



ISSN 2715-6915

# Proceedings

The 1st International Conference on  
Business, Accounting, Supply Chain,  
and Logistics

November 21-22, 2019.  
Surakarta, Indonesia

Organized by : \_\_\_\_\_  
Accounting Study Program



Co Host



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## PREFERENCE

Thanks to God, with the almighty grace.

We are really grateful that the 1<sup>st</sup> International Conference on Business, Accounting, Supply Chain, and Logistics being held successfully on November 21-22, 2019 by Accounting Study Program, Faculty of Economics and Business, Universitas Sebelas Maret at the Harris Hotel, Surakarta.

We have to render our greatest appreciation to all parties who have helped organized and carried out this event with the best quality, comfort, and precision. To our participants, please accept our warmest greetings, since it is our great pleasure and honor to have all of you to participate in the conference. We are delighted to have all of the distinguished scientists and researchers for contributing their research and encouraging us all to learn more with the presentation and discussion session.

We also would like to extend an especially warm welcome to our distinguished speakers; Prof. Hooy Chee Wooi from Universiti Sains Malaysia, Prof Ruhul Salim from Curtin University, Prof. Corina Joseph from Universiti Teknologi Mara Malaysia, Prof. Juliana Sutanto from Lancaster University and Prof. Habib Mahama from Qatar University, who have travelled far to share their knowledge in this conference. We feel thankful for their willingness in taking the time to contribute and share their expertise and experience to this conference that have enriched our knowledge in this field.

The International Conference on Business, Accounting, Supply Chain, and Logistics with the theme "The New Paradigm of Link and Match between Government, University, and Industry" has an important meaning because it is in line with the development of the business world that needs to be studied. As we know, the logistics network and payment system are supporting components that have a very vital role in increasing the penetration of Indonesia's e-commerce market which is currently booming. The complexity of the distribution problem makes logistics a theme that still needs to be studied both practically and academically. The study from both perspectives is expected to help the government in developing a better economic world.

This proceeding contains a collection of abstracts containing the essence of the researchers' thoughts which are expected to contribute to the scientific field. The topic of this conference is Accounting, Supply Chain and Logistic, and all the subtext of those three main topics. These topics are manifested in the presented papers by the scholarly work from all of the researchers from the education, practice, and government field.

We have 238 papers that will be presented in this academic event with 2 best papers. Participants came from various universities throughout Indonesia and covered a variety of topics related to the main theme of this event. We sincerely hope that these proceedings and the conference, in particular, will grant benefits to all of the participants and also the readers. Especially as a reference for further economics and business development in Indonesia and all over the world. We welcome and will receive any suggestions and constructive feedback to improve the organizing strategy for the betterment and development of our conference.

Surakarta, 21 November 2019

The ICBASL Committee

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**STIMULUS EFFECT ELEMENTS PREDICTOR RESPONSE BY NEURAL SYSTEM OF  
HUMAN DIMENSIONS SENSE, FEEL, THINK AND ACT ON CUSTOMER LOYALTY  
(SURVEY OF FAST-FOOD RESTAURANT CUSTOMERS IN BANDUNG)**

Mohamad Ramdan  
Universitas Pelita Harapan, Jakarta

**Abstract.** This research aims to know the influence of each dimension of Response of Human Neural System, namely Sense, Feel, Think, and Act on Customers Loyalty. Each dimension is analyzed into several manifest variables. The significance of the influence of Human's Neural System Response in general on Customers' Loyalty is also necessary to identify. This study using SEM (Structural Equation Modeling) analysis that used to resolve simultaneous multilevel models that cannot be resolved by the linear regression equation, and use the customer survey method to assess the indicators for each variable. The result of the research shows several manifest variables that are influencing and not influencing the Customers' Loyalty. Dimensions of Human's Neural System Response that have influences on Customers' Loyalty, from the most significant to less significant, observed by the beta coefficient, is Sense, Think, Feel, and Act. The dominant predictor elements that entail in every regression model are room condition, exterior and interior design of the restaurant, and hospitality and politeness of the waiter, waitress, sales clerk, attendant, and other employees. It means that those variables have a dominant influence on customers' loyalty. This research can be used to support the development of management science studies in the field of marketing management, particularly those relating to the utilization of human nervous system responses and customer loyalty, as well as providing input to restaurant business decision makers in optimizing human nervous system responses in order to obtain and maintain customer loyalty. Research on customer loyalty shows that emotional factors (sense, feel, think, and act) are at the core of customer satisfaction and influence customer loyalty.

**Keywords:** Customer's Behavior, Human Nervous System Response, Fast-food Restaurants, Customer's Loyalty

# CONTRIBUTION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) IN STRENGTHENING OF SMALL MEDIUM ENTREPRISES (SMEs) IN EAST JAVA

Achmad Murdiono, Suryo Hadi Wira Prabowo, Andro Agil N.R., Afwan Hariri  
Universitas Negeri Malang

**Abstract.** The CSR (Corporate Social Responsibility) movement has developed rapidly over the last twenty years due to the insistence of civil society organizations and their networks at the global level. The implementation of the concept of interdependence between the company and the community (SMEs) is realized in the form of partnership between companies and CSR targeted SMEs. This study aims to determine the pattern of cooperation (partnership) between companies and SMEs through Corporate Social Responsibility (CSR) activities in East Java. This research is an exploratory study designed using the Mixing Methods approach, which is a study with qualitative and quantitative approaches. The research will conduct in-depth studies and analysis so that appropriate recommendations for follow-up emerge. Quantitative data collected has been verified by clarifying and validating through in-depth interviews and FGDs. The results of the study illustrate that most corporations and SMEs have collaborative partnerships with SMEs in the field of production, with a plasma core partnership pattern carried out through a partnership between and initial partnership. The results of this study are expected to be able to create a model for empowerment of SMEs through Corporate Social Responsibility (CSR) activities by considering environmental conditions, culture and economic conditions that affect the empowerment of SMEs.

**Keywords:** Corporate Social Responsibility (CSR), Partnership Scheme, and SMEs Partnership.

**BUSINESS DEVELOPMENT STRATEGY USING BUSINESS MODEL CANVAS  
APPROACH: A CASE STUDY IN THE RAJA ABON MAKMUR LESTARI,  
PANGKALPINANG CITY, INDONESIA**

Yulia<sup>1</sup>, Evahelda<sup>2</sup>, Novyandra Ilham Bahtera<sup>3</sup>, Laila Hayati<sup>4</sup>, Novyandri Taufik Bahtera<sup>5</sup>

<sup>1234</sup>Universitas Bangka Belitung

<sup>5</sup>Universitas Airlangga

**Abstract.** Business model canvas is known as an approach in business development and used as a business model. It describes a condition of internal and external of organization. It also shows the business element which consists of nine building blocks. The approach is applied on the business model canvas in a small medium enterprise which is called as “Raja Abon Makmur Lestari” in Pangkalpinang City. The study aims to evaluate the business model of the product using business model canvas analysis. The data was collected through the interview using questionnaire towards the owner, two staffs and 30 customers in Pangkalpinang City and other related articles or documents. The study revealed that every identified element has been emphasized using SWOT analysis. It stated that it required the improvement on every single building block of business model canvas in Raja Abon Makmur Lestari. The improvement of business model of Raja Abon Makmur Lestari prioritized on the improvement of marketing activity especially through the online media in order to increase the income.

**Keywords:** Business Model Canvas, Marketing Activity, Raja Abon Makmur Lestari, SWOT Analysis

# THE FOOD SECURITY LEVEL OF FARMER HOUSEHOLD'S AT IRRIGATION AND NON IRRIGATION LANDS IN JUWANGI DISCTRIC OF BOYOLALI REGENCY

Archadius Permata Pakerti, Akhmad Daerobi, Evi Gravitani  
Universitas Sebelas Maret

**Abstract.** This research focus on (1) analysis of household food security level in Juwangi District, Boyolali Regency, (2) analysis of different food security level from two villages with their respective characteristic ie agricultural land such as irrigation and non-irrigated land and (3) analysis of respondent characteristic, whether the level of food security in both types of agricultural land. This research uses primary data obtained by means of questionnaires and direct interviews to respondents. Hypothesis test in this research using IBM SPSS 21 application with analytical technique such as: One Sample T Test, next test Independent Sample T Test and the last test of K Related Samples (Cochran's Q ). The results of this study indicate that the level of household food security of farmers is low tested with a value of 0.000 significance on each component of food endurance variable with value T value = 4 and the average of food proletion component does not reach T value. There is a difference of food security level between irrigated rice field and non irrigated rice field with average irrigation area 8,8 and non irrigation 6,43. Lastly related to factors that affect the level of household food resilience of farmers research results indicate that from all independent variables there is one variable that has no significant effect on food security level that is age group.

**Keywords:** Food Security, Irrigated and Non Irrigated Lands, Farm Households

**AN ANALYSIS ON FACTORS AFFECTING STATE-OWNED ENTERPRISE'S GO  
PUBLIC CONSTRUCTION STOCK PRICE IN  
PT. INDONESIA STOCK EXCHANGE (IDX) 2010-2017**

Teguh Setiawan Pinem, Riwi Sumantyo, Evi Gravitiani  
Universitas Sebelas Maret

**Abstract.** In this age, the development of infrastructure such as toll road, harbor, airport, and etc is conducted continuously from Sabang to Merauke. Currently, one of programs prioritized by Jokowi-JK government is infrastructure development acceleration, in which the infrastructure budget increases continuously over years, since Joko Widodo and Jusuf Kalla occupy President and Vice President positions. Considering this, the author wanted to find out the factors affecting State-Owned Enterprise's Go Public Construction Stock Price in PT. Indonesia Stock Exchange (IDX). The data of research employed was secondary data that was time series in nature. The data was obtained from the company's financial statement. The data was analyzed quarterly in the period of 3<sup>rd</sup> quarter of 2010 to 4<sup>th</sup> quarter of 2017. All of data used were processed and analyzed using E-Views version 9 program. The result of VAR analysis showed that first difference Return on Equity (ROE) and Debt to Equity Ratio (DER) affected negatively the stock price index of PT. Adhi Karya (Persero) Tbk, and Earning Per Share (EPS) variable affected positively the stock price index of PT. Adhi Karya (Persero) Tbk. Return on Equity (ROE) and Debt to Equity Ratio (DER) variables affected negatively the stock price index of PT. Wijaya Karya (Persero) Tbk, while Earning Per Share (EPS) affected positively the stock price index of PT. Wijaya Karya (Persero) Tbk. Return on Equity (ROE) and Earning Per Share (EPS) variables affected positively the stock price index of PT. Pembangunan Perumahan (Persero) Tbk, while Debt to Equity Ratio (DER) variable affected negatively the stock price index of PT. Pembangunan Perumahan (Persero) Tbk. The investors who want to invest their fund particularly State- Owned Enterprise Construction Company should first see the company performance from its annual financial statement.

**Keywords:** Indonesia Stock Exchange (IDX), Return on Equity (ROE), Earning Per Share (EPS), Debt to Equity Ratio (DER), Vector Autoregressive.

## ANALYSIS OF ACCOUNTING SYSTEM FORMULATION FOR SMEs BASED ON SAK EMKM

Suparti, Sunaryanto, Bety Nur Achadiyah, Dudung Ma'ruf Nuris  
Universitas Negeri Malang

**Abstract.** SMEs has become the backbone of the Indonesian economy in the recent time. The development of SMEs does not escape the various obstacles faced. This study aims to describe the current condition of SMEs and the constraints faced. This research is a qualitative research. Data collection was carried out by interview, observation and documentation to Putri Srikandi SMEs. The results showed that the condition of Putri Srikandi SMEs does not have an accounting system that complies with the standards. The accounting system required consists of classifying account numbers, initial balance sheets, journals, ledgers, financial statements consisting of financial position reports, income statements and notes to financial statements referring to SAK EMKM.

**Keywords:** Accounting System, SMEs, SAK EMKM

THE IMPLEMENTATION OF COMPUTER-AIDED AUDIT TECHNIQUES USING  
AUTOCAD (CASE STUDY: CONSTRUCTION PROJECTS SUPERVISED BY THE  
FINANCIAL AND DEVELOPMENT SUPERVISORY BOARD/ BADAN  
PENGAWASAN KEUANGAN DAN PEMBANGUNAN)

Ade Robbani Setiawan<sup>1</sup>, Bentrastyadi<sup>2</sup>, Evi Gravitiani<sup>3</sup>

<sup>13</sup>Universitas Sebelas Maret

<sup>2</sup>Badan Pengawasan Keuangan dan Pembangunan (BPKP)

**Abstract.** This study aims to analyze the role of computer-assisted audit techniques (CAAT), specifically with the AutoCAD application in the supervision of construction projects that are subject to Financial and Development Supervisory Board (BPKP) supervision, including the support and benefits. The research data was obtained from the Laporan Realisasi Pengawasan BPKP from 2014 to 2015, especially construction projects where the audit procedures can be applied with the AutoCAD application. Those data supported by interviews with auditors and related officials with the purposive method with the Unified Theory of Acceptance and Use of Technology (UTAUT) approach. This study uses a case study approach to several supervisory activities in construction projects with the qualitative analysis method of the Miles and Huberman models. The analysis shows that the role of computer-assisted audit techniques can support supervisory activities by showing high performance expectation indicators. However, in terms of facilitating conditions, it shows an obstacle for the auditors because the lack of facilities provided by BPKP. In addition, the application of computer-assisted audit techniques with the AutoCAD application can be applied to support supervision of construction projects that are subject to BPKP supervision. The application of AutoCAD as an audit aided tools is more suitable for more complex construction projects which already illustrated by AutoCAD to support adequate confidence in the audit evidence. The application of computer-assisted audit techniques with the AutoCAD application has more benefits compared to the cost, indicated by the lack of resources owned by the Auditor but still can complete the work with the maximum results.

**Keywords:** audit, AutoCAD, supervision, Financial and Development Supervisory Board, construction.

# HAYAMI'S APPROACH TO VALUE CHAIN CASHEW MAPPING IN WONOGIRI REGENCY, CENTRAL JAVA

Dini Nur Utamawati, Endang Siti Rahayu, Kusnandar  
Universitas Sebelas Maret

**Abstract.** This research aims to examine the cashew value chain in Wonogiri Regency, analyze the costs, profits, marketing margins, producer share, and cashew value added, and examine strategies to improve the value chain more efficiently in Wonogiri Regency. Location was determined by purposive method. Data types that used in this research are primary and secondary data. Farmers sampling was determined by random sampling method which the number of respondents is 30 respondents, and cashew marketing flow sampling was determined by snowball sampling method. Data analysis method that used is Kaplinsky and Morris (2001) value chain analysis combined with ACIAR (2012). Value added analysis that used is Hayami method (1987). The results showed that there were 5 (five) cashew nut trading system patterns in Wonogiri Regency. The largest producer share is obtained by cashew farmers from marketing channel II with a producer share of 86.96% with a marketing margin of 13.04%, in addition the biggest added value in the cashew processing industry occurred in channel I with a value-added ratio of 80.48%. Value chain improvements can be done by improving the agribusiness system from upstream to downstream. Farmers can form a farmer association group to determine the price of cashew to the processing industry. Establishing cooperatives to accommodate cashew production and conduct marketing. The government can provide guidance on planting techniques and assistance on superior seeds so that the production of cashew nuts has good quality and higher production quantities.

**Keywords:** Cashew, Value Chain Analysis, Marketing Margin, Value Added, Upgrading



# SUSTAINABLE DEVELOPMENT GOALS IMPLEMENTATION: YOUTH ECOPRENEURSHIP INTENTION IN WASTE PLASTICS MANAGEMENT INTO VALUABLE PRODUCTS IN BORDER AREAS

Aloysius Hari Kristianto, Prammatya Resindra Widya  
STIM Shanti Bhuana

**Abstract.** This study is aiming to develop the youth ecopreneurship intention. We evaluate how to process plastic waste into a valuable product as well as maintaining sustainable environment. This is qualitative type research utilizing participatory and project based learning method. This method was chosen so we can objectively explain the feasibility of the use of plastics waste into productive goods. Data is collected using participatory observation method, in-depth interviews and documentation techniques. The object of this research is the youth in the border area especially in Bengkayang. The finding indicated that interest and internal motivation in the youth entrepreneurship for converting plastics waste into valuable products is very positive. It is due to relatively easy and inexpensive manufacturing process. However, there are external factors, that can negatively influence youth entrepreneurs's drive, therefore we need to have stimulus and encouragement from outsiders (mentors), training and motivation. There was a tendency for youth to get bored with the long due process, and they want to get quick results immediately. The findings indicate such as: self-satisfaction, freedom, the family and surroundings, do have positive impact to the youth ecopreneurial intention in developing an environment-based business. However in this study did not find substantial evidence that proves these factors have significantly influenced the youth to develop the business independently. This study can provide knowledge and information for environmental departement, micro small and medium enterprises departement and academics to better understand the potential of youth in border areas in ecology-based entrepreneurship, specifically regarding becoming an ecopreneur in utilizing plastic waste into valuable products. This study only focused on the youth ecopreneurship intention in border areas, therefore it could still be bias. Therefore, further research is needed to provide more complex variables and bigger number of more varied samples.

**Keywords:** Sustainable development goals, ecopreneurship, productive goods, qualitative research, border area, waste management

# FACTORS THAT AFFECT THE TECHNICAL EFFICIENCY OF WHITE PEPPER IN BANGKA BELITUNG

Yulia, Novyandra Ilham Bahtera  
Universitas Bangka Belitung

**Abstract.** Efficiency is a crucial aspect that can be used as the measurement in taking-decision of production on the available alternative. Technical efficiency is one of efficiency forms that needs to be taken into account in farming activity. The study aims to identify factors that affect the technical efficiency of white pepper in Bangka Belitung Islands Province. Simple random sampling was used to collect data from 100 respondent. Data envelopment analysis and tobit regression were applied as the method of data analysis. The study discovered that socioeconomic status was able to affect the improvement efficiency of farming activity. Those were educational attainment, household size, and inorganic fertilizer. On the other hand, age had not significantly affected the technical efficiency of farming activity.

**Keywords:** Agribusiness; Bangka Belitung; Socioeconomic Status; Technical Efficiency; White Pepper.

**INTENTION DIFFERENCES ANALYSIS ON USED CELLPHONE HANDLING  
COLLABORATION IN SECOND HAND MARKET ACTORS AT  
YOGYAKARTA, INDONESIA**

Siti Mahsanah Budijati<sup>1</sup>, I Nyoman Pujawan<sup>2</sup>

<sup>1</sup>Universitas Ahmad Dahlan

<sup>2</sup>Institut Teknologi Sepuluh November

**Abstract.** The informal channel through the secondhand market for reverse logistics activities on handling used cellphones in Indonesia is highly developed. This development is economically beneficial for informal actors, but on the other hand there are dangerous activities for both actors and the environment. This danger occurs especially if the informal actors do not have adequate technology to process the hazardous materials contained in used cellphones as e-waste. One possible solution to reduce unsafe activities in the informal channel is to switch some activities to the formal channel. For this reason, this research explored the possibility of collaboration between formal and informal channels by analyzing the intention differences on used cellphone handling collaboration for the informal actors in Yogyakarta region. A total of 424 actors in the secondhand mobile market as the respondents. The ANOVA results showed that the secondhand market actors for all regions in DIY Province did not provide intention differences to collaborate based on various demographic aspects, except based on treatment behavior towards used cellphone components. Meanwhile the results in each district showed the intention differences to collaborate in Kulon Progo Regency based on marital status and the number of household member, while in Sleman there was the intention difference in collaboration based on treatment behavior towards used cellphone components. These results can be used as a starting point for designing handling collaboration of used cellphones.

**Keywords:** reverse logistics, collaboration intention, informal actors, used cellphones, ANOVA

## THE ROLE OF ACCOUNTING INFORMATION SYSTEMS IN HALAL FOOD SUPPLY CHAIN

Ahmad Baehaqi, Alex Afit Ardiansyah, Donny Setiawan  
STEI SEBI School of Islamic Economics

**Abstract.** This study aims to analyze the application of halal food supply chains and the role of accounting information systems (AIS) in maintaining the integrity of halal food. The research method adopted is descriptive qualitative with literature review and discussed with interactive analysis model by Miles and Huberman. The results show that AIS not only plays an important role in running the operation well, rapid response to consumer desires, and reduced delivery time, but also provides information regarding halal food products. All AIS components - people, procedures, data, software, and information technology (IT)-have a significant part in halal food supply chain. AIS provides information and warnings if there is a potential risk that threatens the integrity of halal food. With the application of the AIS, the halal food supply chain is expected to run more effectively and efficiently.

**Keywords:** Halal Food, Supply Chain, Accounting Information Systems (AIS)

## AUDIT QUALITY ATTRIBUTES AND CLIENT FACTORS

Muhamad Taqi<sup>1</sup>, Rahmawati<sup>2</sup>, Bandi<sup>3</sup>, Sri Murni<sup>4</sup>, Warsina<sup>5</sup>

<sup>1</sup>Universitas Sultan Agung Tirtayasa

<sup>2,3,4,5</sup>Universitas Sebelas Maret

**Abstract.** This study aims to examine and provide empirical evidence of the impact of client size and industry specialization on audit quality and the effect of audit quality on audit fees, reputation and litigation both on audit-detecting misstatement quality and audit-reporting misstatement quality analysed based on client factors. This paper utilises the perspective regulatory theory and signalling theory and is based on quantitative-causality research conducted by survey method. The withdrawal technique/sampling is performed by purposive sampling centred on specific criteria. The results indicate that client size had a significant positive effect on the audit quality-detecting misstatement but does not have any impact on the audit quality-reporting misstatements whereas industry specialization auditors has no effect on the audit quality-detecting misstatement but has a significant effect on the audit quality-reporting misstatements. This study supports the existence of regulations that set guidelines on minimum audit time-frame and the necessity for large and public listed firms to be audited by audit firms registered with OJK and BPK RI and is applicable for regulators. Clients may opt for auditor that charges lower fees but can provide a positive signal for stakeholders or choose an auditor that are registered with BPK or OJK because such audit firms are more acceptable by stakeholders. As for the external auditors, high quality audit is necessary to avoid the risk of litigation in addition to maintaining independence. Empirical studies on the association between audit quality and client factors in Indonesia are scarce and this paper contributes to the determinants of the audit quality literature.

**Keywords** - Audit quality, detecting misstatement, reporting misstatement, auditor specialization, company size, audit fee, reputation and litigation.

**EFFECTIVE GOOD UNIVERSITY GOVERNANCE: GOVERNANCE IMPROVING  
THE QUALITY OF HIGHER EDUCATION INSTITUTION TO REALIZE THE  
WORLD CLASS INSTITUTION  
(EMPIRICAL STUDY ON ACCREDITED A PRIVATE UNIVERSITY IN HIGHER  
EDUCATION SERVICE INSTITUTIONS REGION III 2019)**

Ignatius Edward Riantono, Lusianah, Kevin Deniswara, Archie Nathanael Mulyawan  
Universitas Bina Nusantara

**Abstract.** The purpose of this study is to determine the factors that influence the quality improvement of higher education institutions. This research would be able to contribute to the field of accounting science studies related to management control, internal quality, and good university governance in an institution, especially private university (PTS) which became the object of this study. This research is quantitative research that uses primary data in the form of questionnaires distributed to research objects, namely employees with work areas related to quality assurance, internal audit, academic, and operational. Quality at this time is a phenomenon that requires special attention for a university, especially private universities. This means that private universities, especially private universities, are under the guidance/coordination of Higher Education Service Institutions Region III (LLDIKTI III) to always be directed at quality improvement activities. Because otherwise the private university (PTS) lacked a place in the hearts of the people which ultimately threatened its existence. Thus, the focus of this research is the quality management of higher education related to the study of the influence of visionary leadership and lecturer performance on the quality of private universities under the guidance / coordination of Higher Education Service Institutions Region III (LLDIKTI III). Selected private universities are universities that have very good value and can be a benchmark. It is hoped that the selected private universities can provide a complete perspective on matters that must be considered in order to achieve good university performance. Assessment is carried out or chosen based on the provisions or regulations set by the Indonesian government through the ministries of research, technology and higher education.

**Keywords:** Institutional Quality, Higher Education, Private Universities, Achieving Universities, Higher Education Quality, Good University Governance, Quality Improvement.

**THE EFFECT OF SERVICE PERFORMANCE AND CONSUMER SATISFACTION,  
ON BEHAVIOR INTENTION IN  
FAST FOOD RESTAURANTS IN THE CITY OF SURAKARTA**

Bambang Nur Cahyaningrum, Salman Faris Insani, Yugi Pratiwi  
Universitas Veteran Bangun Nusantara

**Abstract.** This study, aims to determine the effect of satisfaction, service quality, food quality, and price-value ratio, on the intention to behave consumers. This study used 200 respondents. The sample used is the buyer at a fast food restaurant in the city of Surakarta, which has made purchases at least three times. The analytical tool used is SEM (Structural Equation Modeling). The results of this study are: Satisfaction, Quality of service affect the intention to behave. Food quality does not affect consumer intention to behave. Service quality has no significant and direct effect on behavioral intentions. Food quality has a significant and direct effect on satisfaction. The price-value ratio has no significant and direct effect on satisfaction.

**Keywords:** satisfaction, service quality, food quality, and price-value ratio, intention to behave consumers.

# THE EFFECT OF RELIGIOSITY AND EDUCATION ON THE BUSINESS ETHICS OF THE ACCOUNTING PROFESSION IN AUDIT DECISION MAKING

Dian Fitria Handayani, Ade Elsa Betavia  
Universitas Negeri Padang

**Abstract.** This study aims to look at the influence between ethics education and religiosity on audit decisions. The data used are primary data obtained from 160 students of Universitas Negeri Padang. Data analysis method used is multiple regression analysis. The results of the study indicate that religiosity has not been able to provide a significant influence in audit decision making. In contrast ethics education is able to provide a significant influence in audit decision making.

**Keywords:** ethics education, religiosity, audit decisions



# THE EFFECT OF COMPENSATION SCHEMES AND MORAL REASONING ON BUDGETARY SLACK

Nayang Helmayunita, Ade Elsa Betavia  
Universitas Negeri Padang

**Abstract.** This study aims to determine the effect of compensation schemes and moral reasoning on the tendency of lower level managers to take action budgetary slack. The research design in this study was a quasi 2 x 2 laboratory experiment, with master students in management at Padang State University as lower level managers participating in budgeting. The statistical method used to test the hypothesis is two-way ANOVA. This study provides the results that first, the compensation scheme affects the tendency of lower level managers to take action budgetary slack. Second, the level of moral reasoning of lower-level managers influences the tendency to act slack budgeting. (3) The interaction between compensation schemes and the level of moral reasoning influences the tendency of lower level managers to carry out budgetary slack.

**Keywords:** Budgetary Slack, Compensation Schemes, Moral Reasoning.

# ASSESSMENT OF PROPOSED CONTAINER LOADING ALGORITHM FOR FORWARD AND REVERSE LOGISTICS OF ONE DOOR CONTAINER UPON LARGE DATA

Paulina Kus Ariningsih, Titi Iswari, Kevin Djoeneady Poetera, Y. M. Kinley Aritonang  
Universitas Katholik Parahyangan

**Abstract.** This research is to assess a proposal algorithm for simultaneous routing and container loading problem in forward and reverse logistics for one door container which is very common practice in city logistics. The proposal packing algorithm was given optimum result in small dataset and ordinary vehicle routing problem, however, an assessment shall be done to understand its generalization in the larger data set. The assessment was performed in larger data set (container capacity: 800-2500 products and 100-400 customers spot) with input from vehicle routing problem with time windows (VRP-TW). The VRP-TW solution is generated through simulated annealing algorithm, while the packing algorithm was performed by heuristics methods through JAVA programming. Based on the simulation, the performance of container loading algorithm depends on the number of cities visited by a vehicle. Fraction of cost is increasing along with the increment of cities visited by a vehicle. Maximum cost is also increase together with the rise of container capacity, while minimum cost that is generated is 1 fraction of cost. As this study is still on the stage of exploration, algorithm implementation was performed for single size product with hypothetical data. Therefore, a further study with real data can be performed before implementation.

**Keywords:** container loading problem, forward and reverse logistics, algorithm, optimization.

## A STUDY OF FINANCIAL REPORTING SYSTEM IN ROKEL COMMERCIAL BANK

Alimamy Kamara<sup>1</sup>, Sallieu Koroma<sup>2</sup>, Niniet I. Arvitrida<sup>3</sup>

<sup>1</sup>Institut Teknologi Sepuluh Nopember

<sup>2</sup>Fourah Bay College, University of Sierra Leone

<sup>3</sup>Institut Teknologi Sepuluh Nopember

**Abstract.** Financial reporting is a standard practice that provides stakeholders a correct representation of a company's finances, which form part of their revenues, expenses, profits, capital, and cash flow as formal records that make available in-depth understandings into financial information. This study focuses on the financial reporting system of Rokel Commercial Bank in conformity with Sierra Leone's CAP 249 requirements of the Company Act of 2009 and other international professional requirements concerning the effective utilization and its achievement. This work performs investigation and evaluation on the link that exists in the preparation of the account and assess the level of achieving management policies and procedures and its effects on financial reporting system in Rokel Commercial Bank from 2006-2012 in order to achieve its objectives by making sure the annual published accounts are audited by a professional auditing firm. A descriptive approach is used, and analytical aspect of the financial statement of the Rokel Commercial Bank (SL) Limited is investigated. The results prove that beyond all reasonable doubts that despite the influx of new banks in the banking industry, RCB continues to make steady progress in the banking industry in Sierra Leone.

**Keywords:** Financial reporting, Interpretation of financial statement, Internal reporting, Users of Financial statement, Concepts, and convention.

# THE CORRELATION BETWEEN LEVEL OF FINANCIAL LITERACY OF SAVINGS AND LOAN COOPERATIVE MEMBERS TO THE PROFITABILITY OF SAVINGS AND LOAN COOPERATIVES IN SUKABUMI CITY

Vayolla Naurah Shyfa, Elan Eriswanto  
Universitas Muhammadiyah Sukabumi

**Abstract.** Increasing the quantity of cooperatives in Indonesia is not in line with the quality of the cooperatives, especially the profitability level of cooperatives in Indonesia which is relatively low compared to MSMEs. The financial literacy that is now being promoted by the government has a fairly good contribution to the development of Indonesia's economic business. This study aims to determine the correlation between financial literacy level of savings and loan cooperative members to the profitability of Sukabumi city savings and loan cooperatives. Lending for the realization of sustainable development and cooperative reform. This research uses a quantitative method, using data obtained from questionnaire and the data analysis of financial statements of the savings and loan cooperatives Sukabumi city which measured by Return on Equity and Return of Assets and then processed using SPSS 21 with a correlation test on the data. The independent variable of research is the level of financial literacy of cooperative members and the dependent variable, namely the profitability of savings and loan cooperatives. The sampling technique uses probability sampling, namely proportionate stratified random sampling to savings and loan cooperatives in Sukabumi. The lack of knowledge of financial literacy of cooperative members causes the cooperative profitability to be relatively low which this problem cause many cooperative are disbanded.

**Keywords:** Financial literacy, Profitability, Savings and Loan cooperatives, Return of Asset, Return of Equity.

## DETERMINANTS OF POVERTY ON SUMATERA DYNAMIC PANEL DATA ANALYSIS

Heffi Christya Rahayu, J.J. Sarungu, Lukman Hakim, AM. Soesilo  
Universitas Sebelas Maret

**Abstract.** This study aims to analyze the determinants of poverty in the village by focusing on aspects of geography, education, and health. This study focuses on villages located on the island of Sumatra, using Podes data for 4 periods, namely 2006, 2008, 2011 and 2014. This unit of analysis of this study is the village level. The results of the dynamic panel regression study show that the lag variable 1 number of poor people in the village has a significant negative effect on almost all estimation models. In the aspect of geography, the farther a village is from the regency/city capital, the more difficult it is to access the Jamkesmas / Jamkesda card. In the aspect of education, in villages where access to education is increasingly high, the ability of the community to access information, and awareness to utilize Jamkesmas / Jamkesda, is increasingly high. Based on a health aspect, the number of a health center and the number of doctors have a negative effect on the number of poor villagers. Improved educational conditions can certainly increase awareness and capacity of the community to obtain the Jamkesmas / Jamkesda card. The government, both central and regional, needs to intensify efforts to increase the availability of health facilities, especially health center and doctors in the villages.

**Keywords:** Education, Geography, Health, Poverty.

**THE ROLE OF PRODUCER ORGANISATIONS IN LINKING SMALLHOLDER  
VEGETABLE FARMERS TO MODERN RETAIL MARKETS:  
EVIDENCE FROM INDONESIA**

Fanny Widadie  
Universitas Sebelas Maret

**Abstract.** This purpose of this paper is to identify the role or functions of producer organisations (POs) in linking smallholder vegetable farmers to modern retail markets. We used three cases studies of POs to identify their functions using a value chain concept. The interviews were carried out across the entirety of the vegetable supply chain. Focused interviews were conducted regarding the coordination of POs in upstream and downstream chains in the procurement process of vegetables in modern retail markets. In upstream chains (coordination with members), the POs functioned to organise smallholder farmers and servicing their members; while in downstream chains (coordination with the buyers) the POs functioned to increase value and contracting abilities. These functions included lifting the constraints of smallholder farmers by linking them with modern retail markets. In addition, in the context of economic organisations, the POs were shown to reduce transaction costs. A limitation of this study was the small number of case studies examined. Second, the identification of the POs' function was based on success in coordination with the member and buyer, in order to procure the vegetables. To the best of our knowledge, this study is the first that identify the functions of POs through value chain concepts within the modern retail market of Indonesia.

**Keywords:** modern retail, vegetables, Indonesia, producer organisation, value chains.

## THE GIFT: MANA CONCEPT IN CSR MINING CORPORATE

Sanju Waladata, Prihandoko Sanjatmiko  
Universitas Indonesia

**Abstract.** This paper argues for the existence of the “mana” concept behind The Gift of mining corporate CSR practices. During this age the idea of The Gift is always herded in a reciprocity debate over a gift. I see the archaic concept that remains from this discourse in the modern economic era, which is the concept of “mana”. The concept of “mana” as a non-material thing is behind giving a material from one party to another party. The research data was collected through a case study on a mining company that practices the concept of CSR in a community in one of the gold mining operation areas located in West Sumbawa Regency, Indonesia. Data collection techniques through interviews and field observations of parties related to the CSR program of the mining company. The results of this study state the “mana” concept of the ancient societies exchange can be elevated to the practice of The Gift in the modern economic era by diplomatically fix the debates of experts in interpreting of “mana” from the classic ideas of The Gift. Without dismissing the existence of reciprocity over the practice of The Gift corporate CSR, this idea is still based on a symmetrical relationship between individuals and groups in a socio-cultural context. The findings of this concept provide a new understanding to see the exchange practices of corporate CSR.

**Keywords:** *Mana*, CSR, Mining, The Gift.

## WHETHER YES OR NOT THE AIR POLLUTION BE OVERCOME IN INDONESIA?

Desy Kurniawati  
Cheng Shiu University

**Abstract.** The urbanization trend that is still occurring in the city of Jakarta makes the growth of new centers which causes the level of travel mobilization to become even denser. The traffic transportation in big cities is considered to be the biggest contributor to air pollution, apart from the results of the operation of industrial companies and others. In the long term, air pollution can be dangerous for health, the environment and global warming. While, traffic congestion causes poor performance which negatively impacts to the economic productivity, environmental quality, and safety. This study aims to analyze the contribution of each variable in influencing the level of air pollution in Indonesia. The effect of intensity in economic activity on the environment will use the parameters of Gross Domestic Product (GDP). In addition, the amount of fuel consumption for all modes of land transportation, vehicle growth & emissions, population density, foreign direct investment (FDI), and the number of industries in Indonesia. Data were analyzed using the method of Ordinary Least Squares (OLS). The results show that most variables significantly contribute to air pollution.

**Keywords:** air pollution, vehicle emissions, population density, industry, sustainable development.



# INCREASING TAXPAYER COMPLIANCE THROUGH THE IMPLEMENTATION OF AN E-FILLING SYSTEM THAT IS MODERATED BY INTERNET UNDERSTANDING

Moch. Aminnudin, Ali, Subadriyah  
University of Islamic Nahdlatul Ulama

**Abstract.** Taxes are the largest source of state revenue that has many roles. Until 2017 taxes can contribute 85.6% of state revenues. The level of taxpayer compliance in Indonesia is quite alarming and continues to decline, in 2011 taxpayer compliance could reach 97.2%, but in 2014 it fell to 91.6%, and again in 2015 only 82%. The purpose of this study was to determine the effect of the implementation of the e-filling system on taxpayer compliance and to know the relationship between the application of e-filling systems and taxpayer compliance which was moderated by internet understanding. The initial step as the main basis of research is by collecting data. Primary data obtained from the distribution of questionnaires. All taxpayers registered with the Tax Office as the study population. Determination of the sample was obtained by the Slovin formula so that 100 respondents were obtained. The analysis method uses simple linear regression and the Moderated Regression Analysis (MRA) method. The results obtained are that the application of e-filling system has a significant effect on taxpayer compliance and internet understanding is able to moderate the relationship between the application of e-filling systems to taxpayer compliance.

**Keywords:** E-filling, Taxpayer Compliance, Internet Understanding.

**DOES CARBON EMISSION DISCLOSURE MEDIATE THE EFFECT OF ECO  
CONTROL ON ENVIRONMENTAL PERFORMANCE?  
EVIDENCE OF INDONESIAN MANUFACTURING COMPANIES**

Dody Hapsoro<sup>1</sup>, Crescentiano Agung Wicaksono<sup>2</sup>

<sup>1</sup>Akademi Akuntansi YKPN Yogyakarta

<sup>2</sup>Sekolah Tinggi Ilmu Ekonomi YKPN Yogyakarta

**Abstract.** Climate change is one of the global phenomena that becoming a big problem, especially related carbon emission produced by company operational activities. The purpose of this study is to examine carbon emission disclosure on mediating the effect of eco-control on environmental performance. Companies used as samples are manufacturing companies listed on the Indonesia Stock Exchange. The observation period is from the commencement of the Kyoto Protocol's second commitment to date or from 2014 to 2018. Measuring carbon emission disclosure is by using a checklist develop based on an information request sheet from CDP (Carbon Disclosure Project). As assessment of the extent of disclosure is made using the content analysis method. Eco-control consists of three indicators, namely performance measurement, budgeting, and incentives. The indicator was chosen because it represents a controlling tool in the literature developed by management accounting. The data analysis method used in this study is the Partial Least Square (PLS) method using the WarpPLS 6.0 application.

The test results show that eco-control has a positive effect on carbon emission disclosure and environmental performance. Besides that, carbon emission disclosure can mediate the effect of eco-control on environmental performance.

