



# PROCEEDINGS

## The 5<sup>th</sup> International Conference on Governance and Accountability (ICGA) 2018

28<sup>th</sup> - 30<sup>th</sup> August 2018,  
Belitung, Bangka Belitung, Indonesia

### Hosted by:

University of Lampung - Faculty of Economics and Business,  
University of Bangka Belitung, Accounting Research Institute,  
and Universiti Teknologi MARA



### Co-Hosted by:



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**PROCEEDING**  
**THE FIFTH INTERNATIONAL CONFERENCE ON GOVERNANCE AND**  
**ACCOUNTABILITY (ICGA) 2018**  
**Belitung, Bangka Belitung, Indonesia**  
**29- 30 August 2018**

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**MESSAGE FROM THE DEAN**  
**ECONOMICS AND BUSINESS FACULTY, UNIVERSITY OF LAMPUNG**

Professor Dr Satria Bangsawan  
Dean, Economics and Business Faculty,  
University of Lampung  
INDONESIA



*Selamat datang* and welcome to The Honorable, Excellencies Dean Prof. Dr. Faizah Darus as a Dean Accountancy Faculty UiTM Malaysia, Dr. Reniati as a Dean Faculty of Economics University of Bangka Belitung. Distinguished Speakers from Dr. Gillian Vesty from RMIT Australia, Prof. Dr Normah Omar from UiTM Malaysia, Prof. Dr. Faizah Darus, Prof. Hasan Fauzi from ICSEARD UNS, Dr. Ir. Siti Nurbaya, M.Sc, Ministry of Environment and Forestry, Indonesia, Prof. Dr. Moh Nizam Moh Ali from The Centre of Malaysia and Concultancy on Integrity Malaysia and Ir. Dyah Erowati, M.Sc Head of Belitung Geopark. The representative from Belitung and Bangka Belitung Region Dr. H. Erzaldi Rosman, S.E., M.M. The governor of Bangka Belitung Province, H. Sahani Saleh, S.Sos. The regent of Belitung and The representative from Dinas Pariwisata Belitung The representative from Belitung Geopark and all participant and committee in ICGA 2018.

I would like to convey to all of you participating in this conference my heartfelt welcome. It is a great pleasure to welcome you, on hosting University of Lampung, Economics and Business Faculty to the joint conference: **The Fifth International Conference and Governance and Accountability (ICGA) 2018 in Belitung Indonesia**. We are pleased that a number of distinguished speakers as well as many participants attending this particular conference. This conference is made possible by supports from some collaborating institutions. Therefore, I would like to thank the UiTM Malaysia, University of Bangka Belitung, Accounting Research Institute (ARI), RMIT University Australia as our Collaboration Hosted. Our gratitude also goes to co-hosted this conferences are Universitas Nusa Cendana, Universitas Prasetya Mulya, Universitas Trisakti and IBI Darmajaya the journals' partner as for supporting and making this conference more attractive and stronger. Our gratitude not only on that particular but also we would like to thank to our supported and sponsorship are Pemerintah Daerah Kabupaten Belitung, Dinas Pariwisata Belitung, Belitung Geopark.

Economics and Business Faculty, University of Lampung is fully aware that every successful conference requires adequate academic exercise as well as sufficient complementing resources. Indeed, the collaboration among committed collaborating institutions results in better outcome in term of making the conference well-prepared, better managed, more accountable, as well as in providing valuable policy recommendations and academic publications. More than 180 abstract



collected in this conference. ICGA 2018 delegates are participating in a wonderful program that includes more than 70 global delegates hailing from different countries around the world such as Pakistan, