indonesia)	EFFECTIVENESS OF ENTREPRENEURSHIP DEVELOPMENT IN TRANSMIGRATION AREAS AS A SOURCE OF FAMILY INCOME Novita Wahyu Setyawati (University of Bhayangkara Jakarta Raya), Endah Prawesti Ningrum (University of Bhayangkara Jakarta Raya)
	THE IMPORTANCE OF THE ROLE OF REFERENCE GROUPS IN AROUSING THE ALTRUISTIC SPIRIT OF ADOLESCENTS IN BLOOD DONATION (SURVEY IN INDONESIA) Budhi Haryanto (Universitas Sebelas Maret), Pram Suryanadi (Universitas Sebelas Maret), Budi Setyanta (Universitas Janabadra Yogyakarta)	ANALYSIS OF DEVELOPMENT TOURISM AND CREATIVE ECONOMIC BASED ON POTENTIAL VILLAGE Nawangsih (STIE Widya Gama Lumajang)	ANALYSIS OF MARKETING STRATEGY OF THE PRODUCT BY THE METHOD OF MATRIX THE BOSTON CONSULTING GROUP (BCG) AND BENCHMARKING ON UMKM BATAK TEYENG DI SURABAYA Yunni Rasmawati DJ (Universitas Islam Lamongan), Luluk Nur Azizah (Universitas Islam Lamongan), Nurus Safa'atillah (Universitas Islam Lamongan)	ANALYSIS OF ENHANCEMENT OF EMPLOYEE'S PERFORMANCE STRATEGY THROUGH MAPPING OF ORGANIZATIONAL CULTURE IN KPKNL SIDOARJO Musriha (Bhayangkara University), Daniel Dewantoro Rumani (Bhayangkara University)

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<p>UNS FINANCIAL MANAGEMENT DESIGN TOWARDS PTN-BH                  Hanung Triatmoko (Universitas Sebelas Maret Surakarta), Lulus Kurniasih (Universitas Sebelas Maret Surakarta), Muhtar (Universitas Sebelas Maret Surakarta)</p>	<p>ANALYSIS OF FACTORS AFFECTING UNDERSTANDING SMALL AND MEDIUM BUSINESSES IN PREPARING FINANCIAL REPORTS BASED ON ACCOUNTING STANDARDS FOR ENTITIES WITHOUT PUBLIC ACCOUNTABILITY : CASE STUDY WEDDING ORGANIZER BUSINESSES IN BEKASI CITY                  Adi Wibowo (Bhayangkara Jaya University), Rorim Panday (Bhayangkara Jaya University), Siti Mardiyah, Arif Prasetyo (Bhayangkara Jaya University)</p>	<p>THE EFFECT OF DEFAULT RISK ON STOCK RETURN                  Titis Fatarina Mahfirah (University of Indonesia), Buddi Wibowo (University of Indonesia)</p>	<p>SYSTEM DYNAMICS IMPLEMENTATION TO INCREASE THE NUMBER OF ORGANIC MAIZE LEVEL ON-FARM PRODUCTION IN SUPPORTING SMART AGRICULTURE (CASE STUDY : EAST JAVA, INDONESIA)                  Iqbal Ramadhani Mukhlis (Institut Teknologi Sepuluh Nopember), Erma Suryani (Institut Teknologi Sepuluh Nopember), Damanhuri (University of Brawijaya)</p>
<p>MEDIATING EFFECTS OF ENTREPRENEURS' WORK PERFORMANCE ON THE RELATIONSHIP BETWEEN THEIR PSYCHOLOGICAL CAPITAL AND GROWTH INTENTIONS: A STUDY ON MALAYSIAN SME ENTREPRENEURS.                  Sheikh Usman Yousaf (University of the Punjab), Mohd. Hizam-Hanafiah (University Kebangsaan Malaysia), Bushra Usman (Forman Christian College - A Chartered University)</p>	<p>ANALYSIS OF FACTORS AFFECTING PRODUCTIVITY SMALL INDUSTRY LABORS IN MALANG CITY (CASE STUDY OF SMALL MANUFACTURING INDUSTRIES)                  Mohammad Rizal (Malang Islamic University), Sulton Sholehuddin (Malang Islamic University), M. Choirul ABS</p>	<p>IMPLEMENTATION OF THE DIAMOND PORTER MODEL IN BUILDING COMPETITIVE ADVANTAGES IN THE NGRINGINREJO BOJONEGORO                  Ety Saraswati (Universitas Islam Malang), Aleria Irma Hatneni (Universitas Islam Malang), Andi Normaladewi (Universitas Islam Malang)</p>	<p>PENGARUH TINGKAT INFLASI, NILAI TUKAR DAN PRODUK DOMESTIK BRUTO TERHADAP INVETASI ASING LANGSUNG PADA NEGARA-NEGARA ASEAN PERIODE 2007-2016                  John FoEh (Universitas Gunadarma) Shakti Silpama</p>
<p>THE RIGHT MARKETING STRATEGY IN FACING THE COMPETITION OF THE SMES MARKET                  Muhammad Ridwan Basalamah (University Islam of Malang), Ita Athia (University Islam of Malang), Miftakhul Jannah (University Islam of Malang)</p>	<p>ANALYSIS OF LABOR MIGRATION IN TAIWAN USING THE COST BENEFIT ANALYSIS (A CASE STUDY IN MALANG REGENCY)                  Muhammad Tody Arsyianto (Malang Islamic University), Mohammad Rizal (Malang Islamic University), Achmad Agus Priyono</p>	<p>CREATIVE ECONOMIC DEVELOPMENT MODEL BASED ON COCONUT PRODUCTS THROUGH BUSINESS MENTORING                  Restu Millaningtyas (Universitas Islam Malang), Aleria Irma Hatneny (Universitas Islam Malang), Pardiman</p>	<p>THE DETERMINATION OF THE INTENTION TO USE ISLAMIC BANKING OF ESA UNGGUL UNIVERSITY STUDENTS                  Sugiyanto (Universitas Esa Unggul Jakarta), Jatmiko (Universitas Esa Unggul Jakarta), Slamet Seno Aji (Universitas Esa Unggul )</p>
<p>THE INFLUENCE OF TAXATION KNOWLEDGE AND THE UNDERSTANDING OF TAXPAYERS TOWARDS TAX COMPLIANCE AT CREATIVE ECONOMY BUSINESSES OF MALANG CITY                  Jeni Susyanti (Universitas Islam Malang), Agus Widarko (Universitas Islam Malang), Noor Shodiq Askandar</p>	<p>CONCENTRATION, BANKING STABILITY AND MARKET EFFICIENCY (CASE STUDY ON REGIONAL DEVELOPMENT BANKING IN INDONESIA)                  Sapto Jumono (Esa Unggul University), Chajar Matari Fath Mala (Esa Unggul University)</p>	<p>IDENTIFICATION OF COLOR AND LIGHTING EFFECTS ON HUMAN COMFORT IN THE WORK PLACE                  Iftitah Ruwana (ITN Malang), Pratikto (Brawijaya University), Sugiono (Brawijaya University), Oyong Novareza (Brawijaya University)</p>	<p>FACTORS INFLUENCING COMPETITIVENESS OF MSMEs IN EAST JAVA                  JFX. Susanto Soekiman (Univ. Dr. Soetomo), Wahyudiono (Univ. Narotama), R. Agus Baktiono (Univ. Narotama)</p>
<p>STRATEGY TO FILL THE NEEDS OF FUNCTIONAL CIVIL SERVANTS AT THE BUREAU OF ORGANIZATION AND STAFFING OF AGRICULTURAL MINISTRY                  Dwi Kurnia Rachman (Bogor Agricultural University), M. Syamsul Maarif , Joko Purwono (Bogor Agricultural University)</p>	<p>IMPLEMENTATION OF THE SUPERVISION SYSTEM IN VILLAGE FINANCIAL MANAGEMENT                  Fitriani Mansur (Universitas Jambi), Misni Erwati (Universitas Jambi), Eko Prasetyo (Universitas Jambi)</p>	<p>THE DESIGN OF STRATEGY MAP AND BALANCED SCORECARD IN POLITICAL PARTY: CASE STUDY IN POLITICAL PARTY XYZ DKI JAKARTA                  Pradipta Faikar Hakim (Universitas Indonesia)</p>	<p>PERENCANAAN STRATEGI BISNIS SOLAR WATER HEATER (STUDI KASUS PADA PT WIJAYA KARYA INDUSTRI ENERGI)                  Firmansyah (Universitas Indonesia)</p>



**CONCURRENT SESSION 2 (Hour: 13.00 – 15.00)**

ROOM	BLAMBANGAN BALLROOM	TAWANG ALUN	AGUNG WILIS	SIDO PEKSO
<b>Session Chair</b>	Budhi Haryanto (Universitas Sebelas Maret)	Rahmawati (Universitas Islam Malang)	MF Arrozi Adhikara (Universitas Esa Unggul)	Firmansyah (Universitas Indonesia)
	DIVERSIFICATION OR EFFICIENCY? THE IMPACT OF REVENUE DIVERSIFICATION, NON INTEREST INCOME DIVERSIFICATION, GEOGRAPHIC DIVERSIFICATION, AND EFFICIENCY TOWARD BANK RISK AND PERFORMANCE IN INDONESIA 2012-2017 Amwal Festra Narisa (Universitas Indonesia), Dyah Setyaningrum (Universitas Indonesia)	RAJUNGAN MEAT MARKETING MIX STRATEGY IN UD. WILDANIA VILLAGE LOBUK BLUTO OF DISTRICT SUMENEP Syahril (Wiraraja University), Moh.Kurdi (Wiraraja University), Miftahol Arifin (Wiraraja University)	PRESSURE OF CREATIVE ACCOUNTING ON DISCLOSURE FINANCIAL STATEMENTS MF. Arrozi Adhikara (Universitas Esa Unggul)	ANALYSIS OF CUSTOMER FOCUS STRATEGY FOR BUSINESS STRENGTHENING OF ACTORS OF UMKM THAT ARE JOINED AS MEMBERS OF COOPERATIVES (Study On Sae-Pujon Cooperative, Malang Regency, Jawa Timur) Ita Athia (Islamic University of Malang), Ridwan Basalamah (Islamic University of Malang), Abdul Wahid Mahsuni
	IDENTIFICATION OF FACTORS THAT AFFECTS TAX COMPLIANCE (STUDY IN AREAS MADURA INDONESIA) Norsain (University of Wiraraja), Syahril (University of Wiraraja)	FUNCTIONAL FOOD AND MILLENIAL CONSUMERS Margaretha IE Veronika (Universitas Katolik Widya Mandala Surabaya), Elisabeth Supriharyanti (Universitas Katolik Widya Mandala Surabaya), C. Erna Susilowati (Universitas Katolik Widya Mandala Surabaya)	THE EVALUATION AND CONSTRUCTION OF THE MOSQUE'S FINANCIAL STATEMENT (MULTI CASE STUDY ON AL AMIN MOSQUE IN JEMBER, AT TAQWA MOSQUE IN BONDOWOSO, IBRAHIMY MOSQUE IN SITUBONDO, AND BAITURROHMAN GRAND MOSQUE IN BANYUWANGI, INDONESIA) Agung Budi Sulisty, Siti Maria Wardayati, Moch.Shulthoni , Ahmad Roziq (University of Jember)	INTERMEDIARY FUNCTION, CAPITAL STRUCTURE, FINANCING RISK AND FINANCIAL PERFORMANCE AT ISLAMIC BANKS IN INDONESIA Ahmad Roziq (University of Jember), Nur Hisamudin (University of Jember), Ahmad Ahsin Kusuma Mawardi (University of Jember)
	THE EFFECT OF PUBLIC SERVICE MOTIVATION ON JOB PERFORMANCE THROUGH SATISFACTION AND COMMITMENT: CASE OF PUBLIC OFFICER IN IMMIGRATION OFFICE MALANG Nur Hidayati (Islamic University of Malang), Hadi Sunaryo (Islamic University of Malang)	EMPOWERMENT-BASED TOURISM VILLAGE DEVELOPMENT Hayat (Universitas Islam Malang), Raudhatul Adhawiyah Novita Zaini (Universitas Islam Malang)	ANALYSIS OF CASH FLOW VOLATILITY EFFECT ON THE LIFE CYCLE STAGE OF NON-FINANCIAL COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE AND THE STOCK EXCHANGE OF THAILAND DURING THE PERIOD 2011-2017 Renny Widyastuti (Universitas Indonesia), Maria Ulpah (Universitas Indonesia)	THE ANALYSIS OF COMPETITION STRATEGY OF UD PUTERA DASRIM OF MALANG Sulton Sholehuddin (Universitas Islam Malang), Ridwan Basalamah (Universitas Islam Malang), M. Cholid Mawardi
	DETERMINANTS OF CORPORATE FINANCIAL PERFORMANCE : EVIDENCE FROM INDONESIA STOCK EXCHANGE LISTED COMPANIES Muhammad Adi Fadlillah (University of Islam Malang), Maslichah (University of Islam Malang), Junaidi (University of Islam Malang)	EXPECTING THE ETHICAL TEACHERS: INTERNALIZED CODE OF ETHICS, ANOMIA AND ACADEMIC DISHONESTY ON TEACHER UNETHICAL ATTITUDES Ashomatul Fadlillah (Universitas Negeri Semarang), Tusyanah Tusyanah (Universitas Negeri Semarang), Fentya Dyah Rahmawati (Universitas Negeri Semarang), Risma Nur Anissa (Universitas Negeri Semarang)	MODELING FINANCIAL DISTRESS USING LOGISTIC REGRESSION, LINEAR DISCRIMINANT ANALYSIS AND MARS Erna Hayati (Universitas Islam Lamongan), Diah Ayu Novitasari (Universitas Islam Lamongan), Laily Chodariyanti (Universitas Islam Lamongan)	THE EFFECT OF PROFESSIONAL COMMITMENT, OBEDIENCE PRESSURE, AND AUDITOR'S ETHICS ON PROFESSIONAL JUDGEMENT Rustiana (Universitas Atma Jaya Yogyakarta), Christy Amanda Pramudita (Alumni FE UAJY)

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<p>INVESTOR SENTIMENT ON TWITTER AND ITS IMPLICATION ON INDONESIA STOCK MISPRICING PERIOD 2017                  Ratna Arista Dewi (Universitas Indonesia), Dony Abdul Chalid (Universitas Indonesia)</p>	<p>TECHNOLOGY READINESS ACCEPTANCE MODEL ANALYSIS ON PROJECT MANAGEMENT OPERATIONS AT MECHANICAL AND ELECTRICAL CONTRACTORS                  R Panday (Universitas Bhayangkara Jakarta Raya), A Wibowo (Universitas Bhayangkara Jakarta Raya), S Mardiah (Universitas Bhayangkara Jakarta Raya), M F Nursal (Universitas Bhayangkara Jakarta Raya)</p>	<p>THE EARNINGS MANAGEMENT, CORPORATE GOVERNANCE, AND BOOK TAX CONFORMITY: THE CASE OF INDONESIA                  Lulus Kurniasih (Universitas Sebelas Maret), Sulardi (Universitas Sebelas Maret), Sri Suranta (Universitas Sebelas Maret)</p>	<p>THE INFLUENCE OF LOCAL GOVERNMENT SIZE, LOCAL GOVERNMENT TYPE, LEVERAGE, AND AUDIT OPINION TOWARD INTERNET FINANCIAL REPORTING                  Wiwik Supratiwi (Universitas Airlangga), Yustrida Bernawati (Universitas Airlangga), Mush'ab'izzul Islam (Universitas Airlangga)</p>
<p>MEDIATING ROLE OF BUSINESS STRATEGY AND ENTREPRENEURIAL ORIENTATION IN THE EFFECT OF EMPOWERMENT ON SME'S MARKETING PERFORMANCE                  Rois Arifin (Islamic University of Malang), N Rachma (Islamic University of Malang)</p>	<p>YOUNG CONSUMER ATTITUDE TOWARDS HALAL COSMETICS PRODUCT                  Rahmawati (Universitas Islam Malang), Arista Fauzi.K (Universitas Islam Malang), Afi Rahmat Slamet</p>	<p>LE GRAND VOYAGE: "HIJRAH" SHARIA ACCOUNTING EDUCATION                  Arista Fauzi Kartika Sari (Universitas Islam Malang), Rahmawati (Universitas Islam Malang), Harun Al Rasyid</p>	<p>ANALYSIS OF THE EFFECT OF MARKETING MIXING TO INCREASE TOYOTA CAR SALES IN PT. INVICTA TOYOTA PAMEKASAN                  Fahrurrozi Rahman (Islamic University of Malang), Alfian Budi Primanto (Islamic University of Malang)</p>
<p>THE MEDIATING ROLE OF WORK ENGAGEMENT IN RELATIONSHIP BETWEEN PERSONAL RESOURCES WITH TURNOVER INTENTION                  Ratna Tri Hardaningtyas (University of Islam Malang), Fauziah (University of Islam Malang), Abdul Qodir Jaelani</p>	<p>ASIAN FINANCIAL MARKET INTEGRATION: EVIDENCE FROM CAUSALITY RELATIONSHIP OF STOCK MARKET                  Fauziah (University of Islam Malang), Ratna Tri Hardaningtyas (University of Islam Malang), A Yusuf Imam Sujai</p>	<p>THE EFFECT OF GOOD CORPORATE GOVERNANCE INDEX, MAQASHID SHARIA INDEX AND PROFITABILITY TO ECONOMIC VALUE ADDED AT INDONESIAN ISLAMIC COMERCIAL BANK                  M. Syaiful Padli (University of Islam Malang), Nur Diana (University of Islam Malang), Affudin</p>	<p>THE INFLUENCE OF PRICE FACTORS AND QUALITY FACTORS ON INTEREST IN THE PURCHASE OF PIRATED FILMS (STUDY ON THE CITIZEN OF MALANG).                  Satria Putra Utama (Islam Malang University), Ahmad Subhan M (Islam Malang University), Dita Rosmella</p>
<p>MODEL INKLUSI KEUANGAN TERHADAP ARAH PENGEMBANGAN NILAI CSR PERBANKAN (STUDI KASUS PROGRAM CSR-BNI 46 DI USAHA BATIK LASEM)                  Aziz Fathoni (Universitas Pandanaran), Tupi Setyowati (UHAMKA)</p>	<p>DOES WORK PRODUCTIVITY OF EMPLOYEE CAN BE DESIGNED WITH THE MANAGEMENT OF HAPPINESS?                  Cakti Indra Gunawan (University of Tribhuwana Tunggaladewi)</p>	<p>ROLE OF ENTREPRENEURSHIP ORIENTATION AS MEDIATION VARIABLE OF INFORMATION TECHNOLOGY TOWARD MARKETING PERFORMANCE ON SMALL AND MEDIUM-SCALE ENTERPRISES (SMEs)                  Achmad Zaini (Poltek Negeri Malang) Diana Poernamawati (Poltek Negeri Malang)</p>	<p>WORK SMART AND HARD WORK FOR MEDIATION BETWEEN ORIENTATION LEARNING AND ORGANIZATIONAL COMMITMENT TO PERFORMANCE                  Soekiyono (Open University), Wiwin Siswantini (Open University)</p>

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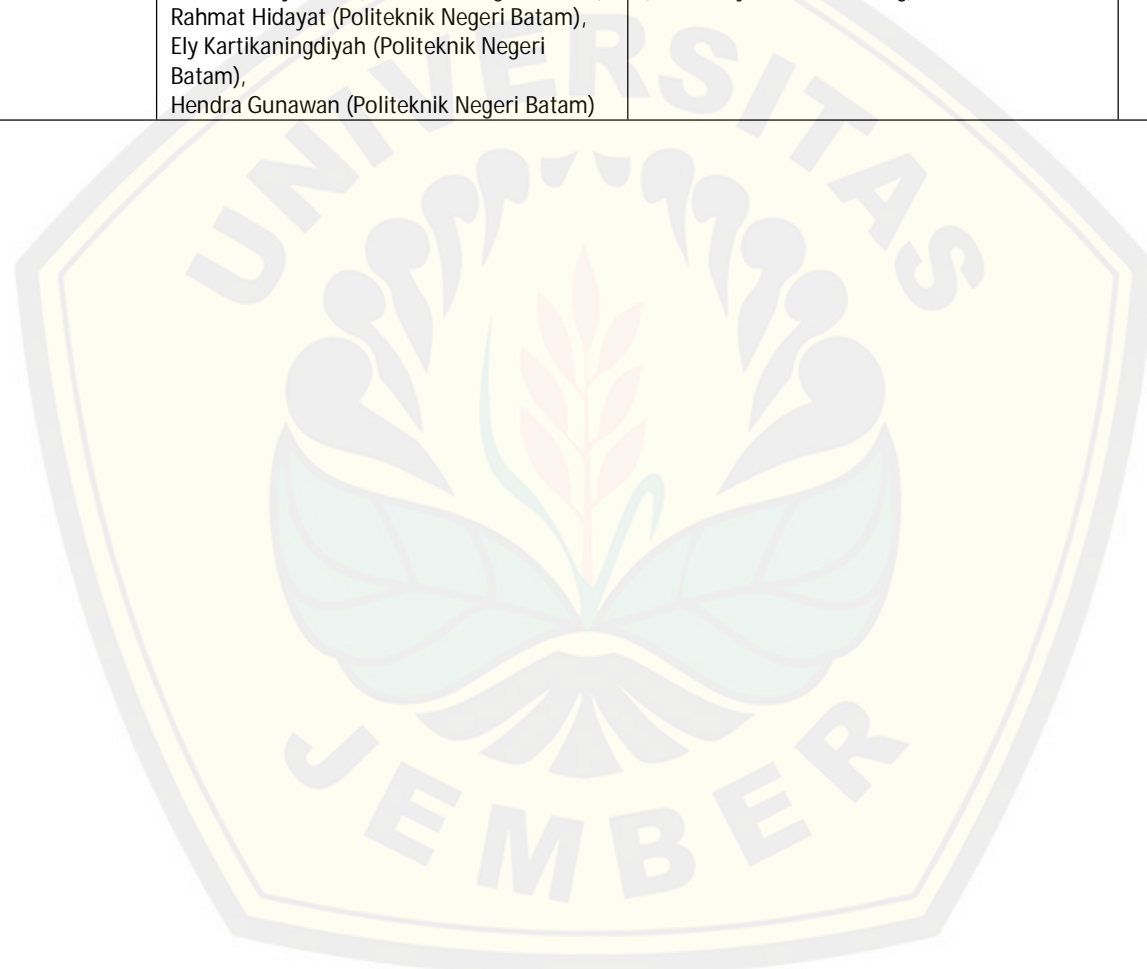
**CONCURRENT SESSION 3 (Hour: 15.15 – 17.00)**

ROOM	BLAMBANGAN BALLROOM	TAWANG ALUN	AGUNG WILIS	SIDO PEKSO
<b>Session Chair</b>	Gideon Verrel Sinarði (Petra Christian University)	Widi Winarso (Universitas Bhayangkara Jakarta Raya)	Moh Amin (Malang Islamic University)	Alfian Budi Primanto (Islam Malang University)
	SUBSIDIZING CREDIT INTEREST RATES FOR SMALL MEDIUM ENTERPRISE : DOES IT IMPACT FIRM PERFORMANCE? Sugiharso Safuan (Universitas Indonesia), Risna Triandhari (Universitas Indonesia)	FINANCIAL MANAGEMENT IN CREATING UNIVERSITAS SEBELAS MARET (UNS) AS LEGAL ENTITY STATE UNIVERSITY (PTN BH) Sri Suranta (Universitas Sebelas Maret), Santoso Tri Hananto (Universitas Sebelas Maret), Christiyarningsih Budiwati (Universitas Sebelas Maret)	PURCHASE DECISION MAKING MODEL BASED ON MENTAL ACCOUNTING IN THE DOC (DAY OLD CHICKEN) INDUSTRY IN INDONESIA Jatmiko (Esa Unggul University), Ari Anggarani WPT (Esa Unggul University), Sudarwan (Esa Unggul University)	THE INFLUENCE OF THE BOARD OF COMMISSIONERS' SUPPORTING COMMITTEES AND TAX AMNESTY ON TAX COMPLIANCE IN MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) 2016-2017 Muhammad Syafiqurrahman,, Sri Suranta , Anis Widjajanto (UNS)
	ANALYSIS OF MARKET POWER HYPOTHESIS AND EFFICIENCY HYPOTHESIS IN ASEAN BANKING Chajar Matari Fath Mala (Esa Unggul University), Sugiyanto, Jatmiko	VALIDITY TEST ON STOCK PRICE VALUATION MODEL (STOCK PRICE EMPIRICAL STUDY IN BEI 2009 – 2017) Heru Agustanto (Universitas Sebelas Maret Surakarta), Harmadi , Sunarjanto (Universitas Sebelas Maret Surakarta)	THE ROLE OF STRUCTURAL SOCIAL CAPITAL IN THE NTB' S PUBLIC HEALTH IMPROVEMENT Vincentius Hadi Wiyono (Universitas Sebelas Maret Surakarta), Mujahidatul Musfiroh (Universitas Sebelas Maret Surakarta), Heru Agustanto , Desiderius Priyo Sudibyo (Universitas Sebelas Maret Surakarta)	THE EFFECT OF HUMAN CAPITAL AND ASSET STRUCTURE ON CREDIT RISK AND FINANCIAL PERFORMANCE AT CONVENTIONAL BANKS IN INDONESIA Agung Budi Sulistiyo (University of Jember), Septarina Prita Dania (University of Jember), Wasit (University of Jember)
	THE EFFECT OF INDUSTRIALIZATION AND POPULATION GROWTH ON MIGRATION IN MALANG CITY Arini Mustapita (Islamic University of Malang), Khalikussabir (Islamic University of Malang), M.Hufron	ANALYSIS OF THE INFLUENCE OF INTEREST RATE OF BANK INDONESIA CERTIFICATE (SBI), BONDS RATE AND DEBT TO EQUITY RATIO (DER) ON THE CORPORATE BONDS OF BANKING IN INDONESIA STOCK EXCHANGE 2014-2017 PERIOD Pramudhita Sucila Wanda (STIE Indonesia Banking School), Ossi Ferli (STIE Indonesia Banking School)	IDENTIFYING THE NATURAL TOURISM POTENTIALS AT TRAJI TOURISM VILLAGE IN TEMANGGUNG, INDONESIA THROUGH LOCAL APPROACH Tusyanah, Fahrur Rozi (Universitas Negeri Semarang), Fentya Dyah Rahmawati (Universitas Negeri Semarang), Ashomatul Fadlilah (Universitas Negeri Semarang)	CORPORATE GOVERNANCE AND DIVIDEND STRATEGIES: THE CASE OF NON FINANCIAL FIRMS IN INDONESIA Maya Davita Athalia (Petra Christian University), Adwin Surya Atmadja (Petra Christian University)
	CATERING INCENTIVES AND FIRM CHARACTERISTICS ON DIVIDEND POLICY: EVIDENCE FROM THE INDONESIA STOCK EXCHANGE Gideon Verrel Sinarði , Mariana Ing Malelak (Petra Christian University), Dewi Pertiwi (Petra Christian University)	INTEGRATION AND SYNERGY OF DATA DEVELOPMENT OF SMES IN JABODETABEK (WEB-BASED) Masodah Wibisono (Gunadarma University), Aris Budi Setyawan (Gunadarma University), Dini Tri Wardani (Gunadarma University), Sigit Widiyanto (Gunadarma University)	ANALYZES OF THE SIZE OF PUBLIC ACCOUNTING FIRM, CLIENT SIZE, GOING CONCERN OPINION AND AUDIT FEE TOWARDS AUDITOR SWITCHING Anik Malikh (Malang Islamic University), Moh Amin (Malang Islamic University), Lailatul Fitriyah (Malang Islamic University)	DAIRY SUPPLY CHAIN RISK MANAGEMENT MODEL USING INTERPRETIVE STRUCTURAL MODELING (ISM) METHOD Nugraheni Puspita Sari (Bogor Agricultural University), Heti Mulyati (Bogor Agricultural University), Alim Setiawan Slamet (Bogor Agricultural University)
	THE EFFECT OF REMITTANCE ON REGIONAL DEVELOPMENT (CASE STUDY IN MALANG REGENCY) Khalikussabir , Arini Fitria Mustapita (Islamic University of Malang), Budi Wahono	THE INFLUENCE OF APPLICATION OF FIXED ASSETS DEPRECIATION METHODS ON COMPANY PROFITS ON CV. BTARI AYU Widi Winarso (Universitas Bhayangkara Jakarta Raya), Prili Nurmia (Universitas Bhayangkara Jakarta Raya)	HOW SERVICE QUALITY THE INFLUENCE ON REPURCHASE INTENTION BY MEDIATED CUSTOMER SATISFACTION (case study in pharmacy industry indonesia) Tutri Emiya Baru , Endang Ruswanti , Moehammad Unggul Januarko (Esa Unggul University)	OPERATION SCENARIO ON OLD OIL WELLS IN CONTRIBUTED TO ENHANCE THE URBAN SOCIETY WELFARE AND NATIONAL OIL PRODUCTION WITH LOW COST Sudarmoyo , M Irhas Effendi , Sayoga Heru Prayitno (UPN " Veteran" Yogyakarta)

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<p>THE EFFECT OF EXECUTIVE COMPENSATION ON CAPITAL STRUCTURE: EVIDENCE FROM INDONESIA Suherman (Universitas Negeri Jakarta)</p>	<p>TECHNOPRENEUR BASED ENTREPRENEURSHIP DEVELOPMENT PROGRAM AS AN EFFORTS TO REALIZE THE NATIONALITY OF NATIONS IN POLITEKNIK NEGERI BATAM Shinta Wahyu Hati (Politeknik Negeri Batam), Rahmat Hidayat (Politeknik Negeri Batam), Ely Kartikaningdyah (Politeknik Negeri Batam), Hendra Gunawan (Politeknik Negeri Batam)</p>	<p>BUMN RESTRUCTURING AS AN IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE Rini Rahayu Kurniati (University of Islam Malang), Daris Zunaida (University of Islam Malang)</p>	<p>PERCEPTION OF ACCOUNTING STUDENTS ON THE PLAGIATION DETECTION OF THESIS Hariri (Universitas Islam Malang), Ayub Wijayati Saptu Pradana (Universitas Islam Malang), Dyah Meta</p>
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## CONTENTS

WELCOME SPEECH.....	i
PATRONS.....	ii
PROGRAM.....	iii
PRESENTATION SCHEDULE.....	iv
CONTENTS.....	xii
DETERMINANTS OF NON-PERFORMING LOANS OF THE US COMMERCIAL BANKS: DOES MANAGERIAL ABILITY MATTER? <b>Hasanul Banna, Rubi Ahmad, Eric H.Y. Koh</b> .....	1
MEDIATING EFFECTS OF ENTREPRENEURS' WORK PERFORMANCE ON THE RELATIONSHIP BETWEEN THEIR PSYCHOLOGICAL CAPITAL AND GROWTH INTENTIONS: A STUDY ON MALAYSIAN SME ENTREPRENEURS. <b>Sheikh Usman Yousaf, Mohd. Hizam-Hanafiah, Bushra Usman</b> .....	2
DIVERSIFICATION OR EFFICIENCY? THE IMPACT OF REVENUE DIVERSIFICATION, NON INTEREST INCOME DIVERSIFICATION, GEOGRAPHIC DIVERSIFICATION, AND EFFICIENCY TOWARD BANK RISK AND PERFORMANCE IN INDONESIA 2012-2017 <b>Amwal Festra Narisa, Dyah Setyaningrum</b> .....	3
SUBSIDIZING CREDIT INTEREST RATES FOR SMALL MEDIUM ENTERPRISE : DOES IT IMPACT FIRM PERFORMANCE? <b>Sugiharso Safuan, Risna Triandhari</b> .....	4
INFLUENCE OF FINANCIAL PERFORMANCE AGAINST COMPLIANCE WITH DISCLOSURE OF FINANCIAL INFORMATION THROUGH INTERNET FINANCIAL REPORTING ACCESSIBILITY <b>Anissa Windarti</b> .....	5
RAJUNGAN MEAT MARKETING MIX STRATEGY IN UD. WILDANIA VILLAGE LOBUK BLUTO OF DISTRICT SUMENEP <b>Syahril, Moh.Kurdi, Miftahol Arifin</b> .....	6
FINANCIAL MANAGEMENT IN CREATING UNIVERSITAS SEBELAS MARET (UNS) AS LEGAL ENTITY STATE UNIVERSITY (PTN BH) <b>Sri Suranta, Santoso Tri Hananto, Christyaningsih Budiwati</b> .....	7
INVESTIGATION MODEL OF PRICE LINKAGES IN INDONESIAN FINANCIAL MARKETS <b>Abdurrahman, Muhammad Facruddin Arrozi Adikara, Nurhayani</b> .....	8

PRESSURE OF CREATIVE ACCOUNTING ON DISCLOSURE FINANCIAL STATEMENTS <b>MF. Arrozi Adhikara</b> .....	9
PURCHASE DECISION MAKING MODEL BASED ON MENTAL ACCOUNTING IN THE DOC (DAY OLD CHICKEN) INDUSTRY IN INDONESIA <b>Jatmiko, Ari Anggarani WPT, Sudarwan</b> .....	10
CONCENTRATION, BANKING STABILITY AND MARKET EFFICIENCY (CASE STUDY ON REGIONAL DEVELOPMENT BANKING IN INDONESIA) <b>Sapto Jumono, Chajar Matari Fath Mala</b> .....	11
THE DETERMINATION OF THE INTENTION TO USE ISLAMIC BANKING OF ESA UNGGUL UNIVERSITY STUDENTS <b>Sugiyanto, Jatmiko, Slamet Seno Aji</b> .....	12
THE INFLUENCE OF THE BOARD OF COMMISSIONERS' SUPPORTING COMMITTEES AND TAX AMNESTY ON TAX COMPLIANCE IN MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) 2016-2017 <b>Muhammad Syafiqurrahman, Sri Suranta, Anis Widjajanto</b> .....	13
EFFECTIVENESS OF ENTREPRENEURSHIP DEVELOPMENT IN TRANSMIGRATION AREAS AS A SOURCE OF FAMILY INCOME <b>Novita Wahyu Setyawati, Endah Prawesti Ningrum</b> .....	14
IDENTIFICATION OF FACTORS THAT AFFECTS TAX COMPLIANCE (STUDY IN AREAS MADURA INDONESIA) <b>Norsain, Syahril</b> .....	15
ANALYSIS OF MARKET POWER HYPOTHESIS AND EFFICIENCY HYPOTHESIS IN ASEAN BANKING <b>Chajar Matari Fath Mala, Sugiyanto, Jatmiko</b> .....	16
IMPROVING THE QUALITY AND QUANTITY OF RATTAN HANDICRAFTS TOWARDS TRANGSAN TOURISM VILLAGES IN ORDER TO INCREASE EXPORTS <b>Sri Suranta, Santoso Tri Hananto, Christyaningsih Budiwati, M. Syafiqurrahman</b> .....	17
FUNCTIONAL FOOD AND MILLENIAL CONSUMERS <b>Margaretha IE Veronika, Elisabeth Supriharyanti, C. Erna Susilowati</b> .....	18
VALIDITY TEST ON STOCK PRICE VALUATION MODEL (STOCK PRICE EMPIRICAL STUDY IN BEI 2009 – 2017) <b>Heru Agustanto, Harmadi, Sunarjanto</b> .....	19

ANALYSIS ON ECONOMIC FEASIBILITY AND TRADE VALUE OF BEEF CATTLE IN EAST NUSA TENGGARA	
<b>Sri Seventi, Heru Agustanto, Akhmad Daerobi, Arum Setyowati.....</b>	<b>20</b>
THE EVALUATION AND CONSTRUCTION OF THE MOSQUE'S FINANCIAL STATEMENT (MULTI CASE STUDY ON AL AMIN MOSQUE IN JEMBER, AT TAQWA MOSQUE IN BONDOWOSO, IBRAHIMY MOSQUE IN SITUBONDO, AND BAITURROHMAN GRAND MOSQUE IN BANYUWANGI, INDONESIA)	
<b>Agung Budi Sulisty, Siti Maria Wardayati, Moch.Shulthoni, Ahmad Roziq.....</b>	<b>21</b>
THE ROLE OF STRUCTURAL SOCIAL CAPITAL IN THE NTB'S PUBLIC HEALTH IMPROVEMENT	
<b>Vincentius Hadi Wiyono, Mujahidatul Musfiroh, Heru Agustanto, Desiderius Priyo Sudibyo.....</b>	<b>22</b>
RECONSTRUCTION OF THE STREET VENDORS HR DEVELOPMENT MODEL IN LAMONGAN REGENCY	
<b>Nurul Badriyah, Titin.....</b>	<b>23</b>
INTERMEDIARY FUNCTION, CAPITAL STRUCTURE, FINANCING RISK AND FINANCIAL PERFORMANCE AT ISLAMIC BANKS IN INDONESIA	
<b>Ahmad Roziq, Nur Hisamudin, Ahmad Ahsin Kusuma Mawardi.....</b>	<b>24</b>
THE EFFECT OF HUMAN CAPITAL AND ASSET STRUCTURE ON CREDIT RISK AND FINANCIAL PERFORMANCE AT CONVENTIONAL BANKS IN INDONESIA	
<b>Agung Budi Sulistiyo, Septarina Prita Dania, Wasito.....</b>	<b>25</b>
THE INTRODUCTION AND APPLICATION OF US' INDEX THEORY TO ENHANCE QUALITY OF LOAN WITHIN BANKING INDUSTRY AND FINANCIAL INSTITUTIONS CASE STUDY: BANK ABC	
<b>Uke Marius Siahaan.....</b>	<b>26</b>
PENGARUH TINGKAT INFLASI, NILAI TUKAR DAN PRODUK DOMESTIK BRUTO TERHADAP INVETASI ASING LANGSUNG PADA NEGARA-NEGARA ASEAN PERIODE 2007-2016	
<b>John FoEh, Shakti Silpama.....</b>	<b>27</b>
INVESTOR SENTIMENT ON TWITTER AND ITS IMPLICATION ON INDONESIA STOCK MISPRICING PERIOD 2017	
<b>Ratna Arista Dewi, Dony Abdul Chalid.....</b>	<b>28</b>
THE EFFECT OF FAMILY OWNERSHIP AND MULTIPLE LARGE SHAREHOLDERS ON CORPORATE INVESTMENT	

<b>Anandha Sartika Putri, Cynthia A. Utama</b> .....	29
FACTORS INFLUENCING COMPETITIVENESS OF MSMEs IN EAST JAVA	
<b>JFX. Susanto Soekiman, Wahyudiono, R. Agus Baktiono</b> .....	30
ANALYSIS OF THE INFLUENCE OF INTEREST RATE OF BANK INDONESIA CERTIFICATE (SBI), BONDS RATE AND DEBT TO EQUITY RATIO (DER) ON THE CORPORATE BONDS OF BANKING IN INDONESIA STOCK EXCHANGE 2014-2017 PERIOD	
<b>Pramudhita Sucila Wanda, Ossi Ferli</b> .....	31
ANALYSIS OF THE EFFECT OF STOCK MARKET LIQUIDITY AND INVESTMENT OPPORTUNITIES ON STOCK REPURCHASE POLICY	
<b>Dimas Satrio Utomo, Zaafri Ananto Husodo</b> .....	32
ANALYSIS OF CASH FLOW VOLATILITY EFFECT ON THE LIFE CYCLE STAGE OF NON-FINANCIAL COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE AND THE STOCK EXCHANGE OF THAILAND DURING THE PERIOD 2011-2017	
<b>Renny Widyastuti, Maria Ulpah</b> .....	33
IDENTIFYING THE NATURAL TOURISM POTENTIALS AT TRAJI TOURISM VILLAGE IN TEMANGGUNG, INDONESIA THROUGH LOCAL APPROACH	
<b>Tusyanah, Fahrur Rozi, Fentya Dyah Rahmawati, Ashomatul Fadlilah</b> .....	34
THE DESIGN OF STRATEGY MAP AND BALANCED SCORECARD IN POLITICAL PARTY: CASE STUDY IN POLITICAL PARTY XYZ DKI JAKARTA	
<b>Pradipta Faikar Hakim</b> .....	35
PERENCANAAN STRATEGI BISNIS SOLAR WATER HEATER (STUDI KASUS PADA PT WIJAYA KARYA INDUSTRI ENERGI)	
<b>Firmansyah</b> .....	36
CORPORATE GOVERNANCE AND DIVIDEND STRATEGIES: THE CASE OF NON FINANCIAL FIRMS IN INDONESIA	
<b>Maya Davita Athalia, Adwin Surya Atmadja</b> .....	37
THE ROLE OF HALAL LABEL AND PRODUCT QUALITY AGAINST THE PURCHASE INTENTION OF WARDAH COSMETIC PRODUCT THROUGH BRAND IMAGE AS AN INTERVENING VARIABLE (CASE STUDY ON FACEBOOK FANS PAGE WARDAH COSMETICS)	
<b>Sukesi, Wanda Gema Prasadio Akbar Hidayat</b> .....	38
SYSTEM DYNAMICS IMPLEMENTATION TO INCREASE THE NUMBER OF ORGANIC MAIZE LEVEL ON-FARM PRODUCTION IN SUPPORTING SMART AGRICULTURE (CASE STUDY : EAST JAVA, INDONESIA)	



<b>Iqbal Ramadhani Mukhlis, Erma Suryani, Damanhuri.....</b>	<b>39</b>
CATERING INCENTIVES AND FIRM CHARACTERISTICS ON DIVIDEND POLICY: EVIDENCE FROM THE INDONESIA STOCK EXCHANGE	
<b>Gideon Verrel Sinardi, Mariana Ing Malelak, Dewi Pertiwi.....</b>	<b>40</b>
ANALYSIS OF DEVELOPMENT TOURISM AND CREATIVE ECONOMIC BASED ON POTENTIAL VILLAGE	
<b>Nawangsih.....</b>	<b>41</b>
EXPECTING THE ETHICAL TEACHERS: INTERNALIZED CODE OF ETHICS, ANOMIA AND ACADEMIC DISHONESTY ON TEACHER UNETHICAL ATTITUDES	
<b>Ashomatul Fadlilah, Tusyanah Tusyanah, Fentya Dyah Rahmawati, Risma Nur Anissa.....</b>	<b>42</b>
INTEGRATION AND SYNERGY OF DATA DEVELOPMENT OF SMES IN JABODETABEK (WEB-BASED)	
<b>Masodah Wibisono, Aris Budi Setyawan, Dini Tri Wardani, Sigit Widiyanto.....</b>	<b>43</b>
ANALYSIS OF MARKETING STRATEGY OF THE PRODUCT BY THE METHOD OF MATRIX THE BOSTON CONSULTING GROUP (BCG) AND BENCHMARKING ON UMKM BATIK TEYENG DI SURABAYA	
<b>Yunni Rusmawati DJ, Luluk Nur Azizah, Nurus Safa'atillah.....</b>	<b>44</b>
MODELING FINANCIAL DISTRESS USING LOGISTIC REGRESSION, LINEAR DISCRIMINANT ANALYSIS AND MARS	
<b>Erna Hayati, Diah Ayu Novitasari, Laily Chodariyanti.....</b>	<b>45</b>
THE INFLUENCE OF ELECTRONIC WORD OF MOUTH , BRAND ATTITUDE AND BRAND IMAGE AND IMPACT ON PURCHASE INTENTION. XIAOMI SMARTPHONE PRODUCT	
<b>Hary Soegiri, Supriyanto.....</b>	<b>46</b>
ANALYSIS OF ENHANCEMENT OF EMPLOYEE'S PERFORMANCE STRATEGY THROUGH MAPPING OF ORGANIZATIONAL CULTURE IN KPKNL SIDOARJO	
<b>Musriha, Daniel Dewantoro Rumani.....</b>	<b>47</b>
THE EFFECT OF PROFESSIONAL COMMITMENT, OBEDIENCE PRESSURE, AND AUDITOR'S ETHICS ON PROFESSIONAL JUDGEMENT	
<b>Rustiana, Christy Amanda Pramudita.....</b>	<b>48</b>
DAIRY SUPPLY CHAIN RISK MANAGEMENT MODEL USING INTERPRETIVE STRUCTURAL MODELING (ISM) METHOD	
<b>Nugraheni Puspita Sari, Heti Mulyati, Alim Setiawan Slamet.....</b>	<b>49</b>

UNS FINANCIAL MANAGEMENT DESIGN TOWARDS PTN-BH <b>Hanung Triatmoko, Lulus Kurniasih, Muhtar</b> .....	50
STRATEGY TO FILL THE NEEDS OF FUNCTIONAL CIVIL SERVANTS AT THE BUREAU OF ORGANIZATION AND STAFFING OF AGRICULTURAL MINISTRY <b>Dwi Kurnia Rachman, M. Syamsul Maarif, Joko Purwono</b> .....	51
THE INFLUENCE OF APPLICATION OF FIXED ASSETS DEPRECIATION METHODS ON COMPANY PROFITS ON CV. BTARI AYU <b>Widi Winarso, Prili Nurmia</b> .....	52
ANALYSIS OF FACTORS AFFECTING UNDERSTANDING SMALL AND MEDIUM BUSINESSES IN PREPARING FINANCIAL REPORTS BASED ON ACCOUNTING STANDARDS FOR ENTITIES WITHOUT PUBLIC ACCOUNTABILITY : CASE STUDY WEDDING ORGANIZER BUSINESSES IN BEKASI CITY <b>Adi Wibowo, Rorim Panday, Siti Mardiyah, Arif Prasetyo</b> .....	53
TECHNOLOGY READINESS ACCEPTANCE MODEL ANALYSIS ON PROJECT MANAGEMENT OPERATIONS AT MECHANICAL AND ELECTRICAL CONTRACTORS <b>R Panday, A Wibowo, S Mardiah, M F Nursal</b> .....	54
THE EARNINGS MANAGEMENT, CORPORATE GOVERNANCE, AND BOOK TAX CONFORMITY: THE CASE OF INDONESIA <b>Lulus Kurniasih, Sulardi, Sri Suranta</b> .....	55
THE EFFECT OF DEFAULT RISK ON STOCK RETURN <b>Titis Fatarina Mahfirah, Buddi Wibowo</b> .....	56
IMPLEMENTATION OF THE SUPERVISION SYSTEM IN VILLAGE FINANCIAL MANAGEMENT <b>Fitri Mansur, Misni Erwati, Eko Prasetyo</b> .....	57
HOW SERVICE QUALITY THE INFLUENCE ON REPURCHASE INTENTION BY MEDIATED CUSTOMER SATISFACTION (CASE STUDY IN PHARMACY INDUSTRY INDONESIA) <b>Tutri Emiya Barus, Endang Ruswanti, Moehammad Unggul Januarko</b> .....	58
THE IMPORTANCE OF THE ROLE OF REFERENCE GROUPS IN AROUSING THE ALTRUISTIC SPIRIT OF ADOLESCENTS IN BLOOD DONATION (SURVEY IN INDONESIA) <b>Budhi Haryanto, Pram Suryanadi, Budi Setyanta</b> .....	59
THE INFLUENCE OF LOCAL GOVERNMENT SIZE, LOCAL GOVERNMENT TYPE, LEVERAGE, AND AUDIT OPINION TOWARD INTERNET FINANCIAL REPORTING <b>Wiwik Supratiwi, Yustrida Bernawati, Mush'ab 'Izzul Islam</b> .....	60

OPERATION SCENARIO ON OLD OIL WELLS IN CONTRIBUTED TO ENHANCE THE URBAN SOCIETY WELFARE AND NATIONAL OIL PRODUCTION WITH LOW COST <b>Sudarmoyo, M Irhas Effendi, Sayoga Heru Prayitno.....</b>	<b>61</b>
THE RIGHT MARKETING STRATEGY IN FACING THE COMPETITION OF THE SMEs MARKET <b>Muhammad Ridwan Basalamah, Itha Athia, Miftakhul Jannah.....</b>	<b>62</b>
MEDIATING ROLE OF BUSINESS STRATEGY AND ENTREPRENEURIAL ORIENTATION IN THE EFFECT OF EMPOWERMENT ON SME'S MARKETING PERFORMANCE <b>Rois Arifin, N Rachma.....</b>	<b>63</b>
THE EFFECT OF PUBLIC SERVICE MOTIVATION ON JOB PERFORMANCE THROUGH SATISFACTION AND COMMITMENT CASE OF PUBLIC OFFICER IN IMMIGRATION OFFICE MALANG <b>Nur Hidayati, Hadi Sunaryo.....</b>	<b>64</b>
ANALYSIS OF FACTORS AFFECTING PRODUCTIVITY SMALL INDUSTRY LABORS IN MALANG CITY (CASE STUDY OF SMALL MANUFACTURING INDUSTRIES) <b>Mohammad Rizal, Sulton Sholehuddin, M. Choirul ABS.....</b>	<b>65</b>
YOUNG CONSUMER ATTITUDE TOWARDS HALAL COSMETICS PRODUCT <b>Rahmawati, Arista Fauzi K., Afi Rahmat Slamet.....</b>	<b>66</b>
ANALYSIS OF CUSTOMER FOCUS STRATEGY FOR BUSINESS STRENGTHENING OF ACTORS OF UMKM THAT ARE JOINED AS MEMBERS OF COOPERATIVES (STUDY ON SAE-PUJON COOPERATIVE, MALANG REGENCY, JAWA TIMUR) <b>Ita Athia, Ridwan Basalamah, Abdul Wahid Mahsuni.....</b>	<b>67</b>
IMPLEMENTATION OF THE DIAMOND PORTER MODEL IN BUILDING COMPETITIVE ADVANTAGES IN THE NGRINGINREJO BOJONEGORO <b>Ety Saraswati, Aleria Irma Hatneni, Andi Normaladewi.....</b>	<b>68</b>
LE GRAND VOYAGE: "HIJRAH" SHARIA ACCOUNTING EDUCATION <b>Arista Fauzi Kartika Sari, Rahmawati, Harun Al Rasyid.....</b>	<b>69</b>
PERCEPTION OF ACCOUNTING STUDENTS ON THE PLAGIATION DETECTION OF THESIS <b>Hariri, Ayub Wijayati Saptu Pradana, Dyah Meta.....</b>	<b>70</b>
THE EFFECT OF INDUSTRIALIZATION AND POPULATION GROWTH ON MIGRATION IN MALANG CITY <b>Arini Fitria Mustapita, Khalikussabir, M.Hufron.....</b>	<b>71</b>
ANALYSIS OF THE EFFECT OF MARKETING MIXING TO INCREASE TOYOTA CAR SALES IN PT. INVICTA TOYOTA PAMEKASAN	

<b>Fahrurrozi Rahman, Alfian Budi Primanto</b> .....	<b>72</b>
THE ANALYSIS OF COMPETITION STRATEGY OF UD PUTERA DASRIM OF MALANG <b>Sulton Sholehuddin, Ridwan Basalamah, M. Cholid Mawardi</b> .....	<b>73</b>
THE INFLUENCE OF TAXATION KNOWLEDGE AND THE UNDERSTANDING OF TAXPAYERS TOWARDS TAX COMPLIANCE AT CREATIVE ECONOMY BUSINESSES OF MALANG CITY <b>Jeni Susyanti, Agus Widarko, Noorshodiq Askandar</b> .....	<b>74</b>
THE MEDIATING ROLE OF WORK ENGAGEMENT IN RELATIONSHIP BETWEEN PERSONAL RESOURCES WITH TURNOVER INTENTION <b>Ratna Tri Hardaningtyas, Fauziah, Abdul Qodir Jaelani</b> .....	<b>75</b>
THE EFFECT OF REMITTANCE ON REGIONAL DEVELOPMENT (CASE STUDY IN MALANG REGENCY) <b>Khalikussabir, Arini Fitria Mustapita, Budi Wahono</b> .....	<b>76</b>
ANALYSIS OF LABOR MIGRATION IN TAIWAN USING THE COST BENEFIT ANALYSIS (A CASE STUDY IN MALANG REGENCY) <b>Muhammad Tody Arsyianto, Mohammad Rizal, Achmad Agus Priyono</b> .....	<b>77</b>
ASIAN FINANCIAL MARKET INTEGRATION: EVIDENCE FROM CAUSALITY RELATIONSHIP OF STOCK MARKET <b>Fauziah, Ratna Tri Hardaningtyas, A Yusuf Imam Sujai</b> .....	<b>78</b>
ANALYZES OF THE SIZE OF PUBLIC ACCOUNTING FIRM, CLIENT SIZE, GOING CONCERN OPINION AND AUDIT FEE TOWARDS AUDITOR SWITCHING <b>Anik Malikhah, Moh Amin, Lailatul Fitriyah</b> .....	<b>79</b>
CREATIVE ECONOMIC DEVELOPMENT MODEL BASED ON COCONUT PRODUCTS THROUGH BUSINESS MENTORING <b>Restu Millaningtyas, Aleria Irma Hatneny, Pardiman</b> .....	<b>80</b>
THE EFFECT OF GOOD CORPORATE GOVERNANCE INDEX, MAQASHID SHARIA INDEX AND PROFITABILITY TO ECONOMIC VALUE ADDED AT INDONESIAN ISLAMIC COMERCIAL BANK <b>M. Syaiful Padli, Nur Diana, Afifudin</b> .....	<b>81</b>
DETERMINANTS OF CORPORATE FINANCIAL PERFORMANCE : EVIDENCE FROM INDONESIAN STOCK EXCHANGE LISTED COMPANIES <b>Muhammad Adi Fadlillah, Maslichah, Junaidi</b> .....	<b>82</b>
BUMN RESTRUCTURING AS AN IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE	

<b>Rini Rahayu Kurniati, Daris Zunaida</b> .....	<b>83</b>
THE INFLUENCE OF PRICE FACTORS AND QUALITY FACTORS ON INTEREST IN THE PURCHASE OF PIRATED FILMS (STUDY ON THE CITIZEN OF MALANG).	
<b>Satria Putra Utama, Ahmad Subhan Mahardani, Dita Rosmella</b> .....	<b>84</b>
EMPOWERMENT-BASED TOURISM VILLAGE DEVELOPMENT	
<b>Hayat, Raudhatul Adhawiyah Novita Zaini</b> .....	<b>85</b>
EXISTENCE OF THE MAX WEB BUREAUCRATIC CONCEPT AS AGENT OF CHANGE OF BUREAUCRATION REFORM IN INDONESIA	
<b>Afifuddin, Dadang Krisdianto</b> .....	<b>86</b>
IDENTIFICATION OF COLOR AND LIGHTING EFFECTS ON HUMAN COMFORT IN THE WORK PLACE	
<b>Iftitah Ruwana, Pratikto, Sugiono, Oyong Novareza</b> .....	<b>87</b>
THE EFFECT OF EXECUTIVE COMPENSATION ON CAPITAL STRUCTURE: EVIDENCE FROM INDONESIA	
<b>Suherman</b> .....	<b>88</b>
ROLE OF ENTREPRENEURSHIP ORIENTATION AS MEDIATION VARIABLE OF INFORMATION TECHNOLOGY TOWARD MARKETING PERFORMANCE ON SMALL AND MEDIUM-SCALE ENTERPRISES (SMEs)	
<b>Achmad Zaini, Diana Eka Poernamawati</b> .....	<b>89</b>
WORK SMART AND HARD WORK FOR MEDIATION BETWEEN ORIENTATION LEARNING AND ORGANIZATIONAL COMMITMENT TO PERFORMANCE	
<b>Soekiyono, Wiwin Siswantini</b> .....	<b>90</b>
MODEL INKLUSI KEUANGAN TERHADAP ARAH PENGEMBANGAN NILAI CSR PERBANKAN (STUDI KASUS PROGRAM CSR-BNI 46 DI USAHA BATIK LASEM)	
<b>Aziz Fathoni, Tupi Setyowati</b> .....	<b>91</b>
DOES WORK PRODUCTIVITY OF EMPLOYEE CAN BE DESIGNED WITH THE MANAGEMENT OF HAPPINESS?	
<b>Cakti Indra Gunawan</b> .....	<b>92</b>
TECHNOPRENEUR BASED ENTREPRENEURSHIP DEVELOPMENT PROGRAM AS AN EFFORTS TO REALIZE THE NATIONALITY OF NATIONS IN POLITEKNIK NEGERI BATAM	
<b>Shinta Wahyu Hati, Rahmat Hidayat, Ely Kartikaningdyah, Hendra Gunawan</b> .....	<b>93</b>

## DETERMINANTS OF NON-PERFORMING LOANS OF THE US COMMERCIAL BANKS: DOES MANAGERIAL ABILITY MATTER?

Hasanul Banna, Rubi Ahmad, Eric H.Y. Koh

University of Malaya

### Abstract

This paper investigates the determinants of US commercial banks' non-performing loans, in particular, whether and to what extent, managerial ability affects the non-performing loans. Our data consist of 13,292 bank-year observations in the USA for the period of 1991 to 2013. Based on the fixed effect regression model and GMM results, NPLs are negatively related to managerial ability suggesting that more efficient banks hire more able manager who make right investment decisions, manage loan portfolios, and maintain low NPLs. Macroeconomic variables, specifically the real GDP growth rate, unemployment rate and lending rate strongly affect banks' NPLs as well as bank size and loan growth rate. Our results have numerous implications with regards to regulation and policy for the banking industry. Among other things, the results support using non-performing loans ratio as indicator of weak banks and regulators might want to emphasize on the importance of managerial ability in keeping banks' NPLs at reasonable levels.

**Keywords:** Managerial ability; Non-performing loans; Data Envelopment Analysis; Tobit regression.

JEL: C33, C67, G01, G21

## **MEDIATING EFFECTS OF ENTREPRENEURS' WORK PERFORMANCE ON THE RELATIONSHIP BETWEEN THEIR PSYCHOLOGICAL CAPITAL AND GROWTH INTENTIONS: A STUDY ON MALAYSIAN SME ENTREPRENEURS.**

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University of the Punjab

**Mohd. Hizam-Hanafiah**

Universiti Kebangsaan Malaysia

**Bushra Usman**

Forman Christian College (A Chartered University)

### **Abstract**

It is acknowledged that the growing small size entrepreneurial ventures are the important source of employment generation, poverty alleviation and economic expansion. Conversely, growth intention of entrepreneurs is deemed as a significant predictor of subsequent growth of a venture. Further, while operating in modern competitive and dynamic business environment and dealing with scarcity of financial and human side of capital, modern entrepreneurs may need to rely more on their personal psychological resources to successfully operate their ventures. Psychological capital is deemed as a resource which positively influences the behaviors, attitudes and performance of individual. However, psychological capital has mostly been studied on employees and its effects on entrepreneurs seek researchers' attention. Therefore, this study was aimed to investigate the relationship of psychological capital with work performance of entrepreneurs and their intentions to grow their businesses in future. It is also aimed to investigate the mediating effects of entrepreneurs' work performance on the relationship between their psychological capital and venture growth intention. The Regression analysis of data, collected from 275 small and medium size Malaysian entrepreneurs, suggests the positive and significant relationship of psychological capital with work performance and growth intention of entrepreneurs. It is also found that entrepreneurs' work performance positively and significantly related with their growth intention. However, the analysis reveals that there is no mediating effect of work performance on the relationship between psychological capital and growth intention of entrepreneurs. These findings contribute knowledge to entrepreneurship, intentions and psychological capital literature and have important implications for present and potential entrepreneurs and public and private sector agencies which are operating for evolving, regulating and boosting entrepreneurial activities in the country.

**Keywords:** Entrepreneur, SMEs, psychological capital, work performance, growth intention.

**DIVERSIFICATION OR EFFICIENCY? THE IMPACT OF REVENUE  
DIVERSIFICATION, NON INTEREST INCOME DIVERSIFICATION,  
GEOGRAPHIC DIVERSIFICATION, AND EFFICIENCY TOWARD BANK RISK  
AND PERFORMANCE IN INDONESIA 2012-2017**

**Amwal Festra Narisa, Dyah Setyaningrum**  
Universitas Indonesia

**Abstract**

Diversification defines as strategies to expand business from the existing target market. Companies can diversify based area or based product that are still connected or not connected with the current business. Diversification can be a double-edged sword because in one hand company will be more profitable but on the other hand the company must spend more money. This research purpose to examine the relationship between dependent variables that are bank risk and performance bank and independent variables that contain revenue diversification, non interest income diversification, geographic diversification in international context, geographic diversification in domestic context, efficiency bank, non performing loan, total loan, interest income, and non interest income. This study used 41 bank that operated in Indonesia. The used data is financial report since 2012 to 2017. The total used observation is 246 observations. Researcher used panel data regression as analysis method because the data is combination between data cross section and data time series.

**Keywords:** diversification, efficiency, bank, risk



## **SUBSIDIZING CREDIT INTEREST RATES FOR SMALL MEDIUM ENTERPRISE : DOES IT IMPACT FIRM PERFORMANCE?**

**Sugiharso Safuan, Risna Triandhari**

Universitas Indonesia

### **Abstract**

Despite having been widely recognized in contributing the biggest economic growth and workforce, SMEs in Asia have never succeeded in becoming large and continues to experience difficulties, including financial constraints (Abe, 2016). This paper aims to examine whether the loan subsidy assistance from banks for KUR programs affect the company's performance and ease of access to capital. The study methodology uses two approaches (quantitative and qualitative). The quantitative methodology is through regression model, estimated at 57000 respondents based on survey data from IKM BPS in 2015. While the qualitative methodology is to support the regression results that is conducted at 257 respondents. The result of this study shows that loan credit interest subsidy through the KUR scheme significantly affects the company's performance and increase SME's to financing source through banks.

**Key words:** SME, access to finance, firm performance, employment

## INFLUENCE OF FINANCIAL PERFORMANCE AGAINST COMPLIANCE WITH DISCLOSURE OF FINANCIAL INFORMATION THROUGH INTERNET FINANCIAL REPORTING ACCESSIBILITY

**Anissa Windarti**

UIN Syarif Hidayatullah Jakarta

### **Abstract**

Financial transparency becomes the demand of society in the current era of information disclosure. Internet Financial Reporting (IFR) through e-government is the most effective media in disseminating information to the public. Law No. 14 of 2008 concerning Public Information Openness is a legal umbrella for local governments in the administration of regional finance. This study aims to analyze the effect of financial performance on compliance with disclosure of financial information through IFR accessibility as a moderator. The population in this study were 34 provincial governments in Indonesia. The sample was determined by purposive sampling technique with the requirement to have e-government and website accessible until June 2018 and have a 2015-2016 Financial Report. The collected data is then analyzed using the Moderated Regression Analysis analysis. The results show that the efficiency ratio, routine expenditure ratio and development expenditure ratio influence the compliance of financial information disclosure. The results of the MRA analysis also show that IFR accessibility variables are moderating variables between efficiency ratios, routine expenditure ratios and development expenditure ratios to compliance with disclosure of financial information. With the results of this research, it will provide empirical data on the relationship between financial performance, IFR accessibility and compliance with information disclosure through the local government website. Thus, the local government can improve website content so that it can improve the transparency of regional financial management which is the right for the community.

**Keywords:** financial performance on compliance, disclosure of financial information, IFR accessibility

## **RAJUNGAN MEAT MARKETING MIX STRATEGY IN UD. WILDANIA VILLAGE LOBUK BLUTO OF DISTRICT SUMENEP**

**Syahril, Moh.Kurdi, Miftahol Arifin**

Wiraraja University

### **Abstract**

Any company can increase sales of its products by using effective marketing system, as well as specific strategies to improve the existing consumer market. The marketing strategy is the strategy of the Marketing Mix namely Price (price), Product (product), Promotion (promotion) and Places (distribution). Sumenep Regency has a rich marine biological resource and the potential environmental, fisheries resource sector is a resource that can be renewed so as to survive in the long term with good management.

The purpose of this study to find out the crab meat marketing mix strategy that is applied at UD.Wildania Lobuk Village, District Bluto, Sumenep. Methods of Data collection Data are the primary and secondary data. While the method of data analysis used is descriptive qualitative, ie SWOT analysis includes weighting, scoring, determination of relevance, positioning strategy, Determining strategic alternatives.

Marketing mix strategy of SWOT analysis is known that crab meat processing business, internal environmental factors of the power of the most prominent is the raw material potential crabs were pretty much making it Easier to get them and their good relations between UD.Wildania with PT. Phillips Seafoods Indonesia as a partner with a score of 62.4 and weaknesses that have the highest score is the limitation of capital in business development with a score of 39.9. From external environmental factors from the highest odds score was the support and attention of the government to promote exports of fishery commodities and the existence of the opportunity to Obtain funding from the Bank respectively by the same score to 43.6.

While the results of SWOT analysis shows that the position of crab meat processing business in UD. Wildania Lobuk Rural District of Bluto Sumenep is in quadrant I roommates Aggressive Strategy, the which the company should be more optimally capture the opportunities by the power Possessed. The strategy could then be applied to the development of crab meat processing at UD. Wildania Lobuk Rural District of Bluto Sumenep are: (1) Improving the handling of crab meat processing to Obtain a better quality in order to meet increasing market demand and (2) Improve the cooperation relationship, the better for the sustainability of the company.

**Keywords:** Strategy, Mix, Marketing, Meat, Rajungan

## **FINANCIAL MANAGEMENT IN CREATING UNIVERSITAS SEBELAS MARET (UNS) AS LEGAL ENTITY STATE UNIVERSITY (PTN BH)**

**Sri Suranta, Santoso Tri Hananto, Christiyaningsih Budiwati**

Universitas Sebelas Maret

### **Abstract**

This study focuses on the financial management and administration of UNS, especially non-academic revenues in the preparation to be Legal Entity State University (PTN BH). PTN BH financial management refers to Government Regulation (PP) Number 26 year of 2015 about the Form and Mechanism of Funding for Legal Entities, and Minister of Finance Regulation (PMK) Number 225 / KMK.05 / 2014 about Financial Management of Legal Entity State Universities. The results of this study are used as consideration for the leaders in UNS in formulating policies related to the financial management and administration, especially non-academic revenues in order to create the independence of UNS as PTN BH. This study used qualitative method so that it is expected to be able to describe the aspects that are relevant to the phenomenon from various perspectives of persons, organization, industry orientation, or other people. The data collection techniques were FGD (Focus Group Discussion), comparative studies and documentation of UNS financial data. The data analysis used qualitative analysis, namely data reduction, data presentation and verification (conclusion).

**Keywords:** financial management, non-academic revenue, UNS, PTN BH.

## INVESTIGATION MODEL OF PRICE LINKAGES IN INDONESIAN FINANCIAL MARKETS

**Abdurrahman, Muhammad Facruddin Arrozi Adikara, Nurhayani**

University of Esa Unggul

### **Abstract**

The purpose of this study is to create a causality model between capital market (capital market) and money market (money market) in Indonesia in terms of short-term and long-term dimensions. The research variable includes the exchange rate, interest rate, SBI, JIBOR, Loans, Deposits and IHSG (Jakarta Stock Exchange Composite Index) Jakarta Stock Exchange.

The focus of the study is aimed at determining cointegration and equilibrium by examining the causality of financial and banking market determinants in Indonesia based on the Granger method. The review process starts from the graphization of the main indicators of financial and banking market performance. Then an econometric analysis of dynamic models of financial market behavior was conducted so that the variables that were most influential and which variables were most affected were finally known. In this way, key variables will be found to begin the development of financial market performance towards a more effective and efficient market. This study uses monthly data from 2006 to 2017.

The results show empirically that inflation is only influenced by the average government bonds and the BI Rate affects each other on inflation and inflation affects the average JIBOR, JII Index, LQ45 Index, average savings and average loan interest rates while others do not influence and influence inflation.