**Keyword:** Carbon emission disclosure, carbon disclosure project, eco-control, environmental performance.

## STRATEGIES AND BUSINESS MODELS FOR SHARING ECONOMY: DIGITAL CREATIVITY

Yuni Rimawati, Atik Emilia Sula  
Universitas Trunojoyo Madura

**Abstract.** This study aims to explore the business strategy of Pesan Antar and present its business model by referring to the economic sharing model between MSMEs Choi et al (2014). Pesan Antar is a business run using social media. The analysis of this research uses the Etnometodology method. The findings of this research are Pesan Antar has done a branding strategy before business activities begin. To maintain the loyalty of the courier, Pesan Antar uses a profit sharing and bonus mechanism, if it meets the target and family-run organization. Strategy to maintain business growth Pesan Antar, by introducing MSME products (though not yet a partner) on their Facebook account and no "fees" when he has become a partner. On the other hand, "the rate" charged to customers is per region. Order system using social media (not an application), make operators, courier, Partners and customers more familiar and loyal.

**Keywords:** Business strategy; Economic sharing; Digital creativity.

# THE EFFECT OF CORPORATE GOVERNANCE MECHANISM AND SOCIAL RESPONSIBILITY ON VALUE OF THE FIRM: EVIDENCES FROM PROPERTY COMPANIES IN INDONESIA

I Gede Adiputra, Cynthia Emmanuela Irawan  
Universitas Tarumanegara

**Abstract.** Value of the firm is a condition that has been achieved by a firm as public trust in the firm, which is an investor's perception of the firm's success. Good Corporate Governance and Corporate Social Responsibility are important keys to determine business success. Through the implementation of Good Corporate Governance and Corporate Social Responsibility, the performance and investment climate can be improved so that the value of the firm increases as well. This study aims to examine the effect of corporate governance mechanisms and corporate social responsibility on corporate value. A sample of 14 Property companies, multiple regression analysis techniques were used to examine the effect of Good Corporate Governance variables measured through managerial ownership, institutional ownership, independent commissioners, audit committees and Corporate Social Responsibility variables on firm value. The results of this study indicate managerial ownership, audit committees and Corporate Social Responsibility have no effect on firm value. While institutional ownership and independent commissioners affect the value of the firm.

**Keywords:** Managerial Ownership, Institutional Ownership, Independent Commissioner, Audit Committee, Corporate Social Responsibility.

# THE ROLE OF HUMAN CAPITAL BETWEEN FOREIGN DIRECT INVESTMENT AND ECONOMIC GROWTH IN INDONESIA

Islahul Amri

Universitas Negeri Islam Maulana Malik Ibrahim

**Abstract.** The Issue of investment and the development of the quality of human resources has become a subject of much more discussion since Jokowi was re-elected as president of Indonesia and is one of the factor to spur economic growth in Indonesia. This study aims to determine the effect of foreign direct investment on economic growth and to determine human capital as a moderating variable on the relationship of foreign direct investment to the economic growth in Indonesia. The variable Economic Growth is measured by GDP growth per capita and Foreign Direct Investment measured FDI Net Inflows percentage as GDP. While the human capital variable is proxied by life expectancy and school enrollment. The data analysis method used is Moderated Regression Analysis (MRA). The study showed that foreign direct investment has insignificant effect on economic growth. While human capital is significantly able to moderate the relationship between foreign direct investment to economic growth.

**Keywords:** Economic Growth, FDI, Human Capital, MRA.

## RELATIONSHIP OF CIGARETTE COMPANIES, MIDDLEMEN AND TOBACCO FARMERS: CORE-PERIPHERY ANALYSIS

Andri Prasetyo, Bhimo Rizky Samudro, Albertus Magnus Soesilo  
Universitas Sebelas Maret

**Abstracts.** This article aims to examine the pattern of relationships that occur between cigarette companies, middlemen and tobacco farmers in the context of the political economy. General facts show that the price aspect is the point where tobacco farmers are structurally dependent on companies and middlemen. This pattern is examined in detail with the construction of the core-periphery principle in political economy. Descriptive approach is supported by literature study and analyzed with content analysis approach. The results obtained are, firstly, the scheme of dependency patterns between companies, middlemen and farmers. Secondly, the government policy in the breaking the chain of structural dependency is investigated. Underlying on these results, this article proposes optimal ways to control the structural linkage between companies, middlemen and tobacco farmers.

**Keywords:** cigarette, companies, middlemen, farmers, core, periphery.

# THE ROLE OF SHARIAH MICRO FINANCIAL INSTITUTION TO REDUCE POVERTY

Eni Setyowati<sup>1</sup>, Siti Aisyah Tri Rahayu<sup>2</sup>

<sup>1</sup>Universitas Muhammadiyah Surakarta

<sup>2</sup>Universitas Sebelas Maret

**Abstract.** Poverty is a multifaceted phenomenon exhibited by food deprivations, physical disability and lack of basic necessities. Poverty can be understood from three broad approaches: income approaches, basic needs, and capability approaches. Sharia microfinance is the convergence of Islamic finance and microfinance. It has great potential to combine Islamic principles that focuses on the poor and disadvantaged with the mission of microfinance to reach the poor and give them financial access. Islamic Microfinance (IMF) is an emerging mode for empowering the poor. This study intends to find out the factors that influence poverty. This study takes a case study of KSPPS or BMT KUBE Colomadu Sejahtera and BMT Amanah Umat in Surakarta. The variables that influence affect poverty are income, gender, customer's education, involvement of family, members in the business (involved: 1, not involved: 0), attended training: 1, did not have training: 0, number of family dependents, customer's age, and the customer's loan to BMT. The method used is the Logit model.

**Keywords:** Micro Financial Institution, Poverty, Logit Model.

# THE EFFECT OF ORGANIZATIONAL JUSTICE ON THE PERFORMANCE OF GOJEK DRIVERS MEDIATED BY JOB SATISFACTION IN YOGYAKARTA

Endah Mayasari, Purbudi Wahyuni, Haddy Suprpto  
Universitas Pembangunan Veteran Yogyakarta

**Abstract.** This study aims to determine the effect of organizational justice on the performance of Gojek drivers in Yogyakarta and the effect of organizational justice on Gojek driver performance mediated by job satisfaction in Yogyakarta. Yogyakarta was chosen as a place of research because of the high level of competition between online transportation service providers such as Gojek, Grab, Anterin, Maxim, Calljack, and Get Indonesia. Measurement using research indicators from Bernardin and Russel (2013), Colquitt et al. (2015) and Robbins (2014). The research approach is a quantitative approach using PLS. The number of respondents was 103 Gojek drivers in Yogyakarta with a response rate of 97.09%. Descriptive analysis results show that the majority of Gojek drivers in Yogyakarta are millennial which are more easily adapted to technological developments. The majority are male, married, and the last level of education is high school. They made the Gojek driver as main job because of flexibility and income exceeding the regional minimum wage. Total 83% of them worked for one to four years since Gojek was present in Yogyakarta on November 2015. The dominant operating area is in Yogyakarta city, which is the center of government and the famous tourist area in Special Region of Yogyakarta. The results of quantitative analysis indicate that there is a positive and significant effect of organizational justice on the performance of Gojek drivers in Yogyakarta and there is a positive and significant effect of organizational justice on Gojek driver performance mediated by job satisfaction in Yogyakarta.

**Keywords:** Organizational Justice, Performance, Satisfaction, Gojek.



# IMPROVEMENT OF REGIONAL TOURISM COMPETITIVENESS USING BUSINESS AND TECHNOLOGY STRATEGY DEVELOPMENT: STUDY CASE IN TOURISM VILLAGE WITH INDEPENDENT CATEGORY, SLEMAN REGENCY, INDONESIA

Utaminingsih Linarti, Latif Khoirul Umam  
Universitas Ahmad Dahlan

**Abstract.** This research aims to determine the business and technology strategy of the tourism village with category of independent in Turi, Sleman Regency. There are three tourism villages with categories of independent, namely Pancoh Tourism Village, Pulesari Tourism Village and Kelor Tourism Village. This strategy is an effort to improve the competitiveness regional tourism. The research method using a matrix of business and technology strategy consisting of determining the value of technological capabilities, business growth potential and market potential. Determination of technological capabilities uses techometrics methods to investigate four integrated technological elements in the process of technological transformation through the Technology Contribution Coefficient (TCC). The value of the business growth potential is determined based on the business position of the tourism village based on the long-term planning of the Sleman Regency government. While the potential market value is based on the market share of tourist visits in the tourism village of Sleman Regency. The results showed that the business and technology strategy of Pulesari Tourism Village is a high level, namely the Star position, while Kelor and Pancoh Tourism Villages are Question Marks positions.

**Keywords:** tourism village; technometric; business and technology strategy.

# INFLUENCE OF ACCOUNTING UNDERSTANDING, TAXATION REGULATIONS, AND USE OF TECHNOLOGY INFORMATION ON TAX COMPLIANCE

Nilam Kesuma, Aspahani, Arfianna Novera  
Universitas Sriwijaya

**Abstract.** Recent developments in the property business indicate potential for better tax revenues. Since 2013, The Directorate General of Tax (DGT) has determined the property sector as one of the priority sectors for extracting tax. However, what is expected by the government is not in accordance with reality. This research was conducted due to the research gap regarding the effect of understanding accounting and tax knowledge on tax compliance. Some studies mention that a taxpayer who understands tax accounting and tax regulations will obey his tax compliance. Other side, a taxpayer who understands tax accounting and tax regulations, and then he will take advantage of loopholes. The purpose of this study is to determine the effect of understanding tax accounting, understanding tax regulations and the use of information technology in improving taxpayer compliance. The study was conducted at a property company in the city of Palembang with a total sample of 80 companies. The sampling method used was purposive sampling. This study uses a survey approach that is distributing questionnaires directly to respondents. The data analysis method uses the Smart PLS version 3. The hypothesis testing carried out the significant value obtained is less than 0.05, the regression model can be used to predict taxpayer compliance or it can be said that understanding tax accounting, understanding tax regulations and utilizing information technology affect the compliance of taxpayers simultaneously. This study supports previous research which says that understanding accounting, taxation regulations and the use of technology affect corporate tax compliance.

**Keywords:** Accounting, Tax, Technology, Tax Compliance

## OPERATIONAL BUDGETTING DESIGN SYSTEM WEB BASE IN SPRING BED COMPANY

Sirajuddin Omsa, Muh. Iskandar Sabang, Muhammad Jayadi  
Politeknik Negeri Ujung Pandang

**Abstract.** The limited human resource potential of spring bed companies in adopting information technology systems is an obstacle for switching from manual budgeting. Manual budgeting has some disadvantages in the form of inaccurate data and inefficiency time. Therefore, a computerized budget system is necessary for company since this system can process data accurately with efficient time. Spring bed companies need an information technology system that is relatively affordable with a standardized quality system to help produce integrated budgeting information as a basis for making appropriate decisions. The purpose of this study is to design operational budgeting system for the Spring Bed Enterprises. This study uses a qualitative approach by conducting a survey method in the spring bed business in Makassar. Operational budgeting system in this type of business includes sales forecasting, sales budget, production budget, finished goods and raw material inventory budget, direct labor budget, factory overhead budget, administrative budget, marketing cost budget, cost of goods sold budget, as well as profit and loss budget. The result of this research is the availability of an operational budget design for a web-based spring bed business.

**Keywords:** Operational budget, Integrated budget system, Spring bed.

## THE PRODUCTION AND TECHNICAL EFFICIENCY LEVEL OF RED CHILI PEPPER IN CENTRAL BANGKA

Rati Purwasih, Novyandra Ilham Bahtera, Yulia  
Universitas Bangka Belitung

**Abstract.** The productivity of red chili pepper in Central Bangka is considered at low level. It can be seen from comparison between the productivity of red chili pepper (35.6 quintal per hectare) and the potential productivity of the genetics of red chili pepper (200-220 quintal per hectare). It is presumed that the business of red chili pepper is technically inefficient. The study aims to analyze factors that affect the production of red chili pepper and the technical inefficiency as well as to determine the level of technical efficient of red chili pepper on smallholders who participate in the agriculture productivity improvement program in Central Bangka Regency. Survey was applied in collecting data with saturation sampling as its sampling method. The criteria of respondents were those red chili pepper smallholders who had involved with the agriculture productivity improvement program. The total respondents were 43 smallholders. Stochastic frontier analysis with the Maximum Likelihood Estimated was used in data analyses process. The study discovered that some factors that affect the production of red chili pepper were seed, land, labor, phosphorus fertilizer, potassium fertilizer, insecticide, and fungicide. Furthermore, the business of red chili pepper was considered as technically inefficient which was shown from the average score of technical efficient, 0.54. It indicated that the red chili pepper smallholders were not able to optimize the use of production factors of red chili pepper business. Finally, the study revealed that side job became factor that could increase the technical inefficiency of red chili pepper farming activity while the frequency of attending the empowerment program and farmer field school were otherwise.

**Keywords:** Food Sovereignty; Red Chili Pepper Smallholder; Sustainability; Technical Efficient.

## REFLECTION THE CONCEPT OF GOING CONCERN AT A VENTURE SALT COMMUNITY

Adi Darmawan Erwanto, Habi Bullah  
Universitas Trunojoyo Madura

**Abstract.** Based on previous studies and research, there is a phenomenon that there are very many challenges and obstacles faced by the society's salt business, including in Madura. This raises questions about the continuity of Madura as a salt island. The purpose of this study is to map the impact of the utilization of geomembrane technology (as a form of innovation) on the society's salt business compared to traditional methods from the perspective of going concern. The results of the comparison of these two methods are greater geomembrane method than using the traditional, both in terms of cost and profit. Even so there are many problems felt by salt farmers, including the low selling price of salt, the high installment of capital loans to buy a plastic membranes, and no perceived contribution from the government to salt farmers.

**Keywords:** Going concern; People's Salt Business; Growth; Innovation.

# PROFIT DISTRIBUTION MANAGEMENT AND ISLAMIC BANKS' MARKET POWER IN INDONESIA

Tastaftiyan Risfandy  
Universitas Sebelas Maret

**Abstract.** Operating in the competitive dual banking market, Islamic banks' behavior often mimics conventional banks. One of the ways to do this is by managing their earnings so that their deposit rate of return could be closely pegged to the conventional banks' deposit interest rate. Farook et al. (2012) define this term as "profit distribution management" or PDM. This paper investigates whether PDM practice in Islamic banks is affected by their market power. Using a sample of Islamic banks from 2009 to 2013 from Indonesia, the most populous Muslim country adopting dual banking market, we find that bank with a high market power are less engage in PDM. This means that, when Islamic banks are able to set high price of their banking product in the competitive market, they are already reach specific market position. In this case, Islamic banks is observed manage their earnings but in the lower intensity. We also provide empirical evidence that other factors such as governance structure and market share of Islamic banks are also matter for the PDM. Some policy implications are discussed.

**Keywords:** profit distribution management, market power, Islamic banks, governance.

## SHARIA GOVERNANCE AND SUSTAINABILITY REPORT DISCLOSURE: THE MEDIATING ROLE OF FINANCIAL PERFORMANCE

Salamah Wahyuni, Falikhatun, Afifah Oki Nilasakti, Milananda Ainun Niswah  
Universitas Sebelas Maret

**Abstract.** The development of sharia system in Indonesia is currently encouraging financial developments mostly in banking. This study examines the effect of sharia governance on sustainability reports disclosure with the Role of Financial Performance Mediation. Sustainability reports disclosure was analyzed using an index on Islamic Social Reporting (ISR). Sharia governance variable used consists of audit board, independent board of commissioners, number meetings boards of directors and sharia supervisory board. Financial performance as a mediating variable is proxied by return on assets (ROA). The analysis technique used multiple regression analysis methods. The research sample from 14 Islamic banks listed in *Otoritas Jasa Keuangan* (OJK) which has complete sustainability reports during 2014-2017 period, so 51 observations were obtained in this study. The results of the study explain the independent variables of sharia governance which consists of independent board of commissioners, number of meetings boards of directors and audit boards with the mediating role of ROA are not significant, while the sharia supervisory board has a significant effect on sustainability reports disclosure. It can be concluded the financial performance proxied by ROA able to mediate sharia supervisory board significantly to the disclosure of sustainability reports.

**Keywords:** Sharia Governance, Sustainability Reports Disclosure, Islamic Social Reporting (ISR), ROA.

# THE ROLE OF LEADERSHIP STYLE IN MEDIATING EMOTIONAL INTELLIGENCE ON EMPLOYEE JOB SATISFACTION IN THE CENTRAL STATISTICS AGENCY OF SOUTHEAST SULAWESI PROVINCE

Nurwati, Rostin, Husin  
Universitas Halu Oleo

**Abstract.** The purpose of this study is to examine and explain the role of leadership style in mediating emotional intelligence on employee job satisfaction at the Central Statistics Agency of Southeast Sulawesi Province. This research approach is a survey method with explanatory research design. Data collection in the study was carried out using an instrument in the form of a questionnaire. The population of this research is the employees of the Central Statistics Agency of Southeast Sulawesi Province as many as 50 people, while the sampling technique used is Accidental sampling. The analytical equipment used for testing hypotheses is Partial Least Squares (PLS). The results showed that the leadership style had a positive and significant effect on emotional intelligence and employee job satisfaction. Then emotional intelligence had a positive and significant effect on employee satisfaction and leadership style. Finally, this research can prove that leadership style acts as a partial mediation (partial mediation) influence between emotional intelligence and employee satisfaction. This means that leadership style is significantly influenced by emotional intelligence and leadership style affects employee job satisfaction and emotional intelligence significantly affects employee job satisfaction.

**Keywords:** Leadership Style, Emotional Intelligence, Employee Job Satisfaction.



**OWNERSHIP STRUCTURE, CORPORATE GOVERNANCE, AND CAPITAL  
STRUCTURE : THE IMPLICATION ON FINANCIAL PERFORMANCE  
EVIDENCE OF CONSUMER GOODS COMPANIES LISTED IN INDONESIAN STOCK  
EXCHANGE**

Yolandafitri Zulvia, Vanica Serly, Dicky Guspinaldi  
Universitas Negeri Padang

**Abstract.** The purpose of this study was to determine the effect of ownership structure, good corporate governance and capital structure on the financial performance of companies in the consumer goods sector, which were listed on the Indonesia Stock Exchange in the 2013-2017 period. The ownership structure represented by institutional ownership and public ownership. Good corporate governance represented by audit committee, a board of directors and independent commissioner and the capital structure represented by DAR. Data analysis techniques using Multiple Linear Regression starts with the Classical Assumption Test. The results showed that: Good corporate governance represented by the audit committee and the board of directors has a positive and not significant effect on financial performance. While the Independent Commissioners have a positive and significant effect on financial performance. The ownership structure represented by institutional ownership has a positive and not significant effect on financial performance and public ownership has a negative and not significant effect on financial performance. The variable Capital structure represented by DAR has a negative effect and is not significant on financial performance.

**Keywords:** Good Corporate Governance, Ownership Structure, Capital Structure, Financial Performance.

**THE EFFECT OF PROFITABILITY ON FIRM VALUE WITH FIRM SIZE AS  
MODERATING VARIABLE IN FOOD AND BEVERAGE SUB SECTOR COMPANY  
LISTED ON INDONESIA STOCK EXCHANGE PERIOD 2014-2018**

Yerisma Welly, Arfan Ikhsan  
Universitas Negeri Medan

**Abstract.** The research's purpose is to know the description of profitability, firm size and firm value, to describe the influence of profitability on firm value and to describe the ability of firm size to moderate profitability with firm value in Food and Beverage Sub Sector Company Listed on Indonesia Stock Exchange Period 2014-2018. The research design used in this research is library research. Data was collected by documentation method. The data analysis techniques used are classical assumption test, qualitative and quantitative descriptive analysis. The result of this research shows that: 1. The average of ROE and PBV decreased and the average of Size increased. 2. The result of simple linear regression test obtained as profitability has a positive influence on firm value. 3. The result of moderating regression test using MRA shows that firm size strengthen the correlation of profitability with firm value. 4. The result of the first hypothesis test indicates that profitability has significant influence to firm value. 5. The result of the second hypothesis test indicates that firm size is able to moderate, but insignificant, the correlation of profitability with firm value in Food and Beverage Sub Sector Company Listed on Indonesia Stock Exchange Period 2014-2018. The result suggests the company should optimize company asset to be not idle, minimizes financial risk, distribute significant dividend to investors and this situation will draw investor's attention to invest in the company.

Keywords: Profitability, Firm Size and Firm Value.

## LIQUIDITY AND REALIZATION OF GAINS AND LOSSES ON AVAILABLE-FOR-SALE SECURITIES: INDONESIAN EVIDENCE

Retno Yulianti<sup>1\*</sup>, Ari Kuncara Widagdo<sup>2</sup>, Doddy Setiawan<sup>3</sup>, and Bambang Sutopo<sup>4</sup>

<sup>1</sup>Universitas Pembangunan Nasional “Veteran” Yogyakarta

<sup>2,3,4</sup>Universitas Sebelas Maret

**Abstract.** Several studies have revealed that gains and losses which is not the main operating income can be used for earnings management or liquidity management. This study aims to examine whether the motivation for the realization of gains and losses on available-for-sale securities (AFS) is net income or liquidity or both. Net income referred to in this study is net income before the realization of gains and losses on AFS securities and before taxes. Liquidity is measured using a loan to deposit ratio. The present study used 443 observations of quarterly financial statements of banks listed on the Indonesia Stock Exchange from 2011 to 2017 and multiple regression analysis. The results of this study reveal that the net income does not affect realization of gains and losses on AFS securities. However, liquidity has a negative effect on the realization of gains or losses on AFS securities.

**Keywords:** earnings, liquidity, gains and losses, available-for-sale (AFS) securities, Indonesia.

# THE EFFECT OF TRADE VOLUME AND INTEREST RATE ON VOLATILITY OF STOCK PRICE

Ni Nyoman Dian Sudewi, Ni Putu Ayu Darmayanti  
Universitas Udayana

**Abstract.** Research in the field of finance has been carried out intended to examine the effect of stock trading volumes, interest rates on stock price volatility and to determine differences in test results in two different types of markets namely developing and advanced types of markets. The location of the study was conducted on the IDX which is a stock market in developing countries and LSE which is a stock market in developed countries. This research was conducted during the period 2014 to 2019. The analysis technique used in this study was multiple linear regression. The results showed different things in the two markets. Trading volume and interest rates have a significant positive effect on stock price volatility on the London Stock Exchange, while variable trading volume and interest rates do not affect stock price volatility on the Indonesia Stock Exchange.

**Keywords:** volatility, stock trading volume, Indonesia Stock Exchange, London Stock Exchange.

## GREEN INVESTMENT: COMPETITIVE ADVANTAGE TO SUSTAINABILITY

Fia Dialysa

Universitas Katholik Parahyangan

**Abstract.** The principle of organizing sustainability is a sustainable development that includes 3 (three) scopes, namely economic, social and environmental. The economic scope is by increasing revenue and minimizing social costs, namely on employee welfare, fair trade/business, and participation in charity programs. A green investment strategy is an investment strategy in securities that applies the concept of green (environmentally friendly and sustainable) under UN regulations on SDGs that cover 17 sustainable development goals. Companies that carry out operational activities with the concept of green or use green management can reduce costs and increase revenue (Molina-Azorin, Claver-Corte et al., 2009). The company's financial activities include investment, funding and asset management. The company's goal in maintaining sustainability (sustainability) is to obtain maximum profit (profit maximization), maximize value (maximizing value) and prosper shareholders. One of the concepts of green is supported by new investment regulations regulated in Article 2 of Perpres No. 16 of 2012 concerning the General Investment Plan included one of them concerning an environmentally friendly investment (green investment). The purpose of this study is to find a green investment model as an effort to build business sustainability. The type of this research is library research. The result of this research is that The Green Investment Model (GIMA = Green Investment Model Approach) as a green investment model towards business sustainability can be implied one of them to the investment value (value or yield of an investment), namely stock returns.

**Keywords:** Green Investment; Competitive Advantage; Sustainability.

## SUSTAINABLE ENTREPRENEURSHIP: CONCEPT FOR SUSTAINABLE BUSINESS (CASE STUDY ON WARUNG KOPI KIWARI)

Mohamad Hadi Prasetyo  
Universitas Katholik Parahyangan

**Abstract.** The objective of this study is to examine the ways in which the concept of sustainable entrepreneurship is for sustainability businesses in the kiwari coffee shop. This type of research used in this study is descriptive. In this research, the descriptive method is to illustrate how the implementation of the concept of sustainable entrepreneurship in Warung Kopi Kiwari based on facts or events. The activities carried out by Farmer Kiwari have three main concepts as a basis for preserving the environment and community welfare, namely environmental conservation, fair trade, and animal welfare standards. The concept was revealed to be the concept of sustainable entrepreneurship which can be divided into three main parts, namely social, economic, and environmental. Warung Kopi Kiwari applies these three concepts with the aim of sustainable business. The concept of sustainable entrepreneurship conducted by Warung Kopi Kiwari is a form of differentiation from other coffee shop concepts. The concept of sustainable entrepreneurship can also inspire people to further raise awareness of social, economic and environmental issues when conducting business activities. Related to the coffee business that is run, Kiwari Farmers has three main concepts that are used as a basis for performance to preserve the environment and public welfare, namely environmental conservation, fair trade, and animal welfare standards (animal welfare standards). Because Kiwari Farmers also empowers mongoose animals intending to produce civet coffee. These three main concepts represent the triple-bottom-line concept which is also revealed to be the concept of sustainable entrepreneurship. Where the concept can be divided into three major parts, namely social, economic, and environmental.

**Keywords:** Sustainable Entrepreneurship, triple-bottom-line, Kopi Kiwari Bandung.

# QUALITY CONTROL OF KNITTED PRODUCTION USING STATISTICAL PROCESS CONTROL METHODS IN BANDUNG CONVECTION HOME INDUSTRY

Resi Juariah Susanto  
STIE EKUITAS Bandung

**Abstract.** Konveksi Bandung is a home industry that is engaged in convection. During the production process, the company still experienced many product defects including sewing defects, screen printing defects, and gross defects. The purpose of this research is to find out the controls carried out, the factors that cause defective products, and the application of Statistical Process Control at Home Industry Konveksi Bandung. The method used is descriptive method. Data collected using observation and interview methods. Processing data using a check sheet tool, causal diagram, histogram diagram, and control diagram p. Based on the results of research from histogram aids performed found on the type of defect that most often occurs in damage as much as 285 pcs and the least is the screen printing damage of 262 pcs. Based on the results of the control diagram p, found the upper access limit (UCL) of 0.030398, the center line (CL) of 0.02216, and the lower access limit (LCL) of 0.013922. The results of the diagram found in the 2018 period in May were 3.64% and August were 3.20%. Based on the results of the analysis, the company must make improvements by supervising employees who are not careful and not careful.

**Keyword:** Quality Control, Statistical Process Control, p Chart.

# THE ANALYSIS OF THE EFFECTS OF INDUSTRIAL GROWTH OF INDONESIAN CRUDE PALM OIL TOWARD THE MACROECONOMIC AND MANUFACTURING INDUSTRY IN INDONESIA FROM THE YEAR 1997 TO 2015

Rosalendro Eddy Nugroho  
Universitas Mercu Buana

**Abstract.** Indonesia, beside Malaysia, is one of the world's largest Crude Palm Oil (CPO) producers in the world. Despite the fact, based on the level of people's welfare Indonesia is still grouped into the middle-income or developing countries. One of many problems faced by the developing countries is a slow rate of industrial growth. The growth of the CPO industry can be said to be very important in measuring the success of economic development. This is because the growth of the CPO industry is one indicator that shows the level of prosperity as a result of the development of large and medium industries (IBS) and small medium industry (IMK). The increasing growth of CPO industry in Indonesia, followed by index of the small medium industry (IMK), national economic growth and rise of interest rate of Bank Indonesia (SBI), can cause Small Medium Industry Growth Index (IBS), Inflation Rate (IF) decrease in the unemployment rate (PGN). The Growth Rate of CPO Industry in Indonesia is relatively high as it reaches two (2) digits from 1997 to 2015 with an average of 12.566 percent per year. The high growth of CPO industry in Indonesia. This has resulted in changes in industrial structure and macroeconomic conditions in Indonesia. The purpose of this research is to analyze factors influencing the growth rate of CPO industry in Indonesia. Based on the calculation of multiple regression analysis, it is found that small medium industry index (IMK), Bank Indonesia interest rate, and the national economic growth rate (GDP) have a positive significant influence [1,170; 0.811; 2,833] to the growth rate of CPO industry in Indonesia. Meanwhile, Large Medium Industry Development Index, Inflation Rate, and Unemployment Rate (PGN) have a negative significant influence [0,436; 2,422; 5,150

**Keywords:** Index Terms-Industrial Growth, CPO, Index of Medium-investment company, Interest rate, National Inflation Rate, Macroeconomy.



## CEO CHARACTERISTICS AND FIRM PERFORMANCE: A MEDIATING EFFECT OF CAPITAL STRUCTURE

Heri Susanto<sup>1</sup>, Imam Ghozali<sup>2</sup>, Dian Perwitasari<sup>3</sup>, Sururi<sup>4</sup>

<sup>12</sup>Universitas Diponegoro

<sup>3</sup>Universitas Sebelas Maret

<sup>14</sup>AA YKPN Yogyakarta

**Abstract.** The purpose of this study to investigate the impact of personal and organizational characteristics of the chief executive officer (CEO) on company performance in the context of the Government Bank in Indonesia and to explore whether capital structure mediates the relationship between CEO characteristics and company performance. In testing the hypothesized model, CEO duality, years of service and personal characteristics (age and gender) were taken as explanatory variables to study their impact on company performance. Data was collected by state-owned banking companies in Indonesia from 2014-2018. The data collected is processed through panel data regression analysis assuming a fixed effect. The results show that quality have a positive effect of confirming performance and data with a dual role more inclined towards debt financing. Besides, a CEO with a longer service life tends to be opportunistic and prioritizes his / her interests when making financial strategy decisions, thereby creating agency costs for the company. Also, CEO characteristics such as age and gender have a significant influence on corporate financial decisions and company performance. Finally, the debt and equity ratio mediates part of the relationship between CEO characteristics and firm performance. The findings of this study have limited generalizations because of the specific nature of the characteristics of the sample. To the author's knowledge, this study is the first to explore the impact of CEO characteristics on the capital structure and performance of Indonesian government-owned banking companies.

**Keyword:** CEO Characteristics, Firm Performance, Capital Structure, State-owned banking, Indonesia

## THE ROLE OF GOVERNMENT OWNERSHIP ON EARNINGS QUALITY: EVIDENCE ACROSS GOVERNMENT AND PRIVATE BANKS IN INDONESIA

Atik Isniawati, Rahmawati, Ari Kuncara Widagdo, Agung Nur Probohudono  
Universitas Sebelas Maret

**Abstract.** This study examines the role of government ownership, both central and regional, on financial reporting quality regarding the characteristics of accounting conservatism, earnings management and capital management. This study uses samples of public and private banks in Indonesia during the period 2011Q1 - 2017Q4. The author uses correlations: (i) non-performing loans (NPL) and loan loss provisions (LLP) to measure conservatism, (ii) earnings before tax (EBT) and LLP to measure earnings management, and (iii) capital adequacy ratio (CAR) and LLP to measure capital management. The authors find that government banks are more conservative than private banks. This is consistent with the objectives of government companies for social and political purposes, not merely aimed at maximizing profits so as to encourage the operation of more conservative counter-cycle regulations. Meanwhile, the two types of bank ownership have been proven to practice earnings management. In general, earnings management is carried out because of the bank's pro-cycle behavior so that when the economy "bust" banks tend to keep stable reported of earnings by regulating LLP and this is contrary to PSAK 55. However, the two types of bank ownership are not indicated to do capital management because Basel I's revision to be Basel II emphasizes risk sensitivity, thereby limiting capital management. This research has practical implications for the type of government ownership that tends to produce higher quality financial reports, especially from the perspective of accounting conservatism, so that these results can be taken into consideration for regulators so that banks behave more counter-cycle behavior.

**Keywords:** Accounting Conservatism, Earnings Management, Capital Management, Government Ownership.

## DOES TAX AMNESTY AND TAX AUTHORITIES AFFECT TAXPAYER COMPLIANCE?

Retno Ika Sundari<sup>1</sup>, Anis Chariri<sup>2</sup>

<sup>12</sup>Universitas Diponegoro

<sup>1</sup>Universitas Widya Mataram

**Abstract.** This study aims to examine the service of the state apparatus (tax authorities) and tax amnesty on taxpayer compliance with tax awareness as a mediating variable. The methodology employed in the study is to questionnaire the main theoretical approach for understanding and tax amnesty, authorities and taxpayer compliance. This paper makes a small but important contribution to theory building by modification and expanding variable affect taxpayer compliance. This is achieved by modification a set of key mediating variable. The main finding of the paper is tax authorities affect taxpayer compliance, tax amnesty affect taxpayer compliance and tax awareness able to mediate tax amnesty against taxpayer compliance. With hindsight, the author wished they had undertaken more in-depth investigation of tax authorities roles in hole performance affect taxpayer compliance. This findings not fully succes to do was mainly because of a shortage of time. This paper has raised a number of important but neglected issues concerning the sociological, psychological and economic factors. The acceptance factor among community institutions is also important to determine both internal and external norms in a society for affect taxpayer compliance. This paper demonstrates the usefulness of taxpayer compliance, including tax amnesty and tax authorities. Also, the paper makes an important contribution highlighting the tax awareness in the context of taxation.

**Keywords:** tax amnesty, tax authorities, taxpayer awareness, taxpayer compliance, fiscus.

# RE-EXAMINE EFFECT OF THE BOARD'S CHARACTERISTICS ON THE FIRM VALUE (EMPIRICAL STUDY ON NON-FINANCIAL COMPANIES IN THE INDONESIA STOCK EXCHANGE)

Edy Supriyono<sup>1</sup>, Nurmadi Harsa Sumarta<sup>2</sup>, Pandji Anoraga<sup>3</sup>, Aprih Santoso<sup>4</sup>

<sup>12</sup>Universitas Sebelas Maret Surakarta

<sup>3</sup>STIE Bank BPD Jawa Tengah

<sup>4</sup>Universitas Semarang

**Abstract.** This study aims to determine the relevance of the Characteristics of the Board of Commissioners and the value of non-financial public corporations in the Indonesia Stock Exchange. This research is driven by the importance of corporate value and the Characteristics of the Board of Commissioners in Indonesia. The Company's Value and Characteristics of the Board of Commissioners in Indonesia are increasingly important as many companies are not able to maintain the value of the company despite having a qualified Board of Commissioners. This research is original because this research hypothesis is different from previous research hypothesis. The hypothesis of this study assumes no influence of the board of commissioners on the value of the company. Using secondary data from annual reports published on the Indonesia Stock Exchange in 2012 to 2016. With the population of 1280 observations, this study collects the sample of 525 observations. Processing data of this study uses the regression method by IBM SPSS 20th version. The study found that the size of the Board of Commissioners, the educational background of members of the board of commissioners, the international experience of members of the board of commissioners, and the industry knowledge of the members of the board of commissioners have no effect on the value of the company. The proportion of independent board of commissioners influences the value of the company. The number of board meetings and the experience of members of the Board of Commissioners negatively affect the value of the company.

**Keywords:** Corporate Governance, Characteristics of the Board of Commissioners, and Firm Value.

**HOW CORPORATE GOVERNANCE MODERATING THE EFFECT OF THE  
PRESIDENT DIRECTOR CHARACTERISTICS TO THE ENVIRONMENTAL  
DISCLOSURE (EMPIRICAL STUDY ON BANK COMPANIES IN THE INDONESIA  
STOCK EXCHANGE)**

Nurmadi Harsa Sumarta<sup>1</sup>, Edy Supriyono<sup>2</sup>

<sup>1</sup>Universitas Sebelas Maret Surakarta

<sup>2</sup>STIE Bank BPD Jawa Tengah

**Abstract.** This study aims to examine moderating role of corporate governance on President Director Characteristics to the environmental disclosure on public bank companies in the Indonesia Stock Exchange. The environmental disclosure represents the implementation of transparency principle in Corporate Governance. We use the data from annual reports published on the Bank Companies in Indonesia Stock Exchange in 2016, 2017, and 2018. With total sample of 21 and 63 observations. The result shows that the Gender President Director, Educational background of the President Director, International experience of the President Director has a positif effect on environmental disclosure and President Director age negatif effect on environmental disclosure. The originality of this research is, we find that corporate governance moderating effect of Gender President Director, Educational background of the President Director, International experience of the President Director and President Director age on environmental disclosure.

**Keywords:** Bank, Corporate Governance, President Director, and Environmental Disclosure.

THE EFFECT OF OWNERSHIP STRUCTURE AND CORPORATE GOVERNANCE OF  
FIRM PERFORMANCE (EMPIRICAL STUDY OF INFRASTRUCTURE, UTILITIES,  
AND TRANSPORTATION SECTOR COMPANIES LISTED ON THE INDONESIA  
STOCK EXCHANGE IN 2015-2018)

Lisa Zakia Tsuroya, Sri Murni, Ari Kuncoro Widagdo, Agus Budiarmanto  
Universitas Sebelas Maret

**Abstract.** This study aims to determine the effect of ownership structure and corporate governance on firm performance. This study takes the population of infrastructure, utilities, and transportation sector companies listed on the Indonesia Stock Exchange (IDX) in 2015-2018. This research is a quantitative research. This study uses a purposive sampling method with final sample of 94 companies. The data collection method uses secondary data obtained from the IDX website. Data analysis techniques used multiple regression analysis which was processed using SPSS software. Based on the testing, the result showed that institutional ownership, board size, frequency of board meeting and leverage influences firm performance. Family ownership, board independence, frequency of committee audit meeting, age and size do not affect firm performance.

**Keywords:** firm performance, ownership structure, corporate governance, family ownership, institutional ownership, board size, board independence, frequency of board meeting, frequency of committee audit meeting.

## THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) IN THE PERSPECTIVE OF ISLAMIC BUSINESS ETHICS

Lili Wardani Harahap  
Universitas Sebelas Maret

**Abstract.** The purpose of this study is to gain knowledge about the role of Corporate Social Responsibility (CSR) in Islamic business ethics is important because the corporate need an ethic in executing their business. In addition, the corporate protects and contributes to society which can influence how the corporate relates to their workers and how the corporate relates to economic agents. In ethical issues can color the relationship between workers and the corporate, especially relating to issues of honesty, confidentiality, and conflicts of interest. Thus, a worker cannot embezzle corporate's money, and also can not divulge corporate's secret to outsiders or others. Whereas the relationship between the corporate and economic agents is a person must negotiate with a fair price or not take profit, use of measuring instruments or weight which are inappropriate, hoarding or manipulating prices, selling or damaged goods, buying stolen goods, prohibition on taking interest or usury and creating a partnership.

**Keywords:** CSR, Islamic Business Ethics, Corporate.

## TAX AGGRESSIVENESS IN FAMILY COMPANIES: THE INDONESIAN EXPERIENCE

Nurul Herawati<sup>1</sup>, Rahmawati<sup>2</sup>, Bandi<sup>3</sup>, Doddy Setiawan<sup>4</sup>

<sup>1</sup>Universitas Sebelas Maret

<sup>12</sup>University Trunojoyo Madura

**Abstract.** The study aims to examine the effect of tax aggressiveness on family companies in Indonesia. This research focuses on heterogeneity of family companies and uses other theories in analyzing family companies to complement agency theory. This study uses a sample of family companies listed on the Indonesia Stock Exchange (IDX) in the 2009-2018 period. This study uses two effective tax rate (ETR) and book tax difference (BTD) proxies for variable tax aggressiveness. Family business is measured by four family involvement variables. In addition, this study includes control variables such as company size, profitability, leverage, foreign operations, plants, property & equipment, intangible assets, years, and industry. The analytical tool used is multiple regression.

**Keywords:** tax aggressiveness, family companies, Indonesia, heterogeneity.



# THE EFFECT OF SERVICE QUALITY, EXPERIENCE AND RELIGIOUS COMMITMENTS ON SHARIA BANK CUSTOMERS: THE ROLE OF CUSTOMER SATISFACTION MEDIATION

Muhammad Cholil, Muthmainah  
Universitas Sebelas Maret

**Abstract.** This study aims to examine and discuss the effect of service quality, customer experience and religious commitment on customer loyalty, with the mediating role of customer satisfaction. The number of respondents consisted of 461 sharia bank customers in the Surakarta area, with convenience sampling techniques. Research analysis using hierarchical regression that was preceded by validity test, reliability test and classic assumption test have been done and the results meet the criteria according to specified standards. The results of the study show that: First, service quality, customer experience and religious commitment have a positive effect, respectively on customer loyalty. Second, customer satisfaction plays a role as a mediating variable partially on the influence of each service quality, customer experience and religious commitment on customer loyalty. Managers, both leaders and / or employees individually and or collectively must periodically and continuously extending efforts to realize customer satisfaction while maintaining and even increasing customer loyalty through improving quality excellence (products and services) and realizing the delivery of a memorable service experience and in the nuances of religiosity which is in accordance with sharia values. Theoretical and practical implications and limitations of research that are considered relevant need to be discussed and used as orientation and direction of research in the future.

**Keywords:** service quality, customer experience, religious commitment, customer satisfaction, customer loyalty

**A STRATEGY TO FACE UP TERRIBLE OFFENSIVE ONLINE-TAXI ATTACK ON  
LOCAL OFFLINE SALOON-CAR TAXI-FLEET COMPANIES IN DIY  
(STUDY ON LOCAL OFFLINE TAXI COMPANIES IN DIY)**

Karyono, Ign.Agus Suryono, Michael Alfonsus Liquori Suryo Sutrisno  
UPN "Veteran" Yogyakarta

Abstract. This research aims to analyze internal and external conditions of local offline taxi companies in DIY that operating a fleet of saloon car, then formulate a strategy after a terrible online taxi attack. The sampling technique used is purposive sampling, respondent in this research is internal management of local-taxi- companies in DIY and 107 Taxi consumer. The analytical tool used in this research is descriptive and strategy formulation analysis using Internal Factor Evaluation Matrix, External Factor Evaluation Matrix, Competitive Profile Matrix, SWOT Matrix, IE Matrix, and Quantitative Strategic Planning Matrix. The results of this study provide 3 alternative strategies for local offline taxi-companies in DIY that operating some saloon car, the first strategy is Liquidation Strategies for saloon-car fleet with economy class design and a low resistance quality; the second strategy is Intensive Strategies: Market Penetration for saloon-car with luxury class design and high resistance quality which has airport as special market; and the third strategy is Defensive Strategies: Divestiture (acquisition) with National Taxi. The practical implication of strategy formulation in this research can be used as a reference in taking stratgic decision for local offline-taxi company in DIY. From this research-mapping result, the data for External Factor Evaluation analysis was taken from internal campany-management. In this research some novelty was made, the strategic formulation process of External Factor Evaluation Matrix in this research took data from general-taxi target-market to know the booth consumer and customer intention to use saloon-car taxi-fleet.

**Keywords:** Strategic, offline taxi, online taxi.

## THE EFFECTS OF TOURNAMENT HORIZON AND THE FREQUENCY OF RELATIVE INFORMATION PUBLICATION ON PERFORMANCE

Muhammad Syam Kusufi, Frida Fanani Rohma, Erfan Muhammad  
Universitas Trunojoyo Madura

**Abstract.** The development of research based on the theory of achievement of motivation successfully showed that the tournament incentive scheme is one of the latest incentive schemes that can encourage employee performance improvement. Therefore, based on social comparison theory (Festinger, 1945) this study aims to investigate the frequency of the tendency to compare themselves with others who are captured through the relative frequency of information publication relative to strengthen the role of the tournament scheme horizon in improving performance. The study was conducted using the method of multi-period genuine experiments with 3x2 factorial design between subjects. Experiments carried out on students as employee counseling to do a simple assignment adopted from Choi et al (2016) with modifications. This study found that individual performance tends to be higher in the hybrid tournament condition rather than both in grand and repeat tournament conditions. Furthermore, better individual performance is under the higher frequency of publication relatively rather than the lower ones.

**Keywords:** tournament incentive scheme, social comparison theory, frequency of publication relatively.

# THE LINK BETWEEN INTERNAL CONTROL AND MORAL REASONING ON ACCOUNTING FRAUD TENDENCY: AN EXPERIMENTAL STUDY ON ACCOUNTING STUDENTS

Umi Mahmudah, Muhammad Syam Kusufi, Frida Fanani Rohma  
Universitas Trunojoyo Madura

**Abstract.** This study investigates to consider the existence of internal control and moral reasoning to commit accounting fraud tendencies. This study uses a 2x2 factorial experiment design between subjects, higher and lower internal control and moral reasoning, on accounting students. Two-Way ANOVA analysis shows that the interaction between internal control and moral reasoning affects the accounting fraud tendency. Both lower internal control and moral reasoning can influence individuals to commit accounting fraud. Accordance Kohlberg's theory the interaction effects proved that moral reasoning has a little role when in the higher internal control conditions. Otherwise, moral reasoning has a greater role when in the lower internal control condition to influence the level of an individual's interest who commit accounting fraud.

**Keywords:** Fraud Accounting Tendency, Internal Control, Moral Reasoning.

# INFRASTRUCTURE AND THE PERFORMANCE OF LOCAL GOVERNMENT ADMINISTRATION

Jaka Winarna, Dody Setyawan, Payamta  
Universitas Sebelas Maret

**Abstract.** This study aims to provide empirical evidence of the influence of infrastructure on the performance of regional government administration in Indonesia. Specifically, this study examines whether local government infrastructure consisting of carrying value (CV) and position of government wealth (POSGW) is useful to explain variations in the performance of local government administration in Indonesia. The research population is all financial reports of local governments in Indonesia that have been audited by BPK in 2009-2013. The sampling method used is purposive sampling method. The data analysis tool used in this study is the panel least square. The results showed that: carrying value (CV) had a positive effect on the performance of local government administration in Indonesia and performance government wealth (POSGW) do not affect the performance of local government administration in Indonesia. The results of this study indicate that infrastructure (CV) in local government in Indonesia plays a role in improving the performance of local government administration.

**Keywords:** infrastructure and the performance of local government administration.

# PERSUING ECONOMIC GROWTH IN INDONESIA: AN ANTECEDENTS AND ITS CONCEQUENCES

I Gede Fery Andhika, Ni Putu Santi Suryantini  
Universitas Udayana

**Abstract.** Regional economic growth is an increase in the long-term capacity of the region to provide economic goods to its population. The financial performance of regional governments is the level of achievement of the government in the field of finance in the management of regional finances that can be measured from the size of the ability of local governments to contribute to the growth of regional income. Regional income is sourced from Local Revenues and balancing funds. Economic growth is a variable that needs to be tested continuously by involving financial and management performance but there is still debate about its contribution to regional development. This study aims to determine the role of local revenue and balance funds to realize financial performance and regional economic growth. This research was conducted in Nine (9) Regencies / Cities in Bali Province using Cross-Sectional Data. Where the sampling method uses saturated sampling that uses all members of the population. Data collection uses non-participant observation methods on financial data of regency/city governments in Bali Province in the 2014-2018 fiscal year with the analysis technique used is path analysis. The results of the study revealed that local revenues and Balancing funds had a significant negative effect on financial performance. Local revenue has a significant positive effect on economic growth. Meanwhile, balance funds and financial performance have no significant effect on economic growth. The research results contribute theoretically to the development of the Gross Regional Domestic Product growth model, while in a practical setting, it provides insight into how planned financial management in sustainable development is contained in the Regional Revenue and Expenditure Budget. Limitations of the study are discussed in the paper.

**Keywords:** Local Revenue, Balance Funds, Financial Performance, Economic Growth.

## MILLENNIALS' PURCHASE INTENTION OF DIGITAL WALLET

Terra Saptina Maulani  
Universitas Katholik Parahyangan

**Abstract.** Customer behavior has been shifting towards digital transactions. However, each generation has different behavior. Millennials are a generation that often interacts with technology development. Various digital wallet brands have sprung up, and the competition is unavoidable. The companies have implemented tactics to reach the market through attractive promotions. It can enhance the positive brand image in the customer's mind and they are interested in using the digital wallet. This study considers OVO application as one of the most popular digital wallets in Indonesia. The aims of this study are to study the nature of the purchase intention of millennials generation by the promotions directly and through the brand image indirectly. This study is a quantitative research. The questionnaires have been distributed as a data collection tool in Bandung (one of the major cities in Indonesia). Data were collected using valid and reliable questionnaires and were analyzed with path analysis. This study revealed that the persuasive advertisement, cashback programs, collaboration with other merchants brands, and direct offers in the shopping center are the factors for the growing used of the digital wallet directly and through the brand image indirectly.

**Keywords:** Millennials, Digital Wallet, Promotion Mix, Brand Image, Purchase Intention.

# CORPORATE SOCIAL RESPONSIBILITY AS A MODERATOR IN THE EFFECT OF SELF EFFICACY TO ENTREPRENEURIAL MOTIVATION

Yuni Siswanti, Ahmad Muhsin, Djono Nurhadi  
UPN "Veteran" Yogyakarta

**Abstract.** Responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organization and practiced in its relationships. The name of this is Corporate Social Responsibility (CSR). The purpose of this study was to examine the effect of self efficacy to entrepreneurial motivation ( $H_1$ ), effect of Corporate Social Responsibility (CSR) to moderated the impact self efficacy to Entrepreneurial motivation ( $H_2$ ). The research method used is descriptive and explanatory survey. Sampling technique used is purposive sampling from 39 entrepreneurs. All of them is woman in Tegaltirto village, Berbah, Sleman, Yogyakarta that joined together in PKK. PKK is program at village level to educate women on various aspects of family welfare. They produced some of handycrafts, snacks, and ginger drinks. Data collection techniques among other things by distributing a questionnaire (questionnaire), limited interviews, and observation. Data collection tool in the form of questionnaire. Validity and reliability testing used to test instruments, and all of instruments was valid and reliable. Analysis hypothesis using regression analysis and hierarchical regression analysis. Based on research results, it can be concluded that self efficacy was positive and significant impact to entrepreneurial motivation ( $H_1$  was supported), Corporate Social Responsibility (CSR) was moderated the impact self efficacy to entrepreneurial motivation ( $H_2$  was supported). Implications for theory and practice are discussed, and areas for future research are explored.

**Keywords:** self efficacy, entrepreneurial motivation, Corporate Social Responsibility.



# THE EFFECT COMPETENCE OF VILLAGE FUND MANAGERS, ROLE OF VILLAGE OFFICIALS AND ORGANIZATIONAL COMMITMENT TO ACCOUNTABILITY OF VILLAGE FUND MANAGEMENT

Puji Nurjanah, Sumaryanto  
Universitas Ahmad Dahlan

**Abstract.** The background of this research is that village funds provided by the government increase every year. In 2016 Sleman Regency 6 villages were late in receiving the first village funding because they had not yet submitted the 2016 APBDes draft and the 2015 APBDes accountability report. The purpose of this study was to obtain empirical evidence regarding the influence of village fund management competencies, the role of village officials, and organizational commitment on the accountability of village fund management. The method of data collection in this study used a questionnaire. The population in this study were 86 villages in Sleman Regency and the study sample was 10 villages in Sleman Regency using purposive sampling. The results of this study indicate that the competence of village fund managers and role of village officials has a positive and significant effect on the accountability of village fund management.

**Keywords:** competency of village fund managers, role of village officials, organizational commitment, accountability of village fund management.

## ANALYSIS OF FACTORS THAT INFLUENCE TURNOVER INTENTION OF COOPERATIVE EMPLOYEES IN KUPANG CITY

Tarsisius Timuneno, Petrus E. de Rosari, Apriana H.J. Fanggidae  
Universitas Nusa Cendana

**Abstract.** The phenomenon of employee turnover is a routine problem that is always faced by the management of cooperative business entities in Kupang City who use employee services in their operations. Efforts to overcome these problems must begin with the effort of identifying and understanding the various factors that trigger turnover intention. Theoretically and supported by some of the results of previous research on non-cooperative business entities, this research is focused on five variables that influence turnover intention including organizational commitment, job satisfaction, job stress, career development and job insecurity. This study aims to determine whether the five variables affect both simultaneously and partially on employee turnover intention and to find out the variables that have the most dominant influence. The results prove that the five variables simultaneously have a significant effect on employee turnover intention. Furthermore, the partial test results (t test) prove that only three variables, namely organizational commitment, job satisfaction, and career development significantly influence the turnover intention of cooperative employees. The three variables that have significant effect, job satisfaction variable has the most dominant influence on turnover intention of cooperative employees in Kupang City.

**Keywords:** turnover intention, organizational commitment, job satisfaction, job stress, career development, job insecurity.

# TYPE TRUCK AND SHIPMENT CHOICE IN CROSS-BORDER FREIGHT TRANSPORTATION USE MICRODATA

Said Basalim  
Universitas Gadjah Mada

**Abstract.** Cross-border freight transportation is increasingly gaining attention in the logistics and goods transportation system in Indonesia. This attention should be increased by the operation of the international freight transportation terminal on the Indonesian and Malaysian land border in Entikong, West Kalimantan. A new approach of disaggregation transportation model is focused on the role and behaviour of decision-makers in logistics decisions including transportation of goods. This paper elaborates two aspects in the transportation of goods and logistics, namely (1) what vehicles the commodity is transported (mode of choice); (2) what is the volume or size of commodity shipment (shipment size). If with the conventional approach, both analyses are carried out in stages, this paper uses an approach that combines analysis of both aspects. This analysis is carried out using the nested logit method. Nested logit is used in the study of choice mode or shipment choice because it has the advantage of the multinomial logit model which is more widely known and simpler. The advantage of the nested logit model of the multinomial logit model is the nature of independence of irrelevant alternatives (IIA). The data used in the analysis are commodity flow microdata at the borders of Indonesia and Malaysia in Entikong, West Kalimantan from 2016 to 2018. With this method, the decision making regarding the transportation of goods and logistics will be analysed to get strategy optimisation by using the rules of efficiency and sustainability.

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURE ON  
FINANCIAL PERFORMANCE ON MANUFACTURING COMPANIES LISTED ON  
THE INDONESIA STOCK EXCHANGE 2015-2017

Indra Setiawan, Nurmadi Harsa Sumarta  
Universitas Sebelas Maret

**Abstract.** This study aimed to examine and determine the influence of corporate social responsibility (CSR) disclosure and financial performance. Financial performance is measured using return on asset (ROA). The sample used in this study is manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017. The sample was selected using a purposive sampling method. The sample obtained during the 2015-2017 period was 273 data. This study used secondary data from annual report and sustainability report. The analysis method that used in this study is multiple linear regression analysis. The results of the study show that CSR disclosure has no effect to return on asset (ROA). Other findings show that of the six CSR disclosure categories only product responsibility categories have effect on ROA. CSR disclosure also does not affect to ROA of companies that have small or large assets.

**Keywords:** corporate social responsibility disclosure, return on asset.

**ANALYSIS COMPARATIVE OF FINANCIAL PERFORMANCE AND INVESTOR  
REACTION IN WINNER COMPANIES INDONESIAN SUSTAINABILITY  
REPORTING AWARDS (ISRA) IN THE YEAR 2016-2018**

Ahmad Nur Aziz, Fatchan Ahyani, Erma Setiawati  
Universitas Muhammadiyah Surakarta

**Abstract.** The purpose of this research is to find out and analyze differences in financial performance and investor reaction in companies that won the Indonesian Sustainability Reporting Awards (ISRA) in 2016-2018. The variables tested in this study were 1) Financial performance measured using the ratio of Net Profit Margin, Return on Assets and Return on Equity, 2) Investor's Reaction measured using Abnormal Stock Returns and Stock Trading Volume. The population in this study is the ISRA Winner Company which was listed on the Indonesia Stock Exchange in 2016-2018. The technique in sampling uses purposive sampling, so that it gets 31 companies. Data analysis uses two types namely paired sample t-test for normally distributed data and Wilcoxon test for abnormally distributed data. In the analysis of data assisted using IBM SPSS 25 software. Hypothesis test results show: 1) Financial Performance using Net Profit Margin Ratio and Return on Assets does not show any difference before and after ISRA announcement, while for Return on Equity shows the differences, 2) The reaction of investors measured using Abnormal Stock Returns and Stock Trading Volume showed no difference before and after the announcement of ISRA.

**Keywords:** Sustainability Reporting, Net Profit Margin, Return on Assets, Return on Equity, Abnormal Stock Returns and Stock Trading Volume.

# STRUCTURAL EMPOWERMENT AND PSYCHOLOGICAL EMPOWERMENT WITH NORMATIVE INTERACTION BASED ON ALTRUISTIC VALUES TO IMPROVE MANAGERIAL EFFECTIVENESS

Panca Tuah Tuha, Badia Perizade, Taufiq Marwa, Agustina Hanafi  
Universitas Sriwijaya

**Abstract.** The purpose of this research is to build a conceptual model normative interaction variable based on altruistic work values as novelty able to bridge the research gap between structural empowerment and psychological empowerment to managerial effectiveness. This research is also expected to examine the normative interaction variables based on altruistic values that can be a solution in increasing managerial effectiveness. And in the end this research can provide solutions in increasing managerial effectiveness through the novelty of intervening variables in the form of normative interaction variables based on altruistic. Adopt compliance theory, which classifies organizations by the type of power used to direct the behavior of organizational members and the types of employee involvement. Types of normative organizational power interact with altruistic values such as coworkers, pleasure, helping people, and socially. Purposive sampling was taken at 121 coal mining companies in South Sumatra Indonesia, namely the mine manager level of each company. Data were analyzed using Structural Equation Modeling (SEM) AMOS 22.0 statistical software to identify measurement models and analysis of causal relationships and the magnitude of the regression as well as for the goodness of fit model. The mediating effect of the variables was tested using the Sobel test analysis

**Keywords:** structural empowerment, psychological empowerment, normative interaction based on altruistic values, managerial effectiveness

# EFFECT OF PROFITABILITY ON DIVIDEND POLICY WITH LIQUIDITY AS MODERATING VARIABLE IN PHARMACEUTICAL SUB-SECTOR COMPANIES LISTED ON INDONESIA STOCK EXCHANGE

Nurlaila, Nur Ahmadi Bi Rahmani, Nurwani, Nur Fadhilah Ahmad Hasibuan  
Universitas Islam Negeri Sumatera Utara

**Abstract.** Dividend policy is an important financial policy for users of financial information, especially management and shareholders. Profit generated by the company will determine the amount of dividends to be distributed to shareholders. The purpose of this research was to test the effect of profitability on partial dividend policy in Pharmaceutical Sub-Sector Companies listed on Indonesia Stock Exchange. The population of this study was as many as 10 Pharmaceutical Sub-Sector companies listed on Indonesia Stock Exchange. The sample of this research amounted to 35 data from 7 companies was selected by using purposive sampling technique. The data was processed by using linear regressions to test the hypothesis that must first be tested classical assumption with SPSS program. The results of this research showed that in the first profitability had influence significant on the dividend policy partially. The second, showed that liquidity was not the moderating variable could weaken or strengthen the correlation of profitability on dividend policy.

**Keywords:** Profitability, Dividend Policy, Liquidity

FAIR VALUE PLAN, PROPERTY AND EQUIPMENT ARE RELIABLE?  
CONCEPTUAL FRAMEWORK ANALYSIS

Sudarto, Rahmawati  
Universitas Sebelas Maret

**Abstract.** One substance of IFRS accounting standards is the presentation of fair value. The involvement of the appraiser profession becomes significant in presenting the fair value of the plant, property and equipment. But on the other hand, that the opinion of the appraiser in any part of the world there are still biases or inaccuracies occur at various levels. This has led to debate from various quarters regarding the quality of financial reports due to the revaluation decision.

**Keywords:** Revaluation, Reliable, PPE, Appraiser, Inaccuration Opinion, Financial Reporting



## POLITICAL CONNECTION AND REINVESTMENT PREFERENCES: A STUDY ON LOCAL FIRMS IN TIMOR LESTE

Moises M. Braganca, Supramono, Harijono, Apriani D. R. Atahau  
Universitas Kristen Satya Wacana

**Abstract.** This study seeks to analyze how politically connected local firms in Timor Leste develop political connection and exhibit their reinvestment preference. By using qualitative approach through direct interviews with local firm owners, we demonstrate the indirect political connection through veteran local firm owners who contribute to all political parties to facilitate the resource acquisition process. Besides, firms with indirect political connection reinvest by choosing business opportunities that offer high and sustainable returns with long return horizon. Conversely, firm owners who build direct political connection have not yet generated benefits as expected. Consequently, not all these firm owners reinvest because they tend to avoid risks as indicated by their investment choices that offer low risk (certain profits) and short return horizon. Overall, delayed reinvestment activities are closely related to bureaucratic obstacles, human resource competence, and the availability of local raw materials. Thus, this study advises the importance of policies that regulate the reinvestment activities of firms that already acquire project contract, the deadline to reinvest, and sanctions for firms that do not reinvest.

**Keywords:** Political Connection, Reinvestment, Local Firms, Qualitative

# THE EFFECT OF RELATED TRANSACTIONS INDICATED TUNNELING TOWARDS THE PROFITABILITY OF INDONESIAN STATE-OWNED BANK

Siti Arifah<sup>1</sup>, Agung Nur Probohudono<sup>2</sup>

<sup>1</sup>Universitas Tidar

<sup>2</sup>Universitas Sebelas Maret

**Abstract.** The purpose of this research is to know the influence of the transaction indicated tunneling to the profitability of State-Owned Bank. Tunneling indications were seen from related transactions in the form of asset acquisition, asset sales, equity sales, and cash payments.

Data processed in the form of transaction data from State-Owned Bank financial statements (annual report). Data obtained through the website of the Ministry of State-Owned Enterprises and the State-Owned Bank website. The statistical analysis used is a regression model to determine the influence of related transactions against profitability using the EViews 9 application.

The results of this research show that there is an influence on related transactions on the profitability of State-Owned Bank both partially and simultaneously. This indicates that the government as the largest shareholder of state-owned enterprises should make regulations regarding the related transactions so that there is no party to be harmed.

Many studies have been conducted regarding related transactions, tunneling and performance companies that generally use private companies as research objects, while in this research authors use the object of State-Owned Bank. Furthermore, the result of this research is expected to provide a picture of consideration for the Government to make regulations about related transactions in state-owned enterprises.

**Keywords:** Related transactions, tunneling, profitability, State-Owned Bank

## DEVELOPMENT OF SELF-CONCEPT, ORGANIZATIONAL AWARENESS, ON RESONANT LEADERSHIP OF WORK ENGAGEMENT

Maulan Aklil, Badia Perizade, Bambang Bemby Soebyakto, Agustina Hanafi  
Universitas Sriwijaya, Indonesia

**Abstract.** This research was conducted as a human resource competency development based on self-concept and organizational awareness of work engagement with resonant leadership as an intervening variable. With one's own self-concept, it produces followers who perform well which are manifested in work engagement. A leader who is able to move his subordinates and is able to align in the rhythm of his leadership must have a self-concept and self-awareness. A resonant leadership is to lead passionately in achieving organizational goals, building harmonious relationships with the people around them. The key to building harmonious relationships is with emotional intelligence. Resonant leadership maps the direction to progress and inspires people in organizations, institutions and society. The population of this study is the State Civil Apparatus in the City of Pangkal Pinang, Indonesia. Purposive sampling technique was used with several criteria as follows: 29 echelon 2 officials, and 116 echelon 3 officials, with a total sample of 145 people. Data were analyzed using Structural Equation Modeling (SEM) statistical software AMOS 22.0 to identify measurement models and analysis of cause and effect relationships and the magnitude of regression as well as for goodness of fit models. The mediating effect of the variables was tested using the Sobel test analysis.

**Keywords:** self-concept, organizational awareness, resonant leadership, work engagement

## CREDIT ACCESS AND WELL-BEING: EVIDENCE FROM INDONESIA

Siti Aisyah Tri Rahayu, Mulyanto, Johadi, Muhammad Yusuf Indra Purnama  
Universitas Sebelas Maret

**Abstract.** In this paper, we investigate how access to credit affect well-being using data from the Indonesian Family Life Surveys. Our theoretical framework emphasizes that access to opportunities, such as credit, has an impact goes beyond money since they significantly affect the dignity, self-esteem, social recognition and future economic perspectives of the borrowers. From our empirical results, individuals who successfully obtained credit significantly increase their probability of being happier. Consistent with the basic components of credit analysis, per capita expenditure has a positive effect on the individual's probability of getting credit. Moreover, people in the urban area benefit from accessing credit more than those in rural area.

**Keywords:** credit access, happiness, Indonesia

# CORPORATE GOVERNANCE MECHANISMS FOR CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE IN MINING COMPANIES

Indah Novita Sari, Nurmadi Harsa Sumarta  
Universitas Sebelas Maret

**Abstract.** This study aimed to examine the effect of Corporate Governance (CG) mechanism which includes the size of the board of commissioners, the proportion of independent commissioners and the number of board of commissioners' meetings on Corporate Social Responsibility Disclosure (CSR) as measured by 91 indicators of the Global Reporting Initiative (GRI) G4 disclosure. This study uses secondary data from company's annual reports. Sampling based on purposive sampling method. The number of research samples is 150 observations on mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2013-2017. The analysis method that used in this study is panel data regression. The result of this research is showing that there is no effect of the size of the board of commissioners, the proportion of independent commissioners, the number of board of commissioners' meetings on CSR. Control variables such as ROA, leverage and firm size also have no effect on CSR, only the firm age has an effect on CSR.

**Keywords:** Corporate Social Responsibility Disclosure, Corporate Governance, board of commissioners

# IS PERFORMANCE ART ORGANIZATION ENHANCE THE ASSOCIATION BETWEEN BUDGET TARGET FLEXIBILITY AND BUDGET PERFORMANCE?

Dian Indudewi, Rahmawati, Agung Nur Probohudono, Muthmainah  
Universitas Sebelas Maret

**Abstract.** Budget actors must use the funding wisely. The contingency factors such as internal and external factors induce managers to do an adjustment that causes a deviation between budget setting and budget realization. Budget actors tend to adopt a flexible budget when they face a turbulence condition. Flexible budget applied in the local government budgeting process. It was hinted in the budget mechanism which local governments can submit the change of regional budget in the middle of the current year's budget in the form of a shift, increase or decrease in the budget. Performance art organization (PAO) which refers to political, managerial, and art skills might be important for budget actors when they try to make a negotiation with their associates or leaders along with the term of budget revision. This paper aims to examine the role of PAO to moderate the association between budget target flexibility and budget performance. Questionnaires were distributed to staff or officials involved in preparing the Regional Budget. The result shows that PAO not proven to moderate the association between budget target flexibility and budget performance. The decision making of budget actors especially in government is limited by law so even they have high political, managerial, and art skills, budget actors have to obey the law. Even though the hypothesis is rejected, this paper contributes to the budget actors' behavior in dealing with budget problems.

**Keywords:** budget actors, PAO, budget target flexibility, budget performance

# THE EFFECT OF INCOME SMOOTHING ON LOAN LOSS PROVISIONS WITH AUDIT QUALITY AS A MODERATING VARIABLE: INDONESIA EVIDENCE

Ari Kuncara Widagdo, Oryza Sativa Heningtyas, Siti Rochmah Ika  
Universitas Janabadra

**Abstract.** The purpose of this study is to prove whether there is an effect of income smoothing on loan loss provisions in Islamic banks in Indonesia and aims to see whether audit quality in Islamic banks in Indonesia can strengthen or weaken the impact of income smoothing on LLP. The dependent variable LLP in this research divides into three, (i) LLP of Islamic Banks, (ii) LLP of sale and purchase agreements, and (iii) LLP of partnership contract agreements. The sample in this study was Islamic banks in Indonesia from 2013 to 2018. The methodology in this study was panel data regression analysis (panel regression analysis) and Moderate Regression Analysis (MRA). The results of the analysis are, first income smoothing has a significant positive relationship with the dependent variable LLP of Islamic banks. Second income smoothing has a significant relationship with the dependent variable LLP sale and purchase agreement, and LLP in the partnership contract agreement. Third Audit quality undermines the relationship weaken Islamic bank income smoothing and LLP, LLP sales and purchase agreements, and LLP partnership contract agreements.

**Keywords:** Loan loss provisions, Income smoothing, Banks, Islamic banking

# THE DETERMINANTS OF INVESTMENT RANKINGS OF FAMILY COMPANIES IN INDONESIA

Yusef Widya Karsana<sup>1</sup>, Rahmawati<sup>2</sup>, Djuminah<sup>3</sup>, Agung Nur Probohudono<sup>4</sup>

<sup>1</sup>Universitas Sanata Dharma

<sup>2,3,4</sup>Universitas Sebelas Maret, Surakarta, Indonesia

**Abstract.** This study aims to analyse the factors that determine investment rankings in public companies owned by families. The factors examined in this study are the proportion of family ownership, family CEO, the portion of foreign leadership, profitability, leverage, firm size, and the ratio of the commissioner board. Research using non-financial public companies listed on the Indonesia Stock Exchange from 2013 to 2017. The sample selection of companies using purposive sampling. The analysis was performed using logit regression with the EVIEWS software. Results of the study showed that the proportion of Family ownership, family CEO Foreign leadership and firm size had a positive effect on investment rankings, while profitability had a negative impact on investment rankings. Research also shows that manufacturing industries tend to have higher investment ratings than non-manufacturing companies.

**Keywords:** Investment Rank, Proportion of Family Ownership, Family CEO, Foreign Leadership, Logit Regression, Indonesia



THE EFFECT OF EMOTIONAL INTELLIGENCE, INTELLECTUAL INTELLIGENCE,  
SELF-CONTROL, AND MOTIVATION STUDENT OF ACCOUNTING CLASS TO  
LEARN THE LEVEL UNDERSTANDING ACCOUNTING INTRODUCTION TO  
ACCOUNTING 1 AND 2

Maidiana Astuti Handayani<sup>1</sup>, Dewi Sukmasari<sup>2</sup>, Betri<sup>3</sup>

<sup>1</sup>Universitas Teknokrat Indonesia

<sup>2</sup>Universitas Lampung

<sup>3</sup>Universitas Muhammadiyah Palembang

**Abstract.** Formulation of the problem in this research is the influence of emotional intelligence, intellect, self-control, and motivation to learn accounting students to the level of understanding of introductory accounting 1 and 2 simultaneously and partially. And aims to determine the effect of emotional intelligence, intellect, self-control, and motivation to learn accounting students to the level of understanding of introductory accounting 1 and 2. This type of research is associative research. This research was conducted in the accounting students of economics and business faculty of University of Muhammadiyah Palembang. The variable in this research is emotional intelligence, intellect, self-control, motivation to learn, and the level of understanding of accounting. Sample in this research is the students of accounting and business economics force from 2012 to 2013. The data used are primary data by distributing questionnaires were distributed to force accounting student from 2012 to 2013. The analysis technique used is quantitative analysis. The results showed that simultaneous intellectual intelligence emotional intelligence, self-control and motivation to learn affect the level of understanding of introductory accounting 1 and 2. The partially emotional intelligence, self-control affects the level of understanding of introductory accounting 1 and 2, intellectual, motivation to learn not affect the level of understanding of introductory accounting 1 and 2.

**Keywords:** emotional intelligence, intellectual, self-control and motivation to learn

## FINANCIAL PLANNING OF WAQF FOR MUSLIM PROFESSIONAL THROUGH ISLAMIC FINANCIAL INSTITUTIONS IN INDONESIA

Sugianto, Nurlaila, Nur Fadhilah Ahmad Hasibuan  
Universitas Islam Negeri Sumatera Utara

**Abstract.** Waqf is a form of worship in Islam that the reward will not break as long as the waqf property utilized, as well as having an economic dimension as an instrument of asset redistribution. Because of this, waqf financial planning becomes significant to realize both the benefits of waqf. This study aims to analyze the implementation of Muslim professional financial planning of waqf through Islamic financial institutions in Indonesia from the perspective of Islamic Wealth Management, especially religiosity financial planning. This study uses qualitative methods with Muslim professionals as the informants. Data collected by distributing questionnaires through social media. The results showed that first, understanding of cash waqf among Muslim professionals was quite good; second, the implementation of waqf through Islamic financial institutions among Muslim professionals have not been well socialized; and third, financial planning of waqf through Islamic financial institutions has not been a priority in the financial planning of Muslim professional.

**Keywords:** cash waqf, financial planning, Islamic financial institutions

# THE IMPACT OF FOREIGN AID ON THE ECONOMIC GROWTH OF SIERRA LEONE

Ibrahim Sorie Kamara, Siti Aisyah Tri Rahayu, Lukman Hakim  
Universitas Sebelas Maret

**Abstract.** Over the years, Sierra Leone had been a major beneficiary of foreign aid from donor institutions in the world. Foreign aid has been an important economic growth factor throughout the history of Sierra Leone. This paper investigates the impact of foreign aid on the economic growth of Sierra Leone. We used a quantitative method to analyze the result of our study. Data employed are from the World Bank open data page and the method of analysis was time series. The results show a positive and significant impact of foreign aid in the economic growth of Sierra Leone. It also shows that the variables used in this paper can 91% explained the dependent variable through the economic growth of Sierra Leone. This study recommends that foreign aid is relevant for economic growth in Sierra Leone and it is among the economy major growth drivers. Better macroeconomic policies and strengthening of relevant institutions may also help to improve the impact of foreign aid received by the country.

**Keywords:** Aid, Economic Growth, Sierra Leone

## FINANCIAL SECTOR PERFORMANCE: EVIDENCE IN TWELVE WEST AFRICAN COUNTRIES

Ibrahim Sorie Kamara, Siti Aisyah Tri Rahayu, Lukman Hakim  
Universitas Sebelas Maret

**Abstract.** Financial sectors are the least developed area in most West African countries, the absence of efficient financial markets put major constraints in economic growth. This study aimed to investigate the financial sector performance in twelve West African countries. The study employed a panel data semi-log model to determine financial sector performance. Data were collected from the World Bank Open data page from 2004-2013. The results show that both variables match the hypothesis showing a positive impact in the financial sector. The result also shows that the variables used in this study are major players of the financial sector in the selected countries. This study recommends as follows; as financial stability generates jobs and improves economic performance; more effort should be made to ensure an effective and developed financial sector system. This is so because limited and inadequate access to credit will limit the contributions of small and medium-sized enterprises to private sector development.

**Keywords:** financial sector, West Africa

## COMPARATIVE STUDY OF CHILI COMMODITY ON VALUE CHAIN ANALYSIS IN JEMBER AND BANYUWANGI REGENCY, EAST JAVA, INDONESIA

Adhitya Wardhono, Yulia Indrawati, M. Abd. Nasir, Ciplis Gema Qori'ah  
Universitas Jember

**Abstract.** Jember and Banyuwangi Regency as one of the biggest chili suppliers in East Java need to make strategic policies so that the production, productivity, and price of chili do not experience fluctuations from time to time. The fluctuating chili price development has implications that maintaining the supply of chili becomes very important in maintaining food price stability. This study aims to provide a description of the chili production and marketing value chain in Jember and Banyuwangi and analyze the determinants of production and price volatility in chili farming. The method used is descriptive quantitative of existing data and tabulation of perception data through in-depth interviews and secondary data collection. The analytical tool used is the value chain analysis, stochastic frontier efficiency analysis (SFA). The results of the study found that the value chain of chili in Jember and Banyuwangi regencies consisted of several marketing distribution channels from upstream to downstream with various behavior of market participants in each chain. In general, the distribution of chili marketing in Jember and Banyuwangi is more dominated by marketing destination areas in several big cities outside the Regency, especially in Java and Bali. Pricing is based on market mechanisms and collective agreements for farmers who partner with collectors and food processing industry companies. The chili market structure tends to be on the oligopsony market which has the power to influence market prices and is concentrated causing little competition between chili traders in Banyuwangi and Jember Regencies.

**Keywords:** Chili, Value Chain, Market, Price

## DOES SENTIMENT AFFECT MARKET PERFORMANCE?

Dian Safitri P. Koesoemasari, Tulus Haryono, Doddy Setiawan  
Universitas Sebelas Maret

**Abstract.** Recently, sentiment has become the focus of study on asset pricing. Theory predicts that if the sentiment is not proportional, it will affect stock valuations and are difficult to arbitrage. To test this prediction, the authors construct a proxy of sentiment and study the impact that it has on return over the period from 2015 to 2017. This study is conducted using dynamic regression. The result indicates that sentiment has a strong impact on return.

**Keywords:** Sentiment, Dynamic regression, return

## FACTORS THAT INFLUENCE THE DISCLOSURE OF RESEARCH AND DEVELOPMENT IN THE COMPANY

Agung Nur Probohudono, Widodo Muktiyo, Khresna Bayu Sangka, Nurmadi Harsa Sumarta  
Universitas Sebelas Maret

**Abstract.** Increasingly complex business competition in which companies are required to prioritize product innovations and business strategies. In this case the company through research and development as an investment in order to maintain consistency and going concern of the company. Research and development are important because it is an added value for the company in addition to maintaining sustainability it also attracts investors. Information on research and development in companies becomes very important because remembering a company must maintain its going concern and profitability. This research connects research and development disclosure with other variables, namely ownership structure consisting of foreign ownership, manager ownership and government ownership. Employees are proxied by the number of the board of directors and the number of female directors. It is hoped that the results of this study will contribute both theoretically and practically. This study uses a sample of 140 manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2015-2017. By using multiple regression contained in the SPSS application, it is expected to know the factors that influence the level of research and development disclosure. It can be concluded from the results of research that almost all variables used affect the level of research and development disclosure.