**Keywords:** Forex market, capital market, money market, return, dan interest

## PRESSURE OF CREATIVE ACCOUNTING ON DISCLOSURE FINANCIAL STATEMENTS

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### **Abstract**

Creative accounting is an opportunity in the selection of accounting methods used in accounting practices in a company as an interpretation in taking advantage of events set out in accounting standards for engineering certain transactions. The research objective is to examine the external and internal factors of the company's accountants in accounting engineering under comprehensive control in a transactional work culture environment with a culture of professional ethics so as to contribute to creative accounting behavior.

The design of this study is in the form of explanatory causality with the type of hypothesis testing by examining simultaneous causal relationships between opportunity variables, work pressure, rational, work environment, intention to act opportunistically, and creative accounting. Data collection method is survey, data type is primary. The time dimension used is one shot study. The object of this research is the company accountant as the compiler of financial statement disclosure. The unit of analysis is the individual. Data analysis used Structural Equation Modeling in testing structural models, measurement models, measurement errors, and testing hypotheses.

The results of the study show that internal control does not affect the intention of opportunistic behavior; opportunities have a positive influence on the intentions of opportunistic behavior; the work environment has a positive effect on the intention of opportunistic behavior; rationalization has a positive effect on the intention of opportunistic behavior; pressure has a positive effect on the intention of opportunistic behavior; the intention of opportunistic behavior has a positive effect on creative accounting; internal controls do not negatively affect creative accounting; opportunities have a positive influence on creative accounting; the work environment has no effect on creative accounting; rationalization has no effect on creative accounting; and pressure has a positive effect on creative accounting intentions.

The findings of the study show that the pressure from the leadership of the company makes the accountant do creative accounting at the disclosure of financial statements.

**Keywords:** pressure, opportunity, rationale, opportunistic behavior intension, creative accounting

## **PURCHASE DECISION MAKING MODEL BASED ON MENTAL ACCOUNTING IN THE DOC (DAY OLD CHICKEN) INDUSTRY IN INDONESIA**

**Jatmiko, Ari Anggarani WPT, Sudarwan**  
Esa Unggul University

### **Abstract**

The main objective of this research is to create a construction of a conceptual model of Mental Accounting in the formation of the decision to purchase DOC (day old chicken) products from broiler breeders to maximize their financial utility, so that DOC investors know the marketing strategy that must be done. The research was conducted not to change the stages of the purchase decision process but to refine the existing purchase decision stages, from 5 stages: first problem recognition, second information search, third alternative evaluation, fourth purchase decision, fifth after purchase evaluation. The researcher suspects that after the third stage before entering the fourth stage at the stage of the investor's purchase decision, it is first through Mental Accounting to maximize its financial utility in investing. The research design is quantitative and in the form of expalanatorial causality, aims to examine the effect of internal, external, and behavior control factors on purchasing decisions through mental accounting with 276 respondents. Sampling using purposive sampling technique. Hypothesis testing using Structural Equation Modeling (SEM) on Internal Factors, External Factors, Behavioral Control of Purchase Decisions and Mental Accounting as intervening variables. The results showed that Internal Factors and Behavioral Control had a stronger direct effect on Purchasing Decisions when compared to Mental Accounting, while External Factors had no effect on Purchase Decisions but had to go through Mental Accounting. This shows that Mental Accounting is an intervening variable from the External Factors on Purchase Decisions. Basically Mental Accounting also affects the Internal Factors and Behavioral Control, but the level of indirect influence through Mental Accounting is smaller than the direct influence. Internal Factor Reputation through Mental Accounting for investment behavior is mainly influenced by psychological elements of potential losses, while behavioral control factors, especially bilief, against potential losses intervene in behavior in delaying investment decisions. Mental Accounting as an intervening variable of External Factors on purchasing decisions, shows that when investors want to invest the purchase of DOC into Broiler, they first evaluate their financial capabilities. If the External Factor is a cause of losses against the purchase of DOCs categorized as high involvement goods, then the form of the behavior of the purchase decision is done through careful consideration or even decides to delay the investment. The final result proves the high and low involvement items to the amount of capital that will be invested after the Alternative Evaluation at the stage of the purchase decision process, namely the 3rd stage before entering the 4th stage, namely their purchasing decision to conduct an External Factor analysis so that the behavior of the purchase decision is formed through Mental Accounting.

**Keywords:** Internal Factors, External Factors, Behavior Controll, Mental Accounting, Purchasing Decisions, DOC (Day Old Chicken).

## CONCENTRATION, BANKING STABILITY AND MARKET EFFICIENCY (CASE STUDY ON REGIONAL DEVELOPMENT BANKING IN INDONESIA)

Sapto Jumono, Chajar Matari Fath Mala  
Esa Unggul University

### Abstract

This study aims to find out the effect of banking market concentration on stability, credit risk, and profitability of individual banks in the RDB group at the provincial level in Indonesia. We use concentration-stabilization or fragility and SCP (structure conduct performance) hypothesis as the grand theory. The data used are quarterly publication financial data of Indonesian RDB banks during 2003-2017. Meanwhile, the sampling of this research is saturated sampling and we use GMM data panel regression as the research method. This research results two main findings. The banking market concentration in Indonesia has a positive impact on the stability and profitability of RDB, which means the concentratin-stability theory is applied. Then, market share has a positive effect on stability but it has a negative effect on non-performing loans and the profitability of RDB, which means SCP theory is applied. Based in the reult, it can be concluded that regional macroeconomy, market conditions, and banking characteristics have a significant role in the stability and profitability of RDB banks. There are also the influences from economic system, financial system and banking system on the stability and performance of RDB in Indonesia.

**Keywords :** Profitability, Banking Characteristics, Market share, Concentration, Credit Risk, and Stability



## THE DETERMINATION OF THE INTENTION TO USE ISLAMIC BANKING OF ESA UNGGUL UNIVERSITY STUDENTS

**Sugiyanto, Jatmiko, Slamet Seno Aji**

Universitas Esa Unggul Jakarta

### **Abstract**

Penelitian ini bertujuan untuk mengetahui, faktor faktor apa saja yang mempengaruhi minat mahasiswa Universitas Esa Unggul untuk menggunakan Perbankan Syariah dengan menggunakan modifikasi model Teori Perilaku yang direncanakan. Responden adalah para mahasiswa muslim di Fakultas Ekonomi dan Bisnis di Universitas Esa Unggul yang aktif pada semester genap tahun alademi 207/18. Pemilihan sampel menggunakan purposive sampling, dilakukan dengan membagikan kuesioner pada kelas kelas tertentu yang telah di pilih. Analisis data menggunakan regresi berganda. Dari hasil analisis data variabel sikap terhadap perilaku, norma subyektif, kontrol persepsi, tingkat religiusitas serta keikutsertaan dalam organisasi islam berpengaruh positif terhadap minat menggunakan perbankan syri'ah sedangkan variabel gender dari responden tidak berpengaruh terhadap minat menabung. Variabel kontrol terhadap perilaku dan variabel norma subyektif pengaruhnya paling besar minat menggunakan perbankan syariah.

**Keywords** : Behavior, Behavior intention, Attitude toward Behavior, Subjective Norm and Perceived Behavior Control, Degree of Religiosity, Islamic mass organization, Gender.

**THE INFLUENCE OF THE BOARD OF COMMISSIONERS' SUPPORTING  
COMMITTEES AND TAX AMNESTY ON TAX COMPLIANCE IN  
MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK  
EXCHANGE (IDX) 2016-2017**

**Muhammad Syafiqurrahman, Sri Suranta, Anis Widjajanto**  
Universitas Sebelas Maret

**Abstract**

This study aims to examine the impact of board of commissioner support committee and tax amnesty on tax compliance in Indonesia. This study uses audit committee, nomination and remuneration committee, risk policy committee, GCG committee, and tax amnesty as independent variables, and tax compliance as dependent variable. The sample of this study is 204 manufacture companies listed on the IDX in 2016-2017. The sample selection using purposive sampling technique in accordance with research objectives. The results show that tax compliance is affected by risk policy committee and GCG committee. However, this study finds that audit committee, nomination and remuneration committee and tax amnesty doesn't have effect on tax compliance. The limitation in this study is that the researcher cannot ascertain whether the sample companies that do not participate in the Tax Amnesty program are really caused by the company having complied with tax regulations or the company does not want to disclose assets owned by the relevant company.

**Keywords :** Tax Compliance, Board of Commissioner Supporting Committee, Tax Amnesty.

## EFFECTIVENESS OF ENTREPRENEURSHIP DEVELOPMENT IN TRANSMIGRATION AREAS AS A SOURCE OF FAMILY INCOME

**Novita Wahyu Setyawati, Endah Prawesti Ningrum**

University of Bhayangkara Jakarta Raya

### **Abstract**

Entrepreneurship development in the transmigration area is likely to experience obstacles so that the target cannot be achieved effectively. This study aims to: (1) assess the effectiveness of entrepreneurship development implemented in the transmigration sector; (2) analyze to the effectiveness of entrepreneurship development in the transmigration area; and (3) formulating the efforts needed to improve the effectiveness of entrepreneurship development in the transmigration area. The study was conducted with quantitative and qualitative approaches with explanatory research on the area of Hyang Bana Sp. 1. The results of the study show that entrepreneurship development has improved the ability and is beneficial for business development, but has not effectively increased entrepreneurial skills and business development. In general, obstacles to the effectiveness of entrepreneurship development are not focused, diffusion of knowledge, and skills are less effective, not connected with the others program, and there has been no change in the way of thinking in formulating business development needs.

**Keywords:** effectiveness, entrepreneurship development, transmigration area.

## IDENTIFICATION OF FACTORS THAT AFFECTS TAX COMPLIANCE (STUDY IN AREAS MADURA INDONESIA)

Norsain, Syahril  
University of Wiraraja

### Abstract

Generally, the taxpayer will attempt to pay a minimum tax or not by tax regulations. Instead, the government will endeavor to collect taxes as optimal as possible. The willingness of the taxpayer to pay the fee is essential in the collection of taxes, The cause of a lack of desire to pay taxes include taxation principles, namely that the results of the indirect taxation enjoyed by taxpayers. This study aims to identify factors that influence adherence to pay taxes for SMEs. Using random sampling of taxpayers selected 111 SMEs were analyzed using SPSS. As a result, there is influence between the variables of Knowledge and Understanding of Tax Rules, a variable Perceived probability of audit, financial condition variables, variables Organizational Climate on Tax Compliance. Simultaneously all the independent variables significantly affect the dependent variable at the level of 5% (0.05). As evidenced by the results of significance  $0.000 < 0.05$ .

**Keywords:** Tax compliance, knowledge, and understanding of tax rules, a Perceived probability of audit, financial condition, Organizational Climate

## ANALYSIS OF MARKET POWER HYPOTHESIS AND EFFICIENCY HYPOTHESIS IN ASEAN BANKING

**Chajar Matari Fath Mala, Sugiyanto, Jatmiko**

Esa Unggul University

### Abstract

The main objective of this research is to detect the hypothesis of structure-conduct-performance (SCP) hypothesis and efficiency hypothesis in ASEAN banking industry. In addition, this research also determines the factors influencing profitability and also examines how efficiency is viewed from technical efficiency and the efficiency of the banking industry scale in ASEAN countries. The research object is commercial banks in ASEAN countries during 2009-2015. The sampling method used is purposive sampling method, with criteria for banks that have the largest assets in terms of asset markets and actively operating from the year up to 2016. This research uses two-step methods, the first method is Data Envelopment Analysis (DEA) to determine technical efficiency and scale efficiency of each industry. The output from the DEA is used to panel regression along with other independent and control variables such as concentration ratio (CR4), market share, capital adequacy ratio, non-performing loans, loan to deposit ratio, GDP, and inflation. The result of this research is SCP hypothesis is not applied in ASEAN-5 banking industry, which means there is no collusion in determining price. RMP hypothesis is closely applied to Indonesian and Thailand banking, this means the condition of Indonesian and Thailand banking are using market power in the term of product differentiation. Efficiency hypothesis is applied only to Thailand and Philippines banking, which means profitability in Thailand and Philippines banking are affected by management ability and scale efficiency.

**Keyword:** Structure-Conduct-Performance, Data Envelopment Analysis, Relative Market Power, banking, return on assets, x-efficiency, scale efficiency

## IMPROVING THE QUALITY AND QUANTITY OF RATTAN HANDICRAFTS TOWARDS TRANGSAN TOURISM VILLAGES IN ORDER TO INCREASE EXPORTS

Sri Suranta, Santoso Tri Hananto, Christiyaningsih Budiwati, M. Syafiqurrahman  
Universitas Sebelas Maret

### Abstract

The aims of the community service in the form of the Export Products Improvement Program (PPPE) are to increase the production of rattan products in both quantity and quality as well as the sales of rattan products. Two Small and Medium Enterprises (UKM) are involved in this program, namely UKM Tiga Warna Rotan and UKM Wayan Rotan. The problems faced by the UKMs are among others the raw materials are rarely available and the purchasing method is not optimal, the tools are less feasible, the layouts are not optimal, the designs are varied and always changing. The proposed solutions are: (1) providing trainings, including training in raw material purchasing methods, tools management, and product design, and (2) upgrading the tools. The output of this community service activities is the rattan production has increased by more than 29%.

**Keywords:** Quality, Quantity, Rattan, Trangsan, Export.

## FUNCTIONAL FOOD AND MILLENIAL CONSUMERS

Margaretha IE Veronika, Elisabeth Supriharyanti, C. Erna Susilowati  
Universitas Katolik Widya Mandala Surabaya

### Abstract

According to Nielsen 's New Global Health and Ingredient - Sentiment data survey conducted in 63 countries, 80% of Indonesian consumers carry out special diets that limit consumption of certain foods or beverages or ingredients. As many as 64% are willing to pay for food or drinks that do not contain unwanted ingredients. In fact, 89% of Indonesians reduce the consumption of foods high in fat, sugar and carbohydrates. (Kompas.com, March 2, 2017). This awareness causes high interest in food ingredients that are beneficial to the body, and the emergence of functional food trends. This study aims to determine the perception of generation Y on functional food that can be used as a reference in designing functional foods related to shape, price, brand and appearance where generation Y is the consumer in the future. By using 239 respondents, the young people analyzed by factor analysis produced that the perception of functional food was grouped into 3 factors, namely awareness of functional food, functional food quality and distrust of functional food. Based on logistic regression also concluded that awareness of functional food what influences the buying interest in the future. However, millennial consumers still think that quality is the most important attribute of functional food as has been done in purchasing functional food.

**Keywords:** Functional food, millennial generation, buying interest

## VALIDITY TEST ON STOCK PRICE VALUATION MODEL (STOCK PRICE EMPIRICAL STUDY IN BEI 2009 – 2017)

**Heru Agustanto, Harmadi, Sunarjanto**  
Universitas Sebelas Maret Surakarta

### Abstract

The objective of the study is to find empirical proof of the validity of stock price estimation in Indonesia Stock Exchange from 2009 to 2017.

By estimating the selling price of stock to buy, investors can estimate how much profit or value the stock represents. Based on the current theoretical price estimation, investors can assess if the stock offered on market is fair-priced, overpriced, or relatively underpriced.

In general, investors would hope to purchase stocks at fair price or under price, or even buy stocks at relatively high price with the hope to later on selling them at a higher price than the purchasing price.

The study is conducted using historical data on expected stock price and real stock price during the research period (2009 to 2017). Expected stock price uses (1) relative approach, (2) discount rate approach, and (3) model factor approach (Schwert, Smith, 2009).

The study uses the three approaches of expected stock price to make comparison with the real price, and shows that (1) relative approach shows disparity between expected and real rate of 20% at the highest and 8% at the lowest, with average of 16%, and standard deviation of 6%. (2) discount rate approach shows disparity between expected and real rate of 18% at the highest, 10% at the lowest, 12% on average, and 6% standard deviation (3) model factor approach using SIM shows disparity between expected and real of 18% at the highest, 6% at the lowest, and 10% on average, and 7% standard deviation. (4) it is concluded that of the three expected stock price models used, the best estimation approach is model factor approach (SIM).

**Keywords:** under price, over price, fair price, relative approach (PER), discount rate approach (DDM), model factor approach (Single Index Models)



## **ANALYSIS ON ECONOMIC FEASIBILITY AND TRADE VALUE OF BEEF CATTLE IN EAST NUSA TENGGARA**

**Sri Seventi, Heru Agustanto, Akhmad Daerobi, Arum Setyowati**

Universitas Sebelas Maret

### **Abstract**

The objective of the study is to obtain accurate and thorough insights of the economic feasibility and commercial marketing of beef cattle (cows) in East Nusa Tenggara (Nusa Tenggara Timur/NTT).

Study samples are three selected regencies in NTT, i.e. Timor Tengah Selatan (TTS), desa Fatukoto and Timor Tengah Utara regencies, desa Fatuneno, Eban, in Timor and desa Maronggela, Wolomeze, Ngada, Bajawa Regency in Flores. The three regencies were selected as some of the residents are farmers and cattlemen. Most practice individual farming, but some areas also practice organized farming. TTS region has a farmer and cattleman group managed by an independent farmer group, while Bajawa, particularly in Maronggela village of Wolo-Meze sub-district, has a ranch managed by OCD Karmel Monastery.

Method of research used is direct observation through focus group discussion with the players (farmers and cattlemen, cattle businesses, and related institutions).

Research results provide some insights: (1) on the economic feasibility potential of cattle husbandry by farmer-cattlemen, each village sample has an average of 150 heads of family, with 225 as the highest and 125 as the lowest. (2) each head of family owns 4-12 cows. (3) each village can sell 12-20 beef cattle. (4) the two business groups focusing on beef cattle husbandry can sell 20-30 cattle every month. (5) on the commercial trading, to date the cattle are marketed individually and directly to intermediary traders, or collectors. (6) cattle markets are still used to meet the demand of inter-village, inter-city local markets, with some sold to other islands (shipped in particular to Kalimantan and Sulawesi). (7). The study has yet to offer a more realistic insights on how much potential NTT has to contribute beef supply for national demand.

**Key words:** farming and husbandry, business potential, cattle commercial marketing, domestic and national supply

**THE EVALUATION AND CONSTRUCTION OF THE MOSQUE'S  
FINANCIAL STATEMENT  
(MULTI CASE STUDY ON AL AMIN MOSQUE IN JEMBER, AT TAQWA  
MOSQUE IN BONDOWOSO, IBRAHIMY MOSQUE IN SITUBONDO, AND  
BAITURROHMAN GRAND MOSQUE IN BANYUWANGI, INDONESIA)**

**Agung Budi Sulistyو, Siti Maria Wardayati, Moch.Shulthoni, Ahmad Roziq**

University of Jember

**Abstract**

The objectives of this research are: (a) to analyze and evaluate the financial statements of the Jami' Albaitul Amien Mosque in Jember, Jami' At Taqwa in Bondowoso, Jami' Ibrahimy Mosque in Situbondo, and Baiturrohman Grand Mosque in Banyuwangi; and (b) to construct the financial statements for those mosques that are in line with the accepted accounting principles. This study uses a constructive evaluation approach. Primary and secondary data were collected from in-depth interviews, observation, and relevant documentations using purposive and snowballing sampling techniques. Data validity was tested using tests of credibility, transferability, auditability, confirmability and then analyzed by employing Miles and Hubermann model.

The financial statements of the four analyzed mosques were presented in a very simple report of the cash receipts and expenditures that recorded in a book and the bulletin boards of the mosque. Every Friday, the mosque's ta'mir announces the cash receipts and expenditures report before the Friday prayer. This study suggests ta'mir of the four mosques to prepare financial statements that consist of statement of financial position (balance sheet), activity report, cash flow statement, fund changes report, and notes to the financial statements as designed by the researchers. The mosque's financial statements require a standardization/standard guidelines referring to the formal financial accounting standards.

**Keywords:** Financial Statements, Ta'mir, Mosque

## THE ROLE OF STRUCTURAL SOCIAL CAPITAL IN THE NTB'S PUBLIC HEALTH IMPROVEMENT

**Vincentius Hadi Wiyono, Mujahidatul Musfiroh, Heru Agustanto, Desiderius Priyo Sudibyo**  
Universitas Sebelas Maret Surakarta

### **Abstract**

The province of NTB has been one of the best performers of health improvement among provinces in the country. To learn how this has been happening this study focused on its social capital and found that [1] its high cognitive social capital has been necessary, but not a sufficient precondition. In fact, [2] its structural social capital has played more critical role in bringing about the change. They have been modernizing both hard and soft health infrastructure without leaving their traditional players and values.

**Keywords:** Social Capital, Public Health.

## RECONSTRUCTION OF THE STREET VENDORS HR DEVELOPMENT MODEL IN LAMONGAN REGENCY

**Nurul Badriyah, Titin**

Islamic University of Lamongan

### **Abstract**

Street vendors in Lamongan Regency grow mushrooming on sidewalks, roadside which have a negative impact on the cleanliness, comfort and congestion. Problems that arise can be overcome by touching the human resources of street vendors (PKL) by creating a climate of empowerment that is oriented towards the model of human resource development for the quality of business. The indicators used are age, level of education and basic knowledge of trading and management strategies for trading. This research is a description with 150 samples of street vendors in Lamongan District as respondents. Research Results Age indicators can be empowered For age > 17 years old, given orientation program method, business planning and simulation and behavior models. While the age of 17-25 years is a method of role playing and case studies on businesses in developing countries can be given. based on the level of education more to look at the style of communication. Trade and Trade Management strategies need to pay attention to social capital that can foster customer trust and reciprocity. As well as having a social connetidness network and a good trading community among visitors

**Keywords:** Reconstruction, Model Development, HR PKL

## INTERMEDIARY FUNCTION, CAPITAL STRUCTURE, FINANCING RISK AND FINANCIAL PERFORMANCE AT ISLAMIC BANKS IN INDONESIA

Ahmad Roziq, Nur Hisamudin, Ahmad Ahsin Kusuma Mawardi

University of Jember

### Abstract

This study aims to examine the influence of intermediary function and capital structure toward financing risk and financial performance and the influence of risk toward financial performance at sharia bank in Indonesia. The type of research used in this research is explanatory research, which is research that explains the effect of exogenous variables consist of intermediary function and capital structure toward endogenous variables consist of financing risk and financial performance through a hypothesis test. The sample of this research is sharia bank in Indonesia. The data used is scondary data of 11 sharia banks during period of 2013 to 2017. The method of data analysis uses partial least square with the consideration that the total samples used are small. The results showed that (a) capital structure have a significant influence on the financing risk of sharia bank in Indonesia; (b) capital structure have a significant influence on the financial performance of sharia bank in Indonesia; (c) intermediary function have a significant influence on the financing risk of sharia bank in Indonesia; (d) intermediary function have no a significant influence on the financial performance of sharia bank in Indonesia and (e) financing risk have a significant influence on the financial performance of sharia bank in Indonesia.