**Keywords:** disclosure of research and development, stakeholder theory, knowledge based industry

## GOVERNANCE AND LOCAL WISDOM: SOLUTION FOR INTER-REGIONAL CONFLICT IN INDONESIA

Agung Nur Probohudono, Agung Wibowo, Muhammad Muqoffa, Waskito Widi Wardoyo  
Universitas Sebelas Maret

**Abstract.** This study aims at seeking the solution of water governance in the middle of conflicts between two local governments, Karanganyar Regency and Magetan Regency, seen from the aspects of governance and local wisdom. This research was carried out in Karanganyar Regency, Central Java, and in Magetan Regency, East Java. Interview and document analysis methods were carried out to answer the research questions. Water resource governance is the responsibility of the local community living the surrounding water source in Karanganyar and Magetan. This research has proven that conflicts on water resources can be overcome with good governance and local wisdom flourishing both in Karanganyar and in Magetan. Studies on water governance and local wisdom attributable to the inter-regional conflict are rarely carried out in the context of Indonesia, involving two regions.

**Keywords:** Governance, conflict of water management, local wisdom, Indonesia



**DEVELOPMENT OF LOCAL WISDOM REVITALIZATION MODEL IN  
ESTABLISHING THE GOVERNANCE OF WATER RESOURCE AND  
ENVIRONMENT IN THE MIDDLE OF INTER-REGIONAL CONFLICTS (A CASE  
STUDY IN THE SLOPE OF MOUNT LAWU IN KARANGANYAR REGENCY,  
CENTRAL JAVA PROVINCE, AND MAGETAN REGENCY, EAST JAVA PROVINCE**

Agung Nur Probohudono, Agung Wibowo, Muhammad Muqoffa, Waskito Widi Wardoyo  
Universitas Sebelas Maret

**Abstract.** This study aims at developing a water source governance model in the middle inter-regional conflicts. This research was carried out in Karanganyar Regency and Magetan Regency. Observation and in-depth interview were conducted to obtain detailed and holistic information. Water resource governance is the responsibility of the community living around the location of the water source and the government as the stakeholder. The government's preparation of participative governance involves the community as the central point for settling the conflict in the community. Local wisdom as a means of knowledge can be adopted and is effective to reduce community conflict. This research reveals a piece of evidence that water resource conflict can be settled using good governance and local wisdom by paying attention to the stakeholders' supervision and participation in water resource governance and local wisdom. The scrutiny on water resource governance resulting from inter-regional conflict as a result of decentralization, particularly with the samples of two local governments in Indonesia involving in a conflict of water management, is rarely carried out.

**Keywords:** governance, water conflict, decentralization, Indonesia, local wisdom

## THE EFFECT OF FIREHOSE OF FALSEHOOD (FOF) ON INVESTMENT DECISION: AN EXPERIMENTAL STUDY

Y Anni Aryani, Agung Nur Probohudono, Doddy Setiawan, Wahyu Widarjo, Isna Putri  
Rahmawati  
Universitas Sebelas Maret

**Abstract.** Information distribution using available media even without any substantial evidence can influence public's perception. Firehose of Falsehood is a Russian propaganda technique which used a huge amount and massive information repetition to influence public's perception on an issue. This research is an initial research that used experimental method in measuring the effect of Firehose of Falsehood on the investment decision. The results show that this propaganda can minimize individual's intention to continue investment. The results also have practical implication for the government to pay more attention on identical propaganda due to its influence on investment climate.

**Keywords:** Firehouse of Falsehood, investment, decision making

# THE EFFECTS OF POLITICALLY CONNECTED, CEO GENDER, COMPLEXITY, FIRM SIZE AND STATUS OF AUDIT FIRM ON AUDIT FEES

Erma Wulan Sari, Rina Trisnawati, Triyono  
Universitas Muhammadiyah Surakarta

**Abstract.** This study aims to analyze the effect of Political Connection, CEO Gender, Complexity, Firm Size, Status of Audit Firm on Audit Fees. The dependent variable used in this study is Audit Fees. While the independent variable is Political Connection, CEO Gender, Complexity, Firm Size, Status of Audit Firm. The populations in this study are banking companies listed on the Indonesia Stok Exchange in the period of 2015 to 2018. The sampling technique of this study used a purposive sampling method, so that a total sample of 92 companies was obtained. Data analysis technique in this study used multiple linier regression anlysis with SPSS 25. Before the multiple regression analysis was carried out the classical assumption test (normality test, heteroscedasticity test, multicollinearity test and autocorrelation test). Based on the results of hypothesis testing shows that political connection and CEO gender has no effect on Audit Fees and Complexity, Firm Size and Status of Audit Firm has an effect on Audit Fees.

**Keywords:** Audit Fees, Political Connection, CEO Gender, Complexity, Firm Size

## TAX E-FILING AND TAX COMPLIANCE RESEARCHES IN TEN YEARS: A BIBLIOGRAPHY STUDY APPROACH

Diana Airawaty, Wahyu Widarjo, Adhisyahfitri Evalina Ikhsan  
Universitas Sebelas Maret

**Abstract.** This study aims to review the researches on electronic tax filing which have affects to Tax Compliance in accredited scientific journal for 10-year period. The review was conducted against 99 articles relating to e-filing and tax compliance in various countries. The observation period starts from 2010 - 2019. This examination used "Charting the field" and "analyzing the community-citation". The first approach, mapping area includes the selection of articles; Classification of articles by topic, Method and discipline; Journal characteristics; and article characteristics. The second approach, the community analysis of tax scientists in the accounting area through the number of citations. Mendeley and Google Scholar were used to support this study. The research topic of e-Filing taxation revolves around the information technology in taxation system and tax compliance. Most of the researches uses quantitative research methods and analysis tools of Structural Equation Modeling (SEM) and regression. The survey method is dominant followed by research by study of the literature. The variables are mostly from Technology Acceptance Model and UTAUT model meanwhile journal resources are from various journals and conferences. The analysis of citation shows that taxation researches already have contributions in accounting especially in taxation science. Next research should Increase the number of papers for further observation.

**Keywords:** Electronic Tax Filing (e-Filing), Tax Compliance, bibliography

## PERCEPTION OF AUDITORS ON FRAUD DETECTION FROM KOHLBERG'S PERSPECTIVE ON MORAL DEVELOPMENT

Alexander Anggono  
Universitas Trunojoyo

**Abstract.** This study investigates auditors' perception regarding fraud detection. The auditors were selected from several registered public accountant offices in Malang. Questioners were distributed to those offices with 40% response rate or 67 questioners can be collected and analysed. Findings of this study found difference between senior and junior auditor on perceived fraud detection. Further investigation indicates difference between senior auditor with assignment more than 5 times a year and less/equal 5 times annually. Meanwhile, statistical examination on perception of junior auditors on fraud detection does not indicate any difference. Then, all of those findings were elaborated from perspective of moral development of Kohlberg, which suggested that the auditors follow the stages of moral development.

**Keywords:** fraud detection, registered public accountant, senior accountant, junior accountant, Kohlberg, moral development.

## DEVELOPING MULTIPLE CRITERIA SUPPLIER EVALUATION IN SMALL AND MEDIUM ENTERPRISES

Yeni Sumantri  
Universitas Brawijaya

**Abstract.** Small and medium enterprises hold important role to support the Indonesian economy. One of the important things in the management of small and medium enterprises is the availability of raw materials that meet the quality and quantity standards. In order to ensure the availability of supply of raw materials, small and medium enterprises must have suppliers who are committed to delivering raw materials that meet quality and quantity standards. For this reason, small and medium enterprises must have a network of cooperation with reliable suppliers. The large number of suppliers managed by small and medium enterprises provide benefits to guarantee the availability and quality of raw materials. However, the large number of suppliers can also be a source of problems. The source of the problem occurs when several suppliers deliver products that are not in accordance with the agreement. Some problems that often arise are the raw materials are in damaged condition; the delivery delay and the discrepancy between the characteristics of the raw materials ordered and those sent. Therefore, it is necessary to evaluate the supplier so that strategies can be formulated in establishing cooperation with suppliers. By the formulated strategy, it is expected that small and medium enterprises can minimize the problems that occur related to the procurement of raw materials.

**Keywords:** Multiple Criteria, Supplier, Selection, Evaluation, Small and Medium Enterprises

# ANALYSIS OF THE EFFECT OF GOOD CORPORATE GOVERNANCE ON THE VALUE OF PUBLICLY TRADED BANKING COMPANIES

Hari Kusuma Satria Negara

Dian Indri Purnamasari

Universitas Pembangunan Nasional "Veteran" Yogyakarta

**Abstract.** The aim of this research is that the way Good Corporate Governance affects a company's value simultaneously deserves further study. Therefore, this study intends to determine empirically if Good Corporate Governance mechanism has an effect on banking company's value. The population of this study consists of all Commercial Banks listed on the Indonesia Stock Exchange for the period 2010-2013. The sample was selected using a purposive sampling technique in order to collect representative sample data as required. The test results of the samples selected using a purposive sampling technique in Indonesia Stock Exchange could be concluded, managerial ownership has no effect on company value, institutional ownership has an effect on company value, board of Commissioners has no influence on company value, and independent commissioners have an influence on company value.

**Keywords:** good governance, banking company, managerial ownership, board of commissioners, company value.

## SUSTAINABILITY OFFICER IN INDONESIAN LISTED STATE-OWNED ENTERPRISES: THE EMERGING TREND

Elvia Ivada  
Universitas Sebelas Maret

**Abstract.** The purpose of this article is to identify Indonesian listed State-owned Enterprises (SOE) which have officers with sustainability name in their position title or a synonym of sustainability such as CSR or environment. Following the work of Strand (2013), this study also conducts the same method with some modifications. Firstly, the recent study not only uses the corporate website as a data source but also use the company's annual report. Secondly, while the previous study used the data from Scandinavian and the US corporations, this study employs Indonesian corporation's data especially SOE which listed in the Indonesian Stock Exchange. Thirdly, this study applies the Sri Kehati Sustainability Index to determine whether specific companies that have sustainability officer are more likely to be included in the index. The result shows that some of the listed SOE have already administered the sustainability officer in their organizational structure. Further, companies which are more likely to exist in Sri Kehati index are they which employ sustainability officer.

**Keywords:** Sustainability Officer, Indonesian State-owned Enterprise, Sustainability Index



# THE EFFECT OF PERSONAL COST ON WHISTLEBLOWING INTENTION WITH LEGAL PROTECTION AS INTERVENING VARIABLE

Praja Habib Pasangka, Zaki Fakhroni, Indra Suyoto Kurniawan  
Universitas Mulawarman

**Abstract.** Based on findings from Indonesian Corruption Watch, authority abuse is still rife in Indonesia. Every year, the perpetrators of authority abuse in Indonesia are topped by the state civil apparatus. Authority abuse within Samarinda City Government is dominated by the state civil apparatus. With that condition, Whistleblowing System is necessary to prevent the increasement of authority abuse. This study aims to determine the direct effect of personal cost on whistleblowing intention and the indirect effect of personal cost on whistleblowing intention through legal protection as mediator in Samarinda City Government. This study is a quantitative research using primary data. The sample determined using convenience sampling method with a total of 71 respondents working in Samarinda City Government Institution that have experienced corruption in it. Data of this study is analysed using Structure Equation Modeling-Partial Least Square (SEM-PLS) assisted by SmartPLS version 3 program. There is an interesting finding in this study, which is personal cost has a positive and significant effect on whistleblowing intention. This result is not supported by the results of previous studies which stated that personal cost has a negative and significant effect on whistleblowing intention. In addition of the results from this study, personal cost has a positive effect on legal protection, legal protection has a positive effect on whistleblowing intention, and personal cost has a positive but not significant effect on whistleblowing intention through legal protection.

**Keywords:** whistleblowing intention, personal cost, legal protection

## OWNERSHIP CONCENTRATION AND AUDIT QUALITY IN INDONESIA FINANCIAL INSTITUTIONALS

Hanung Triatmoko, Sri Suranta, Sri Murni, Ari Kuncara Widagdo, Rahmawati  
Universitas Sebelas Maret Surakarta

**Abstract.** This paper investigates the effect of ownership concentration on audit quality. The sample of this study were 45 financial institutions listed on the Indonesia Stock Exchange in 2018. The concentration of ownership is measured by the ownership of the largest number of shares, while the audit quality is measured by audit fees and Big 4 auditors. Hypothesis testing used ordinary least square (OLS) regression and Binary Logistic Regression. The result is that the ownership concentration affects audit quality, both measured by audit fees and Big 4 auditors. However, the effect of ownership concentration is more significant when auditor quality is measured by Big 4 auditors rather than audit fees.

**Keywords:** ownership concentration, audit quality, financial institutions

# CORPORATE GOVERNANCE, FIRM CHARACTERISTICS, CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE, AND FIRM VALUE IN THE PARTICIPANTS OF SUSTAINABILITY REPORT AWARD 2014

Rahimah, Hermala Kusumadewi  
Akademi Akuntansi YKPN

**Abstract.** The purposes of this research are to determine the effect of each independent variable of corporate governance, firm characteristics, disclosure of corporate social responsibility (CSR) on firm value. The control variables used in this study are ROA and leverage. This research period ranged from 2014-2018 and the participants are firms participating in the 2014 Sustainability Report Award. Corporate governance is proxied by the proportion of independent commissioners in each firm. Then the firm's characteristics is proxied through the age of the firm which is calculated from the year of establishment of the firm then subtracted by the year of research. While the disclosure of corporate social responsibility (CSR) in each firm's sustainability report is stated in the Corporate Social Responsibility Index (CSRI) required by the Global Reporting Initiative (GRI). The dependent variable firm value is calculated using the Tobins' Q formula. Sampling techniques is using purposive sampling method. The number of samples is 19 companies with the research year 2014-2018. The hypothesis in this research was tested by linear regression. The test results indicate each independent variable as corporate governance, company characteristics, disclosure of corporate social responsibility (CSR) will positively influence the dependent variable. If all independent variables are tested simultaneously, disclosure of corporate social responsibility (CSR) has no effect on firm value.

**Keywords:** corporate governance, firm characteristics, corporate social responsibility (CSR), firm value, sustainability report.

# IMPLEMENTATION AND EVALUATION OF THE PROGRAM SANITATION CAMPAIGN (EVIDENCE IN SEMANGGI VILLAGE, SURAKARTA CITY)

Fajar Budi Harsakti  
Universitas Sebelas Maret

**Abstract.** Sanitation is a basic human need. Some people in developing countries are still difficult to get access the sanitation. If these basic needs are not met then it will disturb the quality of human life conditions. This paper examines the implementation and evaluation of the impact of the village sanitation program in Semanggi Village, Surakarta. This study used qualitative methods with structured interviews. The result of this research is the implementation of sanitation programs can be executed involve the private sector, government, and society. The impact of this program can improve the quality of life of the Semanggi Village community.

**Keywords:** Sanitation, Implementation, Evaluation

## ADAPTIVE LEVEL OF FARMERS ON CLIMATE CHANGE

Barokatuminalloh, Yunastiti Purwaningsih, Tri Mulyaningsih, Akhmad Daerobi  
Universitas Sebelas Maret

**Abstract.** This study analyzes the perceptions and adaptive levels of farmers in dealing with climate change. Climate change has an impact on the agricultural sector that requires changes in behavior to minimize its negative impacts. Perceptions about climate change and the adaptive level of farmers will be the basis of behavior in dealing with climate change. This study used a survey method and the unit of analysis was farmers. The analysis technique used tabulation and analysis of internal and external factors. Research showed that farmers did not understand yet climate change and the problems they faced was related to their farm business (crop yields, crop failures, pest attacks, shifts in planted time, drought and floods) related to current climate change. The adaptive level of farmers based on analysis of internal and external factors showed that farmers who had high adaptability was slightly more compared to farmers who had low adaptability. This condition implies that there is a need to increase farmers' understanding of climate change through easy access to information. Adaptability is enhanced through the optimal use of resources owned by farmers.

**Keywords:** Perception; adaptive level, climate change

**ECONOMIC FEASIBILITY AND ADDED VALUE OF SALTED FISH PRODUCTS  
USING OVEN DRYER WITH RENEWABLE ENERGY IN TANJUNG BINGA,  
BELITUNG, INDONESIA**

Suryandaru<sup>1</sup>, Dwi Wahyu Nugroho<sup>1,2</sup>, Muthia Kamila<sup>2</sup>, Rangga Abdi Nugraha<sup>1</sup>, Garist Sekar Tanjung<sup>1,3</sup>, Hasto Khairru Rahman<sup>4</sup>, Irma Nur Ahmar<sup>5</sup>, Burhanuddin<sup>1,6</sup>, Iwan Irawan<sup>1</sup>, Dedir Agus Setiawan<sup>1,7</sup>

<sup>1</sup>Karya Muda Belitung Foundation

<sup>2</sup>Center of Research and Development Product, Nano Center Indonesia

<sup>3</sup>Gadjah Mada University, Special Region of Yogyakarta, Indonesia

<sup>4</sup>Universitas Indonesia

<sup>5</sup>Universitas Andalas

<sup>6</sup>Universitas Bangka Belitung

<sup>7</sup>Aparatur Desa Tanjung Binga

**Abstract.** Tanjung Binga is the biggest salted fish producing area in Belitung Regency. The abundance of fish enables production of processed fish, especially salted fish that are intended for exports to other islands. However, the problem with salted fish processing is that until now the drying process is conducted in open space using sun drying method. Consequently, the process takes two to three, depending upon the weather conditions and prone to physical contamination. Therefore, this study aims to analyze the economic feasibility of salted fish processing using a portable solar cell dryer and determine the product added value. The methodology used is by evaluating investment feasibility along with its sensitivity analysis and Hayami's method for analyzing the added value of the products. The results indicate that salted fish products have feasibility criteria with a PBP value of 0.48 year; NPV of IDR 3,268,039,778; B / C ratio of 1.37; and IRR of 208.3% in normal condition. In the condition of sensitivity 1, this business is still considered to be in the eligibility criteria. In condition 2, sensitivity (raw material rises, selling price is fixed, total production decreases, interest rates increase) is not feasible. Salted fish products using oven dryer with renewable energy is high value-added criteria. The added value ratio includes the high added value criteria of 45.37% with a value of 12,478 IDR. Thus, salted fish processing business using a drying machine intended for the fishermen and salted fish business operators is feasible to be ran.

**Keywords:** Salted Fish, Economic Feasibility, Added Value, Belitung

## THE DETERMINANT OF BALANCE OF PAYMENT IN SIX ASEAN COUNTRIES

Rizal Syaifudin<sup>1</sup>, Anita Widiastuti<sup>2</sup>

<sup>1</sup> Universitas Sultan Ageng Tirtayasa

<sup>2</sup> Bappeda Provinsi Banten

**Abstract.** This research investigates the determinant factors of balance of payment in six ASEAN countries using Keynesian and Monetary approaches during the period of 2002 to 2017. The regression model is conducted with panel data. This research first examines the influence of relevant economic variables to balance of payment, such as: exchange rate, gross domestic product (GDP), domestic credit, interest rate, and price level. Then, it tests the robustness of the economic variables with the two control variables: political stability and government's consumption expenditure. The Hausman test result shows that Fixed Effect Model is a better model than Random Effect Model. According to this model, some economic variables, such as: exchange rate, and GDP, are consistent to the Keynesian approach. Meanwhile, variable of price level is consistent to the Monetary approach and variable of domestic credit is inconsistent with both Keynesian and Monetary approaches and variable of interest rate shows insignificant. According to the robustness test result, variable of exchange rate and GDP are still consistent with Keynesian approach, while variable interest rate is still insignificant to balance of payment. Variable of domestic credit is inconsistent with both Keynesian and Monetary approaches and variable of price level is consistent with Monetary approach. Variable of political stability shows has a negative relationship with balance of payment, whereas variable government's consumption expenditure is insignificant to balance of payment. This research concludes that Keynesian approach is more appropriate in examining the case of six ASEAN countries.

**Keywords:** balance of payment, Keynesian approach, Monetary approach, panel data.

## SUCCESSFUL CONCEPTUAL MODEL OF SAP ERP IMPLEMENTATION

Tri Joko Wibowo  
Universitas Serang Raya

**Abstract.** The level of maturity of business management by a business organization can be seen from the extent of the adoption of systems & information technology in the company's business processes. One well-known company information system is the SAP (System Application and Product in Data Processing) application. SAP implementation requires a very large investment. However, the company will get great benefits if it is able to implement and use the SAP system properly. Studies on the implementation of SAP in Indonesia are still very limited, especially studies of the factors that influence the success of SAP implementation. This paper is a theoretical study. The resulting model needs to be followed up with research using multivariate statistical models such as SEM (structural equation modelling). The main/latent variables in this research model are 1) the factors that affect the level of satisfaction of users/users of SAP applications as many as 42 measured variables, 2) the factors that influence the successful implementation of SAP applications are 45 measured variables and 3) the factors that influence the successful implementation of the work contract between implementation with SAP user/ user as many as 34 measurable variables.

**Keywords:** SAP, ERP, latent variables, measured variables, SEM



## THE GOVERNMENT INTERNAL CONTROL SYSTEM OF FRAUD PREVENTION IN DEVICE ORGANIZATIONS REGIONAL (OPD) EAST FLORES DISTRICT

Anthon S. Y. Kerih, Umami Faisyah  
Universitas Nusa Cendana

**Abstract.** This study aims to determine the influence of elements of the government's internal control system on fraud prevention. This research is quantitative descriptive. The population in this study is the state civil servants who are in 27 Regional Organizations of East Flores Regency. The sampling technique uses purposive sampling. The data of this study were obtained from the leadership of the OPD, Head of Finance, Treasurer. Data collection in this study using a questionnaire. Data analysis techniques used descriptive statistics, validity tests, reliability tests, classic assumption tests, multiple linear regression tests, and hypothesis testing. The results of this study indicate that partially: Control Environment, Control Activities, Information and Communication, Monitoring has a significant and positive effect on fraud prevention; Risk assessment has no effect on fraud prevention. Simultaneously, the Government Internal Control System has a positive effect on fraud prevention.

**Keywords:** Government Internal Control System, Fraud Prevention

# EFFECT OF INTERNATIONALIZATION, INDUSTRIAL TYPE, AND COMPANY SIZE ON DISCLOSURE CORPORATE SOCIAL RESPONSIBILITY

Frista

Universitas Kristen Duta Wacana

**Abstract.** This study aims to determine the factors that affect the disclosure level of Corporate Social Responsibility by examining the influence of internationalization, industry type, and company size. The sample used are manufacturing companies listed on the BEI during 2013-2015. Data obtained from the company's annual report. This research uses quantitative approach with multiple linear regression analysis. This study shows that the size of one firm has a positive influence on the disclosure of Corporate Social Responsibility. There is no evidence of internationalization and industry-type influence on the disclosure of social responsibility.

**Keywords:** CSR disclosure, internationalization, industry type

## PEER REVIEW ON THE FRAMEWORK PERSPECTIVES IN LOGISTICS AUDIT METHODS

Yohanes Kristantio Wibowo, Eko Wahyu Widodo, Rida Indriyani  
Universitas Sebelas Maret

**Abstract.** The logistics audit is an independent systematic approach of analysis focusing on the statements about activities of entity's operational logistics system which highlight its functional quality and its consistency with the planned assumptions. Therefore, the evaluation and diagnostic methods in logistics audit on the assumptions of effectiveness and efficiency and the congruence of business activities with company's objectives in terms of resources utilization and customer services is a vital part to ensure the health of overall business operation. In fact, warehouse performance is a core of cost and assets management that determine company's value. In this case, auditors are required to examine and evaluate the complexity of logistic strategic management, logistic functions, and logistic processes such as the logistics planning and controlling system, the logistics data processing system, and the whole material flow of the audited company according to the existing methods. There are hundreds of studies in logistics audit that propose theories of overall valuation in the audit performance which created based on the factual frameworks as in the foundation of the logistics audit methods. However, the improvement of research and technological advancements within the appraisal methods used in logistics audit nowadays are also need to be adjusted with the existing framework perspectives concerning the quality control system. With the purpose to describe and evaluate the overall framework perspectives in the recent researched studies of logistics audit methods, we focus to examine the important key perspectives of logistic strategic management, logistic functions, and logistic processes included in the correlated studies within 10 years as listed on Emerald Journals Collection.

**Keywords:** Audit Peer Review, Audit Framework Perspectives, Logistics Audit Methods

# MANDATORY DISCLOSURE REQUIREMENTS OF FINANCIAL ACCOUNTING STANDARDS FOR ENTITY WITHOUT PUBLIC ACCOUNTABILITY: THE CASE OF COOPERATIVES IN INDONESIA

Sartono<sup>1</sup>, Djoko Suhardjanto<sup>2</sup>, Agung Nur Probohudono<sup>3</sup>, Djuminah<sup>4</sup>

<sup>1</sup>Panca Bhakti University

<sup>2,3,4</sup>Universitas Sebelas Maret

**Abstract.** The purpose of this study is to calculate the level of mandatory disclosure requirements in financial accounting standards for entities without public accountability (SAK-ETAP) by cooperatives in Indonesia. Additionally, this study also examines the effect of company characteristic (company size, liquidity, profitability, leverage, type of auditor, and number of members) and the level of mandatory disclosure requirements. Multiple regression analysis used to examine the effect of company characteristics on the level of mandatory disclosure requirements, from 103 samples cooperatives. The results show that the average level of mandatory disclosure was still low, while the result of the multiple regression analysis prove that type of auditor, company size has a significant positive effect on the level of mandatory disclosure requirement, whereas the variables of liquidity, profitability, leverage, and number of owners were no effect on the level of mandatory disclosure requirement. This research contributes to the financial accounting literature by providing empirical evidence about the accounting practices of SMEs, especially cooperatives in Indonesia. This finding is also useful for stakeholders, especially managers in financial reporting policies. The research on mandatory disclosure requirements in SAK ETAP by the SMEs especially cooperatives has never been done in Indonesia.

**Keywords:** Financial statements, disclosure index, SAK-ETAP, company characteristics.

# INSTITUTIONAL OF MARINE FISHERY'S PRODUCTION AND DISTRIBUTION IN KANGEAN ISLANDS

Kurniyati Indahsari  
Universitas Trunojoyo Madura

**Abstract.** Institutional of production and Distribution greatly affect the income and welfare of actors in marine fishery supply chain. Therefore, the institutional strengthening of marine fishery's production and distribution is a must. This research aimed at identifying the existing and needed institutional of marine fishery's production and distribution in Arjasa, Kangayan and Sapeken sub districts in Kangean Islands in order to formulate its institutional strengthening priority. Structured interviews with 102 respondents were conducted to measure the quality and quantity level of institutional of marine fishery's production and distribution using Likert scale. Important and Performance Analysis was used to determine institutional strengthening priority. Research showed that marine fishery in Arjasa and Kangayan are produced traditionally and product distribution is variative but locally limited in the Kangean Islands. Meanwhile, marine fishery production in Sapeken is more modern and distribution channels has been penetrated outside the islands. This condition causes the income of marine fishery supply chain actors in Arjasa and Kangayan are lower than the actors in Sapeken. So that, it is reasonable that the institutional needed in Kangayan and Arjasa is the quantity and quality improvement of fish catchment tools suppliers for production, the traders who distribute the products outside the islands, as well as fish product processors. In Sapeken which is more focused in catching and trading live and fresh fish tends to need more qualified fishermen and unsold fish processor. Important and performance analysis resulted the priority of the production institutional strengthening, i.e., the improvement of fishing laborers quantity, the knowledge and skills of fishermen, and capital provider. Meanwhile, the priority of the distribution institutional strengthening is the quantity and quality improvement of fishery product processors and consumers within and outside the islands.

**Keywords:** Institutional of Production, Institutional of distribution, marine fishery supply chain

## FACTORS AFFECTING PERCEIVE VALUE OF LUXURY ADVENTURE TOURISM PRODUCTS

Agung Hari Sasongko, Zunan Setiawan, Abdullah Umar  
Universitas Bina Nusantara

**Abstract.** This study is development of advanced empirical research on factors affecting perceive value of luxury product adventure tourism. The objectives of the study examined the factors of self-identity, hedonism, and materialism of the perceive value luxury of adventure tourism products. Tests in this study using multiple regression analysis. The respondents of this study are 250 individuals who have undertaken luxury group adventure tours products in the past year. The results of this study reveal that self-identity, hedonism, and materialism have a positive and significant influence on perceive value luxury of adventure tourism products.

**Keywords:** self-identity, hedonism, materialism, perceive value, luxury

## DISRUPTIVE INNOVATION VOLUNTARY DISCLOSURE INDEX

Indrian Supheni, Agung Nur Probohudono  
Universitas Sebelas Maret

**Abstract.** Voluntary disclosure is anything that is published outside the mandatory regulations. Disclosure of this type of information does not follow applicable rules and is not binding. The company is free to present any information deemed useful and relevant to the company's internal and external needs. Disclosure of company information that is the focus of this research is Voluntary Disruptive Innovation. Disruptive innovations are innovations that help create new markets, disrupt or damage existing markets, and ultimately replace previous technologies. Voluntary Disclosure of Disruptive Innovations in this study can be defined as disclosure of the implementation of disruptive innovations from companies to the public. This study aims to define the concept of disruptive innovation, the second is to determine the dimensions and indicators that form the index of voluntary disclosure of disruptive innovation. This research uses a qualitative approach. Data collection methods are through literature review, interviews with experts and focus group discussions. The researcher examined the characteristics of the quality guidelines for the GRI Standard financial statements, which included disturbing innovations. In this study, a disturbing innovation disclosure index was formed consisting of 3 groups, namely economic, social and environmental. The implications of the results of this study are expected to contribute theoretically and practically to be able to use the Disruptive Innovation Voluntary Disclosure Index as a guide to present complete information.

**Keywords:** Disruptive innovation, voluntary disclosure, Disruptive innovation disclosure index

VALIDITY TEST OF STOCK VALUATION WITH PRICE EARNINGS RATIO (PER)  
AND DIVIDEND DISCOUNT MODEL (DDM) AT GO PUBLIC COMPANIES IN  
INDONESIA (CASE STUDY OF COMPANIES REGISTERED IN THE KOMPAS 100  
INDEX 2011-2017)

Destavannya P.H.P, Heru Agustanto  
Universitas Sebelas Maret

**Abstract.** This study aims to measure the validity valuations of stock price using Price Earnings Ratio (PER) and Dividend Discount Model (DDM) approaches with stock price of companies registered in Kompas100 in 2011-2017. The method used is descriptive and quantitative statistics to shown the characteristic sample, and the measurement of validity accurate estimation models, using statistics standard deviation, coefficient variation (CV), and different mean-test. The result of the test shows that Dividend Discount Model method is more accurate estimation than Price Earnings Ratio. Stock price estimation using Dividend Discount Model has less average deviation, CV, and significant different mean-test estimation than using Price Earnings Ratio.

**Keywords:** stock valuation, dividend discount model, price earnings ratio



**THE INFLUENCE OF CORPORATE GOVERNANCE STRUCTURES ON  
DISCLOSURE OF HEALTH AND SAFETY IN INDONESIA  
(EMPIRICAL STUDY OF NON-FINANCIAL BUMN COMPANIES PERIOD 2015-2017)**

Achmad Budiman Rosadi, Agung Nur Probohudono  
Universitas Sebelas Maret

**Abstract.** This study aims to look at the effect of corporate governance or often called corporate governance on the practice of disclosure of social responsibility in the form of occupational health and safety. The development era of the company and the management system are also increasingly developing. In Indonesia, many companies use natural and human resources as business activities and the company has gone public. Companies that carry out activities that have the potential to have a relationship with the community must have a social responsibility. This social responsibility is often called Corporate Social Responsibility. This study aims to look at the effect of corporate governance or what is often called corporate governance on the practice of health and safety disclosure which is part of corporate social responsibility disclosure. The research method used is multiple linear regression analysis using panel data with E-view 9.0 program. Corporate governance in this study was implemented by the size of the members of the board of commissioners, the proportion of independent board members, the proportion of women board members and the size of the audit committee. The results of this study are the size of the members of the board of commissioners, the proportion of members of the board of independent commissioners, the proportion of members of the board of commissioners who are independent and the size of the audit committee have a positive influence on the practice of health and safety disclosure.

**Keyword:** Corporate social responsibility, Health and safety disclosure, Corporate governance

# THE ISLAMIC ECONOMIC DEVELOPMENT IN INDONESIA TIME RANGE OF 2004 TO 2017

Ahmad Farras Adibuddin, Doddy Setiawan  
Universitas Sebelas Maret

**Abstract.** This research describes the recent development of Islamic economics research using Indonesia context. Samples of the study based on article published in the national accredited journals in Indonesia from 2004 - 2017 periods. There are 184 articles regarding Islamic economics. This research follow charting the field method as suggested by Hesford et al. (2007). We classify these articles based on research field, discussion topic, and research method. The result of this research shows that there is an increase number of articles on Islamic economics in Indonesia published on national-accredited journals. The research field which is mostly studied is the banking field and the topic related to disclosure is mostly studied.

**Keywords:** Islamic economics, bibliography, analytical method, literature studies, survey method.

# DOES THE EFFICIENCY OF INTELLECTUAL CAPITAL HAVE AN INFLUENCE ON STOCK PRICE CRASH RISK?

Adelia Dyaning Pratiwi, Agung Nur Probohudono  
Universitas Sebelas Maret

**Abstract.** The environment of industries growth has undergone turbulent change, making intellectual capital serves as a more important role in achieving superior performance. The purpose of this paper is to find out relationship between intellectual capital and stock price crash risk in the future. This study empirically analyzes the impact of efficiency of intellectual capital on stock price crash risk using 30 sample of manufacturing companies listed on Indonesia Stock Exchange (IDX) in the period of 2017-2018. To test the research hypotheses, regression analysis is applied. The results show that intellectual capital negatively affects stock price crash risk in the future. The findings show that disclosure of intellectual capital is an important thing to do to reduce information asymmetry that causes crash to stock prices. The research is expected to give additional literature for intellectual capital topic and stock price risk management.

**Keywords:** intellectual capital, stock price crash risk

## CLIENT'S FIRM SIZE, AND AUDIT QUALITY

Yety Anggraini, Adya Puspita A, Whilis Aziz Panji P  
Universitas Sebelas Maret

**Abstract.** Audit quality is a function of the auditors' education, training, and knowledge of professional standards, as well as their independence and objectivity, their knowledge of the client's business operations and industry, and the audit team's working. This study aims the capacity of Client's firm size on audit quality. This study is quantitative study using secondary data taken from Indonesian Stock Exchange (IDX) website that is manufacture companies listed from 2015-2017. This research uses purposive sampling method, and done data analysis that are descriptive analysis, classical assumption test, and regression test. After do the purposive sampling method, 50 manufacturing companies listed on IDX were selected as sample of this study. The abnormal working capital accruals used as a proxy of audit quality. The results show that client's firm size has significantly positive capacity toward audit quality. The small number of samples in this study makes the result not generalizable for other companies in other industry besides construction and building industry.

**Keywords:** Client's Firm Size, Audit Quality, Auditing

## THE INFLUENCE OF YOUTUBERS AND SELEBGRAMS'S TAX KNOWLEDGE ON TAX PAYMENT COMPLIANCE

Dian Perwitasari, Patar Andreas, Rachma R.Mayangsari, T.Afifah SA, Tria Ayu P  
Universitas Sebelas Maret

**Abstract.** This paper aims to explore the level of youtubers and selebgrams's tax knowledge that influence their tax compliance. This paper approach with media exposure method in online news. Lack of youtubers and selebgram's tax knowledge result in low level of tax payment compliance. This probably can be explained cause lack of socialization about rate of taxation on income received and not supported by tax constitution that specific regulate concern on youtubers and selebgrams's tax. Limited research time and research methods that only use media publications so researchers cannot access further and add valid responses from relevant parties. This study enriches the limited literature of tax compliance from the perspective of developing countries, particularly Indonesia and adds to the limited literature internationally from youtubers and selebgrams's tax payment compliance

**Keywords:** Tax Knowledge, Youtubers, Selebgrams, Tax Compliance

## PERFORMANCE IMPROVEMENT OF SKIPJACK FISH SUPPLY CHAIN USING SUPPLY CHAIN OPERATION REFERENCE (SCOR)

Afni Khadijah, Tauny Akbari, Wahyuda  
Universitas Banten Jaya

**Abstract.** This Research aims to analyze the activity of the skipjack fish distribution process, calculate the Performance Value of Supply Chain Management actors with the SCOR (Supply Chain Operation Reference) model, and propose problems to improve supply chain flow or supply chain management. The initial hierarchy model of performance measurement is adjusted to the conditions at the Binuangeun Fishing Port location to measure supply chain performance. This Research is using SCOR Method as a standard indicator to help companies build current supply chain performance, which will be evaluated and compared with other companies in the same industry. The importance of performance attributes is measured based on subjective questionnaire assessments. The actual value of reliability is 84.6%, responsiveness is 13 days, agility is 30% and assets are 4 days. Then to improve performance, identification was done with a fishbone diagram to better know the root causes of the problems.

**Keywords:** Skipjack Fish, Supply Chain Management, Distribution, Performances, SCOR

## SHAPING STRATEGIC FOODS' PRICES: AN EVIDENCE FROM SOLORAYA

Jalu Aji Prakoso<sup>1</sup>, Risca Dwi Jayanti<sup>2</sup>, Muhrom Ali Rozai<sup>3</sup>, Khresna Bayu Sangka<sup>4</sup>

<sup>1</sup>Universitas Tidar

<sup>2</sup>Universitas Sebelas Maret

<sup>3</sup>IAIN Surakarta

<sup>4</sup>Universitas Sebelas Maret

**Abstract.** Final market prices' volatility for strategic food product were correlated with several factors. This paper was obtained to identify the the commodity prices that are formed at the final or user / consumer level are very dependent on the efficiency of the distribution activity. The efficiency of commodity distribution activities or known as "trading system" is greatly influenced by the length of the distribution chain and the size of the profit margin set by each distribution chain. The shorter the distribution chain and the smaller the profit margin, the more efficient the distribution activities will be. In addition, the efficiency of commodity distribution activities is also influenced by the condition of the transportation sector. This research conducted quantitative approach, analyzed statistics and primary data from the field to determine whether the theory used to predict is true or not and also used to support analysis such as Herfindal Hirscheman Index (HHI), Contrentation Ratio (CR), and Minimum Efficiency Scale (MES) analysis. The study found that, the disruptions to the transportation sector that result in increased costs and delivery periods will have a negative impact on distribution efficiency. The disruption can be in the form of fleet scarcity, a decrease in the quality of infrastructure, natural disruptions such as floods and landslides. For this reason, the efficiency of commodity distribution needs to be supported by the efficiency of the transportation sector. Two factors that greatly influence the formation of food/agricultural commodity prices, namely the production/harvest factor (harvest disturbance) and storage behavior (inventory/behavior). Concentration affects profit not only directly through collusion, but also indirectly through non-price competition.