**Keywords:** intermediary function, capital structure, risk, performance

## THE EFFECT OF HUMAN CAPITAL AND ASSET STRUCTURE ON CREDIT RISK AND FINANCIAL PERFORMANCE AT CONVENTIONAL BANKS IN INDONESIA

Agung Budi Sulistiyo, Septarina Prita Dania, Wasito  
University of Jember

### Abstract

This study aims to examine the influence of human capital and asset structure toward credit risk and financial performance and the influence of credit risk on the financial performance at conventional bank in Indonesia. The type of research used in this research is explanatory research, which is research that explains the effect of exogenous variables consist of human capital and asset structure toward endogenous variables consist of credit risk and financial performance through a hypothesis test. The sample of this research is conventional bank in Indonesia. The data used is scodary data of 25 conventional banks during period of 2013 to 2017. The method of data analysis uses partial least square with. The results showed that (a) human capital have no a significant influence on the credit risk of conventional banks in Indonesia; (b) human capital have no a significant influence on the financial performance of conventional banks in Indonesia (c) credit risk have a significant influence on the financial performance of conventional banks in Indonesia; (d) asset structure have a significant influence on the credit risk of conventional banks in Indonesia and (e) asset structure have no a significant influence on the financial performance of conventional banks in Indonesia.

**Keywords:** human capital, asset structure, credit risk and financial performance

## THE INTRODUCTION AND APPLICATION OF US' INDEX THEORY TO ENHANCE QUALITY OF LOAN WITHIN BANKING INDUSTRY AND FINANCIAL INSTITUTIONS CASE STUDY: BANK ABC

**Uke Marius Siahaan**

Institute of Technology Bandung

### **Abstract**

The economic crisis has been decreased the performance of Banking Industry in Indonesia as reflected in the decreasing of Loan Growth and the increasing of Non-Performing Loans (NPLs) ratio since 2015. Increasing NPLs was followed by increasing cost of loan and decreasing ROA of Banks and others financial institutions therefore Bank should be innovate to enhance its loan quality. This study was conducted to determine influence of leverage towards profitability ratios of 68 companies which are debtors of Bank ABC in Performing Loan quality within two groups of US' Index value and tested by Correlation and Linear Regression Analysis. Based on the research's outputs, it was concluded that in group of US' Index  $< 1$  leverage has been influencing negatively to its profitability while on another group, with US' Index  $> 1$ , leverage has been influencing positively. Those conclusions were reinforced by the decline trend of US 'Index value on financial performances of 21 debtors were included in the category of watch-list debtors as well as proven in the study case of debtor which is now included into the category of non-performing loans. This study has shown that US' Index theory could be implemented in all stages of loan process, such as to analyze the repayment capacity of applicants at credit approval process, as the loan monitoring system at the middle end, and as a guidance in loan restructuring and collecting repayment at the back end stage. Therefore, this study suggests the use of US' Index theory as a credit risk control strategy to reduce NPLs in the Banks and Financial Institutions in order to enhance its loan quality and generate sustainable profit.

**Key words:** US' Index, NPLs, Cost of Loan, Capital Structure, Linear Regression.

**PENGARUH TINGKAT INFLASI, NILAI TUKAR DAN PRODUK DOMESTIK  
BRUTO TERHADAP INVETASI ASING LANGSUNG PADA NEGARA-NEGARA  
ASEAN PERIODE 2007-2016**

**John FoEh**

Universitas Gunadarma

**Shakti Silpama**

**Abstract**

This research aims to determine the effect of the inflation rate, exchange rate and gross domestic product to the foreign direct investment in the ASEAN countries in periods of 2007-2016. The object of this research is the foreign direct investment in 11 countries of ASEAN region such as; Brunei Darussalam, Philippines, Indonesia, Cambodia Laos, Malaysia, Myanmar, Singapore, Thailand, Timor-Leste and Vietnam. The data used in this research are secondary data. Methods of analysis used a panel data regression model using with an estimated model of random effect which were processed by Eviews tools version 10.

The results of this study indicate that simultaneously the inflation rate, exchange rate, and gross domestic product have a very significant effect to the foreign direct investment. Partially, the inflation rate has a significant negative effect on foreign direct investment, while the exchange rate has a significant positive effect on foreign direct investment. The further analysis showed that the gross domestic product has no significant effect on foreign direct investment.

**Keywords:** Inflation Rate, Exchange Rate, Gross Domestic Product, Foreign Direct Investment



## INVESTOR SENTIMENT ON TWITTER AND ITS IMPLICATION ON INDONESIA STOCK MISPRICING PERIOD 2017

**Ratna Arista Dewi, Dony Abdul Chalid**

Universitas Indonesia

### **Abstract**

The efficiency form of Indonesia capital market, which is still in weak/ semi-strong form, forces stock price away from its fundamental value, which is known as a condition of stock mispricing. It can be harmful for investor if they do not have any skill or knowledge about stock valuation before they do investment decision. Previous research shows that it is caused by investor sentiment which measured by market sentiment index. However, along with advancement of technology, investor sentiment can be measured through social media such as Twitter. According to Twitter data, Indonesia is one of the country that has the most active users in Southeast Asia. Moreover, Indonesia is in the top three after US and Japan that has most active Twitter users, which they are known as country with strong form efficiency. This study aim to analyze the impact of investor sentiment on Twitter to stock mispricing in Indonesia period 2017. Twitter data was obtained by using Python in Anaconda and classified into positive, neutral, and negative sentiment using Sentiment Score. While stock mispricing will be divided into two components: earnings mispricing and required return mispricing, using Vector Autoregressive (VAR). Although we find no significant relationship, our result show that stock mispricing will be positively affected by investor sentiment on Twitter in the next few days

**Keywords:** Stock Mispricing, Investor Sentiment, Twitter

## THE EFFECT OF FAMILY OWNERSHIP AND MULTIPLE LARGE SHAREHOLDERS ON CORPORATE INVESTMENT

Anandha Sartika Putri, Cynthia A. Utama  
University of Indonesia

### Abstract

An important issue in corporate governance (CG) is about mechanism to decrease agency problem in corporate. Agency problem is able to occur in company between manager and shareholders or between shareholders. It will affect the efficiency of corporate investment. This research explains the effect of family ownership existence on ultimate ownership toward corporate investment, and find out moderation effect of MLS toward the relation between family ownership and corporate investment. The data is analyzed by using regression of balanced panel, researchers conduct examination that focuses on family business which officially registered in Indonesian Stock Exchange during period of 2011-2017. The results show that cash flow rights which indicate an alignment effect is positively related to corporate investment. Furthermore, it is proven that the entrenchment effect which indicate the controlling shareholders incentives to expropriate is negatively associated with corporate investment, however this relationship becomes positive when there is a presence of MLS in the company.

**Key Words:** Family Ownership, Multiple Large Shareholders, Corporate Investment, Corporate Governance.

## FACTORS INFLUENCING COMPETITIVENESS OF MSMEs IN EAST JAVA

**JFX. Susanto Soekiman,**

Univ. Dr. Soetomo

**Wahyudiono, R. Agus Baktiono**

Univ. Narotama

### Abstract

In East Java, there are numerous centers of Micro Small and Medium Enterprises (MSMEs) with each having its unique characteristics on the products. To determine the competitiveness level of MSMEs, there are numerous different perspectives possible to be used including the orientation of social capital, intellectual capital, entrepreneurship, technology, innovation, market, and competitiveness. In running the business, the MSME business sector has to be oriented towards the seven aspects in order that the business to be successful and able to survive in the present era of global competition. The independence of MSME business sector reflects the competitiveness level of the existing products available in the market. Competitiveness is the ability of a national economy to achieve a highly sustainable economic growth. It includes proper policies, suitable institutions, and other supporting economic characteristics that make a highly sustainable economic growth possible to achieve. The results of the study later found that out of 17 variables used as the forming factors namely Factor 1 (Component 1), Factor 2 (Component 2), Factor 3 (Component 3), and Factor 4 (Component 4) each had a high correlation coefficient of consecutively 0.768, 0.960, 0.786, and 0.901; meaning that each of the correlation levels was high as the value was  $> 0.5$ . Thus, Factor 1, Factor 2, Factor 3, and Factor 4 were said to be appropriate to be used representing the 17 independent variables which affected the competitiveness level of the MSMEs business sector in five cities in East Java, Indonesia.

**Keywords:** factor analysis, competitiveness

**ANALYSIS OF THE INFLUENCE OF INTEREST RATE OF BANK INDONESIA  
CERTIFICATE (SBI), BONDS RATE AND DEBT TO EQUITY RATIO (DER) ON  
THE CORPORATE BONDS OF BANKING IN INDONESIA STOCK EXCHANGE  
2014-2017 PERIOD**

**Pramudhita Sucila Wanda, Ossi Ferli**

STIE Indonesia Banking School

**Abstract**

This research was aimed at analyzing the effect among Interest Rate of Bank Indonesia Certificate (SBI), Bond Rating and Debt to Equity Ratio (DER) yield on corporate bonds. Yield to receive from bond return always show fluctuation of moves. Therefore, follow up research was needed to do to use how significant the effect of the variables. The population used in this research was financial sector companies, especially banks that issue bonds and are listed in Indonesia Stock Exchange 2014-2017. There were 74 bonds of 18 banks as sampled in this research. The data analysis used in research was multiple linear regression analysis. The results of this research showed that Interest Rate of Bank Indonesia Certificate (SBI) and Debt to Equity Ratio (DER) had no significant effect on bond yields. While the Bond Rating showed the results of a significant negative effect on bond yields.

**Keywords:** Interest Rate (SBI), Bond Rating, Debt to Equity Ratio (DER), Yield

## **ANALYSIS OF THE EFFECT OF STOCK MARKET LIQUIDITY AND INVESTMENT OPPORTUNITIES ON STOCK REPURCHASE POLICY**

**Dimas Satrio Utomo, Zaafri Ananto Husodo**

University of Indonesia

### **Abstract**

This research examined the level of company's stock liquidity and the investment opportunities that exist on the amount of the company's stock repurchase in the market. The observation period was divided into crisis and non-crisis periods with 1150 companies registered in all world stock markets. The results show that during the crisis period (2008-2010), companies considered the company's stock liquidity and the investment opportunity in making repurchase decisions. Meanwhile, in the post-crisis period (2015-2017), companies only considered the level of liquidity when buying stocks. Previous research studies had focused mostly on the effects of stock repurchase on changes in liquidity and the value of company shares. However, in this study, we wanted to examine the impact of stock liquidity on the amount of the company's stock repurchase, which was also a motivation for our research.

**Key Words:** Stock Market Liquidity, Investment Opportunities, Stock Repurchases

## **ANALYSIS OF CASH FLOW VOLATILITY EFFECT ON THE LIFE CYCLE STAGE OF NON-FINANCIAL COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE AND THE STOCK EXCHANGE OF THAILAND DURING THE PERIOD 2011-2017**

**Renny Widyastuti, Maria Ulpah**  
Universitas Indonesia

### **Abstract**

One of the most actively studied asset pricing puzzles is idiosyncratic volatility. A number of studies have been conducted to be able to answer whether idiosyncratic volatility can be fully explained by other phenomena, not to exclude with changes in the company's fundamental values such as cash flow volatility. This study aims to analyze the effect of cash flow volatility on conditional idiosyncratic volatility throughout life cycle stage of non-financial companies listed on the Indonesia Stock Exchange and The Stock Exchange of Thailand during the period of 2011 -2017.

This study uses E-GARCH (Exponential GARCH) to be able to describe better the idiosyncratic volatility time series of individual stock expected returns. While in terms of cash flow volatility, the DuPont ROE component is used as a proxy to see volatility from three aspects, namely profit margin, asset turnover and equity multiplier. In developing a proxy for the company's life cycle stage, the cash flow pattern is used to classify a company's life cycle stage as done by Dickinson (2011) which was subsequently refined with Multiclass Linear Discriminant Analysis. The study result indicates that volatility of DuPont ROE component can explain idiosyncratic volatility and expected idiosyncratic volatility variations in developing country markets. Volatility of DuPont ROE component as a proxy for cash flow volatility explains better variations in idiosyncratic volatility when the company is in the stage of growth. Interestingly, the strong interaction between growth and EMV stages is not only to explain the variation of idiosyncratic volatility but also expected idiosyncratic volatility.

## IDENTIFYING THE NATURAL TOURISM POTENTIALS AT TRAJI TOURISM VILLAGE IN TEMANGGUNG, INDONESIA THROUGH LOCAL APPROACH

Tusyanah, Fahrur Rozi, Fentya Dyah Rahmawati, Ashomatul Fadlilah  
Universitas Negeri Semarang

### Abstract

Traji Tourism Village (TTV) is a new tourism area which has potentials and it needs planning for future management. Tourism development is closely related with competitiveness and attractiveness of tourist destinations. Therefore; identifying the tourism potentials is needed to achieve the destination competitiveness on tourism market. The objective of the study is to identify the potential objects and attractions of nature in the area of Traji Village to build a tourism village. This study involves the visitors, the public, and the Department of Tourism. The potentials of tourism objects and attractiveness are identified using observation method and analyzed in accordance with scoring criteria in Area Analysis of Objects Operations and Natural Attraction, Dirjen PHKA 2018. Meanwhile, Participatory Rural Appraisal was conducted by distributing the questionnaires to the community around TTV. The results of the study show that there are five tourism objects which can be developed into tourism destinations, they are Sendang Dukun. Kali Bong. Kali Puring. Kali Jodoand Kali Panas. Thus; it is expected that they are managed well by various parties in planning the development of Traji Tourism Village in Temanggung, Indonesia for being the successful tourism village.

**Keywords:** Tourism Potentials, Natural Tourism, Traji Tourism Village

## THE DESIGN OF STRATEGY MAP AND BALANCED SCORECARD IN POLITICAL PARTY: CASE STUDY IN POLITICAL PARTY XYZ DKI JAKARTA

**Pradipta Faikar Hakim**  
Universitas Indonesia

### **Abstract**

This Political Party XYZ experienced reforms at both the central and provincial levels. The overhaul of the vision, mission, and values carried out is expected to realize the achievement of strategic objectives with the implementation of various strategic actions. Results of case studies on Political Party XYZ DKI Jakarta shows some strengths, weaknesses, opportunities and threats facing the Political Party XYZ DKI Jakarta, and based on the analysis can be designed appropriate strategy to realize the vision and mission of Political Party XYZ DKI Jakarta. The study also analyzed the key success factor for Political Party XYZ DKI Jakarta. The result of both analyzes used to formulate the strategic objectives that will be the basis for designing strategy map and balanced scorecard for Political Party XYZ DKI Jakarta.

**Keywords:** Political Party, Strategy Map, Balance Scorecard



## PERENCANAAN STRATEGI BISNIS SOLAR WATER HEATER (STUDI KASUS PADA PT WIJAYA KARYA INDUSTRI ENERGI)

**Firmansyah**

Universitas Indonesia

### **Abstract**

Increasing public awareness of the use of renewable energy (renewable energy) as a result of limited un-renewable fossil-based energy sources, will increase demand for products that utilize solar energy sources. In the development of the history of energy, solar energy as a source of energy is more widely used as lighting in buildings and drying. In the 20th century, solar energy began to be used mechanically utilizing fluid movements and through conversion to electrical energy. The International Energy Agency (2011) states that the development of solar energy technology will provide great long-term benefits.

PT Wijaya Karya Industri Energi has an energy conversion business unit, Solar Water Heater (SWH). This research is to determine the most interesting and applicable strategies for the Company to improve competitiveness. It starts by identifying the basic information needed (input stage), doing weighting using the External Factor Evaluation Matrix (EFEM), Internal Factor Evaluation Matrix (IFEM) and the Competitive Profile Matrix (CPM) to identify the most influential factors at this time. Using the Strength-Weakness-Opportunity-Threat Matrix (SWOT) and the Grand Strategy Matrix to formulate appropriate strategies based on factors that have been identified in the matching phase. Next to choose the best strategy among the strategies made, the author uses Quantitative Strategic Planning Matrix (QSPM) to evaluate alternative strategies objectively as a result of this research.

**Keywords :** CPM; EFE Matrixs; IFE Matrixs; Grand Strategy Matrixs; SWOT; QSPM.

## **CORPORATE GOVERNANCE AND DIVIDEND STRATEGIES: THE CASE OF NON FINANCIAL FIRMS IN INDONESIA**

**Maya Davita Athalia, Adwin Surya Atmadja**

Petra Christian University

### **Abstract**

The purpose of this research is to empirically investigate the impact of corporate governance on dividend payout (DP) in Indonesia in the period 2012-2016. The samples of this research are all firms listed in Indonesia Stock Exchange during 2012-2016 exclude the financial firms and firms that do not match the criteria of the samples. This research use corporate governance perception index from The Indonesia Insititute for Corporate Governance (IICG) to measure the corporate governance and dividend payout ratio to measure the DP and controlled by firm size, growth opportunity, financial distress, and dividend-track. The method that used in this research is OLS regression. The findings of this research are corporate governance does not impact dividend payout of a firm, growth opportunity and CCGPI do not impact dividend payout of firms either. Firm size and dividend-track significantly impact dividend payout of a firm. The conclusions of this research are firm GCG has no conflict between manager and shareholder which means firm has no agency cost so that the firm does not have to pay dividend to shareholders to reduce agency cost.

**Keywords:** Corporate Governance, Dividend Policy, Firm Characteristics

**THE ROLE OF HALAL LABEL AND PRODUCT QUALITY AGAINST THE  
PURCHASE INTENTION OF WARDAH COSMETIC PRODUCT THROUGH  
BRAND IMAGE AS AN INTERVENING VARIABLE  
(CASE STUDY ON FACEBOOK FANS PAGE WARDAH COSMETICS)**

**Sukesi**

University of Dr. Soetomo

**Wanda Gema Prasadio Akbar Hidayat**

University of Airlangga

**Abstract**

The beauty industry is very competitive with various types of cosmetics produced at home and abroad in Indonesia. Wardah cosmetic products, one of which is a halal label, a raw material product that has gone through a halal certification process. This is important, choosing cosmetics that are wrong is fatal, especially skin health. With a sample, 417 customers were selected as Facebook respondents in Indonesia. This study aims to analyze: the influence of the role of halal labels and product quality both simultaneously and partially on brand image; influence of brand image on the purchasing decision process; the role of halal labels and product quality both simultaneously and partially in the purchasing decision process; and the influence of halal labels and product quality on the purchase of Wardah cosmetic products through the brand image on the Facebook Cosmetics page in Indonesia. By using PATH analysis, the results showed that the role of halal labels and product quality both simultaneously and partially proved to be very positive towards brand image, partially the quality of the product had no effect on brand image; brand image proved positive in the process of purchasing decisions; the role of halal labels and product quality both simultaneously and partly proved to have a significant positive effect on the purchasing decision process. As well as the role of halal labels and product quality in the decision-making process through brand image also has a positive relationship. It is hoped that this research will maintain Wardah's cosmetic brand image.

**Keywords:** The role of halal labels, product quality, brand image, purchase intention

## SYSTEM DYNAMICS IMPLEMENTATION TO INCREASE THE NUMBER OF ORGANIC MAIZE LEVEL ON-FARM PRODUCTION IN SUPPORTING SMART AGRICULTURE (CASE STUDY : EAST JAVA, INDONESIA)

**Iqbal Ramadhani Mukhlis, Erma Suryani**

Institut Teknologi Sepuluh Nopember

**Damanhuri**

University of Brawijaya

### **Abstract**

The country of Indonesia is one country that has abundant natural resources and has enormous potential in the agricultural sector. One of the sub-sectors in agriculture in Indonesia is food crops, this food crop sub-sector is divided into two categories, namely rice and secondary crops, one of which is widely cultivated is corn. In terms of organic corn production in 2016, the province of East Java had the largest production value of 6,278,264 tons. In terms of corn consumption, the average annual consumption of the community against organic corn from 2011 - 2015 amounted to 7,232,453 tons. These results indicate that organic corn is in demand by the Indonesian people but from the production sector it is still unable to meet the demand. From these results, this study will use a case study on the application of on-farm supply chain management for organic corn production. In this study, an increase in organic corn production was modeled using a system dynamics to analyze current conditions and evaluate existing problems and provide alternative problem solving scenarios. The simulation results with land expansion of around 73,000 ha per year for 14 years, organic corn production will be around 4250 tons in 2030. Land intensification scenarios, organic corn production increased by an average of 0.35% per year.. The results of scenarios of increasing farmer income by implementing Smart Agriculture reached Rp. 6,016,020. And the payback period for Smart Agriculture investment is 3.2 or three years and two months.

**Keywords:** supply chain management, production, system dynamics, organic corn, on-farm level, smart agriculture

## CATERING INCENTIVES AND FIRM CHARACTERISTICS ON DIVIDEND POLICY: EVIDENCE FROM THE INDONESIA STOCK EXCHANGE

Gideon Verrel Sinardi, Mariana Ing Malelak, Dewi Pertiwi  
Petra Christian University

### Abstract

Based on catering theory of dividend, prevailing investors demand for dividend can affect the dividend policy of a company. The purpose of this study is to test catering theory of dividend in companies listed on the Indonesia Stock Exchange. The study examines the effect of catering incentives on propensity to pay dividend, dividend changes and magnitude of dividend changes through profitability, firm size and investment opportunity set as a control variable. The sample includes all listed firms in the Indonesia Stock Exchange during 2013-2017 excluding the firms from financial industries and firms with incomplete information. The research data in the form of firm's financial ratios are obtained from Bloomberg Terminal. Hypothesis are tested by binary logistic regression, simple linear regression and multiple linear regression using SPSS Software. The result shows that catering incentives effects the propensity to pay dividend and dividend changes through profitability, firm size and investment opportunity set as a variable control. However, there is no significant effect on magnitude of dividend changes. The study provides additional empirical evidence on catering theory of dividend proposed by Baker and Wurgler in the emerging market such as Indonesia.

**Keywords:** Dividend policy, catering theory of dividend, behavioral corporate finance

## ANALYSIS OF DEVELOPMENT TOURISM AND CREATIVE ECONOMIC BASED ON POTENTIAL VILLAGE

**Nawangsih**

STIE Widya Gama Lumajang

### **Abstract**

The purpose of the research is to find out the development of tourism and creative economy based on village potential. The type of research using descriptive qualitative. Data collection techniques using interviews, observation and documentation. The research location is in Sumbermujur Village, Candipuro District, Lumajang Regency. Data collection methods use snowball sampling. Analysis of the data used consists of four stages, including: data collection, data reduction, data presentation and conclusion drawing. The results show that from the tourism sector, Sumbermujur Village has several competitive advantages, especially from natural tourism, cultural tourism, local wisdom and educational tourism, while in terms of regional culinary tourism still needs to be improved and the creative economy village sector as an element of tourism support, still requires further development efforts, because the creative economy products to produced are of limited type, for example: bamboo-based handicrafts as regional souvenirs. Development activities are analyzed through aspects of tourism and creative economy as an effort to improve the economy of the community and the development of tourism villages.