**Keywords:** price shaping, volatility, distribution, food products.

## MANAGEMENT CONTROL SYSTEM OF BUMN MINISTRY OVER THE RADICALISM'S ISSUES

Estetika Mutiaranisa, Alexandre Gazetta, Azza Mahandani Wardah, Made Anggi Dian Lestari,  
Mochamad Husni Wahdana, Vina Murtisari  
Universitas Sebelas Maret

**Abstract.** This study aims to examine the implementation of the management control system used by BUMN Ministry on radicalism's issues in Indonesian state-owned companies. This paper adopts qualitative method via the study of documents and textual analysis of radicalism's issues that happened in Indonesian State-Owned Companies and "Ideologi Pancasila". The paper provides information that there are several strategies undertaken by BUMN Ministry in preventing radicalism issues in Indonesian state-owned enterprise companies. They are focusing on recruitment system and human resources management. Moreover, they are making MOU with BNPT and BPIP to signing a contract of understanding. Findings of the paper provide that all of the Indonesian state-owned companies aware on issues of radicalism that occurred. The paper offers "Ideologi Pancasila" on the issue of radicalism that happened in BUMN Ministry.

**Keywords:** BUMN Ministry, Radicalism Issues, Management Control System.



# ANALYSIS OF FLOOD AND DROUGHT IMPACTS ON FOOD VULNERABILITY ON THE BENGAWAN SOLO WATERSHED

Amelia Choya Tia Rosalia  
Universitas Sebelas Maret

**Abstract.** Food vulnerability in Indonesia influenced by climate, and this increases the household vulnerability against food insecurity. This study examines floods and drought effects on food vulnerability in the Bengawan Solo watershed. This research was conducted in 17 regions consisting of upstream, middle and downstream which consisted of Central Java Province and East Java Province. Based on analysis modeled from the Indonesia Department of Agriculture and Food Security, to calculate the food vulnerability index, the study was conducted by indexing the component that influences. The implementation of the index using the analysis formula and also expert judgment. Data analyzed from these indicators are used to produce updated vulnerable components in the Bengawan Solo watershed. The analysis found that watersheds have varying degrees of vulnerability to drought and flooding. This study provides advice on making policy decisions so that support food security.

**Keywords:** Food vulnerability, watershed, food security.

# IMPACT OF TAX AMNESTY, MODERN ADMINISTRATION SYSTEM, THE TAXPAYER ATTITUDES, SUBJECTIVE NORMS AND CONTROL BEHAVIORAL CONTROL ON TAXPAYER COMPLIANCE

Sri Risma Yenny<sup>1</sup>, Aminah<sup>2</sup>

<sup>1</sup>STIE Prasetya Mandiri Lampung

<sup>2</sup>Universitas Bandar Lampung

**Abstract.** This research aims to find empirical evidence of the effect of tax amnesty (TA), modern administration system, (MAS) the taxpayer attitudes, subjective norms (SN), and behavioral control (BC), to taxpayer compliance (TC) on individual taxpayers in Lampung Province. The object chosen is the taxpayer who already has an NPWP in Lampung Province. The data used are primary data obtained by distributing questionnaires to respondents with Likert scale. The sample in this study were 95 people. Samples were taken randomly (random sampling). This research is a quantitative research with warpPLS 3.0 test equipment, to process data obtained from questionnaires. The results of this research show that the results of this study indicate that all variables studied have a significant effect on tax compliance.

**Keywords:** TA, MAS, BC, Taxpayer Compliance

## INFLUENCE OF TRANS-PACIFIC PARTNERSHIP VERSUS CHINESE GIANTS: ILLUSION OR REAL ECONOMIC MASTERY?

Ana Shohibul MA, Agustinus Suryantoro  
Universitas Sebelas Maret

**Abstract.** The Trans-Pacific Partnership (TPP) as one of the economic power pacts in Asia Pacific and Latin America that built the economy by combining several regions in an agreement. In addition to economic motives, the RTA aims to usurp the Asian influence from the Chinese giant, which is growing fast and massive. However, the United States as a TPP creator has withdrawn from the agreement after Trump's victory as president. This further dims the influence of the United States in Asia and enables China to become a super power in the world through the concept of "One Belt One Road". This is exacerbated by the existence of a trade war between United States and China, and Trump's policy in evaluating "recipient preferences" countries that disagree with him. The purpose of this study is to investigate how TPP (and/or joining China) influences ASEAN and other developing countries. The Computable General Equilibrium (CGE) model with the Global Trade Analysis Project (GTAP) approach was used in this study. We construct 4 scenarios and shock to illustrate the various effects of the RTA. The author employs welfare, balance of trade (BoT), exports and imports, transportation and logistics costs, Price, capital, employment structure and human resources as indicators of the static and dynamic effects of global policy change. Our findings show that both TPP and joining China had a positive impact on ASEAN macroeconomics, except for a number of developing countries. However, TPP without the United States provides a less benefit compared to the existing country. The scenario of joining China increases the value of international trade for most regions, but not for the welfare and BoT of partner countries. The implications of this policy, both Indonesia and other countries that will join the TPP must measure macroeconomic capacity and prepare a set of policies related to the "role of the games" of the agreement. In addition, ASEAN has established an AC-FTA, which means whether it joins the TPP or not, ASEAN remains a market and production colony for China.

**Keywords:** Trans-Pacific Partnership (TPP), CGE, GTAP, welfare, BoT, macroeconomics and ASEAN

## MODERNIZATION: SHAPE AND IMPACT ON EXCLUSIVE BREASTFEEDING

Anang Pra Yogi, Bhimo Rizky Samudro, Albertus Magnus Soesilo, Yogi Pasca Pratama  
Universitas Sebelas Maret

**Abstract.** Exclusive breastfeeding rates are one indicator of health is also a goal of development. This study tries to examine how the achievement of exclusive breastfeeding in Indonesia which was influenced by modernization. Modernization in this case always brings social and cultural changes. Modernization in exclusive breastfeeding can be seen in the behavior of nursing mothers, health service providers, and the formula milk industry. Therefore, the main focus of this research is to see the impact of modernization on the scope of exclusive breastfeeding in Indonesia. This study uses a systematic literature review method by processing secondary data in the form of journals and other scientific publications related to health modernization related to breastfeeding behavior and exclusive breastfeeding. This study found that one form of modern behavior in breastfeeding is to give formula milk to infants, which does not support exclusive breastfeeding. Moreover, in line with developments in technology, technique promotion of infant formula is also more diverse. The incessant promotion of formula milk through advertisements in the mass media has an impact on idealizing toddlers in formula milk advertising and can hamper exclusive breastfeeding efforts.

**Keywords:** Modernization, exclusive breastfeeding, Literature Review

## THE ROLE OF WORK MOTIVATION IN MODERATING EFFECT WORK BEHAVIOR ON PERFORMANCE

Anastasia Riani Suprapti  
Universitas Sebelas Maret

**Abstract.** The purpose of this study is to examine the impact of work behavior, which emphasizes the attitudes of employees to determine what they will do in their workplace environment; on organizational / agency performance. As well as testing the role of Work Motivation which determines as a moderating effect of work behavior on performance. This research is a survey method, which was conducted in two SMEs in the Salatiga area, namely handicraft craftsmen and small traders of Grameen bank customers. Samples taken as many as 100 respondents. The sampling technique used in this study is Convenience sampling and represents the two existing SMEs. The analytical tool used to test the hypothesis in this study is Hierarchical Regression. Based on the data obtained through a questionnaire distributed to respondents, then it will be processed and concluded how the impact of work behavior that occurs in the workplace on performance. Data on employee work behavior, and work motivation and performance is obtained through a list of questions whose variables are measured by using a 5-point Likert scale. Until the end of the first year this research is targeted to produce a model of the impact of work behavior and work motivation on organizational performance. Whereas for the longer term (end of year 2) the results of this study are expected to be a reference for policies on managing work behavior, up to the measurement of employee job satisfaction (craftsmen) at work/SME.

**Keywords:** work behavior, work motivation, performance

## CORPORATE GOVERNANCE AND INTERNAL CONTROL INFORMATION DISCLOSURE

Anisa Istiqomah Isnaini, Dita Andraeny  
IAIN Surakarta

**Abstract.** The objective of this study is to analyze the effect of board of commissioners' size, independent commissioners, the level of commissioner's education, institutional ownership, size of audit committee, and the background of audit committee's education on the internal control information disclosure. The population of this study are all companies listed in the Indonesian Stock Exchange (IDX) in 2017. Sampling technique used is purposive sampling and it is obtained 181 companies as samples of this research. Data collection technique in this study is documentation of annual report of the companies. While data analysis technique used is multiple linear regression. The result of this study shows that independent commissioner and size of audit committee have positive and significant effect on internal control information disclosure. Meanwhile, size of board of commissioners, the level of commissioner's education, institutional ownership, and the background of audit committee's education have no significant effect on internal control information disclosure.

**Keywords:** Internal Control Information Disclosure, Corporate Governance

# THE RELATIONSHIP BETWEEN SYSTEMATIC RISK AND CAPITAL STRUCTURE WITH THE COMPANY'S EARNINGS RESPONSE COEFFICIENT WHEN INITIAL PUBLIC OFFERING ON THE IDX

Annisa Berliana Paramithasari, Agung Nur Probohudono  
Universitas Sebelas Maret

**Abstract.** This study aims to discover whether the systematic risk and capital structure does not affect the earnings response coefficient on shares of companies that have just made an initial public offering. When a company in Indonesia conducts an initial public offering (IPO), there tends to be a significant surge in stock prices on the day of the offering up to several days after the company or issuer conducts an initial public offering. The surge in stock prices was caused by the market response from investors who made the decision to buy these shares which were often not appropriate by information on company performance with this significant price increase. The sample of this study is 55 companies from various industries listed on the Indonesia Stock Exchange and conducts an initial public offering in 2018. This study found that systematic risk and capital structure did not significantly influence the earnings response coefficient of companies that conducts initial public offering.

**Keywords:** Systematic Risk, Capital Structure, Earnings Response Coefficient, Abnormal Return, IPO

## THE IMPLEMENTATION OF SAK-ETAP IN PESANTREN AT LAMPUNG PROVINCE

Any Eliza, Agus Kurniawan, Dinda Fali Rifan  
UIN Raden Intan Lampung

**Abstract.** This research aims to analyze the implementation of Pedoman Akuntansi Pesantren that refers to SAK ETAP for pesantren financial reporting in Lampung Province. Availability of pesantren financial statement based on recognized standard is important as a form of good governance of pesantren. Good governance of pesantren can enhance credibility of pesantren from stakeholder. This research uses a qualitative approach with data collection techniques through literature study and field studies conducted by interviews and documentation. The population in this study are all pesantrens in Lampung Province. The sample selection technique uses a purposive sampling technique, with the criteria of pesantren being incorporated and included in the type D as regulated in the Pedoman Akuntansi Pesantren. Based on these criteria, 11 pesantrens are selected in 8 regencies and cities in Lampung Province. The result shows that 11 pesantrens in Lampung Province do not know the existence of Pedoman Akuntansi Pesantren issued by Bank Indonesia. It means that SAK ETAP has not been applied. Pesantrens have not prepared four types of financial reports as regulated in the Pedoman Akuntansi Pesantren. The financial statements prepared are generally simple in the form of records of cash receipts and disbursements. This is due to the absence of socialization of Pedoman Akuntansi Pesantren for pesantren's administrators and lack of skills of pesantren's management in preparation of financial statements. Therefore, socialization and training regarding financial reporting of pesantren which refers to Pedoman Akuntansi Pesantren is needed.

**Keywords:** SAK ETAP, Pedoman Akuntansi Pesantren, Pesantren



# THE EFFECT OF PERCEIVED BENEFIT, BRAND PRIDE, ATTITUDE TOWARD BRAND, AND PURCHASE BRAND INTENTION ON XIAOMI SMARTPHONE IN INDONESIA

Asep Saepuloh, Hilman Rismanto, Deri Alan Kurnia, Hedi Cupiadi  
Fakultas Ekonomi Universitas Garut, Garut

**Abstract.** Current market conditions see that many emerging brands offered to become choices for consumers as the identity of a product. The brand has great power to attract consumers so that alternative evaluation processes emerge as the basis of interest in purchasing goods and services. The purpose of this study was to analyze the effect of perceived brand benefits and pride on brand attitudes further brand attitudes toward brand purchase interest. The research method used is a quantitative method with the type of survey. The author collected data through making instruments in the form of a questionnaire distributed to 125 respondents as a sample of all members of the population. The instruments made were tested through validity and reliability testing. The data analysis technique used in this study is the structure of the equation model to test and prove hypotheses. The results showed that partial perception of the benefits and pride of the brand had a significant effect on brand attitude then brand attitude significantly influenced brand purchase interest in the Xiaomi brand smartphone.

**Keywords:** Perceived Benefit, brand pride, attitude toward brand, and Purchase brand intention

# ANALYSIS OF VULNERABILITY ASSESSMENT WEBSITE FOR BASIC EDUCATION DATA (DAPODIK) IN CITY X USING OPENVAS AND OWASP-ZAP

A N Awlarijal, A Budiono, A Almaarif  
Universitas Telkom Bandung

**Abstract.** Security is the most important factor in a variety of ways. The development of technology is rapidly increasing, one of which is the information media that are currently online. No exception the Department of Education in City X which utilizes technological developments, namely the website used to convey information to outside parties. In addition, the Department of Education uses the web to manage basic education data (dapodik). In the current era, information is very crucial. According to the Open Web Application Security Project (OWASP) in 2017 there are several vulnerabilities that often occur on websites such as injection flaws, sensitive data exposure, cross-site scripting (XSS), etc. This will impact the attacker in exploiting the system, retrieving information or important data on the web. Therefore, security must be ensured to maintain the integrity of the information on the website. One way to maintain the integrity of information on a website is by conducting A vulnerability assessment is the process of identifying and analyzing those security vulnerabilities that might exist in the organization or enterprise (ISACA, 2017). Vulnerability Assessment Must regularly conduct vulnerability assessments (to track net improvement or failure to improve) and act on the results of those assessments.

**Keywords:** Information, Website, Security, Vulnerability Assessment

# VULNERABILITY ANALYSIS ON THE WEBSITE OF THE COMMUNICATIONS, INFORMATICS AND STATISTICS DEPARTMENT IN BANDUNG REGENCY

A Fakhri, A Almaarif, A Budiono  
Universitas Telkom Bandung

**Abstract.** The rapid development of technology can affect every individual, organization, and even government in conveying information accurately, effectively and efficiently. Bandung Regency Government is an institution to serve the community in administrative arrangements in the Bandung Regency area. Government information is managed by the Bandung Regency Communication, Informatics and Statistics Agency (Diskominfo) as an institution engaged in information technology. Diskominfo utilizes technological advancements to convey information to the people of Bandung Regency and outside Bandung Regency through a website with the aim of facilitating the delivery of information. As technology develops, website security becomes important because it can prevent attacks from irresponsible people, because it can damage the system or endanger ongoing business processes. That way, we need to test the vulnerability of the website by conducting a Vulnerability Assessment and Penetration Testing. In this testing process where a tester simulates himself as a cracker who tries to enter the system. Currently the researchers use the ISO 27001 standard and the Penetration Testing Execution Standard (PTES) method. This method was chosen because it has stages that are clear and easy to understand.

**Keywords:** Vulnerability Assessment and Penetration Testing, Website, ISO 27001, Penetration Testing Execution Standard

## STATISTICAL KEY FIGURE MIGRATION IN ACTIVITY-BASED COSTING MODULE FINANCE SAP HANA

Aulia Nuri Ikhsanati, Muhardi Saputra, Warih Puspitasari  
Universitas Telkom Bandung

**Abstract.** PT. XYZ is a company engaged in telecommunications network services in Indonesia. To compete with global companies, PT. XYZ has implemented an application that supports cost allocation that can provide accurate information about the costs required to produce. In the process of cost allocation, we need Cost Driver data or commonly called Statistical Key Figure. The data functions as tracing factors to control the flow of costs. However, the application is offline, so the resulting Statistical Key Figure data is not real-time and is not integrated between one department and another. Therefore, PT. XYZ implements SAP HANA to support the company's cost allocation process and need migrates Statistical Key Figure data from existing applications to SAP HANA. Statistical Key Figure data migration process is done by inputting data one by one so that the migration process takes longer. For this reason, this study will migrate data using Batch Man and SAP. Activate methods to support the process of migrating Statistical Key Figure data on SAP HANA. Bachman is an application that is integrated on HANA and serves to transfer data from non-SAP to SAP. With Bachman, it is expected that the Statistical Key Figure data migration process can run faster and the data can be used by companies to support the cost allocation process with the Activity-Based Costing method and accelerate the process of implementing SAP HANA in the company's business process.

**Keywords:** SAP S/4 HANA, Activity-Based Costing, Statistical Key Figure, Batch Man

# ANALYSIS OF OROS MODELER DATA REPORTING PROCESS TO SAP HANA IN ACTIVITY BASED COSTING FOR INDONESIA TELECOMMUNICATION INDUSTRY

Dennis Nigel Cunong, Muhardi Saputra, Warih Puspitasari  
Universitas Telkom Bandung

**Abstract.** PT.XYZ is involved in providing a wide range of telecommunications services and telecommunications networks throughout Indonesia. Oros Modeler is an application that has been used by PT.XYZ for a long time. There is no detailed product cost breakdown in Oros Modeler's funding and reporting process, so the information obtained from Oros Modeler is only the actual cost (total cost of production). As a result, the industry regulation PER-02/MBU/2013 was created, which can be designed to support applications for business process objectives, so PT.XYZ hopes to implement SAP Hana with the goal of reporting results that are expected to contain only SAP components. Components are formed to model the final product through cost-based activity modeling. The method used is the SAP Activate method. SAP Hana can be identified by its constituent components by reporting each product that constitutes a cost object, thereby identifying each cost object product offered by PT.XYZ in more detail and more accurately.

**Keywords:** Oros Modeler, SAP Hana, SAP Activate, Activity Based Costing

# FINANCIAL LITERACY, FINTECH, FINANCIAL INCLUSION, AND THE EFFECT OF PERFORMANCE AND SUSTAINABILITY OF THE MICRO, SMALL, AND MEDIUM ENTERPRISE (MSMES) IN SOLORAYA

Devi Narulitasari, Yulvan Arif Nurohman, Melia Kusuma  
Institut Agama Islam Negeri Surakarta

**Abstract.** This study aims to investigate the influence of financial literacy, financial technology (fintech) and financial inclusion on the performance and sustainability of the MSMEs in Soloraya. Using the quantitative approach, hypothesis of this study was tested by using partial least square structural equation modelling (PLS-SEM) with SmartPLS 3.0 software. The data were collected by using questionnaire survey completed by 113 owners of MSMEs in Soloraya by using accidental sampling. The result of this study showed that financial inclusion was only influenced by financial technology, however financial literacy did not affect the financial inclusion. Meanwhile, the financial inclusion affected both the performance and sustainability of the MSMEs in Soloraya.

**Keywords:** financial literacy, fintech, financial inclusion, MSMEs

## GENDER EFFECT ON SUCCESSION IN FAMILY FIRM IN INDONESIA

An Nurrahmawati, Alan Himawan, Desy Margaret Teacher, Dewi Saraswati Adya Pramudita,  
Dinar Pramuarti, Muhammad Alvin Febrian Ogawa, Nadya Hanifah  
Universitas Sebelas Maret

**Abstract.** This paper aims to examine the effect of gender on succession in family firm. More specifically, this study wants to investigate whether men will be more superior to women in a succession of leadership in family firm. This study uses data and information that has been widely publicized through literature review and media exposure related to gender and succession in family firm. This study finds that customers and investors give more trust to family firm that have a succession plan than those who do not. However, until now differences in the position of women and men can still be found, no exception in succession in the family company. Especially in terms of leadership, women are still below the number of men who act as leaders. The findings in this study provide another perspective for more in-depth study of issues related to equal opportunities between men and women in corporate leadership positions in family firm. The authors extend the findings from the review literature data and media exposure that investigates gender and succession in family firm.

**Keywords:** Gender, Succession, Family Firm.

## ANALYSIS OF THE EXTERNALITY OF THE FLOATING NET CAGES IN LAKE MANINJAU

Dewi Zaini Putri, Idris, Ali Anis, Melti Roza Adry, Yollit Permata Sari, Israyeni  
Universitas Negeri Padang

**Abstract.** Economic activities, human and natural resources have negative and positive impact on the quality of environment. Lake Maninjau as one of the largest lakes in the province of West Sumatra has a variety of economic potential, especially fish farming in floating net cages (KJA). Problems arising from the exploitation of floating net cages (KJA) the emergence of externalities both positive and negative for the environment and surrounding communities. The purpose of this study was to identify the positive and negative externalities of floating net cage fish farming in Lake Maninjau. The data in this study were obtained through a survey of 75 respondents who were around Lake Maninjau. The results showed that 66.67 percent of respondents felt a positive externality from the existence of floating net cages in Lake Maninjau. This is because KJA activities can increase income and promote the economic activities of the communities around the lake. While the remaining 33.33 percent felt the negative impact of floating net cage activities. The negative externalities they feel from KJA activities include water pollution, a decrease in the beauty of the lake, reducing endemic fish populations and an impact on decreasing the number of tourist visitors to Lake Maninjau.

**Keywords:** externalities, floating net cages, resources



# TREND OF ECONOMIC AND SOCIAL INDICATORS POST REGIONAL AUTONOMY AND FISCAL DECENTRALIZATION POLICIES IN REGION OF CENTRAL JAVA PERIOD OF 2014-2019

Kikin Windhani<sup>1</sup>, Fajar Hardoyono<sup>2</sup>, Herman Sambodo<sup>3</sup>

<sup>1,3</sup>Universitas Jenderal Soedirman

<sup>2</sup>Institut Agama Islam Negeri (IAIN) Purwokerto

**Abstract.** The Indonesian government has been implementing the policy of regional autonomy since 1999. One of the governmental policies for supporting regional autonomy is delegation authority for local government for self-managing of the budget through fiscal decentralization policy. This policy gives simplicity and effectivity for local government to allocate the budget for supporting regional development strategy based on economic and social development. This paper investigates the trend of economic and social indicators post fiscal decentralization in regional Java since 2014-2019. For data analysis, we used data of fiscal capacity index from 34 local government in Central Java Province; four macroeconomic indicators, i.e.: gross domestic regional product, economic growth, poverty index, and Gini ratio; and four social indicators, i.e.: unemployment rate, human development index, health development index, gross enrolment rate in education. Statistical multivariate analysis based on principal component analysis was used to discriminate the trend of economic and social indicators among 34 local governments. Based on data analysis, there is a low correlation between fiscal capacity index, economic indicators, and social indicators. Regions with high fiscal capacity indexes do not always show a trend of low economic and social indicators. Instead, some regions that have low fiscal capacity show better economic and social indicators than other regions with medium and high capacity.

**Keywords:** regional autonomy, fiscal decentralization, economic and social indicators

**THE EFFECT OF CORPORATE GOVERNANCE MECHANISM ON EARNING  
MANAGEMENT AND ITS IMPACT ON FIRM VALUE  
(EMPIRICAL STUDY OF MANUFACTURING COMPANIES LISTED ON THE  
INDONESIA STOCK EXCHANGE FOR THE PERIOD 2015- 2017)**

Dwi Cahyani, Noer Sasongko, Rina Trisnawati, Nur Siyami  
Universitas Muhammadiyah Surakarta

**Abstract.** This study aims to analyze the Effect of Corporate Governance on Earning Management and its impact on Firm Value. Corporate Governance is measured by the Internal mechanism Board Commissioners and Commissioners Activity and the External mechanism with Institutional Ownership and Audit Quality. Earning Management is measured by Descresionary Accrual. Whereas Firm Value is measured by market ratio the Price to Book Value. The population of this study are all Manufacturing companies listed on the Indonesia Stock Exchange in the period 2015-2017. The research sample was obtained using purposive sampling to obtain 106 Manufacturing company data for the 2015-2017 period. The results of model 1 research show that the mechanism of Internal Corporate Governance does not affect Earning Management, while the mechanism of External Corporate Governance, Institutional Ownership influences Earning Management but for Audit Quality has no influence. The results of model 2 research show that the Internal Corporate Governance mechanism influences Firm Value, while the CG External mechanism, Audit Quality influences Firm Value, but for Institutional Ownership has no influence. The results of model 3 research show that there is an influence between Earning Management on Firm Value.

**Keywords:** Corporate Governance, Earning Management, Firm Value ,Manufacturing companies

# CONSTRUCTION OF ISLAMIC CUSTOMER CAPITAL VALUES WITH THE "GUSJIGANG" APPROACH (GOOD, RECITE, AND TRADE) ON THE HOLY INDUSTRY

Dwi Soegiarto<sup>1</sup>, Rahmawati<sup>2</sup>, Djuminah<sup>3</sup>, Falikhatun<sup>4</sup>

<sup>1</sup>Universitas Muria Kudus

<sup>2,3,4</sup>Universitas Sebelas Maret

**Abstract.** The purpose of this study is to examine the ethical values of Islam in trading in Muslim communities in Kudus City that have an impact on Customer Capital. Customer Capital can improve the company's financial performance. Islamic ethical values direct people's behavior in doing business. The ethical value in Kudus society is called Gusjigang which means 'GUS' which means good, 'JI' which means to recite, and 'GANG' which means to trade. The teachings instilled by Sunan Kudus bring a great influence on the economy of Kudus City. Of the three elements (Gusjigang) can provide new perspectives and alternatives in the accounting realm that also uses a local approach. Sources of data collected from in-depth interviews with informants, and direct observation. Data validity testing uses triangulation and cross-checks methods, intended to achieve the validity and reliability of the data collected. Data were analyzed by analyzing textual research documents, such as documents from interviews and observations. The method used is qualitative with interpretative paradigms and phenomenological approaches. Gusjigang culture brings the company's business progress which is increasing. The values used in trading are the acculturation of Islamic culture and coastal culture. The results showed that the dimensions of Islamic Customer Capital with the Gusjigang approach were: Promise, Doing good, Honest, responsible, Islamic brotherhood, Shodaqoh, Hospitality, Defective Goods, Learning, Amanah, setting prices. This dimension of Islamic Customer Capital encourages entrepreneurs to do business ethically under Gusjigang's principles.

**Keywords:** Culture, Gusjigang, Customer Capital

# THE EFFECT OF INFLATION AND OPEN UNEMPLOYMENT ON INDONESIA'S ECONOMIC GROWTH FROM 2005 TO 2018

Elsi Harefa br Ginting, Selvita Eka Eviana Purba  
Universitas Sebelas Maret

**Abstract.** Economic growth is the main measure of development success. Economic growth, inflation and open unemployment are very important indicators in the macro economy. The purpose of this study is to determine the effect of inflation, open unemployment on economic growth in Indonesia. This study uses multiple regression analysis with OLS (Ordinary Least Square) method, the data of which are taken from 2005-2018. The results of this study indicate that the inflation variable has a significant positive effect on economic growth in Indonesia with a coefficient of 0.023,  $t$ -stat 0.472 with a significant value of  $0.646 > 0.05$ . Open unemployment variable has no significant positive effect on economic growth with a coefficient of 0.101,  $t$ -stat 0.942 with a significant value of  $0.366 > 0.05$ .

**Keywords:** Economic Growth, Inflation, Open Unemployment

## HOW THE CREDIBILITY OF SOURCES CAN REDUCE SKEPTICISM AND INCREASE THE POSITIVE EVALUATION TOWARD THE ORGANIC RICE

Eni Andari, Salamah Wahyuni, Budhi Haryanto, Wisnu Untoro  
Universitas Sebelas Maret

**Abstract.** This study examines the moderating effect of source credibility on the causal relationship of prices and skepticism, and the moderate effect of source credibility on pricing and evaluation. Data were obtained from 111 participants through an experimental laboratory with a 2 x 2 factorial design. With two-way ANOVA, we found that source credibility did not significantly moderate the effect of price and skepticism, but source credibility significantly moderated the effect of price and evaluation. The results show that source credibility strengthens the relationship between price and evaluation. Furthermore, the results also found that skepticism is negatively related to evaluation. This study suggests the use of more credible and attractive endorsers to reduce skepticism about organic rice.

**Keywords:** price, skepticism, evaluation, source credibility

# SHARIA PRINCIPLES ON BUSINESS PROCESS MODELLING: HOW TRANSPORTATION PROVIDER SEIZES CHANCE IN INDONESIA HALAL INDUSTRY?

Fajar Surya Ari Anggara, Wisnu Wijaya  
Universitas Darussalam Gontor

**Abstract.** Halal products have become important needs for the Muslims. Increasing demand for halal products increased to encourage the importance of halal logistics. As part of halal product chain management, Halal logistics play a crucial role in the process of storing, transporting, and distributing halal products to consumers. Halal logistics system must guarantee that the products remain secured in the process of logistic and transport activities. There is still many homework to be done to realize halal transportation and logistics in Indonesia. The well-managed transportation system is one of the successful supporters of halal industry business. Nevertheless, the needs of each company are not always the same so it requires a transportation solution that is specifically designed in Sharia principles. TRAC Sharia as a transportation services provides a solution that is established with sharia principles such as musyarakah, mutanaqisah, and ijarah through its business process model. Novelty of this study is on the mapping of value proposition, business model, and business process integrated with Sharia principles. This has become an alternative solution for the development of transportation services and logistic that supports the sustainability of halal supply chain management in the halal industry in Indonesia. The general public can also be involved in pioneering or expanding its transportation services through the results of this research. According to the results of this research that TRAC Syariah provides the best Ijarah services for companies that are concerned about sharia-based products or services. Agreement of Ijarah on TRAC Sharia is free from the elements of Riba, Maysir, and Gharar. In addition, all vehicles TRAC Syariah obtained halal through murabahah mechanisms and protected by insurance based on Sharia principles (Ta'awun). The advantage of TRAC Syariah is the openness and fairness in the management of the vehicle and can be developed into a mudharabah with the concept of profit sharing.

**Keywords:** Sharia Principles, Business Process Modelling, Halal Transportation

# RESOLVING DISPUTED TAX ISSUES: THE INFLUENCE OF PARTNER NEGOTIATION OBJECTIVES AND COMMUNICATION STYLE ON NEGOTIATION PROCESS AND OUTCOME

Fauzan Misra, Rahmat Kurniawan  
Universitas Andalas

**Abstract.** Following a tax audit, disputes often occur between taxpayers (and their consultants) with tax authorities for certain tax issues. Concerning this situation, a (legal) negotiation is considering as the solution to resolve this problem. Using Social Identity Theory and Dual Social Concern, this study examines the influence of the negotiation partner objective and their communication style in resolving disputes over tax issues with the tax authorities on the process and negotiation outcome. To accomplish this purpose, study participants completed a tax negotiation task in a 2x2 between-subject design. The experiment used a web-based instrument that involved 59 tax professionals from all over the countries. The results show that the agreed amount for tax consultants is more conservative when they negotiate with tax authorities with high concern-for-other than when they are negotiating with tax authorities who possess a low concern-for-other. Further, the amount of agreement is more conservative when they are negotiating with the tax authorities who have a cooperative communication style than when they are negotiating with the tax officer who has a contention communication style. Then, the amount of agreement is more conservative when the consultant is negotiating with a partner with a cooperative communication style than the contention style in a low concern-for-other situation. These findings imply that communication style plays an important role in resolving disputed tax issues, particularly when consultants negotiate with a challenging negotiation partner.

**Keywords:** Disputed issues, negotiation process, negotiation outcome, partners' objective, communication style, tax consultants.

## ANALYSIS OF THE EFFECTS OF MACROECONOMIC AND MONETARY VARIABLES ON FOREIGN DIRECT INVESTMENT IN INDONESIA

Hari Setia Putra, Farid Husein  
Universitas Negeri Padang

**Abstract.** Foreign Direct Investment (FDI) is one of the needs in improving the economy, especially in developing countries. FDI is an alternative source of capital besides foreign debt which has a much lower risk than that foreign debt. The purpose of this study is to look at macroeconomic and monetary variables able to influence FDI, especially in developing countries like Indonesia. The macroeconomic variables in this study are economic growth and the consumer price index, while the monetary variables are the exchange rate and loan interest rates. This research uses descriptive method with the analysis model used is Vector Auto Regression (VAR). The data in this study are secondary data with the type of time series from 1998-2017, obtained through literature review from various sources. The results showed that macroeconomic and monetary variables had a significant influence on FDI in Indonesia. Keywords: FDI, Macroeconomic Variable, Monetary Variable



## ISLAMIC CORPORATE GOVERNANCE AND PERFORMANCE BASED ON MAQASID SHARIA INDEX- STUDY IN INDONESIA

Hasan Mukhibad<sup>1</sup>, Mahameru Rosy Rochmatullah<sup>2</sup>, Warsina<sup>3</sup>

<sup>1</sup>Universitas Sebelas Maret & Universitas Negeri Semarang

<sup>2</sup>Universitas Sebelas Maret & Universitas Muhammadiyah Surakarta

<sup>3</sup> Universitas Sebelas Maret

**Abstract.** Islamic banks and conventional banks have real differences in objectives and operations, so performance measurement must be different among Islamic and conventional banks. Islamic banks and conventional banks have real differences in objectives and operations, so performance measurement must be different from conventional banks. One performance measure recommended by other researchers is performance based on the Maqasid Syariah Index (MSI). This study will evaluate the role of Sharia Supervisory Board (SSB) and board attributes in improving performance based on MSI. The research sample is 12 Islamic commercial banks in Indonesia and the observation year 2014 - 2018. The data analysis method uses panel data analysis with fixed effect methods. We found that SSB education level and independent board ratio had a negative effect on MSI. Cross-membership; the number of SSB meetings, board sizes, number of board meetings and total assets does not affect MSI. This finding indicates that MSI has not become one of the objectives that must be achieved in the management of Islamic banks in Indonesia.

**Keywords:** Maqasid Syariah Index; Corporate Governance, Sharia Supervisory Board Attributes

## AN ASSESSMENT OF THE IMPACT OF MICRO FINANCE IN IMPROVING THE STANDARD OF LIVING OF MARKET WOMEN IN FREETOWN- SIERRA LEONE

Hassan Andrew Fornah<sup>1</sup>, Abdul Rahman Njai<sup>2</sup>

<sup>1</sup>Institut Teknologi Sepulcher Nopember (ITS)

<sup>2</sup>University of Sierra Leone

**Abstract.** Micro finance schemes are designed to reduce, if not to eradicate the high incidence of poverty among people especially women in developing countries who are most vulnerable and pays high cost in post conflict era. Extending loans and other forms of financial services to women who are deprived from formal financial services as a result of lack of collateral securities plays a pivotal role in their households' enhancement and sustainability. This study investigates the impact of micro financing in improving the standard of living of market women in Freetown. Micro financing as a government strategy to mitigate poverty among the grass root is almost in its right direction. Questionnaires were administered to two hundred and fifty (250) respondents who are daily resident of the markets. Interviews and observation are also applied to assessed the behavioral pattern of the respondents. The study utilizes a simple stratified random sampling technique to collect the data. Descriptive statistics is applied to analyses the data through SPSS and Microsoft Excel 2016. Microfinance significantly plays a role in providing safety-net and consumption smoothening

**Keywords:** micro financing, poverty reduction, improving, standard of living

**RISK MANAGEMENT: PERSPECTIVE FROM SHARIA BANKING  
(COMPARISON OF SHARIA COMMERCIAL BANKS AND  
SHARIA BUSINESS UNITS)**

Ida Nihayah  
Universitas Sebelas Maret

**Abstract.** Bank is one of the institutions that participated in developing a country's development. Therefore, banks must be able to maintain their performance in order to become a healthy banking industry especially for Islamic banking. There are some risks that faced by Islamic banks that can be seen from several aspects, namely: financing risk, liquidity risk and operational risk. Financing Risks that arises as a result of the failure of customers in fulfilling their financing obligations banking. The indicator used to measure financing risk is NPF (Non-Performing Financing), which is related to the total financing problems with the total financing provided by total financing. Liquidity risk is the risk caused by the inability of banks to meet the requirements that are due with the FDR (Financing to Deposit Ratio) indicator. FDR can provide an illustration of the banks' ability to channel funds collected from the public. Payment of Operational Risk is a risk caused by the functioning process of the internal bank, human error, technological system failure, or external problems. The risk indicator used is BOPO (Operating Expenses against Operating Income). According to Financial Services Authority (OJK) data, there are 14 Sharia Commercial Banks and 20 Sharia Business Units in Indonesia. This paper aims to compare the performance of Islamic banking from a risk management perspective, by comparing Sharia Commercial Banks and Sharia Business Units using qualitative data, from Sharia Banking Statistics. The method used is descriptive qualitative analysis. It's really important, Islamic Banking to conduct evaluation and monitoring of internal banks to evaluate and implement the application of risk management in Islamic banking so as to enable and mitigate all risks.

**Keywords:** bank, syariah bank, risk, risk management, financing, liquidity operational

# THE ROLE OF THE LOGISTICS MARKETPLACE IN IMPROVING THE PERFORMANCE OF LOGISTICS PROVIDER SERVICES (LPS) MSMEs IN INDONESIA

Iman Nurakhmad Fajar Debora  
Asosiasi Logistik dan Forwarder Indonesia

**Abstract.** Being a developing nation, Indonesia struggles on economy. Indonesia's economy nowadays is supported by Micro Small and Medium Enterprises (MSMEs) consisting approximately 52 million units in 2011, amounting to 60% Gross Domestic Product (GDP) contribution. Thus, the development of MSMEs is fundamental. However, MSMEs lack marketing skill, impeding its growth and development. The MSME products that circulate in the market are not equipped with the necessary publication. On the other hand, the competition with foreign products intensifies, weakening the presence of MSMEs products in the market. The use of E-Commerce in today's marketing does not do much help. Based on that situation, this paper proposes a design of online marketplace for Indonesian Logistics Provider Service (LPS) MSMEs aimed to cater for their lack of awareness in information technology. At the beginning we analyze problems of LPS MSMEs in Indonesia. Then in the later sections we analyze the needs from three sides: Forwarders, Truckers, and Warehouses features. This paper will address the following research question: How can online marketplace for Indonesian LPS MSMEs be optimized with social media-based interaction and MSMEs technological awareness? This is done by adjusting the B2B E-Commerce with the characteristics of Indonesian LPS MSMEs, as well as the exploration of the use of social networking in the marketplace. Social media-based interaction is aimed to serve as social influence for buying and to increase the ease of use.

## DOES AUDIT COMMITTEE CHARACTERISTICS REDUCE AUDIT REPORTING DELAYS: EVIDENCE FROM INDONESIA STOCK EXCHANGE

Istiqomah N, Yoga Pratama N, Levina Ulfa S and Wiwin Juliyanti  
Universitas Sebelas Maret

**Abstract.** This research is conducted to determine the correlation of the audit committee characteristics and the timeliness of financial reportings of manufacturing companies that are listed in Indonesia Stock Exchange (IDX) with the external audit delay (AD) as a proxy. Focused on three audit committee characteristics: the financial expertise, the number of meetings and the size of audit committee. Using panel data from manufacturing companies that are listed in Indonesia Stock Exchange (IDX) during the period of 2014 until 2017 and the random effects of utilised panel data method. Total sample that being used in this research are 416 observations. The research result shows that the audit committee characteristics have no effect on the external audit delay (AD). Furthermore, this research indicates that the profitability, the company's size, and the company's profit (or loss) have negative significant effect on the external audit delay (AD), while the audit firm's size has no effect on the external audit delay (AD). Findings of this research also indicates that the leverage have no effect on the external audit delay (AD).

**Keywords:** Audit Delay, Financial Expertise, Number of Meetings, Size of Audit Committee

## ANALYSIS THE ABSORPTION OF REGIONAL EPENDITURE BUDGETS, INFLATION AND REGIONAL ECONOMIC GROWTH

Juliati, Arum Kusumaningdyah Adiati, Trisninik Ratih Wulandari  
Universitas Sebelas Maret

**Abstract.** This study will examine the absorption of regional expenditure budgets, inflation and regional economic growth. Absorption of high regional budget is expected to be able to increase economic growth in a region, but an increase in economic growth can cause regional inflation to rise. This study will capture data on expenditure absorption, regional economic growth and inflation rates by taking a sample of all local governments representing Sumatra, Java, Kalimantan, Sulawesi, Irian and other small islands. The method used is descriptive qualitative which will give a comprehensive picture and analyze the data that has been obtained.

**Keywords:** the absorption of regional expenditure budgets, inflation, regional economic growth

## THE IMPORTANCE OF FINANCIAL PERFORMANCE FOR COMMUNITY WELFARE: STUDY ON THE LOCAL GOVERNMENT IN INDONESIA

Khairudin<sup>1</sup>, Rosmiati Tarmizi<sup>2</sup>, Indrayenti<sup>3</sup>

<sup>1</sup>Universitas Sebelas Maret

<sup>2,3</sup>Universitas Bandar Lampung

**Abstract.** This study aims to photograph the financial performance and welfare of the community in local governments in Indonesia and empirically prove the effect of financial performance on people's welfare. This research was conducted on district / city governments in Indonesia, where financial performance was measured by the ratio of regional financial independence, the ratio of regional financial effectiveness, the ratio of regional financial efficiency and the ratio of regional financial growth while public welfare was measured by the Human Development Index (HDI). Testing is done using hypothesis testing. The results of the study based on the observation period found evidence that (1) financial performance and welfare of the community in local governments in Indonesia were not so good; (2) the independence of regional finances has a positive and significant effect on public welfare; (3) the effectiveness of regional finances has a positive and not significant effect on people's welfare; (4) regional financial efficiency has a positive and significant effect on public welfare and (5) regional financial growth has a negative and significant effect on public welfare. This research has confirmed stakeholder theory, where as a local government organization has benefited stakeholders including welfare for the community, although not in line with expectations.

**Keywords:** Financial Performance, Community Welfare

## THE EFFECT OF FISCAL NEEDS VARIABLES ON THE ALLOCATION OF DAU IN THE ISLANDING AREA

Luthfia Maha Reni, Doddy Setiawan  
Universitas Sebelas Maret

**Abstract.** This study aims to see the effect of fiscal need variables on the allocation of the General Allocation Fund (DAU) in the islanding area by three regional categories based on topography. The independent variables used were population, area, human development index, construction cost index, and GRDP. The research method used is multiple linear regression analysis and ANOVA test. The results of this study indicate that the population, the Human Development Index, the Construction Cost Index and the GRDP per capita have a positive effect on the DAU, while the area has a negative effect on the DAU. Different test results show that between categories 1 and 3, categories 2 and 3 have different DAU levels. The findings show that non-island regions receive higher DAU allocations than archipelagically characterized areas. The results of category 3 regional GRDP show no influence on DAU allocation.

**Keywords:** Fiscal Needs, General Allocation Fund, Islanding Area



## THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON THE PERFORMANCE OF BUMN USING EARNING MANAGEMENT AS A MODERATION FACTOR

M. Afton Ilman Huda, Sri Murni, Ari Kuncoro W., Agus Budiatmanto  
Universitas Sebelas Maret

**Abstract.** The purpose of this study is to examine the effect of CSR Disclosure on the performance of BUMN firms listed on the IDX (Indonesia Stock Exchange) using earnings management as a moderating factor. CSR variables are proxied by firm performance, then real earnings management variables moderate the relation between CSR Disclosure and firm performance. CSR variables are measured by CSRI. Firm performance variable is measured by profitability ratios namely ROE and NPM. Earnings management variables through real activities are measured by cross sectional regression which refers to the Roychowdhury method. The population in this study are all BUMN with 115 firms using a purposive sampling method. Data analyses method using multiple linear regression and classic assumptions test. The results of this study indicate that CSR disclosure influence firm performance. Then, real earnings management weakens the relationship between CSR activities and firm performance.

**Keywords:** Corporation Social Responsibility, ROE, NPM and Firm Performance

## ANTESEDENTS AND CONSEQUENCES OF DISFUNCTIONAL BEHAVIOR AND ITS IMPACT ON AUDIT QUALITY

Mazda Eko Sri Tjahjono, Jesaya Pandia, Revi Pratiwi  
University of Sultan Ageng Tirtayasa

**Abstract.** This study aims to examine the influence of locus of control and professional commitment to dysfunctional behavior and its impact on audit quality. The data used in this study are primary data at the Public Accounting Firm (KAP) located in South Jakarta. With a total sample of 70 auditors. Regression test results found that locus of control has a significant effect on dysfunctional behavior, professional commitment has a significant effect on dysfunctional behavior, and dysfunctional behavior has a significant effect on Audit Quality. This paper discusses the ethics of accounting, which plays an emotional role in accounting, including the psychological aspects of accounting, which are reflected in various activities.

**Keywords:** Locus of Control, Profesional Comitment, Dysfunctional Behaviour, and Audit Quality.

## POLITIZATION OF LOCAL GOVERNMENT BUDGET ALLOCATIONS IN THE 2017 ELECTION

Mega Wahyu Widawati, Ari Kuncara Widagdo  
Universitas Sebelas Maret

**Abstract.** This paper discusses the election of regional heads (post-conflict local elections) to the regional government budget allocation. This study discusses the regional budget in the period before the post-conflict local election and during the post-conflict local election. Comparison is done by comparing the average expenditure comparison before and during the post-conflict local election and after the post-conflict local election period by using paired sample t-test. The sample in this study in Indonesia carried out the post-conflict local election in 2017. The results of this study showed that basically before the post-conflict local election and at the post-conflict local election. There was a decrease in the allocation of grant spending during the post-conflict local election compared to the previous year. Besides that, there was no difference in the allocation of social assistance expenditure. This can improve the renewal and regulatory system in Indonesia, thus indicating that budget politicization is not proven.

**Keywords:** budget, election, local government

**THE PHENOMENON OF “DESA SILUMAN”:  
A STATE-BUDGET-SUCKER THAT GHOSTING INDONESIA**

Nur Chayati, Arry Dwi Wahyu Rahmasari, Galuh Syarifah Mentari Dahana, Lintang Dwi  
Purnami, Muhamad Iqbal Febriansyah and Olyvia Elsaday Panjaitan  
Universitas Sebelas Maret

**Abstract.** This paper aims to discuss a phenomenon the existence of “desa siluman” through comparison of perceptions between The Minister of Finance and The Minister of Village, Development of Disadvantaged Regions, and Transmigration of the Indonesian Republic. This study adopts qualitative method and used the media exposure as a means of the collection of information related to villages funds which indicated as a “desa siluman”. This research found there are numerous funds that distributed by The Ministry of Finance from the APBN (state budget) to The Ministry of Village, Development of Disadvantaged Regions, and Transmigration which intended for the village development in Indonesia that apparently given to the village that indicated as a “desa siluman”. This research is limited in the information only sourced from the media in the absence of additional information provided by the source of information related to. The findings of this study provide a starting point for the government of Indonesia to make a better regulation related to tighter supervision and review for the distribution of the village funds, these findings also may stimulate a further extensive research. A key contribution of this study is to discuss the phenomena of “desa siluman” that happened in Indonesia because there is only a few or maybe no previous research that discusses about it.

**Keywords:** Village funds, State Budgeting, Ministry of Finance, Ministry of Villages, The Development of Underdeveloped Areas and Transmigrations

# DESIGNING FINANCIAL LITERACY MODEL USING THE “BIG TREE FINANCIAL LITERACY” INSTRUMENT FOR ECONOMIC EDUCATION STUDENTS IN SEBELAS MARET UNIVERSITY

Dewi Kusuma Wardani, Muhammad Sabandi, Feri Setyowibowo  
Universitas Sebelas Maret

**Abstract.** This paper is aiming to cover the initial part of a bigger umbrella research on developing a financial education model to improve financial literacy. As it was understood, financial literacy is one of a set individual skill need in facing the Industrial Revolutions 4.0. The research on personal financial decision making has recently become increasingly complex. This is caused by the rapid development of information technology in the society, so that financial products are increasingly sophisticated and diverse. If previously the financial education focusing only learning on the like of quantities of products, credit cards, mutual funds, and leasing. Recently it should also cover on electronic money, online shopping, investment or online loans. Thus, it highlighted the need for an economic and financial education model that can increase the student’s financial literacy. This is because current financial education is not enough for adopting the recent industrial development. As an initial step, this paper reports the results of a survey about the level of financial literacy in students. Through the "Big Tree" financial literacy instrument this study shows that the level of financial literacy in students still needs to be improved.

**Keywords:** financial education, students, financial literacy

## INCREASED FINANCIAL LITERACY: STUDY OF PRE-SERVICE TEACHER'S BELIEF IN ECONOMICS FOR CONDUCTING FINANCIAL EDUCATION LEARNING

Muhammad Sabandi, Dewi Kusuma Wardani, Feri Setyowibowo, Jonet Ariyanto, Mintasih  
Indriayu  
Universitas Sebelas Maret

**Abstract.** The best and most efficient strategy for increasing financial literacy has been debated and until now there has been no standard provision. Generally existing strategies focus on teaching skills and abilities that promote the accumulation of individual wealth - for example, the importance of working, making a budget, saving money, and the importance of understanding financial instruments. However, with the development of digital financial models and information technology, this strategy has been ineffective. This paper aims to describe the new strategy for teaching financial education through Technological Pedagogical Content Knowledge (TPACK), which is in teaching finance need the content knowledge, pedagogy, and technology used. Another purpose of this paper is to measure the level of confidence of economics pre-service teachers doing financial learning. Using the TPACK framework and through the survey method, we show that the economics pre-service teacher's beliefs in financial learning is still low. Through analysis of statistical descriptions found pre-service teachers are not convinced that the financial education undertaken can increase financial literacy.

**Keywords:** Financial literacy, financial education, pre-service teachers, TPACK

## RISK-PREFERENCES AND POVERTY NEXUS: EVIDENCE FROM INDONESIA

Muhammad Yusuf Indra Purnama, Ariyanto Adhi Nugroho  
Universitas Sebelas Maret

**Abstract.** This study aims to identify empirically the relationship between poverty and risk preference in Indonesia. We measure the risk preference via Indonesia Family Life Survey 2014 (IFLS5) data. From our empirical result, poor households tend to more risk averse than the other households across income level. Poor people are relatively low educated and mostly come from rural area. This suggest that rural communities and disaster-prone areas should be prioritized to be empowered to move from poverty zones due to its high vulnerability.

**Keywords:** risk preference, poverty, IFLS4 data

## ENVIRONMENTAL AND SOCIAL PERFORMANCE OF INDONESIAN STATE-OWNED COMPANIES USING GRI STANDARD-BASED ISOCESP INDEX

Nadhirah Nagu<sup>1</sup>, Hasan Fauzi<sup>2</sup>, Agung Nur Probohudono<sup>3</sup>, Payamta<sup>4</sup>

<sup>1</sup>Hasanuddin University, Makassar

<sup>2,3,4</sup>Universitas Sebelas Maret

**Abstract.** Indonesian State-Owned Companies (ISOC) are operating based on the Law No.19/2003, by carrying out two important tasks: Profit and Social. So far, the evaluation of financial performance has been conducted by many parties, while the social performance (defined as including social and environmental aspects) are very rare to do. The objective of this study is to develop an index called ISOCESP (Environmental and Social Performance for Indonesian State-Owned Companies) and to evaluate environmental and social performance of ISOC using GRI standard-based ISOCESP index. The ISOCESP index is built using 5 dimensions of GRI standard: (1) compliance with laws and social regulations; (2) compliance with environmental laws and regulations; (3) awareness of the social impact, (4) awareness of social policies and program towards the community, and (5) responsive to environmental assessment or scanning. The index has been developed using period of 2008-2018 to come up with total ISOCESP index and each dimension index. Evaluation of environmental and social performance for ISOC shows that the top ten ISOCESP index rating is as follows PT. Timah Tbk. With the index of 2.86, PT. Tambang Batubara Bukit Asam Tbk. With the index of 2.50, PT Semen Indonesia Tbk. With the index 1.58, PT. Aneka Tambang Tbk. With the index of 1.19, PT. Perusahaan Gas Negara Tbk. With the index of 1.08, PT. Krakatau Steel Tbk. With the index of 0.85, PT. Pupuk Indonesia Holding Company with the index of 0.80, PT. Telkom Tbk 0.80, PT. Kawasan Berikat Nusantara with the index of 0.78, PT. Garuda Indonesia Tbk. With the index of 0.78, PT. Biofarma with the index of 0.69, and PT. Bank Rakyat Indonesia Tbk. & PT. Angkasa Pura with the index of 0.63. The evaluation also provides us with the category of environmental-sensitive and non-environmental-sensitive with the index of PT. Timah Tbk. (2.86) and PT Telkom Tbk. (0.86), respectively.



## MANAGERIAL OWNERSHIP AND PROPENSITY OF TAX AVOIDANCE

Nanik Niandari, Rachmawaty Hanny Y., Evi Grediani  
Akademi Akuntansi YKPN Yogyakarta

**Abstract.** This study empirically investigates the effect of managerial ownership on propensity of tax avoidance behavior. Data used in this study are secondary data obtained from Indonesian Stocks exchange database and company annual reports. The authors used regression analysis with unbalanced panel data, using 144 sample of Indonesian manufacturing company listed on Indonesian stock exchange covering period of 2015 to 2017. Total observation consists of 249 firm-years. Propensity of tax avoidance as a dependent variable is measured by effective tax rate (ETR). Managerial ownership describes the level of stock ownership by management (commissioners and directors). Managerial ownership as an independent variable is measured by total of managerial shares divided by total outstanding shares. Variable controls used in this study are return on asset (ROA), size, and leverage. We found evidence that managerial ownership positively affects firm's propensity of tax avoidance. The results of this study are expected to contribute the literature study of managerial ownership towards propensity of tax avoidance.

**Keywords:** managerial ownership, tax avoidance

**THE ROLE OF COMPETITIVE ADVANTAGE IN MEDIATING THE INFLUENCE OF  
PROMOTIONAL STRATEGY ON MARKETING PERFORMANCE  
(A STUDY ON THE TENUN IKAT INDUSTRY IN BALI)**

Ni Nyoman Kerti Yasa, Ica Rika Candraningrat, I G. A. Ketut Giantari, Putu Laksmita Dewi  
Rahmayanti  
Udayana University

**Abstract.** The aim of this research is to explain the influence of promotional strategy in improving the competitive advantage of the Tenun Ikat industry in Bali and its impact on the marketing performance. To achieve this purpose, there are 100 people, who are the owners or managers of the Tenun Ikat SME in Bali, selected as the sample in this research and the data are analyzed using the structural equation modelling (SEM). The research result shows that promotional strategy has a positive and significant influence on competitive advantage. Promotional strategy is greatly capable of improving the competitive advantage of the Tenun Ikat Industry in Bali. Furthermore, competitive advantage has a positive and significant influence on marketing performance achievement. This means that with a higher competitive advantage, there will be a greater marketing performance and competitive advantage is able to significantly mediate the influence of promotional strategy on marketing performance. The research implications contribute to the owners / managers of the SME in the Tenun Ikat industry in Bali, by advising so that they implement promotional strategies. This includes advertisement activities, sales promotion, and well-performed promotion through social media, in order to improve their competitive advantage, which results in the increase in marketing performance.

**Keywords:** Promotional strategy, competitive advantage, and marketing performance.

## DOES INVESTMENT INFLUENCE MINING'S CORPORATE SOCIAL RESPONSIBILITY?

Nur Rizki Wijaya, Agung Nur Probohudono  
Universitas Sebelas Maret

**Abstract.** This study aims to examine the effect of long-term investment to mining industry's environment and social responsibility. The mining industry has a high impact on environment, so public demands more environment attention of this industry rather than others. However, the operation of mining industry requires huge capital, especially fixed assets investment. Therefore, this situation can encourage a dualism role of management; from agency's perspective and stakeholders' perspective. This study focuses in corporate social responsibility of mining industry in 2018 and seeks an empirical evidence through the fixed assets investment of it. The finding reveals that the fixed assets does not have relationship with CSR activity. It implies that mining industry gives more attention to the stakeholders' interest compare to stockholders. This finding has a contribution to the stakeholder theory because mining's management prioritizes environment sustainability rather than profit orientation. This study also contributes to corporate government aspect that public can encourage management to behave ethically.

**Keywords:** mining industry, corporate social responsibility, stakeholder theory, fixed assets investment

## DPR ANALYSIS FOR PROFITABLE INVESTMENT: BASED ON PACKING ORDER THEORY

Nurchayono, Ida Kristiana, Alwiyah  
Universitas Muhammadiyah Semarang

**Abstract.** This study aims to analyze the factors that influence the dividend payout ratio (DPR) in companies listed on the Indonesia Stock Exchange (IDX), especially companies indexed by LQ 45. This study is based on packing order theory which reveals that companies will create investment opportunities from internal funds. Factors that are predicted to affect the DPR are profitability, the board of commissioners, market to book value (MTBV) and Indoosyncratic risk. The object of research is companies listed on the IDX and indexed LQ 45 in 2014 - 2018. The sampling technique used was purposive sampling and data analysis using multiple regression for panel data. The results showed that profitability had a positive effect on the DPR, in terms of this shows that the higher the profitability of the company, the company gets high internal funding. The board of commissioners has no effect on the DPR, the board of commissioners in a company has no influence on the DPR, because the board of commissioners is not permitted to participate in operational decision making. Market to book value has a positive effect on the DPR, due to an increase in the market price of shares and net profits of the sample companies. Indoosyncratic risk has a positive effect on the House of Representatives, the higher the Indoosyncratic risk, the higher the dividend ratio that will be distributed to shareholders.

**Keywords:** DPR, Profitability, Board of Commissioners, MTBV, Indoosyncratic risk

# THE IMPACT OF ILLEGAL FISHING VESSEL POLICY ON STOCK PRICE OF FISHERIES INDUSTRIES IN INDONESIA

Paulina Inggita Prabawati  
Universitas Sebelas Maret

**Abstract.** The Minister of Marine Affairs and Fishery of The Republic of Indonesia, Susi Pudjiastuti has drawn international attention as the policy to sink illegal fishing vessel begins to start. There are 558 vessels has drowned by Susi Pudjiastuti in 2014-2019. The policy is a special act mandated in Article 69 paragraph (4) of Law No. 45 of 2009 on fisheries, which allows foreign-flagged vessels to be burned or sunk based on sufficient initial evidence. IUU - stand for Illegal fishing, unreported fishing, unregulated fishing - has become a problem in Indonesia for a long time, IUU has caused losses for Indonesia. Illegal fishing vessel policy expected to reduce the IUU cases in Indonesia. A company's stock price reflects the value of the company in the public, if the stock price of a company is high, then the value of the company in the public is also good and vice versa. Therefore, stock prices are very important for the company (Nirawati, 2003: 105). There are three fishery industries that has been listed on Indonesia Stock Exchange; DFSI - PT. Dharma Samudera Fishing Industries Tbk, CPRO - PT Central Proteina Prima Tbk, DPUM - PT Dua Putra Utama Makmur Tbk. Illegal fishing vessel policy has a impact on these three fishery industries stock prices in 2014-2019.

Keywords: illegal fishing, government policy, stock price

## WEBSITE SECURITY ANALYSIS OF DEPARTMENT COMMUNICATION, INFORMATICS AND STATISTICS USING KALI LINUX

Poltak Andreas Marbun, Avon Budiono, Ahmad Almaarif  
Universitas Telkom Bandung

**Abstract.** Protecting the system from an attack is important in the information system security process. Information system security in a company or organization must be given special attention because this is very important for confidentiality, integrity, and availability data on the system. Therefore, we need a method to maintain the security and confidentiality of data, so that the data can only be accessed by certain people. Weaknesses on a website will never be known if there is no audit of the system. The website security audit process is carried out with the aim of getting a system vulnerability gap from the website. The gap from the website will be used as a parameter to provide solutions or suggestions to improve the system. The purpose of this research is to conduct a security level audit on the XYZ Regency Government's Diskominfo website. There are two tools carried out for the audit, namely Paros and Golismero with Kali Linux operating system. The method used in this research is Vulnerability Scanning. This research uses the concepts of Confidentiality, Integrity, and Availability (CIA) and with the Paros security standards. The limitation in this research is to find the vulnerability of a website and then provide a solution to that vulnerability.

**Keywords:** Vulnerability Assessment, Website security, Kali Linux, Paros, Golismero

## FACTORS INFLUENCING INDONESIAN PROPENSITY TO EVADE TAX: AN EXPERIMENT

Ponty SP Hutama, Rahmawati, Payamta, Djuminah  
Universitas Sebelas Maret

**Abstract.** Factors that influence taxpayer behaviour still give rise to theories and research gaps, especially in equity theory and social comparison theory. However, research on this topic is still rare. The purpose of this study is to empirically examine the effect of tax evasion information, moral principles, income, and ethical perceptions of taxpayers on their propensity to evade tax (tax avoidance tendencies). Departing from the phenomenon previously stated, the researchers are interested in examining the ethical aspects of tax evasion using data samples in Indonesia. The result of this study shows that taxpayers' knowledge about tax evasion information, moral principles, and income influence their propensity to evade tax. Taxpayers' ethical perceptions do not affect the propensity to evade tax.

**Keywords:** the propensity to evade tax, moral principles, taxpayer income, ethical perception, tax amnesty

## ACCOUNTABILITY OF LOCALITY IN BEEF CATLE SHARING: LESSON LEARNED FROM MADURA AND JAVA

Prasetyono, Yuliana Rakhmawati, Ach Fawaid As'ad  
Universitas Trunojoyo Madura

**Abstract.** Beef cattle sharing is traditionally found in some regions in Indonesia. It is operated by conducting economic dimension with naturally occurring local wisdom. Over the decades, this pioneering practice of business and cultural habits has expanded and developed. Madura and Java, being the two largest regions in traditional beef cattle sharing tasks. Those two regions have a great practice of beef cattle sharing based on potential indigenous with different tastes and patterns linked with its cultural diversity. This research employs case studies to encourage the economic and locality values in beef cattle sharing among Madura and Java, particularly in an accountability perspective. In this review, some explorative information on traditional beef cattle sharing has been found the locality accountability in Madura and Java. Madura works involving traditional values with *oreng jujur bakal pojur*; *oreng pojur mate ngonjur*. Meanwhile, Java activity has *mantep-mantepan lan percoyo* as tasks to be undertaken in accountability. The discussion also deals with traditional processing and business operations. Therefore, the incorporation of traditional cultural values based on the locality of trust, honesty, and luck. The results show the importance of each region to encourage entrepreneurs to develop large-scale production to meet the growing market demand for food sustainability.

**Keywords:** accountability, beef cattle sharing, local wisdom, Java, Madura



## IMPLEMENTATION OF LAMIKRO APPLICATION FOR SMES IN INDONESIA TO DEAL WITH THE INDUSTRIAL REVOLUTION 4.0

Saktiana Rizki Endiramurti, Agung Dwi Mahendra, Atika Kusuma Dewi, Dina Rahmana, Inez Novindriastuti, Fariz Hakim, Putri Arumsari Budidiningrat  
Universitas Sebelas Maret

**Abstract.** This paper aims to examine some issues in implementation of Lamikro Application for small-and medium-sized enterprises (SMEs) in Indonesia and to analyze this implementation to deal with the Industrial Revolution 4.0. This paper adopts qualitative method and approach with media exposure analysis. This paper found that the Lamikro Application helps in the preparation of financial statement for SMEs. Furthermore, Lamikro Application also helps owners to make good financial decision to develop their business and deal with the Industrial Revolution 4.0. Practical implications - Findings of the paper is that the Lamikro Application for SMEs can make easier for preparation of financial statement according to the SAK EMKM. The Lamikro Application has a various budgeting procedure and strong enough to replace the traditional method of accounting so that the owners can monitor their SMEs financial activities to deal with the challenges of the Industrial Revolution 4.0. This paper makes a significant contribution to the SMEs in Indonesia which applies the Lamikro Application because there are only a few studies about that.

**Keywords:** Lamikro Application, SMEs, SAK EMKM, Indonesia, Industrial Revolution 4.0  
Paper type Research paper

WHETHER THE AUDITOR'S REPUTATION AND COMPANY SIZE HAVE AN  
IMPACT ON AUDIT DELAY? (STUDY EMPIRICAL IN BANKING COMPANIES  
LISTED ON THE INDONESIA STOCK EXCHANGE FROM 2016-2018)

Putri Intan Prastiwi, Meita Fahrani  
Universitas Sebelas Maret

**Abstract.** The purpose of this research is to analyze the effect of company size, auditor's reputation on audit delay with audit tenure as moderation variable. This is study empirical on Banking companies listed in Indonesian Stock Exchange (IDX) period 2016-2019. The data source uses secondary data. Study population is 43 companies with analyze of financial report and independent auditor's report period 2016-2019 accessed with IDX websites [www.idx.co.id](http://www.idx.co.id). Sampling technique is purposive sampling with sample of research is 35 companies. Data collection techniques use documentation method and literature review. Data analysis used multiple linear regression and absolute difference test. The results showed that company size has a not significant on audit delay, auditor's reputation has a negative significant on audit delay, audit tenure does moderate the auditor's reputation effect on audit delay.

**Keywords:** company size, auditor's reputation, audit tenure, audit delay

## SEVERAL FACTORS TO GENERATE BUSINESS PERFORMANCE OF MOSLEM FOOD ENTREPRENEUR (GOFOOD) IN SURAKARTA AND YOGYAKARTA

Septi Kurnia Prastiwi, Asep Maulana Rohimat, Putu Widhi Iswari  
IAIN Surakarta

**Abstract.** This research will discuss several factors that possibly improve and generate the business performance of Moslem SME's that affiliated with GoFood. These factors include of information quality, entrepreneurial and consumer innovation. Thus, innovation that can be developed as a mediation variable between entrepreneurial and consumer innovation for generate the business performance of the SME's. This research use quantitave method with Ex Post Facto and use regression analysis using the SPSS research statistical program application. The statistical process results of this research indicate that variable of entrepreneurial orientation and information quality not affected the innovation. Meanwhile, consumer orientation affected the innovation variable. Furthermore, enterprenurial orientation not affected the business performance and innovation with information quality affected the business performance. In the end, the result shows that innovation significantly not affected the consumer orientation and business performance.

**Keywords:** Consumenten Orientation, Entrepreneurship Orientation, Innovation, Information Quality, Business Performance, Small Medium Enterprise (SME), GoFood

## THE EFFECT OF SELF-EFFICACY PERCEPTION TOWARDS THE INTENTION OF USE: EMPIRICAL STUDY IN LINKEDIN STUDENT USERS

Rakyan Widhowati Tanjung, Sri Suryaningsum  
Universitas Gadjah Mada

**Abstract.** In understanding the ultimate goal of students in demanding higher education, the use of employment search facilities is generally used. This study was conducted on students of the Faculty of Economics and Business, Gadjah Mada University, which aims to describe the use of LinkedIn media as a means of increasing a broader network, understanding the characteristics of students in using LinkedIn, and analyzing the factors that influence students' intention of use on LinkedIn. One factor that has a big effect on LinkedIn use is self-efficacy. In this study, self-efficacy is expected to be able to provide affirmation of student choices in the intentions of their use, which is influenced by confidence in the social-virtual environment within the scope of LinkedIn. This research uses Structural Equation Modeling (SEM) with partial least squares (PLS) analysis and uses primary data based on quantitative information. Based on this background, the authors conducted research related to the identification the effect of self-efficacy perception that influence the intention of use towards LinkedIn in the student users. This study uses a modified from model developed by Venkatesh and Bala in 2008, Technology Acceptance Model 3 (TAM 3). Hopefully, this research will be able to contribute to the development of the mapping in the user perception towards the intention of use in a social-media system based on a person's specific and characteristic purpose.

**Keywords:** self-efficacy, perception, Technology Acceptance Model 3, systems, intention of use

## FACTORS THAT INFLUENCE THE INTENTION OF USE ON THE SYSTEM OF MATHEMATICS-BASED ACCOUNTING METHODS

Rakyan Widhowati Tanjung, Sony Warsono  
Universitas Gadjah Mada

**Abstract.** The ability of new students to understand accounting literacy is reflected in a basic understanding of accounting. Accounting literacy is the ability to understand clearly and communicate financial situations and events. In the Introduction to Accounting 1 course, a major focus is needed on learning accounting literacy for all new students in the Accounting, Management and Economics study program at the Faculty of Economics and Business, Universitas Gadjah Mada. The concept of learning is a broad diversification of pedagogical concepts. In line with this, changes that occur in digital communication technology have a rapid impact on the wider community, then educational researchers, policy makers and teachers have the challenge of changing curriculum design, pedagogy and assessment. The Scaffolding Method explains about how a student gets learning assistance in addition to having the opportunity to think, be actively involved, and take initiative. With the Scaffolding method-based learning, the Laboratory Department of Accounting FEB UGM compiled a mathematics-based accounting learning curriculum that is easily intended for new students with various educational backgrounds and study programs to be able to adapt well in the mathematics-based accounting learning system at SIDEK (Debit Credit Information System) Excellence. Based on this background, the authors conducted research related to the identification of factors that influence the intention to use the system in related learning methods. This study uses a modified from model developed by Venkatesh and Bala in 2008, Technology Acceptance Model 3 (TAM 3). Hopefully, this research will be able to contribute to the development of accounting literacy, especially in mathematics-based accounting learning methods.

**Keywords:** accounting literacy, accounting learning methods, accounting mathematics, Technology Acceptance Model 3, systems, intention of use

## THE ROLE OF REAL EARNINGS MANAGEMENT AND IFRS ADOPTION IN THE VALUE RELEVANCE OF EARNINGS AND BOOK VALUE OF EQUITY

Ratnaningrum, Rahmawati, Djuminah, Ari Kuncara Widagdo  
Universitas Sebelas Maret

**Abstract.** This study examines the impact of IFRS adoption and real earnings management on the value relevance of earnings and the book value of equity. The population was manufacturing firms listed on the IDX, with the samples of 115 firm's year before IFRS adoption and 115 firms after IFRS adoption. The result confirms that the value relevance of earnings is higher in the period of post-IFRS adoption, whereas the book value of equity is lower in the similar period, both compared to the period of pre-IFRS adoption. The real-based earnings management is proven to have an impact on the value relevance of earnings and book value of equity before IFRS adoption, but no such impact of it after IFRS adoption. In the similar period, the value relevance of book value of equity is lower compared to that before IFRS adoption due to the IFRS adoption itself instead of real earnings management. As a conclusion, mandating IFRS may prove beneficial.

## IS LOGISTICS AUDIT NEEDED?

Risca Dwi Jayanti, Ida Nihayah, Sergius F Bon  
Universitas Sebelas Maret

**Abstract.** Logistics in general are part of the supply chain process that plans, implements, and controls the storage and flow of goods, services, and all kinds of information related from the supply point to the point of demand in order to meet customer demand. An effective logistics control system requires accurate, relevant, and timely information about activities and performance. A major source of this information is a logistics assessment, otherwise known as a logistics audit. The periodic assessment of logistics should be an integral part of the process of logistics strategy development. The purpose of this study is to assist the role of auditors in reviewing the logistics processes of companies, whether they have optimized the role of supply chain management in accordance with what is desired by the company. By analyzing the current logistics goals that are consistent with current corporate, marketing and production strategies, company performance with respect to customer requirements and preferences, total cost of Logistics functions, and companies that use their Logistics resources and capacity effectively. The research method is uses mixed method through quantitative and qualitative approaches on company in Indonesia. Quantitatively, the investigation of problems that occur in humans or society based on test theory consists of several variables measured by numbers and analyzed to determine whether the theory used to predict it is true or not and is also used to support analysis. While qualitatively, this research is expected to be able to describe the actual (naturalistic) situation in the field. Based on the results of qualitative analysis, auditors play an important role in the logistics process, there are critical points that can be misused and become the center of attention in audit logistic.

**Keywords:** logistic, audit, supply chain, strategic

## DETERMINANTS OF CARBON DIOXIDE EMISSIONS: CASE STUDY FROM SIX THE WORLD'S LARGEST CARBON EMITTERS COUNTRIES

Salma Audiena Al Faizah, Julianus Jhonny Sarungu, Izza Mafruhah  
Universitas Sebelas Maret

**Abstract.** The two leading economies of the world economy, China and the United States are the world's largest carbon emitters. Indonesia as the fourth-largest country in terms of population size is also included in the list of six the world's largest carbon emitters countries. This study attempts to investigate the determinants of carbon dioxide emissions (CO<sub>2</sub>) for a global panel consisting of six countries using a static panel data model. The time component of our dataset is 2005-2014 inclusive. Our main findings are that economic growth, population growth, and energy consumption have positive effects on CO<sub>2</sub> emissions. This is in accordance with the environmental kuznet curve hypothesis assumption that links economic growth, population growth, energy consumption, and carbon emissions. Thus, it can be concluded that the greater the population of a country, the faster its economic growth, the greater the country's need to consume energy so as to produce large carbon emissions as well.

**Keywords:** CO<sub>2</sub> emissions, economic growth, population growth, energy consumption, static panel data model



THE EFFECTS OF TAX AVOIDANCE ON THE TIMELINESS OF ANNOUNCEMENT  
OF FINANCIAL STATEMENTS ON MANUFACTURING COMPANIES LISTED ON  
THE INDONESIA STOCK EXCHANGE IN 2014 - 2018

Septilia Sekar M, Frista  
Universitas Kristen Duta Wacana

**Abstract.** This study aims to analyze the effect of tax avoidance on the timeliness of the announcement of annual financial statements. Timeliness of the announcement of annual financial statements is measured by counting the number of days from the end of the fiscal year to the date of issuance of the company's financial statements (DELAY). Tax avoidance is measured using book-tax-difference (BTD) values. The sample in this study using 106 manufacturing companies listed on the Indonesia Stock Exchange in 2014 - 2018. The results showed that tax avoidance had a negative effect on the timeliness of the announcement of annual financial statements.

**Keywords:** Timeliness, reporting, tax avoidance.

# THE RELATIONSHIP BETWEEN RURAL ECONOMY, TOURISM SECTOR AND POVERTY: STUDY IN KOTA BATU-EAST JAVA INDONESIA

Setyo Tri Wahyudi  
Universitas Brawijaya

**Abstract.** The facts show that East Java has the largest agricultural land in Java, and has the largest number of households engaged in agricultural services in Indonesia. On the other hand, East Java is also a province with the largest number of poor people in Indonesia. The abundance of production factors in the form of land is an important for developing the agricultural sector. In addition, the abundance of agricultural resources in East Java and supported by the number of agricultural service households is a good potential to support national food security. The fact also shows that the most of the agricultural land and agricultural services households are in rural areas. Therefore, it is believed that one way to improve food security and poverty alleviation can be done through strengthening the rural economic sector, one of which is the tourism sector. Using the Location Quotient (LQ) and Shift-Share analysis methods, this study aims to analyse the potential of rural areas in efforts to improve food security and poverty alleviation in Kota Batu. The results of the study using LQ show that the economic sectors in Kota Batu are relatively stable and do not indicate a shift in the base sector. This is supported by the fact that most of Kota Batu's land is agricultural land which able to support tourism sector. While the shift-share results show that the Wholesale and Retail Trade sector and the Manufacturing Industry sector are main driving sector to boost economic growth of Small and Medium Enterprises and the services sector in Kota Batu. That's not surprisingly if the Services sector is one of competitive sector and has an important role for the Kota Batu. Finally, the increased tourism activity in Kota Batu has been able to reduce poverty levels through community involvement in various tourism activities.

**Keywords:** Rural economy, Tourism, Poverty

## ECONOMIC EXTERNALITY OF THE IMPACT OF DEVELOPMENT HYPERMART AND APARTMENTS IN KOTA MALANG

Setyo Tri Wahyudi  
Universitas Brawijaya

**Abstract.** Higher economic growth followed by increasing per capita income of the community is an important measure of the success of an economy. As a consequence, economic activity indicated by various community needs and preferences has also increased. The most obvious development can be seen is the increasingly stretching growth and development of modern shopping (Hypermart) and Apartments. In 2019, the development of modern shops in Kota Malang is so rapid, even the location is more easily accessible because it is close to housing and the Education area. On the other hand, the development of modern shops and apartments that are so massive is also felt to have an impact (externality). The purpose of this study is to analyse the externality of the development of modern shops and apartments in Kota Malang. The sample of the study includes business people and the community around the study area. The results of the study showed as many as 48.4 percent of respondents said there had been an increase in the number of vehicles in line with the rapid growth of modern shops. Even the increase in population mobility is not directly proportional to the increase in roads. However, on the other hand, 58.1 percent of respondents consider that the construction of modern shops and apartments can actually provide new jobs and reduce unemployment. In addition, for businesses, 58.1% of respondents agreed that the existence of modern shops and apartments could support the development of Small and Medium Enterprises.

**Keywords:** Externality, Hypermart, Apartment

**THE EFFECT OF TREASURER CHARACTERISTICS ON ORGANIZATIONS AND  
WORK UNITS OF REGIONAL APPARATUSES ON TIMELINESS OF SUBMISSION  
OF APBD ACCOUNTABILITY REPORT IMPLEMENTATION (CASE STUDY OF THE  
SURAKARTA CITY GOVERNMENT IN 2018)**

Shinta Ramadhani, Hanung Triatmoko, Agung Nur Probohudono, Djuminah  
Universitas Sebelas Maret

**Abstract.** The research have a purpose to see how the effect from the characteristics of the treasurer of expenditures and treasurer expenditure of assistants as personnel who compile financial statements as a form of accountability from the implementation of APBD on the timeliness of financial statement submission to BPPKAD accounting department as the part the compiles the financial statements of the city of Surakarta. The characteristics of treasurer are measured based on education level, years of service, age, sector and gender. The sample in this study consisted of regional author (OPD) and work units in the Surakarta city government in 2018 which were selected based on certain criteria (purposive sampling) as many as 147 OPD and work units. The result of the hypothesis explain that the age and gender characteristics of the treasurer have a significant influence in the timeliness of the APBD accountability report.