**Keywords:** Tourism, Creative Economy, Potential Village

## EXPECTING THE ETHICAL TEACHERS: INTERNALIZED CODE OF ETHICS, ANOMIA AND ACADEMIC DISHONESTY ON TEACHER UNETHICAL ATTITUDES

Ashomatul Fadlilah, Tusyanah Tusyanah, Fentya Dyah Rahmawati, Risma Nur Anissa  
Universitas Negeri Semarang

### Abstract

Teacher is a noble job. In Javanese, the teacher should be obeyed and imitated. Then, people expect that teachers should have good ethical attitudes and behaviors. The unethical attitudes and or behaviors, such as; teacher gives a lot of homework, teacher often skips the class can make the community disappointed. This research will explore the tendency of unethical attitudes of education program students as the prospective teachers in the future. There are two (2) independent variables; internalized code of ethics (ICE) and anomia. Furthermore; academic dishonesty is the mediating variable and the prospective teachers' unethical attitude is the dependent variable. The subjects of this study were 304 Economics education students and 150 of them were the samples taken by Slovin formula. Data were collected by questionnaire and observation. Then; they were analyzed by regression through SPSS. The results showed that the influence of the internalized code of ethics (X1) on academic dishonesty (Z) was -0.289 with significance was 0.000. Then, the influence of anomia (X2) on academic dishonesty (Z) was 0.358 with a significance of 0.000. Then, the regression model I was:  $Z = 14.007 + -0.289 X1 + 0.358 X2 + e$ . However, these variables influenced unethical attitude (Y) indirectly by means of mediating variable; academic dishonesty (Z). Then, the regression model II was  $Y = 16.415 + -0.219 X1 + 0.185 X2 + 0.225 Z + e$ . It can be concluded that; 1) students who have a good internalized code of ethics tend to perform good attitudes, 2) the higher anomia, the higher the tendency for unethical attitudes, and 3) academic dishonesty is insignificant to mediate X1 and X2 on Y since the Sobel statistics is insignificant

**Keywords:** Internalized Code of Ethics (ICE), Anomia, Academic Dishonesty, Unethical Teachers' Attitudes

## INTEGRATION AND SYNERGY OF DATA DEVELOPMENT OF SMES IN JABODETABEK (WEB-BASED)

**Masodah Wibisono, Aris Budi Setyawan, Dini Tri Wardani, Sigit Widiyanto**  
Gunadarma University

### **Abstract**

The unavailability of the SMEs's database that requires coaching causes the coaching program carried out by many institutions does not run efficiently. One institution does not know the coaching program carried out by other institutions, and vice versa. On the other hand, SME's also have difficulty getting information about these coaching programs. This study aims to synchronize various existing development programs through web-based sharing resources information systems.

The objects are SMEs and institutions who providing coaching program. Data collected by using questionnaires. Some development program by the Central Ministry, training institution, and association should be shared to the SMEs. The integration method and synergy of SMEs guidance data are carried out through Grabbing and Transforming Data, Ontology Construction, and Encoding Ontology.

The process of sharing shared web-based applications can be used as a forum for SMEs and SMEs's Development Institutions. SMEs can update data and find the empowerment programs. Coaching institutions such as government, BUMN, association, and higher education institutions can carry out coaching activities that do not overlap, but can complement each other. The dissemination of various programs to object targets (SMEs) will also be more directed and in accordance with each SMEs cluster, as well as monitoring and evaluation of various programs can also be done, so that the expected results will be achieved with the program. Finally, all off SME's activities will be stored in main database of this application.

**Keyword:** Coaching Program, integration, SMEs, web sharing



## **ANALYSIS OF MARKETING STRATEGY OF THE PRODUCT BY THE METHOD OF MATRIX THE BOSTON CONSULTING GROUP (BCG) AND BENCHMARKING ON UMKM BATIK TEYENG DI SURABAYA**

**Yunni Rusmawati DJ, Luluk Nur Azizah, Nurus Safa'atillah**  
Universitas Islam Lamongan

### **Abstraks**

Batik is a teyeng UMKM located in Wisma Tengger Subdistrict Benowo Surabaya city. Teyeng batik batik industry is unique in techniques and materials by giving dying accent stain former iron rusting. The goal in this study was to determine the marketing strategy of UMKM based on the position of competing with the use of BCG and Benchmarking approach, and analyze the most appropriate strategy to increase sales at SMEC Batik Teyeng in Surabaya. The methods used in this research is by matrix the Boston Consulting Group (BCG) is a method used to compile the business planning, market growth and relative market share and Bechnmarking are used to compare by using the marketing mix 4 p's (Product, Price, Place, Promotion).

**Key Words:** Matrix Of Boston Consulting Group (BCG), Benchmarking

## MODELING FINANCIAL DISTRESS USING LOGISTIC REGRESSION, LINEAR DISCRIMINANT ANALYSIS AND MARS

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Universitas Islam Lamongan

### Abstract

Modeling Financial Distress is an important and useful thing for the management of companies, investors and creditors, because Financial Distress is one of the initial indicators of a company experiencing bankruptcy. Previous research used Logistic Regression method and Linear Discriminant Analysis in modeling financial distress. Modeling Financial Distress that proposed in this study is the Multivariate Adaptive Regression Splines (MARS) method at sector basic industrial and chemical of manufacturing companies listed on the Indonesia Stock Exchange. The MARS method is more flexible than the parametric method such as Logistic Regression and Linear Discriminant Analysis, because MARS does not require assumptions that must be fulfilled. The classification accuracy of the MARS method will be compared with Logistic Regression and Linear Discriminant Analysis to get the best model.

**Keywords:** Financial Distress, Linear Discriminant Analysis, Logistic Regression, MARS, Modeling

**THE INFLUENCE OF ELECTRONICT WORD OF MOUTH , BRAND ATTITUDE  
AND BRAND IMAGE AND IMPACT ON PURCHASE INTENTION.  
XIAOMI SMARTPHONE PRODUCT**

**Hary Soegiri, Supriyanto**

Politeknik Penerbangan Indonesia

**Abstract**

The purpose of this study is to find out how much influence EWOM on brand attitude and brand image and its impact on purchase intention on Xiaomi Products. The type of this research is descriptive and causal research. Sampling technique in this research is purposive sampling. The number of samples in this study as many as 230 people. Instrument of this research use questioner. This research uses Statistical SAM Analysis tools. The results showed that EWOM positively influence the brand attitude. EWOM has a strong and positive relationship to the brand image. Brand attitude is very influential on purchase intention. Brand attitude has a close relationship to purchase intention while the brand image variable does not have a positive effect on purchase intention. For EWOM variables have a positive effect on purchase intention. Suggestions for Xiomi are to maintain and improve the product image on the quality and safety parts used for all Xiaomi products. In addition, this research is only focused on Xiaomi smartphone products suggested for further research can be researched with other smartphone products or other industries.

**Keyword:** Electronict Word of Mouth, brand attitude, brand image and purchase intention.

## **ANALYSIS OF ENHANCEMENT OF EMPLOYEE'S PERFORMANCE STRATEGY THROUGH MAPPING OF ORGANIZATIONAL CULTURE IN KPKNL SIDOARJO**

**Musriha, Daniel Dewantoro Rumani**

Bhayangkara University

### **Abstract**

This study aims to analyze strategies to improve the performance of employees through mapping the organizational culture in the Office of State Assets and Auction (KPKNL) Sidoarjo. The method used in this research is descriptive method with quantitative approach. In this study the primary data were obtained from the questionnaire Organizational Culture Assessment Instrument (OCAI) developed by Cameron and Quinn. In OCAI, the cultural type of an organization will be mapped into 4 (four) quadrants: clan culture, ad- hocracy culture, market culture and hierarchy culture measured through 6 main dimensions. The results show the organizational culture in KPKNL Sidoarjo today and organizational culture is expected to require changes but not significant. The strategy needed to improve employee performance is to improve clan culture and ad- hocacy culture by doing more emphasis on intimacy and emotional bonding for sharing and teamwork as well as fostering enthusiasm for innovation.

**Keywords:** organizational culture, strategy, performance, employee

## THE EFFECT OF PROFESSIONAL COMMITMENT, OBEDIENCE PRESSURE, AND AUDITOR'S ETHICS ON PROFESSIONAL JUDGEMENT

**Rustiana**

Universitas Atma Jaya Yogyakarta

**Christy Amanda Pramudita**

Alumni FE UAJY

### Abstract

This study aims to get empirically evidence of the effect of professional commitment, obedience pressure, and auditor ethics on the professional judgment. Professional judgment is the application of relevant knowledge and experience, in the context of auditing, accounting and ethical standards, to reach the right decisions in situations or circumstances during the audit assignment, and personal quality. A total of fortyone auditors working in the Public Accountant Office in Semarang participated in filling out the questionnaire. The hypothesis was tested using multiple regression. The results show that the professional commitment, compliance pressure and auditor ethics influence the professional judgment. The implications of this study are theoretical and applicable. Theoretical implications indicate that for the results of this research can be one model to improve professional judgment auditors by considering the variables of professional commitment and auditor ethics. While the applicative implications are aimed at the Public Accounting Firm in the process of enhancing professional judgment auditors through professional commitment and understanding of good auditor ethics. The high pressure of obedience can reduce the professional judgment auditor.

**Keywords:** professional commitment, obedience pressure, auditor ethics, professional judgment

## DAIRY SUPPLY CHAIN RISK MANAGEMENT MODEL USING INTERPRETIVE STRUCTURAL MODELING (ISM) METHOD

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Bogor Agricultural University

### Abstract

Dairy supply chain risk management model becomes important because it reduces the causes of the problems that arise in the supply chain. The objective of this paper was to develop a dairy supply chain risk management model based on ISM approach. Primary data was obtained from field surveys, interviews, and questionnaires. Secondary data was collected from study literatures. Determination of the respondents used purposive sampling. The respondents in this paper ranged from farmers, cooperatives, and academic expert. This paper discusses the conditions of dairy supply chain in Bogor using structural analysis of the factors which were identified in August-October 2018. The work also reveals the use of ISM to establish the interdependencies between these factors across the dairy supply chain. The relationships were established based on expert judgement using Delphi technique followed by ISM modeling technique. It also classifies the factors based on their driving power and dependence power. The model in this paper is provided to help understand the steps to improve dairy supply chain in Bogor. The paper showed the models for dairy supply chain risk.

**Keywords:** Dairy, ISM, Model, Risk, Supply Chain

## UNS FINANCIAL MANAGEMENT DESIGN TOWARDS PTN-BH

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Universitas Sebelas Maret Surakarta (UNS)

### **Abstract**

Sebelas Maret University Surakarta is designated as a PTN with a pattern of financial management of public service bodies from previously PTN Satker, based on Minister of Finance Decree Number 52 / KMK.05/ 2009 issued on February 27, 2009. The full BLU status received by UNS provides management flexibility finance to UNS at the Ministry of National Education, which is now the Ministry of Research, Technology and Higher Education, in accordance with Government Regulation (Peraturan Pemerintah/PP) Number 23 of 2005 concerning Financial Management of Public Service Agencies that have been amended by Government Regulation Number 74 of 2012. Now, UNS is currently prepare to become PTN-BH. Differences in the status of PTN owned, different patterns of management of financial management.

The approach used by the author in this study is a qualitative approach. This research was conducted at Sebelas Maret University Surakarta as one of the developing PTNs towards PTN-BH. The researcher collected data through documentation, Focus Group Discussion (FGD) and comparative studies. As a key instrument, researchers must understand the concepts of the phenomena to be studied, while understanding the conditions of participants who will be used as a source of data acquisition related to the problem to be studied. This research was conducted through three data analysis activities, namely: data reduction, display data and verification (drawing conclusions).

Based on the results of documentation, FGD and comparative studies with various State Universities in Java that have become PTN BH such as Diponegoro University, Padjajaran University and Bandung Institute of Technology, UNS as PTN BLU which will become PTN BH must prepare the following matters regarding financial management : (1) Governance as PTN BH, (2) Budgeting process, (3) Administration of revenues and expenditures, (4) Taxation equipment related to changes in status into Taxable Entrepreneurs (PKP) and (5) Reporting process as PTN BH.

## STRATEGY TO FILL THE NEEDS OF FUNCTIONAL CIVIL SERVANTS AT THE BUREAU OF ORGANIZATION AND STAFFING OF AGRICULTURAL MINISTRY

Dwi Kurnia Rachman, M. Syamsul Maarif, Joko Purwono  
Bogor Agricultural University

### Abstract

Strategy is a rational step series to try to shape the future of an institution. In Human Resources (HR), strategy is a tool used to anticipate and regulate HR supply and demand. Strategy are used to get the right number and the right type of employee, in the right place and at the right time. Based on the calculation of the workload, Bureau of Organization and Staffing of Agricultural Ministry are in shortage of functional civil servants. Therefore, the purpose of this study is to formulate a strategy to fill the needs of functional civil servants using the Analytic Hierarchy Process (AHP) method. Information sources to formulate strategy based on the opinions of experts. Experts are people who have certain criteria in the form of capability, experience and influence in the policies which in this research are related to functional civil servants. Experts in this research consisted of 11 people. The results of the research show that the first strategy to fill the needs of Functional Civil Servants is training and development with the highest goal is to improve performance. The most influential actor was the Head of the Head of Organization and Staffing and the formation factor was the highest determining factor.

**Keywords:** AHP, functional position, strategy.



## THE INFLUENCE OF APPLICATION OF FIXED ASSETS DEPRECIATION METHODS ON COMPANY PROFITS ON CV. BTARI AYU

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Universitas Bhayangkara Jakarta Raya

### **Abstract**

This research is about the depreciation method applied by CV. Btari Ayu and its influence on Company Profits. The purpose of this study was to determine the application of fixed asset depreciation methods to CV. Btari Ayu and its influence on company profits. The research method used is descriptive quantitative method by comparing two methods of depreciation of fixed assets. Results from research on CV. Btari Ayu, namely CV. Btari Ayu uses the straight-line depreciation method, because the level of operating profit that is affected by the straight-line method is higher at Rp 932,531,928 in 2011-2015. The depreciation method used is in accordance with the Statement of Financial Accounting Standards (PSAK No.16). preferably CV. Btari Ayu still maintains the methods used so far so that the profits obtained by the company will continue to increase in addition to the principle of consistency in accounting

**Keywords:** Fixed Assets, Depreciation Method, Company Profit

**ANALYSIS OF FACTORS AFFECTING UNDERSTANDING SMALL AND  
MEDIUM BUSINESSES IN PREPARING FINANCIAL REPORTS BASED ON  
ACCOUNTING STANDARDS FOR ENTITIES WITHOUT PUBLIC  
ACCOUNTABILITY :  
CASE STUDY WEDDING ORGANIZER BUSINESSES IN BEKASI CITY**

**Adi Wibowo, Rorim Panday, Siti Mardiyah, Arif Prasetyo**  
Bhayangkara Jaya University

**Abstract**

This research analyzes the information and influence factors of socialization, size of the business, as well as the perceptions of entrepreneurs of Small Medium Enterprises to understanding in preparing of the financial statements accordance Accounting Standards for Entities without Public Accountability. The object of research are the Wedding Organizer entrepreneurs in the town of Bekasi. This research using quantitative research methods with samples 75 units of Small Medium Enterprises. Multiple regression will be used to analyze. T test results showed partially on information and dissemination as well as influence business size significantly, while perceptions of owners do not influence on the understanding of Small Medium Enterprises about Accounting Standards for Entities without Public Accountability. As simultaneously all independent variables effect on the dependent variable. This research suggests that by improving their understanding in preparing of financial report can provide opportunities for Small Medium Enterprises entrepreneurs to apply for loans to third parties in developing their businesses.

**Keywords:** Information, socialization, business size, owner's perception, financial statements, understanding of Accounting Standards for Entities without Public Accountability

## TECHNOLOGY READINESS ACCEPTANCE MODEL ANALYSIS ON PROJECT MANAGEMENT OPERATIONS AT MECHANICAL AND ELECTRICAL CONTRACTORS

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Universitas Bhayangkara Jakarta Raya

### Abstract

Project management operations that are carried out using the newest technology, both hardware and software, require workers who are already and able to receive the technology. Not readiness and not acceptance the technology, will have an impact on the working progress of the project. Information technology and data processing using computers are the most widely used in a project. This study aims to analyze the level of technology readiness and technology acceptance of workers in the project by applying the TRAM model. The research data was taken using questionnaires, with project workers respondents using information technology and computer data processing at PT. DENKI as the contractor company, as many as 30 respondents. Data was processed using path analysis in Amos version 18. The results showed that Optimism had a significant and positive effect on perceived ease of use and perceived of usefulness, Innovativeness and Insecurity had no significant effect on perceived ease of use and perceived of usefulness, discomfort had a significant and positive effect on perceived ease of use but had no significant effect on perceived of usefulness. Perceive ease of use has no significant effect on perceived of usefulness. Based on those results, the company should be plan for regularly training concerning the technology used at the project for their workers, in order to increase the technology readiness and technology acceptance of the workers, so that project management operation will be better in progress.

**Keywords:** tecnology readiness, technology acceptance, path analysis

## THE EARNINGS MANAGEMENT, CORPORATE GOVERNANCE, AND BOOK TAX CONFORMITY: THE CASE OF INDONESIA

Lulus Kurniasih, Sulardi, Sri Suranta

Universitas Sebelas Maret

### Abstract

This study aims to find out the effects of earning management and corporate governance mechanism on Book Tax Conformity. Corporate governance mechanism uses board of commissioner size, percentage of independent commissioner, and audit committee. Meanwhile, earnings management use modified Jones model. The sample of this study are manufacturing companies that listed in the Indonesia Stock Exchange (IDX) in 2016 and 2017. The results suggest that earnings management have significant impact on BTC. Furthermore only independent commissioner that significantly influence to BTC.

**Keywords:** tax avoidance, earnings management, corporate governance, book tax conformity.

## THE EFFECT OF DEFAULT RISK ON STOCK RETURN

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University of Indonesia

### **Abstrak**

The study of the characteristics of risk and return has received great attention. Several studies in the company's financial literature have tested whether the default risk has an influence on the company's stock returns, but the results often vary and become conflict. Previous research has varied empirical results because it refers to default risk indicators and samples from different equity markets. The main objective of this study is to evaluate the relationship between default risk and return on equity using data taken from non-financial companies on the LQ-45 stock index in Indonesia for the 2008-2010 research period. This study uses the Merton (1974) model as done by Vassalou and Xing (2004) to build a proxy from the risk of default. The advantage of this model is to consider the volatility of the company's assets in estimating the risk of default. Companies can have similar levels of equity and debt, but have very different default probabilities. The results of the study show that default risk has a significant effect on equity returns.

**Keyword:** Default Risk, Return, Merton Model, Risk & Return, Probability of Default

## IMPLEMENTATION OF THE SUPERVISION SYSTEM IN VILLAGE FINANCIAL MANAGEMENT

**Fitriani Mansur, Misni Erwati, Eko Prasetyo**

Universitas Jambi

### **Abstract**

Jambi Province in 2017 received Village Funds from the Central Government of Rp 1,090,942,601,000.00. The number of villages that have received 1,399 villages spread in 10 (ten) Regencies and 2 (two) Cities. The use of Village Funds is expected to make the existing Villages become Independent Villages, can carry out various development programs and empower the village community so that the village has new opportunities and hopes to be independent with all the economic, social, cultural and resource potential they have.

Problems that then have the potential to become the biggest obstacle in the implementation of the regulation of the Minister of Home Affairs Number 113 of 2014 are the unpreparedness of village financial management, both in the aspects of commitment and the ability of village government officials. In addition, it was seen from the implementation of new regulations for the previous village government that there was no clear development of guidelines and provision of infrastructure along with supporting information systems that were easy to access. The factors of unpreparedness of village financial management were then compounded by the lack of level of government coordination and participation of rural communities when there was a new regulation that would ultimately weaken the community's oversight function on village development funds. There are 2 Hypotheses that will be tested, namely H1: Inspectorate Apparatus Supervision has an effect on Village Financial Management and H2 Supervision of Camat influences Village Financial Management.

The population in the study was the village in Jambi Province, with the sample being the Inspectorate and Camat Apparatus in Batang Hari Regency, which was taken based on certain criteria (purposive sampling). Source Data used is Primary Data using Research Questionnaire Instruments. This study also involved the Village Empowerment and Governance Agency / Office from Batang Hari District which was the object of research.

**Keywords:** Head of District, Government Internal Supervisor Village Finance and Supervision

**HOW SERVICE QUALITY THE INFLUENCE ON REPURCHASE INTENTION BY  
MEDIATED CUSTOMER SATISFACTION  
(CASE STUDY IN PHARMACY INDUSTRY INDONESIA)**

**Tutri Emiya Barus, Endang Ruswanti, Moehammad Unggul Januarko**  
Esa Unggul University

**Abstract**

Technological developments and the globalization era is rolling, now there are a lot of business fields and new jobs appear, one of which is a Pharmacy. The importance of this health encourages some pharmacists to establish pharmacies in various regions, so people can easily access health needs. One health institution that is often and easily accessed by the community is a pharmacy. The purpose of this study was to determine the effect of service quality on repurchase intentions by mediating customer satisfaction case study in Pharmacy of Indonesia. Collection data by distributing questionnaires. The collect data is processed using descriptive and quantitative analysis tools. The analysis technique used to analyze data is Structural Equation Model analysis. The results of the analysis are interpreted and the final step is concluded and given advice. This study proves that service quality influences customer satisfaction, service quality influences repurchase intention, and satisfaction influences repurchase intention. This study only focuses on service quality, customer satisfaction, and repurchase intention. In future studies can add variables of trust or quality of relationships.

**Keywords:** Service Quality, Customer Satisfaction, Repurchase Intention

## THE IMPORTANCE OF THE ROLE OF REFERENCE GROUPS IN AROUSING THE ALTRUISTIC SPIRIT OF ADOLESCENTS IN BLOOD DONATION (SURVEY IN INDONESIA)

**Budhi Haryanto, Pram Suryanadi**

Universitas Sebelas Maret

**Budi Setyanta**

Universitas Janabadra Yogyakarta

### **Abstract**

This study aims to explain the role of reference groups in influencing adolescent behavior in blood donations. Specifically, this study aims to explain the reference group in moderating the influence of risk perception, incentives, altruistic on positive attitudes and intentions for blood donors.

Samples were taken as many as 500 people who were taken non-randomly. The sampling area is a variety of public areas in Surakarta, with the hope that there is an aspect of representation of the population, namely the people of Surakarta. Data search was carried out with a survey guided by a questionnaire. Furthermore, the collected data were analyzed using Structural Equation Model (SEM).