**Keywords:** Timeliness, characteristics treasurer and APBD accountability report

**THE EFFECT OF REGIONAL ORIGINAL INCOME, GENERAL ALLOCATION FUNDS, REMAINING BETTER CALCULATIONS, FIXED ASSETS, NUMBER OF POPULATION AND ECONOMIC GROWTH ON CAPITAL EXPENDITURE  
(STUDY OF PROVINCES OF PAPUA AND WEST PAPUA IN 2016-2018)**

Sifak Arifatus S, Hanung Triatmoko, Agung Nur Probohudono, Djuminah  
Universitas Sebelas Maret

**Abstract.** Adequate infrastructure can be measure one of the standards of community welfare, by the fulfillment of infrastructure needs, the community can carry out economic activities well, the infrastructure can be measured by the amount of capital expenditure the local government. Capital expenditure by the government is influenced by various factors. The purpose of this study is to determine the effect of Regional Original Revenues, General Allocation Funds, Time Over Budget Calculation, Fixed Assets, Population Amount and Economic Growth the Capital Expenditures that is done by the governments in the Provinces of Papua and West Papua in 2016-2018. Sampling uses a purposive sampling method based on certain criteria, as many as 124 district / city governments. From the results of this study it is partially known that the excess of the calculation of the budget and fixed assets has a significant positive effect on regional government capital expenditure.

**Keywords:** Capital Expenditures, Local Government

THE EFFECT OF STOCK LIQUIDITY ON THE CORPORATE TAX AVOIDANCE: AN  
EMPIRICAL STUDY OF MANUFACTURING COMPANIES LISTED ON THE  
INDONESIA STOCK EXCHANGE (IDX) IN 2016-2018

Silvia Kartika. K, Frista  
Universitas Kristen Duta Wacana

**Abstract.** This study aims to analyze the effect of stock liquidity on tax avoidance. This study uses GAAP Effective Tax Rate (GETR) measurements for tax avoidance, and LIQ to measure stock liquidity. The data were obtained from companies listed in the Indonesia Stock Exchange (IDX) in the period 2016 to 2018. This research can prove that there is a positive relationship between stock liquidity and GETR (negative to tax avoidance). This means that the higher the stock liquidity, the less tax avoidance is carried out by company management.

**Keywords:** Stock liquidity, Tax avoidance, Agency conflicts

## MOTIVES FOR FIXED ASSET REVALUATION WITH THE INFORMATION HYPOTHESIS: AN EXAMINATION OF INDONESIA DATA

Sri Hastuti<sup>1</sup>, Ari Kuncara Widagdo<sup>2</sup>, Doddy Setiawan<sup>3</sup>, Bambang Sutopo<sup>4</sup>

<sup>1</sup>Universitas Pembangunan Nasional “Veteran” Yogyakarta

<sup>1,2,3,4</sup>Universitas Sebelas Maret

**Abstract.** The purpose of this study is to examine the motives for fixed asset revaluation based on the information hypothesis. From the perspective of the information hypothesis, fixed asset revaluation can reduce the cost of capital. This study uses a sample of non-financial firms listed on the Indonesia Stock Exchange during the 2012-2017 period. From this sample, there are 130 firm-years revaluers and 2063 firm-years non-revaluers. The results of the logistic regression test show that firms with lower liquidity, lower comprehensive income in the previous year, and higher intensity of fixed assets are more likely to revalue their fixed assets. These results suggest that support the information hypothesis.

**Keywords:** fixed asset revaluation, liquidity, comprehensive income, intensity of fixed asset

# REGIONAL EXPANSION AND THE LOCAL COMMUNITY WELFARE: A STUDY OF THE EFFECTIVENESS OF 20 YEARS OF IMPLEMENTATION OF AUTONOMY IN INDONESIA

Aminah<sup>1</sup>, Sri Risma Yenny<sup>2</sup>  
<sup>1,2</sup>Universitas Sebelas Maret  
<sup>1</sup>Universitas Bandar Lampung  
<sup>2</sup>STIE Prasetya Mandiri Lampung

**Abstract.** This study aims to provide empirical evidence on the implementation of autonomy in Indonesia that has been started since the enactment of Law No. 22/1999 on Regional Government. Specifically, this study would like to assess the welfare of the community in the regional expansion, both in the new and origin regions. The population and samples used in this study are all regions experiencing of expansion, both the new and origin regions. During the period 2004-2017, there were about 150 regions that have been expanded. All of these expanded regions become the research samples. Test of differences in community welfare in new and origin regions is the focus of this study. In accordance with the mandate of Law No. 32/2004 on Regional Government, the expansion of regions in Indonesia aimed at forming new administrative areas, should be able to create better welfare of the community in the region. This study compares the welfare of the community in the area of origin, from before and after the expansion. This assessment is to obtain an empirical finding whether the splitting of the area undertaken has a positive impact on the area of origin. If the welfare of the community in the area of origin becomes better after splitting, then the government's decision on splitting the region is right. Vice versa. For new regions, this study will analyze the welfare trends of the community several years after the area was formed. If the dependence on the central government shows a decline while the welfare rate of the community shows an increase, then the decision of the new regional reconstruction through the split of the region is considered effective. Vice versa. The findings of this study will show which way the implementation of regional autonomy that has been implemented more than 20 years in Indonesia. This issue is very important because it is related to the mandate of Law No. 32/2004 which becomes the foundation of the law of regional expansion, the regional division should encourage the improvement of the welfare of the community in which the policy is applied. The potential contribution of this research is to obtain empirical evidence of the effectiveness of regional expansion.

**Keywords:** Regions expansion, new regions, origin regions, community welfare



# UTILIZATION OF ECONOMIC DISASTER RISK LOSS DATA MAPPING AND HOW COLLABORATIVE GOVERNANCE PROVIDES ASSISTANCE FOR POST-EARTHQUAKE ECONOMIC LOSSES?

Sri Wahananing Dyah, Eko Prasajo  
Universitas Indonesia

**Abstract.** Indonesia is geographically the only country in the Asian region surrounded by the Pacific Ring of Fire, and is found in three world plates: Eurasia, Indo-Australia and the Pacific. This geographical fact then makes Indonesia has a great potential for earthquake disaster. Disaster management affairs in Indonesia are basically contained in the 2015-2019 Medium Term Development Plan (RPJMN), which was derived through Nawacita "Realizing Economic Independence by Developing Strategic Sectors of the Domestic Economy". In order to realize economic independence, there are seven priority agendas, one of which is to conserve natural resources, the environment and disaster management. BNPB (National Agency for disaster management) as an organization in charge of disaster management, has a mapping of earthquake disaster risk in Indonesia, including the risk of social loss, risk of economic loss and risk of physical loss, then the Western Island of Jawa (West Java, DKI Jakarta and Banten) are known to have the highest potential economic loss risk. Based on that, this study wants to see: First, where the fare work mapping related to potential of economic damage utilized by the government for minimizing post-earthquake economic losses. Second, how to collaborative governance provides assistance for post-earthquake economic losses.

**Keywords:** Post Earthquake, Risk of Economic Loss, Economic Loss, Collaborative Governance

# ANALYSIS OF DEVELOPMENT INEQUALITY AND HEALTH SPENDING ALLOCATION TO HUMAN HEALTH DEVELOPMENT INDICATOR IN BANTEN PROVINCE

Sugeng Setyadi, Deris Desmawan  
Universitas Sultan Ageng Tirtayasa

**Abstract.** This research analyzes the progress of development inequality in Banten Province and analyzes the influence of development inequality to human health indicator. The regression model conducted with panel data analysis, in which variable of human health indicator be used as dependent variable. Human health indicator be measured with life expectancy. Meanwhile, variable of development inequality and health spending allocation are used as independent variables. Here, variable of development Inequality be measured by Williamson Index. The research result shows that variable of development inequality has negative and significant influence to variable of human health indicator. On the other hand, variable of health spending allocation shows has positive and significant to variable of human health indicator, therefore, this variable is more effective to increase the human health development.

**Keywords:** development inequality, effectiveness of Health spending allocation, human health indicator

# THE IMPACT OF SAFETY CLIMATE, SOCIAL CAPITAL ON ORGANIZATIONAL CITIZENSHIP BEHAVIOUR IN WATER BODY MANAGEMENT UNIT OFFICER IN JAKARTA

Suryani Maryam  
Universitas Padjadjaran

**Abstract.** The purpose of this study is to investigate the effects of safety climate and social capital associated with organizational citizenship behaviors (OCB). Data were collected from 253 Water Body Management Unit officers in Jakarta using questionnaires. Data analysis was done using Structural Equation Model (SEM) analysis. Three hypotheses were developed in order to determine the relationships between safety climate, social capital, and organizational citizenship behaviour. The results revealed that safety climate and social capital had significant positive impact on employees' organizational citizenship behaviour. This study makes several contributions to Water Body Management Unit employer, including by creating positive safety climate and social capital, the organizational citizenship behaviour of officers can be elevated. Furthermore, this study, for the first time, has measured the Water Body Management Unit Officer's safety climate, social capital, and organizational citizenship behaviour.

**Keywords:** Safety climate, Social capital, Organizational citizenship behavior, Water Body Management Unit Officer

## THE IMPROVEMENT OF VILLAGE FUND PROGRAM GOVERNANCE THROUGH TRAINING AND COACHING TO IMPROVED HUMAN RESOURCE SKILL

Susilaningtyas Budiana Kurniawati<sup>1</sup>, Hasan Fauzi<sup>2</sup>  
Universitas Tunas Pembangunan Surakarta<sup>1</sup>  
Universitas Sebelas Maret<sup>1,2</sup>

**Abstract.** Based on some previous studies, human resource problem is still a constraint in the management of village funds leading to the need to improve their skill to meet the good governance principle. The purpose of this study is to explore the key to successful development of training and coaching to improve skills by knowing the right type of training and coaching, desired training methods and approaches and technical materials needed to improve village's human resource in managing the village fund. This research was conducted in Boyolali on the grounds that the districts can represent the average of human resource problem faced by villages in Indonesia. Respondents in this research are village head and their staff in all village head in Boyolali District with the sample of 277 respondents. The method used for data collection include two stages of FGD (Focus Group Discussion) and survey. The results of this study indicate that the key to success in improving the village's human resource skill is through the combined training and coaching. The right type of training to improve the skill is soft-skill and hard-skill, while the right type coaching is the one for performance improvement. Furthermore, the proper training method to be in use is question and answer method/brainstorming advice, the general topics to be trained include budgeting accounting, administration in the form of computer application, and the technical topics needed in training are the reporting and responsibility issues including procedure and system of tax calculation.

**Keywords:** village fund, human resource, skill, training, coaching and good governance

## GOOD CORPORATE GOVERNANCE, DISCLOSURES CORPORATE SOCIAL RESPONSIBILITY AND THE VALUE OF THE COMPANY

Siti Nurlaela<sup>1</sup>, Susilaningtyas Budiana Kurniawati<sup>2</sup>, Rahmawati<sup>3</sup>  
Universitas Sebelas Maret

**Abstract.** This study aims to empirical study of Good Corporate Governance practices, Corporate Social Responsibility Disclosure and Company Value to find out whether Good Corporate Governance can strengthen the influence of CSR on the value of mining companies listed on the Indonesia Stock Exchange. Based on observations and based on the results of the discussion analysis, it can be concluded that Good Corporate Governance Practices can strengthen the influence of Corporate Social Responsibility disclosure on the value of companies in mining companies listed on the Indonesia Stock Exchange in the 2014-2018. The data analysis technique used in this study is MRA. Moderated Regression Analysis in its regression equation contains elements of interaction with the equation. Company Value (Y) in this study can be defined as market value, because the higher the stock price, the higher the prosperity level of shareholders can be assumed. To calculate the value of the company used the Tobin's Q ratio. Good Corporate Governance (X) or social responsibility is a form of corporate concern for the environment and the communities around which the company operates. In this study the MRA was conducted to determine whether the variable Corporate Social Responsibility (M) is able to strengthen or vice versa The Effect of Corporate Social Responsibility on the value of the company in mining companies.

**Keywords:** Good Corporate Governance, CSR and Company Value

**THE EFFECT OF PRIMARY STAKEHOLDERS ON MANDATORY DISCLOSURE  
COMPLIANCE IN THE LOCAL GOVERNMENT'S FINANCIAL STATEMENTS  
(EMPIRICAL STUDY OF LOCAL GOVERNMENT IN JAVA)**

Tajuddin, Djoko Suhardjanto  
Universitas Sebelas Maret

**Abstract.** Mandatory disclosure is the disclosure of information required by regulations stipulated by an authoritarian body as a consideration in making economic, social and political decisions by various user groups (stakeholders) even though they have different interests. The main user groups (primary stakeholders) are the community, people's representatives, supervisory institutions, inspection institutions, those who give or play a role in the process of donations, investments and loans, and the government (central and regional) (regional heads and regional government employees). This study aims to examine the effect of primary stakeholders on compliance with mandatory disclosure in local government financial reports (LKPD) and examine differences in levels of compliance between districts and cities in Java. The population of 112 local governments in Java consisting of 83 districts and 29 cities in the year using purposive sampling and data analysis through Multiple Linear Regression. The statistical results show the average compliance of mandatory disclosures in the regional government balance sheet of 25.27% with a maximum value of 41.18% (Ciamis Regency) and a minimum value of 8.82% (Pati Regency). Regression results show that the size of local government employees, the level of education of local government employees, the amount of Original Regional Revenue, and the amount of the General Allocation Fund, have proven to have a significant effect on the compliance of mandatory disclosures in LKPD in Java. The t-test results showed that there was no difference in compulsory disclosure compliance between district and city governments.

**Keywords:** Mandatory Disclosure, Primary Stakeholders, Local Government.

# THE ANALYSIS OF PREDICTIVE CAPABILITY OF CORPORATE GOVERNANCE, CONSERVATISM, FIRM SIZE, AND FINANCIAL RATIOS ON THE FINANCIAL PERFORMANCE OF INDONESIAN NON-FINANCIAL COMPANIES

Daniel Tulasi, Theodorus Radja Ludji  
Universitas Katolik Widya Mandala

**Abstract.** The purpose of this study is to investigate the predictive capability of the variables of corporate governance, conservatism, company size, and corporate financial ratios to differentiate the types of firms in Indonesian manufacturing industry. This study applied multiple discriminant method to analyse a sample of 40 non-financial firms in listed in Indonesian Stock Exchange over the period of five years (2013-2017). This study reveals that the variables of corporate governance, conservatism, company size, and financial ratios are able to significantly differentiate the non-financial firms according to their financial performances. Meanwhile, the research model which encompassing the variables of corporate governance, conservatism, firm size, and financial ratios showed a classification accuracy of 86 percent, which indicated a relatively strong linkage between the predictive capability of variables and the performance of non-financial firms.

**Keywords:** Financial performances; corporate governance; conservatism; firm size; financial ratios

## BUILDING SUPPLY CHAIN COLLABORATION: THE ROLE OF ICT AND TRUST

Titik Kusmantini, Agung Satmoko, Arum Kurniawati  
UPN “Veteran” Yogyakarta

**Abstract.** Increasingly business competition encourages companies to build networks of cooperation. The issue of interdependence between companies is believed to build the company's competitive advantage. The purpose of this study is to understand the relationship between information and communication technology (ICT), Trust and Supply Chain Collaboration and their impact on the company's operational performance. Testing the research model using the PLS technique. A survey was conducted to collect data from screen printing SMEs is one of the leading creative industries in Yogyakarta, and using accidental sampling techniques. With the distribution of questionnaires directly collected as many as 48 SMEs data. The results of the study noted that the relationship between Screen Printing SMEs and their supplier was formed because of the trust and use of ICTs to share information and data. Trust and ICT have been shown to have a significant direct effect on supply chain collaboration and operational performance. Using bootstrapping technique, the indirect effect of ICT and trust on operational performance through supply chain collaboration has also proven significant. The practical implication of this research is the importance of understanding SMEs of the strategic role of technology to share information, because with ICT companies will be able to build more effective business communication. In addition, it is also important to understand the role of trust as a factor supporting the company's commitment to build sustainable cooperation and also be able to create operational performance that is superior to competitors.

**Keywords:** ICT; Trust; Supply chain collaboration; Creative Industries; Bootstrapping



# ANTECEDENTS OF GREEN CONSUMPTION ATTITUDES AND CONSEQUENCES FOR INTENTIONS AND BUYING BEHAVIOR OF NON-PESTICIDE VEGETABLE AND FRUIT PRODUCTS

Titik Kusmantini, Heru Tri Sutiono, Rini Dwi Astuti, Trestina Ekawati  
UPN "Veteran" Yogyakarta

**Abstract.** The issue of global warming encourages all parties to care about ecological issues. Research on the sustainability of consumption or consumption of green products has become the focus of academics and practitioners, and this study aims to explore the antecedent factors of green product consumption attitudes such as environmental awareness, environmental knowledge and perceptions of the effectiveness of green consumption influencing the purchase intention and behavior of green products. The focus of the study is on the consumption of green products, especially agricultural products such as non-pesticide vegetables and fruits in Yogyakarta. To test the hypothesis using SEM (Structural Equation Modelling) Analysis bases on PLS (Partial Least Square) Technique. The data collection technique was carried out by distributing questionnaires to members of the green community or non-pesticide vegetable and fruit consumers in the many modern market, and the sample size are 244 green consumers. The test results produce empirical evidence that the three antecedents of green consumption attitudes are proven to have a positive and significant effect, but the effectiveness of green consumption variable is the most dominant factor. The consequences of a better green consumption attitude have also been shown to have a significant effect on the buying intentions or behavior of green products. The practical implication of the results of this study is to provide input for research partners namely the Women Farmers Group (KWT) that is aiming at green product segments as an appropriate step in marketing their agricultural products. Effective marketing communication efforts need to be built through advertising and product packaging programs that are able to increase green trust.

**Keywords:** Green Consumption; Environmental Concern; Environmental Knowledge; Perception of the Effectiveness of Green Consumption; Non-Pesticide Vegetables and Fruits

## EFFECT OF TAX PLANNING, DEFERRED TAX ASSET, DEFERRED TAX EXPENSE, FIRM SIZE ON EARNINGS MANAGEMENT

Umi Kalsum, Rika Henda Safitri, Harun Delamat  
Universitas Sriwijaya

**Abstract.** This study aims to determine the effect of tax planning, deferred tax expense, deferred tax assets, and firm size of manufacturing companies listed on the Indonesia Stock Exchange for the period of 2013 to 2017. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) as many as 177 companies and sorted based on sample criteria that have determined to be 34 companies for 5 years of observation so that the total sample is 170 companies. This study is a quantitative descriptive study that will be tested using statistical tools in the form of Statistical Package for Social Sciences (SPSS) to test classical assumptions, hypothesis testing or partial regression tests (t-test) and R-Square test. The results of this study are expected to support the research hypothesis such as tax planning, deferred tax expense, deferred tax assets, and firm size have an effect on earnings management. Preliminary results of this study are that the variable of tax planning, deferred tax assets, and deferred tax expense does not have a partial effect on earnings management.

**Keywords:** Tax Planning, Deferred Tax Expense, Deferred Tax Assets, Firm Size, Earnings Management

# UNIVERSITY HUMAN CAPITAL PLANNING "LECTURER" TOWARDS SUPERIOR UNIVERSITY

Uus Mohammad Darul Fadli, Maruf Akbar, Hamidah  
Universitas Negeri Jakarta

**Abstract.** This study aims to explain the planning of human capital from intellectual lecturers as the prime mover of tertiary institutions. Intellectual lecturers are human capital in a tertiary institution understood as intangible assets that are very instrumental in carrying out university activities, namely carrying out education, research and service as well as various supporting functions. It is believed by research that lecturers are the only asset that can create university excellence in the future. The study was conducted at Buana Perjuangan University (UBP) Karawang. The study design used the phenomenological method. There were 17 informants consisting of 5 university leaders, 3 deans and 9 heads of study programs, who were experienced in planning university lecturers, as well as implementing university activities which were expected to provide their experience while carrying out lecturer planning as human capital at the university. Data were collected by structured interviews according to research protocols, field surveys, and documentation studies. The analysis method uses content analysis. The results of the analysis explain that human capital planning "lecturer" leads to the content of knowledge, skills, abilities, and good behavior that supports the intellectual ability of lecturers in representing themselves to develop and carry out education, research and service as well as collectively form a superior university.

**Keywords:** planning, human capital, lecturers, knowledge, skills, abilities, behavior, excellence.

## ANALYSIS OF ASSESSMENT CYCLE MIGRATION DATA IN ACTIVITY BASED COSTING USING SAP HANA

Vindha Novriani Tanjung, Muhardi Saputra, Warih Puspitasari  
Universitas Telkom Bandung

**Abstract.** Indonesia has one of the biggest companies in the telecommunication sector, it is PT ABC. The company certainly requires accurate and fast data for all divisions, especially the financial division. PT ABC wants everything to be integrated and automated. For finance division, PT ABC still input financial data one by one to Microsoft Excel and then manually input into the SAP system is considered ineffective and inefficient. It takes time and also workdays to solve all customers data. To solve this, PT ABC currently uses SAP S/4 Hana and researchers will try to use LSMW TCODE for upload excel data to SAP. SAP HANA is a cloudbased ERP that was introduced in 2015 and supports an in-memory platform to increase the speed and analysis of comparative data with older versions, which requires a longer implementation time. LSMW is one of the tools to upload mass data into SAP. SAP activate is also used in this study to achieve goals until the application can be run at the company, but in this paper, researchers will be analyzed only to the explore phase. By using SAP HANA and LSMW, companies are expected to save time in inputting data into the SAP system.

**Keywords:** SAP S/4 Hana, SAP Activate, LSMW, ERP

## YOUTH STOCK MARKET PARTICIPATION: DOES FINANCIAL LITERACY MATTER?

Vitria Susanti, Nadya Maharani  
UIN Raden Intan Lampung

**Abstract.** As one of the life skills needed in the disruptive era, financial literacy plays important roles to help achieving one's individual long-term life goal. The youth are considered to have more financial knowledge and skills than older society. They are also going to face more challenging financial conditions in the future compare to their parents. Hence, being financially-well-literate is definitely an advantage to overcome imminent economic uncertainties. Like in other countries, The Indonesian stock market has an influential role to the nation's economy. Stock market allows investors who have excess funds to invest in various securities and gain profit from expected return. This study aimed to investigate the impact of financial literacy towards youth stock market participation. The samples of this research were 385 students of UIN Raden Intan Lampung. Using a paired sample T-test and regression test, the results showed that financial literacy does not affect the stock market participation. The result of this study was expected to improve understanding on personal finance in Indonesia that is relatively limited.

**Keywords:** financial literacy; personal finance; stock market participation; investment

# THE EFFECT OF SUPPLY CHAIN MANAGEMENT ON COMPANY PERFORMANCE THROUGH COMPETITIVE ADVANTAGE

Hedi Cupiadi, Rohimat Nurhasan, Wufron  
Universitas Garut

**Abstract.** Conducted research on supply chain management, competitive advantage and company performance in the dodol industry in Garut Regency. The purpose of this study is to determine the effect of supply chain management on company performance through competitive advantage. The method used is descriptive and verification with survey approach. Data processing using partial least square (PLS) with software SmartPLS Ver. 2.0 M3. The results of descriptive analysis show that supply chain management is in the good category, competitive advantage is in the superior category, and company performance is in the high category. Hypothesis testing results obtained supply chain management results have a significant effect on competitive advantage with an R2 of 86.40%, then supply chain management has a significant effect on company performance with an R2 of 88.69%, and supply chain management can significantly influence company performance through competitive advantage with an R2 of 53.53%. Research limitations, Supply chain management is measured by strategic supplier partnerships, customer relationships, levels of information sharing, and quality of information sharing. Competitive advantage is measured by price, quality, delivery dependability, product innovation, and time to market, while company performance is measured by a balanced scorecard (BSC) approach, namely financial perspective, customer perspective, internal business perspective, and learning and growth perspective.

**Keywords:** Supply Chain Management, Competitive Advantage and Company Performance.

## THE PROFILE OF CREATIVE CRAFTS INDUSTRY MAPPING

Rodhiah, Toto Mukmin, Nur Hidayah  
Universitas Tarumanagara

**Abstract.** Creative industry has become a driving force that increasing in the international market; therefore, it is very important to map each of the creative sectors towards the growth and progress of the region. This research aims to provide a clear illustration of the creative sector mapping in the city of South Tangerang, West Java Province. Researched by businesses sector of the craft industry with convenience sampling and the data collected by interview, FGD. In addition to this, observations were also conducted on the operatives and BPS offices in obtaining secondary data information. The Analysis is done by qualitative with explorative design. The results of the study show an overviews of creative industrial in the aspects of photography and entrepreneurship, creative clusters such as craftsmanship, leather, Handcraft, Batik, Betawi's Ondel-ondel, and others. Potentially and supporting competitiveness more comprehensive towards the creative sector development. Therefore, it's necessary to get the attention of stakeholders and local government.

**Keywords:** Creative Industries; craft, geography, entrepreneurship.

**THE EFFECT OF DISCLOSURE ON SUSTAINABILITY REPORTS, FOREIGN  
BOARDS AND FOREIGN OWNERSHIP ON FIRM VALUE WITH INDONESIA  
SUSTAINABILITY REPORTING AWARDS (ISRA) AS A MODERATING VARIABLE**

Ismul Aksan, Jati Narendro Pratigno Tiyoso, Evi Gantjowati  
Universitas Sebelas Maret

**Abstract.** This study aims to determine the effect of disclosure on sustainability reports, foreign boards, foreign ownership of firm value. The moderating variable used is the Indonesia Sustainability Reporting Award (ISRA) to moderate the effect of the disclosure of the sustainability report on the firm value. This research was conducted during the period 2013 to 2017. The number of samples was 37 companies with 159 observations. Data analysis methods used in this study are panel data regression and sub-group analysis to detect the presence or absence of homologizer moderation. The results of this study concluded that (1) the disclosure of sustainability reports has a positive effect on firm value. (2) the Indonesia Sustainability Reporting Award (ISRA) does not moderate the disclosure of sustainability reports on firm value. (3) foreign boards do not affect the firm value. (4) foreign ownership does not affect the firm value. Additional test in this research is to divide the sample by types of companies of State-Owned Enterprises (BUMN) and non-BUMN, as well as types of service & financial industries and manufacturing industries & others.

**Keywords:** Firm Value, ISRA, Sustainability Report, Disclosure, Foreign Board, Foreign Ownership.



## LOGISTICS AND SUPPLY CHAINS STRUCTURE OF STRATEGIC FOODS COMMODITY IN SOLORAYA

Khresna Bayu Sangka, Agung Nur Probohudono, RM Syah Arif Atmaja W,  
Rifky Pratama Putra  
Universitas Sebelas Maret

**Abstract.** Inflation is a problem whose tendency is marked by general and continuous price increases. Increased inflation is one of the general indicators of the economic crisis. Inflation arises as a result of economic shock and government policies. One way to control inflation is by increasing transparency in monetary policy strategies in which could be implemented by the local authority. This study aimed to determine the mapping of market structure and distribution patterns including costs and barriers to the distribution of the main contributors to regional inflation according to the Bank Indonesia branch Surakarta such as: Red Onions, Broiler Chicken, Garlic, Beef, Rice, Granulated Sugar, Chili, Cooking Oil, Red Chili, and Chicken Eggs. In addition, this study also aimed to determine the behavior of producers, distributors, and retailers in the mechanism of forming the main commodity prices, contributors to inflation in the region, and to know the implications of market structure and distribution patterns of the main commodities contributing to regional inflation on regional price control policies. This research was conducted in seven regions in Soloraya which have various characteristics. This research uses mixed methods through quantitative and qualitative approaches. Quantitatively, an investigation of problems that occur in humans or society based on testing theory is composed of several variables measured by numbers and analyzed statistically to determine whether the theory used to predict is true or not and also used to support analysis. While qualitatively, this research is expected to be able to describe the actual (naturalistic) state in the field. Based on the results of quantitative analysis through the index, there is a tendency of a monopolistic market structure in all the main commodities contributing to regional inflation in Soloraya, has a high market concentration, and high barriers to entry into the market.

**Keywords:** supply chain, strategic, foods, inflation.

## THE EFFECT OF DISRUPTIVE INNOVATION AND E-COMMERCE BASED TRANSACTION IN THE ONLINE TAX COLLECTION POLICY

Gen Norman Thomas<sup>1</sup>, Engelwati Gani<sup>2</sup>, Wendy Endrianto<sup>3</sup>, Lely Indriaty<sup>4</sup>

<sup>1,2,3</sup>Universitas Bina Nusantara

<sup>4</sup>Universitas Persada Indonesia

**Abstract.** This study aims to analyze the disruptive innovation and e-commerce based transaction on the online tax collection policy in Indonesia. The research method uses a descriptive quantitative method by distributing questionnaires and conducting interviews with e-commerce transaction actors. as a taxpayer in Central Jakarta. Data processing was carried out with SPSS 23. The results showed that there was a positive and significant influence between disruptive innovation and e-commerce based transaction in the online tax collection policies. Therefore, the results of this study can provide valuable feed back that equating online tax collection with traditional tax collection is not entirely correct.

**Keywords:** Online, Disruptive Innovation, E-Commerce, Tax Collection.

**THE IMPACT OF ORGANIZATION COMMITMENT, SALARY SATISFACTION, AND  
WORK SATISFACTION ON INTENTION TURNOVER PT. BERCA  
HARDAYAPERKASA**

Farida Elmi  
Universitas Mercubuana Jakarta

**Abstract.** This study aims to determine and analyze the influence of organizational commitment, pay satisfaction, and job satisfaction on intention turnover, either partially or simultaneously at PT. Berca Hardayaperkasa. The type of research is quantitative. This study is a survey study with a population of all employees. Sampling technique is probability sampling with simple random sampling, with slovin formula found a sample of 106 respondents. Data analysis with Multiple Linear Regression, SPSS software version 22.0. The result showed that organizational commitment, pay satisfaction, and job satisfaction have significant effect on intention turnover. Companies should be able to evaluate policies to minimize intention turnover. Therefore, an important concern for companies to increase employee engagement, improvement of administrative and payroll structure, and promotion.

**Keywords:** Organizational Commitment, Pay Satisfaction, Job Satisfaction, Intention Turnover.

## THE STRATEGY OF POTENCY AND VILLAGE FUNDS MANAGEMENT IN ENDE REGENCY, EAST NUSA TENGGARA PROVINCE

Christien C Foenay, I Wayan Mudita, Ni Putu Nursiani  
Universitas Nusa Cendana

**Abstract.** This research aimed to find out potencies in a village which were able to be increased through village funds in Ende Regency, to evaluate the strategies and policies that had been decided by the government of Ende Regency, and to synergize village potencies and the utilization of village funds. This research was done in qualitative and quantitative way. According to LQ calculation, it is shown that sector of agriculture, forestry and fishery, and processing industry were the protruding one while the sector of company real estate and service were the backward one. Management of village funds that involved the increasing of human resources in village funds management, transparency, and governance were prioritized. The use of village funds in education, agriculture, and health were also prioritized.

**Keywords:** Potency village and Village funds.

**THE EFFECT OF PERFORMANCE MANAGEMENT ON PERFORMANCE WITH  
EMPLOYEE ATTITUDES AS INTERVENING AT PT. TISSAN NUGRAHA  
GLOBALINDO**

Sinarwaty  
Universitas Halu Oleo

**Abstract.** The purpose of this study was to determine and analyze the effect of performance management on performance, the effect of performance management on employee attitudes, the effect of employee attitudes on employee performance and the influence of performance management on employee performance through employee attitudes as intervening variables. This research was conducted at PT. Tissan Nugraha Globalindo. The population and sample in this study amounted to 60 employees using the census method as a sampling method. The analytical tool used for testing is Path Analysis. The results showed that performance management positively and significantly affected employee attitudes. Employee attitudes positively and significantly affect employee performance. Performance management positively and significantly influences employee performance. The attitude of employees does not mediate the relationship between performance management and the performance of employees of PT. Tissan Nugraha Globalindo. The results of this study contribute to practitioners in order to improve the performance of employees through improving performance management and employee attitudes.

**Keywords:** Performance Management, Employee Attitude, The performance.

# FINANCIAL STATEMENT FRAUD PERSPECTIVES ON PENTAGON THEORY (CASE : BUMN GARUDA)

Kusumaningdiah Retno Setiorini<sup>1</sup>, Payamta<sup>2</sup>

<sup>12</sup>Universitas Sebelas Maret

<sup>1</sup>Universitas Alma Ata

**Abstract.** The purpose of this research is to examine the effect of fraud pentagon theory in explaining phenomenon of financial statement fraud at Indonesian companies in the year period of 2015 to 2018. This research uses 9 (nine) independent variables to achieve this objective, namely: Financial targets, Financial stability, External pressure, Institutional ownership, Ineffective monitoring, External audit quality, Changes in auditors, Change of directors, and Frequent number of CEO's picture. The dependent variable was used is fraudulent financial reporting that proxied by restatement. This research uses data from BUMN Garuda Indonesia (GIA) companies listed on Indonesia Stock Exchange in the year between 2015 and 2018. This research had done by conducting a quantitative method with secondary data. This secondary data was taken from the financial statements, which are downloaded from the company's website and the Indonesia Stock Exchange web. Method of determining the sample in this research were using purposive sampling. And logistic regression method was used as a data analysis tool.

**Keywords:** Fraud Triangle, Fraud Diamond, Fraud Pentagon, Financial Statement Fraud.

**ANALYSIS OF STRATEGY IN THE DEVELOPMENT OF ISLAMIC SCHOOL  
TEACHERS COMPETENCY, TARUNA, AL-KAUTSAR KRASAAN  
PROBOLINGGO**

Dyah Sawitri, Akhmad Iskandar  
Universitas Gajayana Malang

Abstract. Educators are the main key in the world of education in Indonesia, not only education but educators must form a personality or character that is good for themselves and society. Competence is a very important thing that must be possessed by an educator. One of them, if an educator does not master professional competence in this case, for example, educators are less able to understand students in depth, that is, they lack mastery of learning strategies based on student characters, then lack of mastery in preparing syllabi, prota, appointments, and lesson plans. Therefore an educator as a profession must be professional in carrying out educational and teaching tasks. This type of research used in this study is a qualitative study intended to analyze the improvement of the quality of educators based on a SWOT analysis at AL-Kautsar Semampir Kraksaan Islamic Middle School. The method of collecting data through interviews and observations in the field. The strategic position of AL-Kautsar Krasaan Islamic Middle School is in Q1 I. Based on the results of internal and external analysis at AL-Kautsar Krasaan Islamic Middle School, the final score of IFAS (strengths and weaknesses) is 2.37 while the final score of EFAS (opportunity-threat) is 1.22. This final result shows that the strategy is in the SO quadrant (opportunities) that supports the Aggressive strategy, using the strength of the school's internal environment to make the best use of opportunities. The strategic position of the AL-Kautsar Krasaan Public Middle School is in quadrant I, so it can be interpreted that the strategies implemented by the school are still being implemented but only need to be improved and improved.

**Keywords:** Strategy, Islamic school, teacher competency

## INTERNET FINANCIAL REPORTING ON STATE-OWNED COMPANIES IN INDONESIA

Atik Setiawati, Indrian Supheni, Ambarwati

**Abstract.** The rapid development of the internet is a new way for companies to communicate with investors. The internet can be used by companies to report financial information to investors or commonly referred to as Internet Financial Reporting (IFR). The use of IFR also helps companies in disseminating information about company profits. This information is a positive signal for companies to attract investors. This study aims to analyze the effect of profitability, leverage and company size variables on the implementation of Internet Financial Reporting (IFR). This study uses a sample of state-owned companies in Indonesia which are listed on the Indonesia Stock Exchange with a financial statement research period from 2014 to 2018. The research method used is a quantitative method. Data analysis using Smart PLS. The results of this study indicate that the profitability and firm size variables have a positive effect on the practice of Internet Financial Reporting (IFR). This means that the higher the company's profit, the better the company's performance which then encourages companies to practice internet financial reporting on the company's website to attract investors to make investments. Whereas the leverage variable shows a negative influence on the practice of Internet Financial Reporting (IFR), which means that the size of the level of debt financing cannot be a guideline in conducting internet financial reporting on the company's website due to differences in policy policies of each company. So for investors, information about the leverage contained in the annual report does not provide meaningful meaning

**Keywords:** Internet Financial Reporting, Total Assets, Debt to Equity Ratio, and Return On Assets.



## INTEGRATED ENTREPRENEURS IN MALANG ISLAMIC UNIVERSITY

Farida Syakir, Nurul Humaidah, Affifudin  
Universitas Islam Malang

**Abstract.** Milestone University of Islam Malang (UNISMA) in 2023-2027 is an Entrepreneur University. It needs gradual, structured and systemic preparation so that milestones can be achieved in the targeted year. UNISMA has 10 faculties with 22 study programs. There are 5 study programs that have a good entrepreneurial business at local level. Its mean that the student entrepreneurship program in each study program is still running partially. There is no integrated, synergic and sustainable entrepreneurial activity that can facilitate student entrepreneurship applications, practices, especially those based on technology so that the goals of passion and the real application of entrepreneurs can be achieved. Entrepreneurship Service Unit needs to be formed at UNISMA that is able to coordinate all aspects of entrepreneurship in the Entrepreneurship unit or institution as an integrated, systematic and sustainable Entrepreneurs. The method used: 1. Identifying students and alumni (fresh graduated) to become young entrepreneur embryos as Integrated Entrepreneurship pilot project, 2. Selection and Recruitment of tenants, 3. Integrated Entrepreneurship Education (Entrepreneurship Workshop, Entrepreneurship Seminar, Entrepreneurship Literacy by PKM Corner) , 4. Embryo entrepreneurs pilot project Incubation Program, 5. Entrepreneurship Program Assistance, 6. Entrepreneurship Clinic, 7. Product Expo, 8. Entrepreneurship Award (Business Competition), 9. Program Evaluation. Results of the Entrepreneurship Service Unit Program has produced five entrepreneurial teams that were considered graduated from this programs. The products that have been produced by each teams were : shredded chikcen, Vegetable and Fruit Juices, Pasteurized Milk, Turkey Farming and Goat Farming.

**Keywords:** entrepreneurship, integrated, students, universities.

# MEASUREMENT MODEL OF INTERNAL AUDIT'S PERFORMANCE AT UNIVERSITIES

Dhyah Setyorini  
Universitas Negeri Yogyakarta

**Abstract.** This study proposes to measure the performance of the university's internal audit based on the balanced scorecard. Survey questionnaires obtain primary data with a 1-7 Likert scale the internal audit performance was assessed based on weighting according to the four-dimensional proportion of the balanced scorecard (Wu, Lin, and Chang, 2011). Using balance scorecards gives a comprehensive for Internal audit's performance measurement. Internal audit performance measurement is not yet comprehensive, so with the BSC, there is evidence of broad measure.

**Keywords:** performance measurement, balance scorecards, internal audit.

# TRANSFORMATIONAL LEADERSHIP MODERATES THE EFFECT OF EMOTIONAL EXHAUSTION AND ORGANIZATIONAL SUPPORT TO TURNOVER INTENTION

Yuni Siswanti, Agus Haryadi, Krisnandini Wahyu Pratiwi  
UPN "Veteran" Yogyakarta

The purpose of this study was to examine the effect of emotional exhaustion on turnover intention (TOI) (H1), the effect of transformational leadership moderating the impact of emotional exhaustion on turnover intention (H2). The research method used is descriptive and explanatory survey. Sampling technique used is purposive sampling from 95 employees in PT. Sari Rosa Asih, Yogyakarta. This incorporation produces some of animal feeds (chicken, bird, etc). Data collection techniques among other things by distributing a questionnaire (questionnaire), limited interviews, and observation. Data collection tool in the form of questionnaire. Analysis hypothesis using regression analysis and hierarchical regression analysis. Based on research results, it can be concluded that emotional exhaustion has a positive effect and significant on turnover intention (H 1 was supported). Transformational Leadership moderates the effect of emotional exhaustion on turnover intention (H 2 was supported). Transformational Leadership moderates the effect of organizational support on turnover intention (H 3 was supported). Investing in transformational leadership development for supervisors could reduce emotional exhaustion and turnover, and could intensify organizational support especially in the Sari Rosa Asih Inc, Kalasan, Sleman, Yogyakarta.

**Keywords:** emotional exhaustion, transformational leadership, organizational support, turnover intention, animal feeds.

## EARLY WARNING SIGNAL IN DETECTING FRAUD INDICATION OF FINANCIAL REPORTING

Tarjo, Alexander Anggono  
University Trunojoyo Madura

**Abstract.** Research that examines early warning abusive earnings management to detect financial fraud has been conducted by several researchers, but the results of the study still have some weaknesses. First, research is still being done partially. Second, the reliability of a test has not been proven with other test equipment so that an early warning signal is reliable for detecting financial fraud. Therefore this study applies the Magrath and Weld (2002) and Weld et al. (2004) to detect early financial fraud. The data of this study are public companies that are indicated cheating according to the financial services authority (OJK). The results showed that there was no correlation between several components of the report indicating fraudulent financial reporting.

**Keywords:** Early Warning Signals, Detecting, Fraud, Financial Reporting.

**DETERMINING THE LOCATION OF TEMPORARY LANDFILLS WITH  
SIMULTANEOUS SET COVERING MODEL  
(CASE STUDY IN YOGYAKARTA CITY NGASEM-GADING SECTOR TPS)**

Siti Anugrah Padabela, Annie Purwani, Agustina Dewi Ningrum  
Universitas Ahmad Dahlan

**Abstract.** The average amount of waste produced by the city of Yogyakarta has reached 260 tons per day. In the Ngasem-Gading Sector (one of sectors in the City of Yogyakarta) the volume of waste produced exceeds the capacity of available temporary landfills (TPS). The volume of waste produced by households and markets is 293.76 m<sup>3</sup> / day while the TPS capacity is 189 m<sup>3</sup> / day. Based on these problems, this study aims to determine the location and capacity of TPS facilities that can meet the volume of waste generated in the Ngasem-Gading Sector. The determination of TPS facilities is done by using a simultaneous set covering problem approach that considers all of the source of waste and facilities simultaneously. The imbalance is resolved first by optimizing TPS capacity through location screening to find new facilities and facilities that can be magnified. Set covering models using Pure Integer Non Linear Programming (PINLP) assisted by LINGO 11.0 software. The result of this approach is in the form of a binary number decision (1.0). The processing results obtained from 21 available TPS, produced 13 TPS which will be operated. With details of maintaining 5 polling stations, expanding 7 polling stations, and opening 1 new polling station. The total capacity of the TPS to be operated is 315.18 m<sup>3</sup> so that it is expected to accommodate sources of waste from the community and markets in the Ngasem-Gading Sector.

**Keywords:** Temporary Waste Disposal, Set Covering Problem, Pure Integer Non Linier Programming.

## THE EFFECT OF HUMAN RESOURCES AUDIT, RATE, HR TURNOVER ON THE EFFECTIVENESS OF HOSPITAL SERVICES IN SOUTH SUMATERA

Aspahani, Asfeni Nurullah, Nilam Kesuma  
Universitas Sriwijaya

**Abstract.** The purpose of this study was to empirically examine the relationship of human resource audits, rate, HR turnover to the effectiveness of hospital services in South Sumatra. This study used a quantitative research approach design type using survey methods. The sample in this study were hospital employees in South Sumatra. The sampling technique used was Cluster Random Sampling. Samples were taken randomly from medical parts, paramedics, medical supports and the general section at the Hospital. The analysis technique used was descriptive analysis and multiple regression analysis. The results of this study showed that there was a positive and significant influence of the three variables on the effectiveness of hospital services in South Sumatra that was human resource auditing, rates and HR turnover.

**Keywords:** HR Audit, Rates, HR Turnover, Effectiveness, Hospital Services.

# ANALYSIS OF SUPPLIER / VENDOR ATTITUDES TOWARDS THE USE OF E-PROCUREMENT SYSTEMS USING THE TECHNOLOGY ACCEPTANCE MODEL

Nurul Anastasya Talaba, Utaminingsih Linarti  
Universitas Ahmad Dahlan

**Abstract.** The process of procurement of goods and services or procurement is common for a company to meet the needs of the company's production process. Changes in the procurement process from conventional to e-procurement usually experience constraints in the use of user suppliers/vendors. PT. X Indonesia is implementing an e-procurement system starting July 2017. Another problem arises from the user side, based on observing data that has been done starting the system used until December 2018. It is noted that the highest percentage of user errors is the type of modification error that is 13.92%. Then sequentially, the type of goods tender label error of 10.72%; error type registration 5,32%; type of service tender error 4.98%; type of password error 4.68% and the rest is divided into several types of errors with a small percentage. The purpose of this study is to determine the significant factors that influence user attitudes in using e-procurement at PT. X Indonesia. The Technology Acceptance Model (TAM) model is used as a reference in measuring attitudes. The number of samples used is supplier/vendor criteria of National companies, as many as 89 companies. The settlement approach uses multiple regression. Based on the results of data processing in this study shows that the perceived of ease and perceived usefulness has a positive and significant effect on the attitude of e-procurement use. Simultaneously the magnitude of the influence of the ease and usability factor is 68.7%.

**Keywords:** technology acceptance model; perceived of ease, perceived of usefulness, attitude, e-procurement.

## THE INFLUENCE OF MANAGERIAL TALENT ON JOB ROTATION (CASE STUDY ON POST OFFICE MANAGER IN REGIONAL IV JAKARTA)

Agung Surya Dwianto, Madhakomala, Hamidah  
Universitas Negeri Jakarta

**Abstract.** Job rotation is another way to increase/renew employee motivation. However, job rotation does not always run smoothly. It could be that the job rotation plan that has been programmed by the company, led to protests from employees who felt they were already well-established in their current positions. Therefore, such policies must be based on accurate data and information on individual performance. Another important thing is also to consider that job rotation must be based on the competency of the employee concerned. They must be prepared in advance at least in the form of orientation at the new workplace. Building the competency of a manager is very important, because a manager who is not good (not competent) can have a bad impact on the company, it can even bring down the company. Therefore companies need to pay attention to improving the quality of managers, in order to obtain the appropriate competencies as expected by the company. Where One way to develop and improve competencies possessed by managers, is through job rotation. This study aims to analyze the effect of managerial talent on job rotation in PT Pos Indonesia Regional IV Jakarta. The results showed that managerial talent variables had a significant positive effect on job rotation ( $p = 0.006$ ). Model fit with existing data based on Goodness-of Fit Index criteria with the results of Chi Square evaluation of 1100,906, with a significance level of 0.056 and RMSEA values (0.021), GFI (0.783), AGFI (0.762), CMIN / df (1.071), TLI (0.983) and CFI (0.984).

**Keywords:** Managerial Talent, Job Rotation



# COMPARATIVE ANALYSIS OF GOOD CORPORATE GOVERNANCE TO THE CORPORATE VALUE ON STATE-OWN ENTERPRISES AND PRIVATE COMPANIES

Ahmad Setiawan Nuraya<sup>1</sup>, Muhammad Anshori

<sup>1</sup>Indonesia Banking School

**Abstract.** This study aims to determine the difference in the effect of Good Corporate Governance on the value of the company in BUMN and non BUMN construction companies with sample data for the period 2014-2018. Data analysis method used are descriptive analysis method, the classical assumption method (normality test, multicollinearity, heteroscedasticity, autocorrelation), multiple linear regression analysis test and then performed a different test (paired sample t-test). From the results of the classic assumption test in this study indicate the data are safe from problems. From the results of simultaneous regression analysis there is the influence of Good Corporate Governance which is proxied by an independent board of commissioners, institutional ownership, and managerial ownership of the value of the company (Tobins'q) in BUMN and non BUMN construction companies. Partially, the independent board of commissioners influences the value of the company (Tobins'q) in BUMN companies, whereas in non BUMN companies it does not affect, institutional ownership influences the value of the company (Tobins'q) in BUMN and non BUMN companies, managerial ownership does not affect the value of companies (Tobins'q) in BUMN companies while in non-BUMN companies influence company value (Tobins'q). Furthermore, by using a different test, the results show that there is no difference in the effect of GCG on company value (Tobins'q) between BUMN and non BUMN companies.

**Keywords:** GCG, Independent Board of Commissioners, Institutional Ownership, Managerial Ownership

## MORALITY AND UNDERSTANDING OF PROFIT-LOSS SHARING DEBTORS; A PERSPECTIVE SAHIBUL MAL IN KENDARI CITY

Ambo Wonua Nusantara, Rahmat, Hasan Aedy, Gamsir, Supriady Rusli  
Universitas Halu Oleo

**Abstract.** Debtor morality is one of the factors that drives Islamic banks to avoid profitsharing financing. This study aims to analyze the type of immorality carried out by profit sharing financing debtors. This research was conducted in Kendari City in January-April 2019 with four informants from Sahibul mal (bank management). This study is a qualitative research. The results showed that the types of debtors based on profit sharing financing immorality were: (1) dishonest in business reporting; (2) compulsion due to sluggish business conditions; and (3) misappropriation of funds from productive to consumptive use. The steps taken by Sahibul mall for preventive measures are more selective in providing financing through BI checking to study

the history and collectability of previous financing, as well as assessment of account mutations whether they tend to spend funds for consumptive or productive. On the other hand, the research findings also indicate that the understanding of prospective debtors related to profit sharing based financing is still low, and assumes that the Islamic bank system is the same as conventional banks.

**Keywords:** morality, Sahibul mal, debtor, profit sharing financing

**THE EFFECT OF WORK PASSION, WORK ENGAGEMENT, AND JOB  
SATISFACTION ON TURNOVER INTENTION  
(EMPIRICAL STUDY: PT. BANK MANDIRI (PERSERO) TBK)**

Siti Mariam<sup>1</sup>, Abdul Haeba Ramli<sup>2</sup>

<sup>1</sup>Institute of STIAMI, Jakarta, Indonesia

<sup>2</sup>Trisakti University

**Abstract.** The objective of this research is to analyze the effect of work passion, work engagement, and job satisfaction on turnover intention at PT. Bank Mandiri (Persero) Tbk. The problems of this research are : (1) whether the work passion has negative and significant effect on turnover intention; (2) whether the work passion has positive and significant effect on work engagement; (3) whether the work passion has positive and significant effect on job satisfaction;(4) whether the work engagement has negative and significant effect on turnover intention; (5) whether the job satisfaction has negative effect on turnover intention; (6) whether the work passion has negative and significant effect in turnover intention through work engagement; and (7) whether the work passion has negative and significant effect on turnover intention through job satisfaction. The result of this Study indicate that: (1) work passion does not has negative and significant effect on turnover intention; (2) work passion has positive and significant effect on work engagement; (3) work passion has positive and significant effect on job satisfaction; (4) work engagement does not has negative and significant effect on turnover intention; (5) job satisfaction has negatif and significant effect on turnover intention; (6) work passion does not has negative and significant effect in turnover intention through work engagement; and (7) work passion does not has negative and significant effect on turnover intention through job satisfaction. This Study examined only four variables: work passion, work engagement, job satisfaction, and turnover intention.

**Keywords:** work passion, work engagement, job satisfaction, and turnover intention

MEASUREMENT OF FINANCIAL DISTRESS USING THE ALTMAN Z-SCORE,  
SPRINGATE AND ZMIJEWSKI METHODS, WHICH IS THE MOST ACCURATE?  
(EMPIRICAL STUDY OF RETAIL COMPANIES SUB-SECTOR LISTED ON THE IDX)

Rifzaldi<sup>1</sup>, Nur Aeni<sup>2</sup>, Riyanti<sup>3</sup>

<sup>1</sup>Universitas Sebelas Maret

<sup>2,3</sup>Universitas Muhammadiyah Jakarta

**Abstract.** This study aims to determine the most accurate measurement model of financial distress in retail trade sub sector companies listed on the Indonesia Stock Exchange in the 2014-2018 period. This study uses the Altman Z-Score, Springate, and Zmijewski methods as well as the accuracy test with type error II. Comparison is done by analyzing the level of accuracy of each model. Research of the three financial distress methods, namely the Altman Z-Score, Springate, and Zmijewski Method. Research of the three financial distress methods, namely the Altman Z-Score, Springate, and Zmijewski Method. the most accurate method is the Zmijewski method with an accurate level of 87.69% with type error II of 12.31%, then the second rank is the springate method of 70.77% with type error II of 29.23% and the Altman Z-method Score with an accuracy rate of 33.85% with type error II of 66.15%. It is hoped that this research can be a reference for expanding population coverage and research samples in retail trade sub-sector companies. Adding methods and observation periods for further research.

**Keywords:** Financial Distress, Altman Z-Score Method, Springate Method, Zmijewski Method

# THE POTENTIAL ANALYSIS OF CASSAVA PRODUCTION IN THE FRAMEWORK OF FOOD SECURITY IN JEMBER REGENCY, EAST JAVA, INDONESIA

Lilis Yuliati, M. Abd. Nasir, I Wayan Subagiarta  
Universitas Jember

**Abstract.** The results of agricultural products in the form of cassava have been recognized as one of the important agricultural crops in Indonesia, in addition to rice and corn. These fast-growing food needs require strategies to achieve self-sufficiency based on diversity of local food resources. The purpose of this study was to determine the potential for the development of cassava production in Jember Regency. By using the Location Quotient (LQ) analysis in 5 sub-districts namely Arjasa, Mayang, Ledokombo, Tempurejo, and Sumberbaru, the results showed that cassava plants have good potential to be cultivated and developed in Jember Regency. Thus, cassava plants can be managed intensively and these efforts can be carried out through the agribusiness system (development of production facilities and infrastructure sub-systems, on-farm/cultivation sub-systems, processing and marketing sub-systems) in order to achieve sustainable food security.

**Keywords:** Cassava Production, Food Security, Agriculture

## ADDITIONAL INFLUENCE ON CAPITAL DEPOSITS ON THE PROFITABILITY PERFORMANCE OF BPR BAHTERAMAS IN SOUTHEAST SULAWESI PROVINCE

Emy Syamsuria, Muntu Abdullah, Sulvariany Tamburaka  
Universitas Halu Oleo

**Abstract.** Rural Bank (BPR) is a bank that conducts conventional business activities in which its activities do not provide services in payment traffic. BPR capital is mostly sourced from the Regional Government Capital Inclusion derived from separated regional assets. The scope of this study discusses the effect of capital deposits on BPR Bahteramas profitability performance in Southeast Sulawesi Province. This study aims to determine and analyze the effect of additional capital deposits on the profitability performance of BPR Bahteramas. The study population numbered 12 BPR Bahteramas in Southeast Sulawesi Province. The method used in the form of documentation to collect BPR Bahteramas financial report data through the website [www.ojk.go.id](http://www.ojk.go.id) with stratified probability sampling technique by setting sample criteria is BPR that has been established since 2011, so the number of samples in this study amounted to 6 BPR Bahteramas. The research indicators used for additional capital deposits are paid-in capital growth, and profitability indicators using ROA and BOPO growth, which are regressed using simple linear regression using the SPSS version 22 application. The results showed that the Additional Capital Deposit has a negative and significant effect on ROA, and the Additional Capital Deposit has a positive and not significant effect on BOPO, which means that the higher the additional capital contribution, the smaller the ROA will be significantly smaller and the BOPO will be even greater. This research is expected to increase knowledge about Rural Bank, BPR business model and BPR Bhahteramas profitability performance in Southeast Sulawesi Province.

**Keywords:** additional capital deposit, profitability, ROA, BOPO

**EXPERIENTIAL MARKETING AND CUSTOMER RELATION MARKETING BASED  
ON THE EFFECT OF CUSTOMER VALUE IN REALIZING MSME CUSTOMER  
TRUST IN THE TOURISM ENVIRONMENT OF WEST JAVA**

Henny Utarsih<sup>1</sup>, Yuyus Suryana<sup>2</sup>, Sucherly, Diana Sari

<sup>1</sup>STIE Ekuitas Bandung

<sup>2</sup>Padjadjaran University

**Abstract.** The purpose of this research is to determine consumers assessment of the implementation of experiential marketing, customer relationship marketing, and customer value, and the effect on customer confidence Micro Small Medium Enterprise (MSME) in West Java tourism environment. Samples are 210 respondents were customer who have or are using the products of Micro Small Medium Enterprise (MSME) in West Java tourism environment. Primary data were collected through questionnaires and interviews. The data were analyzed descriptively and verification. The application of the concept of experiential marketing Micro Small Medium Enterprise (MSME) in West Java products included in the category quite well to the good. Application of the marketing concept of customer relationship already included in either category. Customer value is considered to be advantageous for the customer, because the difference between the benefits far greater than the sacrifices incurred by the customer. New customer's trust included in the category enough trust to the trust. Experiential marketing and marketing relationship influential customers by 78.8 percent against the value of customers and influence customer value equal to 86.8 percent of Micro Small Medium Enterprise (MSME) influence customer trust in West Java.

**Keywords:** Experiential Marketing, Customer Relationship Marketing, Customer Value, and Customer Trust

## THE ARCH-GARCH ANALYSES OF MACRO AND MICRO ECONOMIC VARIABLES, THAT INFLUENCE SHARES VALUE IN INDONESIAN STOCK EXCHANGE (IDX)

B. Yulianto Nugroho, John P. Kaunang, Ferdinand D, Saragih  
University of Indonesia

**Abstract.** In this paper, we've investigated the correlation of macro and micro economic variables that influence the share value in Indonesian Stock Exchange (IDX). We'd used ARCH and GARCH to analysis of macro and micro economic variables. As the results, we got the conclusions that, macro and micro economic variables, both together significantly contributed or influenced the volatility of blue chip 50 shares (almost of these shares were included in LQ 45 Stock Index, and roughly 10% from the total shares on IDX) ). On the other hand, by utilizing partial measurement, we arrived to conclude that inflation, BI rate (central bank rate) and PDB, were negative significantly influence the volatility of 50 shares. Whereas the micro variables of EPS, PBV, DER, ROE, were contribute significantly to the volatility of 50 shares.

**Keywords:** IDX, ARCH, GARCH, BI rate, PDB, EPS, PBV, DER, ROE, LQ 45



## ASSESSING NATIONAL BANKING EFFICIENCY THROUGH THE IMPLEMENTATION OF CORPORATE GOVERNANCE

Aliffianti Safiria Ayu Ditta<sup>1</sup>, Djuminah<sup>2</sup>

<sup>1</sup>Universitas PGRI Madiun, <sup>2</sup>Universitas Sebelas Maret

**Abstract.** The issue of declining banking efficiency in recent years encourages researchers to associate it with self assessment implementation in corporate governance assessments. This research aims to illustrate the efficiency of national banking through the implementation of corporate governance. Banking as an important role holder in every state finances is required to have a healthy performance with well-supported corporate governance considering that banking is also assessed as an institution with highly regulated. Testing conducted on the banking company for the last five years, by grouping the banking companies into government-owned banks (BUMN), national private banks both foreign exchange and non-foreign exchange and mixed banks (Ownership of banking companies by foreign parties and national private Parties). The implementation of GCG is assessed through a self assessment score that must be done by the company, while banking efficiency will be assessed through net interest rate ratio and fee based income ratio. By implementing GCG within the company, national banking performance and efficiency are expected to undergo improvements and improvements.

**Keywords:** corporate governance, efficiency, performance

**STRATEGY FOR THE DEVELOPMENT OF SME MANAGEMENT, MANAGEMENT ACCOUNTING INFORMATION SYSTEMS, AND THE EFFECTIVENESS OF MANAGEMENT CONTROL AND ITS EFFECT ON RESPONSE TO TAX COMPLIANCE IN CREATIVE INDUSTRY SMES**

Hiras Pasaribu, Afni Sirait, Alp.Yuwidiantoro, Nur Suhascaryo, Ida Ayu Purnama  
Universitas Pembangunan Nasional “Veteran” Yogyakarta

**Abstract.** The research objectives are: (1) To find out the strategy of developing management in SMEs and Management Accounting Information and its effect on the effectiveness of management control; and (2) to find out the implications for the compliance response of tax payers of Small and Medium Enterprises in Sleman Regency. The method used is: conducting a survey of 100 managers of Small and Medium Enterprises (SMEs) from the population of SMEs in Sleman Regency. The data analysis tool used uses Path Analysis. To find out the direct and indirect effects between endogenous and exogenous variables in the model. The results showed that, from the path coefficient obtained direct influence between SME management and Management Accounting Information Systems directly affect management control, and the dominant direct effect is Management Accounting Information Systems. Indirectly between SMEs Management through management accounting information systems and between management accounting information systems through SME management influences management control. The implication shows that SMEs Management, Management Accounting Information Systems and Management Control have a direct effect on taxpayer compliance responses. The most dominant influence on SMEs taxpayer compliance responses is SMEs Management. All SMEs Management variables, Management Accounting Information Systems and Management Control have an indirect effect on taxpayer compliance responses.

**Keywords:** SMEs Governance, Accounting information systems, Management control, Taxpayer compliance responses

# IMPROVEMENT OF ORGANIZATIONAL CULTURE, SERVICE QUALITY AND USE OF INFORMATION TECHNOLOGY AND ITS IMPLICATIONS ON ACADEMIC PERFORMANCE IN STUDENTS OF ACCOUNTING STUDY PROGRAMS

Hiras Pasaribu, Gita Astyka Rahmanda, Indah Kartika Sandh I, Siti Rokhimah  
Universitas Pembangunan Nasional “Veteran” Yogyakarta

**Abstract.** This study aims to determine the effect of organizational culture which has a proxy for achievement culture, academic service quality and the use of information technology on student academic performance. The data source is derived from a questionnaire given to students of the Yogyakarta Veterans National Development Study Accounting Program. The questionnaire uses a Likert scale with a population of 1020 students. The research method uses a survey to students. The sample is done using simple random sampling. The minimum sample taken 10% of the population, which is 102 increased to 200 students who are taking semester five to semester eight. Because students who are respondents, so far have experienced receiving academic services. Data analysis tool uses multiple regression. Primary data collected are first tested for validity, reliability and normality and then analyzed by multiple regression. The results of this regression to determine the effect of independent variables with the dependent variable. Expected output that can be an additional reference to improve the culture of achievement, service quality and implications for student academic performance. The results found that, the use of information technology has a positive effect on student academic performance, while the organizational culture which is proxy from the culture of achievement, and the quality of academic services has no influence on student academic performance.

**Keywords:** Performance culture, service quality, information technology, student academic performance

**AN ANALYSIS OF THE INTERNAL CONTROL DEPARTMENT ROLE IN  
ACHIEVING GOOD UNIVERSITY GOVERNANCE WITH THE LEADER  
COMMITMENT AS A MEDIATING VARIABLE IN STATE ISLAMIC UNIVERSITIES  
IN INDONESIA**

Evi Ekawati, Yetri Martika Sari  
UIN Raden Intan Lampung

**Abstract.** The objectives of this research are a) to determine the association between variables: the role of the internal control department, the leadership commitment, and achievement of Good University Governance, b) to find out whether leader commitment could mediating association between the role of internal control department and achievement of GUG. The scope of the research is concentrated on state Islamic universities in Indonesia. This study used a mixed-methods approach to evaluate the model of the research. First, researchers used questionnaires to collect data and then analyze it quantitatively using SmartPLS and Sobel Test. The samples of this study are all members of the internal control department in state Islamic universities in Indonesia. The study confirmed the significant association between all variables although some indicators were not supported its variable (partially support). The result of Sobel test shows that leader commitment significantly mediates the association between the role of the internal control department and the achievement of good university governance. Prior research only confirm the association between the role of the internal control department and the achievement of good university governance, so far there has been no study that analyses the role of leader commitment as a mediating variable between the role of the internal control department and the achievement of good university governance. However, leader commitment has an important part in achieving good university governance and applying it as a mediating variable could increase the role of the internal control department.

**Keywords:** audit internal department, good university governance, leader commitment, state islamic universities

# IMPLICATIONS OF FINANCIAL LITERATION ON SHARIA BANK FINANCIAL INCLUSION THROUGH SOCIAL NETWORK IN THE INDONESIAN MUSLIM TRADER COMMUNITY (KPMI) EAST JAVA PROVINCE

Djuminah<sup>1</sup>, Puji Nurhayati<sup>2</sup>, Heidy Paramitha Devi<sup>2</sup>

<sup>1</sup>Universitas Sebelas Maret

<sup>2</sup>Universitas PGRI Madiun

**Abstract.** The low level of financial literacy in the sharia banking sector has led to a decline in the level of sharia financial inclusion as well. This has made the Government of Indonesia's economic growth and poverty alleviation expectations not yet achieved. This study aims to determine the effect of financial literacy on financial inclusion in the Islamic banking sector. The sample of this research is the Indonesian Muslim Entrepreneurs Community (KPMI) of East Java Province with 63 respondents. Data analysis techniques using Partial Least Square (PLS) with Warp-Pls 5.0 software. The results showed that Financial Literacy and Social Network had a positive and significant effect on Financial Inclusion. Financial Literacy had a positive and significant effect on Financial Inclusion through Social Networks.

**Keywords:** Financial Literacy, Financial Inclusion, Social Network

## EFFECTIVENESS OF BRAND MANAGEMENT KEY ELEMENTS IN FORMING CONSUMER LOYALTY

Pram Suryanadi, Catur Sugiarto  
Universitas Sebelas Maret

**Abstract.** The competitive strength of companies in the current era of global trade is largely determined by the company's ability to manage their brands. The implementation of an effective brand management strategy was proven to have an impact on the formation of competitive advantage through a form of commitment and customer loyalty to the company's brand. This study aims to examine the role of key elements of brand management in shaping customer loyalty. The quantitative study was conducted in order to investigate the effect of brand innovativeness, brand customer orientation, brand self-relevance, and brand social responsibility on brand commitment. 252 responses from Indonesian respondents were collected and then analyzed with Structural Equation Modeling (SEM). The results prove that the four key elements of brand management have a great influence on the formation of brand commitment and loyalty.

**Keywords:** brand commitment; brand loyalty; brand innovativeness; brand-customer orientation; brand self-relevance; brand social responsibility

# ENHANCING MARKETING PERFORMANCE THROUGH SMES AGILITY IN THE VOLATILE MARKET: INVESTIGATION IN THE FURNITURE INDUSTRY

Elia Ardyan; Ari Susanti  
Sekolah Tinggi Ilmu Ekonomi Surakarta

**Abstract.** This study examines the effect of SMEs Agility (customer sensing capability and customer responding power) and the capability of collaborate in network on the marketing performance of SMEs. This research was carried out in the furniture industry in the Central Java region. Respondents in this study were 229 furniture SME owners in Central Java. This study uses Structural equation modeling (SEM). The results of this study indicate that the importance of customer sensing capability and capability of collaborate in network in increasing customer responding power. Other results show a difference in impact between customer sensing capability and customer responding power on the performance of SME Marketing. This study suggests being able to build good customer resonance power through the ability to perceive customers and the ability to collaborate in networks. This will enable the company to improve marketing performance Development of the concept of power responding to customers in order to improve the marketing performance of SMEs

**Keywords:** customer sensing capability, capability of collaborate in network, customer responding power, and marketing performance

## THE INFLUENCE OF OWNERSHIP STRUCTURE, PRODUCT DIVERSITY, AND PROFITABILITY ON THE FINANCIAL RISK DISCLOSURE IN INDONESIA

Ricky Handoko, Sandy Pratomo  
Universitas Sebelas Maret

**Abstract.** The purpose of this study is to analyze the impact of ownership structure, product diversity, and profitability towards financial risk disclosure. This study uses managerial ownership and blockholder ownership as proxies for ownership structure; it also uses size of the company and their leverage as control variable. The core idea of this study was based on Peraturan Bank Indonesia Nomor 5/8/PBI/2000 which regulates according risk management implementation by banks. PSAk No.31 (revisi 2000) also specifically regulate about banking accounting. The sample of this study was banks which listed on Indonesian Stock Exchange throughout 2015-2017. The result showed that only profitability which didn't affect financial risk disclosure. Meanwhile, managerial ownership and blockholder ownership has a negative effect and product diversity has a positif effect on financial risk disclosure.

**Keywords:** ownership structure, product diversity, financial risk disclosure.



## MASS MEDIA: ONE OF THE MAJOR FACTORS IN GLOBALIZATION OF CULTURE TO PRESERVE AND PROMOTE INDONESIAN CULTURE

Nurtilek Kadyrov  
Universitas Negeri Semarang

**Abstract.** Globalization has a number of consequences either good or bad related to economic, political, cultural aspects and so on. The more globalization is experienced, the more important will be the individual features not to get totally uninformed. Globalization will always go along with impacts that are good or bad for a situation. The identity of the majority or minority groups equally has the region can be preserved as a civilization than must be protected by local government. Hegemonic cultures and minority cultures all have traditions, and the most stable aspect of any tradition is probability its ability to change, the better to accommodate changing times, places and generations. This article is about cultural construction in Indonesia that is influenced by one of the main major factors in the globalization of culture that is mass media as one of science and technology product which is its usage can badly affect the youth. It is because they are still hunger of information, trying to search their lives meaning and identities. Besides, they are also still going after aspirations for their future . Therefore, both the state and local government joining with another various level of institutions should protect national cultures. In this globalizations era, state must anticipate the world actions especially on increasing science and technology. Thus, a nation should preserve its own culture and one way to preserve and promote Indonesian culture is through the use of mass media.

**Keywords:** Mass media, promoting, preserving, Indonesian culture, globalization.

# INTRODUCING RAINWATER HARVESTING AS A NEW WATER RESOURCE TO THE CITIZEN OF KAMPUNG MOJO, SEMANGGI, SURAKARTA, INDONESIA

Mees Sofie Linders<sup>1)</sup>  
Adiel Edo Atmanto<sup>2)</sup>  
Aulia Rizky Putri S<sup>3)</sup>  
Lina Indawati<sup>4)</sup>  
Charlotte Schmidt<sup>5)</sup>

<sup>1)5)</sup>School of Built Environment, Department of Water Management, Rotterdam University of Applied Sciences

<sup>2)3)</sup> Faculty of Engineering, Departement of Architecture. Urban Rural Design and Conservation Laboratorium- URDC LABO, Universitas Sebelas Maret Surakarta.

<sup>4)</sup> Faculty Engineering, Department of Civil, Universitas Sebelas Maret Surakarta

**Abstract.** Surakarta City (Solo) rapidly urbanized into a medium-sized city in central Java. This has caused Solo, like many other cities in Indonesia, to face a big challenge in providing water for residents. As a consequence of the clean water demand, the households and industries extract groundwater as their main source of clean water. Over extraction of groundwater has impacted the declining of groundwater tables and land subsidence. Others problem is water costs of PDAM are too high for the residents of Kampung to pay and the water are poor quality. In order to tackle those problems of declining water tables, land subsidence and too expensive water costs, it is need to looking at alternative clean water resources. The aim of this research is to propose rain harvesting system to Kampung's residents. A solution towards the declining water table and the high water expenses. Rainwater harvesting is a great option for Solo. By introducing rainwater harvesting to the residents of Kampung Mojo, Kelurahan Semanggi, Surakarta. It will also give them more awareness about green kampung's concept through alternative water resources. The project will provide a bottom-up approach by engage more active the community to built the rain harvesting system. The research is done by the participatory method (mapping and design process). The university students and the citizen did the link collaboration. With the assistance from the university students, the community will try to build the rain harvesting and filtration water resource. By introducing this system to the residents of Kampung Mojo, Semanggi in the future, the government of Solo will hopefully consider this project on a bigger scale.

**Keywords:** Water Resource, Rain Harvesting, Participatory Mapping and Design, Green Environment

**PARTICIPATORY DESIGN FOR UPCYCLING PLASTICS WASTE - ECOBRICK:  
A COMMUNITY-BASED SOLUTION FOR  
SOLID WASTE PROBLEM IN KAMPUNG SEMANGGI (SOLO)**

Mila Diemel<sup>1)</sup>  
Shafira Zahro Rosyadi<sup>2)</sup>  
Nisrina Nurafifah<sup>3)</sup>  
Pratiwi Anjar Sari<sup>4)</sup>  
Charlotte Schmidt

<sup>1),5)</sup> Rotterdam University of Applied Sciences, School of Built Environment, Department of Water Management

<sup>2),3),4)</sup> Faculty of Engineering, Departement of Architecture. Urban Rural Design and Conservation Laboratorium- URDC LABO, Universitas Sebelas Maret Surakarta.

**Abstract.** Indonesia has the fourth highest population and this country is the second largest plastic polluter in the world. Therefore, the rapidly increasing rate of plastic consumption becomes an important issue in the big cities of Indonesia, especially in the urban slum areas such as Kampung Kota. Very often Kampung Kota in Surakarta City (Solo) is facing this waste management problem, particularly plastic waste. Such as there is no proper waste management system, the monthly payment of garbage collector is still too expensive and there are no garbage bins. Besides this, there is a lack of activity about the clean environmental awareness from kampung's residents. This happens also in Kampung Semanggi, Kelurahan Mojo. Kampung Mojo is an urban-slum area in Solo with a various waste problem. The purpose of this project research is to optimize the waste management governance by collaboration between university students and residents of Kampung Semanggi. Introducing the Ecobrick will be done in this project. An Ecobrick is a plastic bottle filled with non-recyclable plastics. The usage of Ecobricks has several advantages. The process of making an Ecobrick creates awareness of recycle waste and the new structures can be built very cheaply form ecobrick's material. This project research is done with a participatory method, which includes mapping and design through focus group discussion and workshops. Together with the university students and the citizens the project will be put in place. From a social perspective, this research empathizes the need to consider the importance of reducing the plastic problem. Due to this project, the goal is to be reducing waste plastic in the future.

**Keywords:** Solid Waste, Ecobrick, Participatory Design

COLLABORATION LEARNING PROCESS TO ACHIEVE COMMUNITY  
AWARENESS ABOUT GREEN ENVIRONMENT IN KAMPUNG KOTA:  
UPCYCLING PLASTIC FOR A VERTICAL URBAN AGRICULTURE

Linde van Eeden<sup>1</sup>  
Nathasya Lintang Ayasha Kirti<sup>2</sup>  
Dr. Eng Kusumaningdyah N.H, ST, MT<sup>3</sup>  
Charlotte Schmidt<sup>4</sup>

<sup>1),4)</sup> Rotterdam University of Applied Sciences, School of Built Environment, Department of  
Water Management

<sup>2),3)</sup> Faculty of Engineering, Departement of Architecture. Urban Rural Design and  
Conservation Laboratorium- URDC LABO, Universitas Sebelas Maret Surakarta.

**Abstract.** The world is facing three major problems, population growth, increasing food demand and ecological degradation. These problems reflect on Indonesia cities such as Surakarta City (Solo) especially in urban kampung. Kampung Mojo, Kelurahan Semanggi, Solo is densely populated resident area in the heart of Solo City and still growing. The greenery becomes the issue due to the limited space of built environment in Kampung Mojo. The residents do not have enough space to grow their own greenery. Another major problem in Kampung Mojo is the waste of plastic bottles. There are no good management to do recycle of plastic waste. The plastic waste will end up to the river and make polluted and become one of the cause of flooding in their environment. Therefore, with the problem of lack of urban agriculture and the issue of plastic waste bottles, this research will highlight the green environment awareness in urban kampung using cycling plastic waste. The aim is to propose the vertical urban agriculture concept with upcycled plastic bottles in Kampung Mojo. The project research uses the participatory method to gather the environment's information and applied research action. During this project there are collaborations between the university Universitas Sebelas Maret and University of Rotterdam, Department of Housing Surakarta City Council, the NGO of Kotaku, UNS and the residents of Kampung Mojo. Through this project, a vertical urban agriculture there will be produced more food and created more awareness about the use of plastic waste. Hopefully in the future more residents in Kampung Mojo and eventually in Solo City will create their own urban agriculture of plastic waste. The goals also can be achieve the concept of resilience of urban agriculture in the city level.

**Keywords:** Green Environment, Vertical Urban Agriculture, Upcycling Plastic, Collaboration Learning

# AUDIT OPINION, INTERNAL CONTROL AND CORRUPTION IN PROVINCIAL GOVERNMENTS IN INDONESIA: STUDY OF DIFFERENCES BETWEEN JAVA AND NON JAVA

Aris Eddy Sarwono and Dewi Saptantinah PA  
University of Slamet Riyadi Surakarta

**Abstract.** The purpose of this research is finding the empirical evidences of factors that affect the level of corruption of province government in Indonesia. The factors that have been tested in this research are auditing results and internal controlling systems. Samples of this research are using 34 provinces in Indonesia in 2014-2018, taken by panel data regression analysis which is data that has cross section and time series. The results of this research indentify that auditing results affect the level of corruption of province government, otherwise the weakness of internal controlling systems don't affect it. Another analysis shows that between Java and non-Java there is no difference in the influence of audit opinion variables and internal control systems on corruption. Advice for the next research is adding some research variables that can affect the level of corruption, and adding samples from another sector, also using highest legal laws.

**Keywords:** Corruption, Audit Opinion, Internal Control, Government

# DISCRETIONARY REVENUE AND OWNERSHIP STRUCTURE: THE OPPORTUNISTIC VIEW OF MANAGEMENT

Istianingsih

Universitas Bhayangkara Jakarta Raya

**Abstract.** This study aims to examine whether the opportunistic behavior of management is influenced by firm characteristics and ownership structure. Management opportunism is measured by the discretionary revenue model from Stuben (2010), whilst the characteristics of companies that tested its impact on opportunistic management are auditor independence, firm size (size), leverage, growth ownership structure is divided into two, institutional ownership and foreign ownership. The sample consists of 370 samples of the company during 2015-2017. Results show that the opportunistic management is significantly influenced by firm size and leverage. The larger firm has lower intention to perform management opportunism. Firm having higher debt level has larger motivation to engage in earnings management. Other results show that of the three ownership structure variables, only institutional ownership is proven to suppress opportunistic management attitude. Other variables, foreign ownership, auditor independence, and growth do not show a significant effect on management opportunistic attitude.

**Keywords:** Institutional Ownership, Foreign Ownership, Auditor Independence, Size, Leverage, Growth, Opportunistic Management.

2019

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The 1st International Conference on Business, Accounting, Supply Chain, and Logistics  
organized by Accounting Study Program, Faculty of Economics and Business Universitas Sebelas Maret



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