The results indicate that before the donor is influenced by the reference group, blood donor behavior is influenced by risk perception and incentives. But after the donor is influenced by the reference group, blood donor behavior is influenced by risk perception, incentives and altruistic. This indicates that the reference group moderates the behavior of blood donors.

In this study, a number of insignificant findings were also discussed, such as the implications of this study and its limitations.

**Keywords:** Consumer behavior, positive attitude, intention for donor, reference group, altruistic value.



## THE INFLUENCE OF LOCAL GOVERNMENT SIZE, LOCAL GOVERNMENT TYPE, LEVERAGE, AND AUDIT OPINION TOWARD INTERNET FINANCIAL REPORTING

Wiwik Supratiwi, Yustrida Bernawati, Mush'ab'Izzul Islam  
Universitas Airlangga

### Abstract

The purpose of this research is to examine the influence of local government size, local government type, leverage, and audit opinion toward internet financial reporting. The sample of this research is all local government in East Java Province, Indonesia period 2013-2015. The unit analysis consists of 110 entities years. Hypothesis is tested by using ordinary least square. This study concludes that local government size has influence to internet financial reporting. The other factors, such as local government type, leverage and audit opinion do not influence internet financial reporting. Local government financial reporting on the internet by local government is the effective way to disseminate financial information to the public. Local governments should better utilize their website more optimally, especially for financial reporting on the internet.

**Keywords:** internet financial reporting, local government size, local government type, leverage, audit opinion

## OPERATION SCENARIO ON OLD OIL WELLS IN CONTRIBUTED TO ENHANCE THE URBAN SOCIETY WELFARE AND NATIONAL OIL PRODUCTION WITH LOW COST

**Sudarmoyo, M Irhas Effendi, Sayoga Heru Prayitno**  
UPN "Veteran" Yogyakarta

### **Abstract**

Indonesia has many old oil wells that are still potential to be reactivated, but the problem is that there is no potential map of old oil wells that are ready to be reactivated into production wells and able to provide maximum benefits for the welfare of urban communities around old oil wells and can enhance national oil production. The operational activities of the old oil wells that have been carried out now still use conventional technology which differs depending on the location of each old wells, so that the production is not optimal because it is still relatively low and not environmentally friendly. For this reason, it is necessary to develop an integrated old well reactivation operating scenario that is suitable for all old well conditions and meets Health Safety and Environment (HSE) standards at a low cost. This research is intended to evaluate the potential of old well locations to be reactivated into production wells, especially in the Banjubang mature oil field as a pilot project, then evaluate the perceptions and attitudes of the surrounding community towards the development of old well management, and develop integrated reactivation operating engineering using old well mobile rig technology effective and efficient. The SWOT analysis method for formulating management development strategies by building stakeholder cooperation, economic analysis (focus on four old wells to be reactivated) and social analysis (supported by questionnaires on perceptions and attitudes of the community) on the operation of old wells in the Banyubang mature oil field using mobile rig technology that is managed by a pattern of cooperation between technology providers, BUMD (regionally owned enterprises), and local communities. The results of the business feasibility analysis provide reasonable conclusions from financial, economic and social aspects.

**Keywords:** Operation Strategy, Mobile Rig, Old Oil Wells Management

## THE RIGHT MARKETING STRATEGY IN FACING THE COMPETITION OF THE SMEs MARKET

**Muhammad Ridwan Basalamah, Itha Athia, Miftakhul Jannah**  
University Islam of Malang

### **Abstract**

Small and Medium Enterprises (SMEs) have a big role in national economic development. In addition to playing a role in national economic growth and employment, SMEs also play a role in the distribution of development results and are the driving force for the growth of national economic activity. This study aims to 1) To find out internal factors which include strengths and weaknesses; 2) To find out external factors that include opportunities and threats; 3) To find out what strategies can be produced by using SWOT analysis, in the face of market competition.

This research use descriptive qualitative approach. Location of research on the Ganesha stick home industry in Trawas sub-district, Mojokerto district, East Java Province. The results showed that the internal marketing analysis of the environment, vegetable processing businesses and tubers of the Ganesha stick industry had major strengths in product variations, while the main weaknesses were high product selling prices and an external marketing environment analysis that had the main opportunity to increase customer demand. and the main threat is increased production costs. Based on the results of the interviews, it was obtained the priority marketing strategies for vegetable processing businesses and the Ganesha home industry tubers, namely improving the appearance of the product through improved packaging.

**Keywords:** Marketing Strategy, SMEs, SWOT

## MEDIATING ROLE OF BUSINESS STRATEGY AND ENTREPRENEURIAL ORIENTATION IN THE EFFECT OF EMPOWERMENT ON SME'S MARKETING PERFORMANCE

**Rois Arifin, N Rachma**  
Islamic University of Malang

### **Abstract**

Nowadays, more women are undertaking various economic activities and playing very important role in socio-economic development in many countries. As entrepreneurs, women have to face various constraints and problems due to social and cultural traditions. By taking a strategic marketing perspective, this study tries to bring women empowerment model in building entrepreneurial orientation and strategy business, in which these factors will led to increase SME's marketing performance. In this paper, model is validated through a quantitative survey conducted on a purposive sampling from 60 entrepreneur's women in Malang. By using PLS-SEM method, data was analyzed to examine direct and indirect effect of empowerment on marketing performance. All of coefficient path in the conceptual model proposed was founded to be significant. This study highlighted the need for increasing empowerment among women entrepreneur as it founded to play crucial role in the effect on SME marketing performance. Two relationship identified as the smallest effect but significant, which are women empowerment and business strategy, and also entrepreneurial orientation and marketing performance. The article concludes by discussing the theoretical and practical implications of these findings.

**Keywords:** Women Empowerment, Business Strategy, Entrepreneurial Orientation, SME's Marketing Performance.

**THE EFFECT OF PUBLIC SERVICE MOTIVATION ON JOB PERFORMANCE  
THROUGH SATISFACTION AND COMMITMENT  
CASE OF PUBLIC OFFICER IN IMMIGRATION OFFICE MALANG**

**Nur Hidayati, Hadi Sunaryo**  
Islamic University of Malang

**Abstract**

Public service motivation has become an important fundamental thing in an employee who works in the public sector. The purpose of this article is to explore the exploration of various outcomes related to the public service motivation, that are satisfaction, commitment, and job performance. About 51 public officers was participated in this study. Data was analyzed by using PLS-SEM to examine direct and indirect effect of public service motivation on job performance. Public service motivation had positive effects on job performance among public officers in Immigration office Malang. Both satisfaction and commitment strengthened these positive effects. As a practical implication, public administrators can probably relate to and learn from the officers motivational bases in trying to figure out how to work within public organizations. Because of this study highlights how public officers may differ on public service motivation and reveals the struggle in reconciling their roles within public organizations.

**Keywords:** Public Service Motivation, Job Satisfaction, Organizational Commitment, Job Performance.

**ANALYSIS OF FACTORS AFFECTING PRODUCTIVITY SMALL INDUSTRY  
LABORS IN MALANG CITY  
(CASE STUDY OF SMALL MANUFACTURING INDUSTRIES)**

**Mohammad Rizal, Sulton Sholehuddin, M. Choirul ABS**  
Malang Islamic University

**Abstract**

The importance of the role of small industries in the process of economic development in Indonesia, especially the City of Malang As a destination city in East Java Province, it relates to the condition of Indonesia which has a low-educated labors, abundant resources, limited capital and unequal income distribution, so it is very close relation to the basic characteristics of small industries, while the City of Malang is one of the largest areas of Manufacturing Industry. The variables observed in this study are education and gender problems on productivity. This study uses primary data obtained through questionnaires, analyzed with multiple regression models using the SPSS Statistic 22 program. The results showed that: (1) Education had an effect on the productivity of manufacturing small-scale labor in Malang (2) Gender had a positive and significant effect on the productivity of small-scale manufacturing industry Labors in the City of Malang (3) The productivity of male labor is higher than the productivity of female labor

**Keywords:** Labor, Manufacturing Industry, Productivity

## YOUNG CONSUMER ATTITUDE TOWARDS HALAL COSMETICS PRODUCT

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Universitas Islam Malang

### Abstract

Nowadays, halal cosmetics growing rapidly in muslim countries. Halal is not only a religious issue but also is an opportunity to increase sale and acquire competitive advantage. Concerning the importance, this research explores to exert theory of planned behavior knowing the young consumer attitude for intention to buy halal cosmetics product. The framework of young consumer attitude in this research is based on the Ajzen's Theory of Planned Behavior which postulates three conceptually independent determinants of behavioral intention consist of attitude, subjective norm and perceived behavioral control. Data were collected through young consumer in Malang City and the respondent between 15 to 25 years old. The findings of the research revealed young consumer attitude and perceived behavior control have significant relationship for intention to buy halal cosmetics product. However, subjective norm have less significant if compared with attitude and perceived behavior control of young consumer in choosing halal cosmetics product. This research suggest that to increase young consumer attitude toward halal cosmetics product the company should make integrated marketing strategy to raise consumer awareness toward halal cosmetics product. For future research may take a look the framework of theory planned behavior which is consist three conceptually independent in the different geographical location in other side of Indonesia.

**Keywords:** Consumer Attitude, Theory of planned behavior, Halal Cosmetics, Intention

**ANALYSIS OF CUSTOMER FOCUS STRATEGY FOR BUSINESS  
STRENGTHENING OF ACTORS OF UMKM THAT ARE JOINED AS MEMBERS  
OF COOPERATIVES  
(STUDY ON SAE-PUJON COOPERATIVE, MALANG REGENCY, JAWA TIMUR)**

**Ita Athia, Ridwan Basalamah, Abdul Wahid Mahsuni**  
Islamic University of Malang

**Abstract**

Recently the economic period is getting harder to face by the business sector. UMKM sector with various weaknesses it has faced with increasingly complex challenges. The existence of the UMKM sector will be stronger if integrated into larger businesses. Cooperatives are business entities that have the potential to strengthen and integrate the UMKM sector. Therefore, cooperatives must continue to improve themselves in increasing their capacity as highly competitive business organizations. So that together the UMKM actors gathered strength through cooperatives and together can strengthen their position and competitiveness. This study aims to provide a strategy perspective that can be applied by cooperatives to focus on the quality services provided to their members. With a focus on the best service provided to members (customer focus), the cooperative can provide benefits to its members. Providing benefits will have an impact on the trust and loyalty that members give to the cooperative. The study was conducted using qualitative methods, data was collected by individual and group interview methods, observation and documentation. Eight people were taken as interviewees, there are, managers, public relations and six members of the SAE cooperative. The results shown that the implementation of customer focus brought about maximum benefits to members. Customer focuses on directing cooperatives to efficiency that is oriented towards strengthening member businesses. With this strategy, cooperatives can achieve two goals at once, firstly to meet the economic interests and objectives of its members and second which are also used to support the cooperative business itself.

**Keywords:** cooperative, customer focus, UMKM strengthening



## IMPLEMENTATION OF THE DIAMOND PORTER MODEL IN BUILDING COMPETITIVE ADVANTAGES IN THE NGRINGINREJO BOJONEGORO

**Ety Saraswati, Aleria Irma Hatneni, Andi Normaladewi**

Universitas Islam Malang

### **Abstract**

This study aims to examine the competitive advantage analysis through the Porter's diamond model in Agrotourism Ngringinrejo Bojonegoro. The research method used is descriptive with qualitative approach. Data collection techniques are done by interview, observation and documentation. The results showed important determinant in the competitive advantage of Agrotourism Ngringinrejo Bojonegoro, in accordance with the diamond porter model, consist of factor conditions; demand conditions; firms structure, strategy and competition; related and supporting industries; and government roles. The difference of each determinant of competitive advantage has implications for sustainability advantages which based on four main dichotomies, consist of government involvement, ownership structure, market (which is entered by the industry), and expansion of other areas that are not controlled (urban sprawl). The generic strategy formulation that is suitable for Agrotourism Ngringinrejo is a focus strategy, by building capacity to carry out innovations and research beyond increasing agricultural productivity, as well as building artificial tourism facilities to support competitiveness.

**Keywords:** Tourism Competitive Advantage Models, Sustainable Competitive Advantage, Generic Strategies

## LE GRAND VOYAGE: "HIJRAH" SHARIA ACCOUNTING EDUCATION

Arista Fauzi Kartika Sari, Rahmawati, Harun Al Rasyid  
Universitas Islam Malang

### Abstract

The purpose of this study was to liberate or "hijrah" students of sharia accounting was allegedly secular and capitalist, in order to not stuck in the reality of sharia capitalist. To arouse Islamic-critical awareness, this study used analysis method with dialogic techniques metaphorized with film "Le Grand Voyage". The results of this study indicate that "hijrah" of secular and capitalist Islamic accounting students is they can find not only material values, but also emotional values and spiritual values in accounting. Hopefully this article can provide an overview to educators, especially Islamic accounting to provide accounting learning accompanied by Islamic substance to provide holistic awareness (Tawhid).

**Keywords:** hijrah, sharia accounting education, secular, capitalist, metaphor

## PERCEPTION OF ACCOUNTING STUDENTS ON THE PLAGIATION DETECTION OF THESIS

**Hariri, Ayub Wijayati Sapta Pradana, Dyah Meta**  
Universitas Islam Malang

### **Abstract**

The purpose of this study was to determine the perception of accounting students on the detection of plagiarism in the writing of the final project / thesis. The total population of this study is 100 accounting students who are preparing their final project / thesis. Data collection methods in this study, namely: interviews, observation and documentation. The results indicate that most accounting students in the final project were still doing plagiarism for various reasons. To avoid plagiarism by students, which is to provide understanding to students about the meaning of plagiarism from subject lecturers and related institutions.

**Keywords:** Perception, Detection, Plagiarism, Thesis

## THE EFFECT OF INDUSTRIALIZATION AND POPULATION GROWTH ON MIGRATION IN MALANG CITY

**Arini Fitria Mustapita, Khalikussabir, M.Hufron**

Islamic University of Malang

### **Abstract**

Industry as the backbone of development is based on the reasons that industrialization can increase income and prosperity quickly. Industrialization is also a factor that encourages people to migrate. Because the population prefers to migrate to urban areas which do have greater employment opportunities in the industrial sector. This study aims to determine the effect of industrialization and population growth on internal migration in the city of Malang. The analytical method used in this study is multiple analysis with Ordinary Least Square (OLS) technique. The results showed that simultaneous industrialization and population growth had a significant effect on Internal Migration in the City of Malang. For partial test, the industrialization variable has a positive and insignificant effect, while the population growth variable has a positive and significant effect on Internal Migration in the City of Malang.

**Keywords:** Industrialization, Population Growth, Migration

## **ANALYSIS OF THE EFFECT OF MARKETING MIXING TO INCREASE TOYOTA CAR SALES IN PT. INVICTA TOYOTA PAMEKASAN**

**Fahrurrozi Rahman, Alfian Budi Primanto**

Islamic University of Malang

### **Abstract**

Every company will always compete in capturing market share. For this reason entrepreneurs must be good at influencing consumers to want to use the products produced by their respective companies. To be able to do this requires good management, strategy and human resources within the company. A company has several goals to be achieved, both short-term goals and long-term goals. In the short term it is usually to win the hearts of consumers, especially for newly launched products. Whereas in the long run it is carried out to maintain existing products in order to keep selling in the market and can compete.

This research was conducted at PT. Invicta Toyota Pamekasan. The purpose of this study was to determine and analyze the effect of the marketing mix consisting of products, prices, promotions and places to increase sales partially and simultaneously. This type of research is quantitative research. Respondents in this study were consumers of PT. Invicta Toyota Pamekasan. The number of respondents as many as 75 consumers were selected by incidental sampling. Data collection methods used are by distributing questionnaires and interviews. The results showed that the product, price, promotion variables have a partial positive effect on Toyota Car sales. Whereas the place variable does not has a partial positive effect on Toyota Car sales at PT. Invicta Toyota Pamekasan. Then this research shows that product, price, promotion, and place variables have a simultaneous positive effect on Toyota Car sales at PT. Invicta Toyota Pamekasan.

**Keywords:** sales, products, prices, promotions, places

## THE ANALYSIS OF COMPETITION STRATEGY OF UD PUTERA DASRIM OF MALANG

**Sulton Sholehuddin, Ridwan Basalamah, M. Cholid Mawardi**  
Universitas Islam Malang

### **Abstract**

The purpose of this study was (1) to help UD Putera Dasrim in carrying out his strategy management analysis; (2) provide assistance in analyzing environmental influences, both internal and external environment ; (3) find a business strategy formulation to determine opportunities or threats to the company, so it can be determined in accordance with the company strategy in the face of competition. The targeted results (specific targets) are as a basis for reference and consideration for business people in the industrial centers.

This research applied the qualitative approach with descriptive type of research and used IFE Matrix, EFE Matrix, SWOT Matrix, Matrix Grand Strategy and Matrix CPM. The data examined included internal and external aspects of the company, so from there would find opportunities, constraints, strengths and weaknesses of the company in the face of competitors.

Results of this study indicated that Based on SWOT analysis to the internal and external factors of the UD Putera Dasrim, recommended alternative strategy and the appropriate was a combination of market penetration strategy and product development strategy. Where the market penetration strategy was increase the market share of a product by improving salespeople, increasing sales promotion and other promotional efforts. In the product development strategy, the company would concentrate or focus on efforts to improve or modify products that have different concepts and better than competitors and at competitive rates.

**Keywords:** Strategy competitive, Internal Factors, External Factors, SWOT, and Competition.

## THE INFLUENCE OF TAXATION KNOWLEDGE AND THE UNDERSTANDING OF TAXPAYERS TOWARDS TAX COMPLIANCE AT CREATIVE ECONOMY BUSINESSES OF MALANG CITY

Jeni Susyanti, Agus Widarko, Noorshodiq Askandar  
Universitas Islam Malang

### Abstract

This study is aimed at finding influence of: (1) Taxation knowledge towards tax compliance (2) the understanding of taxpayers towards tax compliance and (3) Both taxation knowledge and the understanding of taxpayers toward tax compliance at creative economy businesses of Malang city. Populations are 50 creative economy businesses actor. This study uses a descriptive Quantitative research approach. The analysis technique used is the technique of multiple regression analysis with the data obtained using quantitative methods are surveys using questionnaire and interview to creative economy businesses of Malang city. The collected data is analyzed With Miles dan Huberman interactive model (2014) through three stages: data Condensation, data Display, and Conclusion Drawing/Verification. The Study shows that the taxation knowledge gives positive influence towards tax compliance; the understanding of taxpayers towards tax compliance also shows positive influence. Both taxation knowledge and the understanding of taxpayers toward tax compliance also shows positive influence.

**Keywords:** Tax Compliance, Taxation Knowledge, the understanding of taxpayers.

## THE MEDIATING ROLE OF WORK ENGAGEMENT IN RELATIONSHIP BETWEEN PERSONAL RESOURCES WITH TURNOVER INTENTION

Ratna Tri Hardaningtyas, Fauziah, Abdul Qodir Jaelani  
University of Islam Malang

### Abstract

The current research aimed to investigate mediating effects of employees' work engagement in the relationships between their personal resources (i.e., self-efficacy, organizational-based self-esteem, and optimism) and turnover intention within Indonesian organizations. A total of 119 survey responses collected from Indonesian organizations were utilized and analyzed to test the proposed research hypotheses by using structural equation modeling (SEM). The results showed that all of personal resources had a positive impact on work engagement and work engagement had a negative impact on turnover intention. The results also revealed that although both organizational-based self-esteem and optimism had a negative impact on turnover intention, self-efficacy had an impact on turnover intention with the opposite way. In addition, Work engagement mediated the relationships among self-efficacy, organizational-based self-esteem, optimism, and turnover intention.

The findings of the study could suggest practical implications when HRD professionals consider appropriate HR interventions (e.g., training intervention) as to how to create and maintain a working environment where employees are facilitated and learned to have high levels of personal resources (i.e., self-efficacy, OBSE, and optimism), which leads to enhancing employees' work engagement and positive outcomes (e.g., lower turnover intention). Given that little research effort has been made to investigate the relationships among personal resources (i.e., self-efficacy, organizational-based self-esteem, and optimism), work engagement, and turnover intention, this research contributes to the HRD literature by adding empirical evidence of the relationships in the context of Indonesian organizations.

**Keywords :** work engagement, personal resources, organizational-based self-esteem, optimism, self-efficacy, turnover intention



## THE EFFECT OF REMITTANCE ON REGIONAL DEVELOPMENT (CASE STUDY IN MALANG REGENCY)

**Khalikussabir, Arini Fitria Mustapita, Budi Wahono**

Islamic University of Malang

### **Abstract**

Indonesian Workers are foreign exchange heroes through remittances sent. Not only affect the economic growth of countries, but remittances also influence the development of the area of origin. With this phenomenon, this study aims to see how the effect of the use of remittances on the development of the area of origin. The method in this study uses crosstab analysis to see how the use of remittances to consumptive and productive patterns that ultimately have an influence on the development of the area of origin. he results of this study indicate that the old variables work and the country of work affect the use of remittances. Utilization of the largest remittances are at work more than 5 years old and the country where the work is located in the East Asian region has a bigger role to the development of the area of origin.

**Keyword :** Keyword: Remittance, Migration, Regional Development

**ANALYSIS OF LABOR MIGRATION IN TAIWAN  
USING THE COST BENEFIT ANALYSIS  
(A CASE STUDY IN MALANG REGENCY)**

**Muhammad Tody Arsyianto, Mohammad Rizal, Achmad Agus Priyono**  
Malang Islamic University

**Abstract**

Basically Indonesian Labors (TKI) who work abroad are motivated by economic pressure, so the thinking of Indonesian migrant labors is centered on great remittances, with this stigma there is rationality of prospective migrant labors choosing the destination country of work that has high wage standards, with as low as possible. For the Government, migrant labors who work abroad contribute to the country's foreign exchange which is not small. Taiwan is one of the main destinations for work because in Taiwan the country has a higher standard of salary than Hong Kong and Singapore. The results showed that: (1) It was found that for pre-placement some PJTKIs provided additional funds for prospective migrant labors, but there were those who asked to pay the costs of departure and deduction of wages, while in Taiwan work contracts were easily extended and high wage standards but employer attitudes temperament and language barrier, while after returning to Indonesia, after returning to Indonesia, the TKI gets high capital due to high wage standards, but it causes the TKIs to be more consumptive (2) Based on the calculation of Cost Benefit Analysis of 15 ex-migrants as a whole qualifies for priority, because in the Net Present Benefit (NPB) and the Method of Benefit Cost Ratio (BCR) all imply that the results of calculations feasible

**Key words :** Migration, Labor Migration, Cost Benefit Analysis

## ASIAN FINANCIAL MARKET INTEGRATION: EVIDENCE FROM CAUSALITY RELATIONSHIP OF STOCK MARKET

Fauziah, Ratna Tri Hardaningtyas, A Yusuf Imam Sujai  
University of Islam Malang

### Abstract

Financial markets are increasingly integrated, both domestic and international financial markets. This study examines the causal relationship between the stock markets of 10 countries in Asia. The main objective in this study is to show the stock market that has a domino effect on the stock market of other countries in the Asian region, knowing the stock market that is the most sensitive or most influenced by the stock markets of other countries, as well as the most exclusive or closed stock market in Asia. Objects in this study are ten developing countries in Asia, namely China, Hong Kong, India, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand. The data used in this study is the daily data of the stock market index for the period January 2009 - December 2016. The results of testing hypotheses using the Granger's Causality Test show various findings which broadly show that the country that dominates and influences other stock markets is the Hong Kong stock market, the most sensitive stock market is the South Korean stock market, and the most closed stock market is the Malaysian and Chinese stock markets. This finding indicates that a strong market will dominate or have a large influence on the surrounding markets. The Hong Kong stock market is the strongest stock market in Asia, so they have a dominant impact on other Asian stock markets.

**Keywords:** Financial Market Integration, Stock Market, Causality Relationship, Asian Stock Market

## **ANALYZES OF THE SIZE OF PUBLIC ACCOUNTING FIRM, CLIENT SIZE, GOING CONCERN OPINION AND AUDIT FEE TOWARDS AUDITOR SWITCHING**

**Anik Malikhah, Moh Amin, Lailatul Fitriyah**  
Malang Islamic University

### **Abstract**

Auditors switching in Indonesia are one of the required regulations by the Indonesian government as an effort to maintain auditor independence. Generally, auditor switching is carried out mandatory, but the fact that in Indonesia the auditor switching is done voluntarily, because auditor switching is often accompanied by a change in management policy. Then an independent party is needed in mediating internal parties and external parties.

This study aims to determine the analysis of the size influence of the public accounting firm, client size, going concern opinion and audit fee on the auditor switching both simultaneously and partially. This study used quantitative research methods. The population in this study were manufacturing companies that have been listed on the Indonesia Stock Exchange (IDX) during the period 2013-2017 with a total sample of 155 companies and obtained 90 samples of manufacturing companies and a number of 450 units of analysis. The data source used was secondary data obtained from the manufacturing company's audited financial statements for the period of 2013 up to the period of 2017 with the company going public in Indonesia and has published the previous audit report on the list of the Indonesia Stock Exchange (IDX). Data collection techniques used documentation. Data analysis used logistic regression analysis, descriptive statistical analysis, classical assumption test and hypothesis testing using t test and F test with the help of IBM SPSS application (Statistical Product and Service Solutions) version 23.

The results in this study indicate that the size of the Public Accounting Firm (KAP) has a negative influence on the auditor switching with a significance level of  $0.015 < 0.05$ . Client size does not have a positive influence on the auditor switching with a significant level of  $0.721 > 0.05$ . The going concern opinion has no influence on the auditor switching with a significant level of  $0.081 > 0.05$ . Audit fees have no influence on auditors switching with a significant level of  $0.867 > 0.05$ .

**Keywords:** Size of Public Accounting Firm, Client Size, Going Concern Opinion, Audit Fee, Auditor Switching.

## CREATIVE ECONOMIC DEVELOPMENT MODEL BASED ON COCONUT PRODUCTS THROUGH BUSINESS MENTORING

**Restu Millaningtyas, Aleria Irma Hatneny, Pardiman**  
Universitas Islam Malang

### **Abstract**

Creative economy is an economic sector that has given contribution in creating jobs, increasing exports, creating innovation and creativity, and providing a positive social impact in improving quality of life and tolerance. This research take place in "Rizki Abadi" Small and Medium Enterprise (SME) in Sekardangan, Papungan Village, Kanigoro District, Blitar Regency. This SME produces coconut-based snacks called opak gambir. Several obstacles faced by this SME include slack of innovation in product packaging, unstable raw material prices, inadequate human resources, and conventional marketing methods. The purpose of this research is to depict the model of Opak Gambir-based creative economy development through product innovation, problem identification, and solution making. This research uses primary and secondary data source which consist of direct field observations, interviews, journals, and other articles related. The result of this research found that simple packaging methods, inconsistent labeling and conventional marketing methods lead to inaccurate service and less extensive marketing reach. Unstable raw material price affects sales stability, while the quality of raw materials does not affect sales stability. The environment has no impact to the sales stability due to competition among SME's. Simple production equipment does not significantly affect the stability of sales, while the quantity of sealer affects production's punctuality. Skills and the amount of labor do not have an impact on sales stability. Meanwhile, business mentoring has an ability to help increase in sales due to its support in using online media for promotion and adding the quantity of sealer. In addition, it helps SME attain raw materials from Koperasi.

**Keywords:** SME, Productivity , Creative economy, opak gambir, mentoring

## THE EFFECT OF GOOD CORPORATE GOVERNANCE INDEX, MAQASHID SHARIA INDEX AND PROFITABILITY TO ECONOMIC VALUE ADDED AT INDONESIAN ISLAMIC COMERCIAL BANK

M. Syaiful Padli, Nur Diana, Afifudin  
University of Islam Malang

### Abstract

This study aims to determine the effect of Good Corporate Governance Index (GCGI), Maqashid Sharia Index (MSI) and Profitability to Economic Value Added at Indonesian Islamic Commercial Banks registered in the Financial Services Authority (OJK) for the 2013-2017 period, with purposive sampling technique for islamic commercial banks in 2013-2017 and using multiple linear regression analysis. The results showed that the Good Corporate Governance Index (GCGI) has a significant positive effect on Economic Value Added (EVA). Maqashid Sharia Index (MSI) has no effect on Economic Value Added (EVA). Profitability (ROA) has a negative effect on Economic Value Added (EVA).

**Keywords:** Good Corporate Governance Index, Maqashid Sharia Index, Profitability, Economic Value Added

## DETERMINANTS OF CORPORATE FINANCIAL PERFORMANCE : EVIDENCE FROM INDONESIAN STOCK EXCHANGE LISTED COMPANIES

**Muhammad Adi Fadlillah, Maslichah, Junaidi**  
University of Islam Malang

### **Abstract**

One of the many advantages of being a go-public company is the ease of obtaining funds through trading its shares on Stock Exchange. In the competitive era, the companies need to demonstrate their rate of return that the investors are interested on investing. Corporate financial performance is a system that help companies provide a method of measurement that will be used by investors to help them in the process of investment decision making. This study aims to investigate potential factors of influence on corporate financial performance in the sample companies. The analysis was conducted on KOMPAS100 and include a sample of 100 companies listed on the Indonesian Stock Exchange, within August 2017 – January 2018. In the first part of the analysis the variables have been classified into corporate financial performance (CFP), corporate governance (CG), and corporate social responsibility (CSR). Subsequently, the selected variables were conducted using Partial Least Square. The result shows that the implementation of CG significantly positive related to CFP. Nevertheless, the implementation of CG has no related significantly to the disclosure of CSR. Similarly, the disclosure of CSR has no significant relation to CFP. Moreover, the disclosure of CSR not as intervening variable among implementation of CG to CFP

**Keywords:** Corporate Financial Performance (CFP), Corporate Governance (CG), Corporate Social Responsibility (CSR)

## BUMN RESTRUCTURING AS AN IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

**Rini Rahayu Kurniati, Daris Zunaida**

University of Islam Malang

### **Abstract**

Reiterating the condition of State-Owned Enterprises (SOE)/BUMN and non-BUMN used are the level of profitability / profitability, asset growth and net income, the rate of return through dividend distribution, relative health, and relative stock price movements. In general, it can be said that BUMN that have listed their shares on the stock exchange still show better financial performance compared to non-BUMN. BUMN as a business entity, including the application of the principles of good corporate governance and determining the direction and steps of implementing public service obligations, it is necessary to evaluate internal SOE restructuring, namely the performance of the company in the form of finance and organization. Restructuring is an improvement in SOE companies to be able to work efficiently in the future. This is the implementation of good corporate governance. The purpose of this study is to: (1) describe the evaluation of company performance in financial statements on ROI and ROE ratios and SOE health level scores according to Kep-100 / MBU / 2002 Minister Decree at PT. Perusahaan Gas Negara (PGN) in 2015, 2016 and 2017. (2) describe the level of industrial health of the company at PT. Perusahaan Gas Negara (PGN). (3) describe the restructuring of the health of the company at PT. Perusahaan Gas Negara (PGN) as an implementation of good corporate governance (4) describe the organizational restructuring at PT Reasuransi Indonesia Utama (Persero) as the implementation of good corporate governance The results of the research showed that (1) at PT. National Gas Company (PGN) in 2015, 2016, and 2017: ROI is below 30% and ROE is below 40%; and total scores are below 80. (2) PT. The National Gas Company (PGN) in 2015, 2016, and 2017 is not in healthy position. (3) Restructuring of PT. PGN as an implementation of good corporate governance in evaluating financial statements for cash, income and expenses appears ups and downs, so that after-tax profits can not be increased and the profitability of the company can not be accordanced with industry standards. Industry standards ratio is 30% ROI and 40% ROE. SOE/BUMN health standards in accordance with Kep-100 / MBU / 2002 with a total score below 80 so the company is less healthy. (4) through merging the organizational restructuring at PT Reasuransi Indonesia Utama (Persero), the premium is increased as the impact of implementation of good corporate governance.

**Keywords:** Restructuring, Good Corporate Governance



**THE INFLUENCE OF PRICE FACTORS AND QUALITY FACTORS ON  
INTEREST IN THE PURCHASE OF PIRATED FILMS  
(STUDY ON THE CITIZEN OF MALANG).**

**Satria Putra Utama, Ahmad Subhan Mahardani, Dita Rosmella**  
Islam Malang University

**Abstract**

The purpose of this research is to identify and quantify the influence of price factors towards pirated movies buying interest on the citizen of Malang, the influence of quality factors towards pirated movies buying interest on the citizen of Malang.

Type of this research is a survey research, which takes samples from a population and use the questionnaire as an instrument of primary data collection. Thus, this research was categorized as an explanatory research. The number of respondents in this study as many as 100 people. Research of sampling purposive sampling technique was used. Method of data collection methods questionnaire is done, then the data processed through SPSS software, tool of analysis in this study using linier regretion.

On this research, there are 2 variables: independent variable (X) including price, quality and dependent variable (Y) including interest of the purchase.

Results showed that these 2 independent variables simultaneously Price Factors encourage interest in the purchase of pirated films, and Quality Factors encourage interest in the purchase of pirated movies,

**Keywords :** Price Factor, quality factor, Minat Membeli, Purchasing interests

## EMPOWERMENT-BASED TOURISM VILLAGE DEVELOPMENT

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Universitas Islam Malang

### Abstract

Kalianyar Tourism Village is one of the tourism villages in Tamanan Subdistrict, Bondowoso Regency which has a variety of tourism potentials such as tourist attractions, cultural tourism, culinary tourism, agro tourism and nature which need to be further developed as an attractive and potential main tourist destination. The development of Kalianyar Tourism Village can be said to have not been managed optimally. This is indicated by the small number of tourism activists in this village. Actually there are many tourists (foreigners) who want to stay within a few days in the Kalianyar Tourism Village, but because of the lack of tourism activists, some tourists are often rejected. Therefore, an appropriate management strategy and empowerment model are needed to develop Kalianyar Tourism Village in a more massive way. The purpose of this study was to 1) identify the tourism village development strategies that had been implemented and then to plan new strategies, 2) to know what empowerment model should be applied in accordance with the capabilities of human resources, both in terms of community empowerment in the field of education and in the field of promotion/marketing, and 3) to find out the supporting and inhibiting factors experienced by Bondowoso Tourism Office in implementing Law No. 10 of 2009. The results of this study describes that tourism activists of Kalianyar Tourism Village have had strategies and models of empowerment in the field of education. However, the main problem is regarding the human resources, so in this case there is a need for revitalization of the existing strategy and model of empowerment. Moreover, Bondowoso Tourism Office also has several supporting and inhibiting factors in developing the Kalianyar Tourism Village, Tamanan District, Bondowoso Regency.

**Keywords:** Development, Tourism Village, Community Empowerment.

## EXISTENCE OF THE MAX WEB BUREAUCRATIC CONCEPT AS AGENT OF CHANGE OF BUREAUCRATION REFORM IN INDONESIA

**Afifuddin, Dadang Krisdianto**

Universitas Islam Malang

### Introduction

In the time when the reformation era begins, various issues or thoughts were raised by experts related to how to achieve good governance, including bureaucratic reform. These efforts are gradually carried out not only by the central government but also the regional governments (Provinces and Districts / Cities).

Empirically, the bureaucracy is identical with the government civil servant which has three dimensions of organization, human resources, and management (Kristiadi in Thoha and Agus Dharma, 1999). In government, the dimensions are known as institutions, staffing and management, which are elements of state administration; presumably these dimensions can be added to the culture / mind set.

The legal rational concept of Max Weber's bureaucracy is actualized in Indonesia with various disadvantages and advantages as seen from bureaucratic behavior. This bureaucratic behavior arises when interactions occur between individual characteristics and bureaucratic characteristics, moreover, with the developing issues and current law enforcement related to bureaucratic pathology.

Gradually in Indonesia, bureaucratic reform is carried out in the institutional dimension, civil servants and management resources, both by the central government and regional governments. Moreover, it is in line with the statement written in Law Number 17 of 2007 concerning about the National Long Term Development Plan for 2005-2025 which states that: "The development of state civil servant is carried out through bureaucratic reform to improve the professionalism of the state apparatus and to realize good governance, both at the center and in the regions".

In relation to the bureaucracy reform, the central government regulates legislation known as the pillars of bureaucratic reform namely: 1) the Public Service Bill; 2) Government Administration Bill; 3) State Administration Ethics Bill; 4) State Civil Service Bill; 5) State Ministry Bill; 6) Draft Bill on Authority Relations between the Central Government and Regional Governments; 7) Public / Nonprofit Service Agency Bill; 8) National Oversight System Bill; and 9) State Administration Accountability Bill.

## IDENTIFICATION OF COLOR AND LIGHTING EFFECTS ON HUMAN COMFORT IN THE WORK PLACE

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National Institute of Technology (ITN Malang)

**Pratikto, Sugiono, Oyong Novareza**

Brawijaya University

### **Abstract**

In order to acquire better work performance results, employees need good physical and mental comfort conditions. Employee comfort conditions can be influenced by work environment factors. The work environment consists of physical and non-physical environments. The physical environment plays an important role in increasing comfort which will affect employees' performance. Color and lighting are parts of the physical environment affecting the comfort of employees. This study aims to identify the color and lighting effects of human comfort in the assembly industry. The method used is conducting color configuration and lighting before and after configuration therefore the human comfort results can be seen from the physical condition of the employee. The results of research showed that color and lighting effects affect human comfort. This can be seen from physical changes occurring including blood pressure and heart rate. Changes from the red effect obtained an average value of Systolic blood pressure rose about 2.69% and Diastolic value rose 1.33%, while the average heart rate increased 1.37%. While the blue effect changes, the average Systolic blood pressure drops 2.55% and Diastolic drops 2.26% while the average heart rate drops by 1.00%

**Keywords:** Color, Lighting, Human Comfort

## THE EFFECT OF EXECUTIVE COMPENSATION ON CAPITAL STRUCTURE: EVIDENCE FROM INDONESIA

**Suherman**

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### **Abstract**

The purpose of this study is to examine the influence of executives' compensation on capital structure. Compensation is measured with total cash compensation received by the board of directors and capital structure is measured with debt to total asset ratio. Sample of this study consists of 47 firms listed on Kompas100 index between 2011 and 2015 (218 observations). Controlling for firm size, profitability, asset growth, liquidity, and asset structure, the results show that executives' compensation has positive and significant effect on debt. This implies that executives compensated highly are willing to increase stock price volatility and engage in risk taking decisions.

**Keywords:** executives' compensation, capital structure, agency theory

## ROLE OF ENTREPRENEURSHIP ORIENTATION AS MEDIATION VARIABLE OF INFORMATION TECHNOLOGY TOWARD MARKETING PERFORMANCE ON SMALL AND MEDIUM-SCALE ENTERPRISES (SMEs)

Achmad Zaini, Diana Eka Poernamawati

State Polytechnic of Malang

### Abstract

**Purpose** – The research is aimed to analyze the role of entrepreneurship orientation in mediating information technology in order to increase the marketing performance of non independent exporting SMEs.

**Design/methodology/approach** – The research was conducted in the Greater Malang area on exporting Small- and Medium-Scale Enterprises registered with the Department of Co-operatives of East Java from May to June 2018, with a sample of 50 exporting SMEs (43 units returned the questionnaires). The research analysis utilized the Partial Least Squares (PLS) method.

**Findings** – Research results showed that the variable of information technology has no significant effect on the marketing performance of non independent exporting SMEs. Variable of information technology has a positive significant effect on entrepreneurship orientation . Variable of entrepreneurship orientation has a significant effect on marketing performance. Variable of entrepreneurship orientation has important role as a full mediator for information technology toward marketing performance.

**Research Limitation** - The objects of research only the number of exporting SMEs in Greater Malang registered in Diskop UKM East Java Indonesia.

**Practical Implication** – The results can be a reference for the application of entrepreneurship for exporting SMEs in Greater Malang, where non independent exporting SMEs must do entrepreneurship orientation if they wish to apply information technology in their enterprises. The other implication is the results as a guide for regional government to create policies that can aid exporting SMEs to increase their marketing performance.

**Social Implication** - The results will encourage SMEs in Greater Malang to be independent and to develop their entrepreneurship in order the usage of information technology run optimally

**Originality/value** – Opens the possibility to conduct a new approach on the application of information technology on non independent exporting SMEs by encouraging them to develop their entrepreneurship as mediation variable

**Keywords** – SMEs, Entrepreneurship orientation, Information Technology, Marketing performance, Non Independent export.

## WORK SMART AND HARD WORK FOR MEDIATION BETWEEN ORIENTATION LEARNING AND ORGANIZATIONAL COMMITMENT TO PERFORMANCE

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### **Abstract**

The aims of this research are to analyze the effect of learning orientation on work smart and work hard. Analyzing the influence of organizational commitment on work smart and work hard. Analyze the effect of work hard and work smart on performance. The study was conducted on 160 online motorcycle taxi drivers. Data analysis techniques were carried out by Structural Equation Modeling (SEM) analysis. The software used for data analysis is AMOS version 22. Based on the results of data analysis it can be concluded that the learning orientation has an effect on smart work. There is a positive influence on learning orientation variables on hard work. There is a positive influence on the variable organizational commitment to hard work. There is a positive influence from the variable organizational commitment to smart work. There is a positive influence on the variable smart work on performance. There is a positive influence from the variable hard work on performance.

**Keywords:** Performance of online motorcycle taxi drivers

**MODEL INKLUSI KEUANGAN TERHADAP ARAH PENGEMBANGAN NILAI  
CSR PERBANKAN  
(STUDI KASUS PROGRAM CSR-BNI 46 DI USAHA BATIK LASEM)**

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UHAMKA

**Abstract**

This study aims to determine the implementation scheme and the impact of the implementation of corporate social responsibility financing on BNI 46 through Partnership Program in Kampoeng BNI Batik Tulis Lasem, as well as the influence of its implementation on development to achieve financial inclusion in Indonesia.

This research uses descriptive qualitative approach through observation, interview and documentation. The selection technique of informants use purposive sampling by using the criteria that have been found and obtained as many as 50 search informers. A measured indicator of Financial Finance Inclusion Indicator Guide International (FFGI). Data analysis techniques use Importance Performance Analysis (IPA) and Customer Satisfaction Index (CSI).

The results of this study indicate that the implementation of the Partnership Program in Kampoeng BNI Batik Tulis Lasem by BNI is very helpful in improving the living standards of the people especially in the economy. In terms of being a fostered partner, conditions are very easy. The program then continue the home improvement partnership program, sent college students to school, bus land and cars. The level of satisfaction of the craftsmen in the partnership with BNI which can be used using CSI analysis shows 77,16 percent results, the calculation show that the business actor is very profitable over the partnership that has been established with BNI. Based of the science there are several attributes that need to be improved, especially in category A where these attributes are very helpful, but still not maximal in running it. In addition, the measurement of financial inclusion services provided by BNI with the FFGI indicator, BNI is very large from these indicators, but at a level determined by the government. A very important role behind the banking sector.

**Keywords:** Corporate Social Responsibility Financing, Partnership, Financial Inclusion Development, Satisfaction



## DOES WORK PRODUCTIVITY OF EMPLOYEE CAN BE DESIGNED WITH THE MANAGEMENT OF HAPPINESS?

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### **Abstract**

This paper explores a new finding of happiness management method called Cakti Star Method to enhance employee productivity. Cakti Star Method is a new concept of work productivity that reviewed the philosophy of happiness at work. Along with this paper, the researcher intends to analyze the comparison between Cakti Star Method and some other sources in order to get evidence that might affect work productivity of employee's philosophy. The result shows a positive contribution of Cakti Star Method regarding work productivity's research gap. Moreover, this finding may contribute to enrich the literature of human resources management from the eye of the employee's happiness .

**Keywords:** work productivity, employee, management of happiness, Cakti Star method.

## TECHNOPRENEUR BASED ENTREPRENEURSHIP DEVELOPMENT PROGRAM AS AN EFFORTS TO REALIZE THE NATIONALITY OF NATIONS IN POLITEKNIK NEGERI BATAM

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### Abstract

The Entrepreneurship Development Program (PPK) program is a place for students and alumnus in entrepreneurship. The Entrepreneurship Program implemented comes from the DRPM Ristek Dikti. The Entrepreneurship Development Program is a realization of the commitment of the Batam State Polytechnic in developing entrepreneurship. The Entrepreneurship Development Program at Batam State Polytechnic is an entrepreneurial program with the aim of producing new entrepreneurs who are independent based on science and technology. There is a series of activities in the process of recruiting tenants until the selection of candidates who have criteria has the right to participate in the program of entrepreneurship development. The method of implementing entrepreneurship development program activities through the Capacity Building with an approach in the context of empowering potential tenants using the PALS method (Participatory Action Learning System). The PALS method emphasizes the existing activities to be attempted to be brought to the condition of students through entrepreneurial awareness phase, capacity building and mentoring phase. The PALS method in the form of skills and management training is carried out with the aim of providing knowledge and understanding of entrepreneurship, encourage innovative ideas motivation, as well as to increase understanding in the management of business organization, the production of the operation, business financial, as well as making business and marketing business plan. The incubation activity in the Entrepreneurship Development Program received 41 candidates who were selected according to the criteria and then produced 25 (twenty five) tenants. At the end of the program the development of entrepreneurship has succeeded in producing new independent entrepreneurs who are ready to go to the community.

**Keywords:** science and technology, entrepreneurship, tenants, capacity building, business management, skills

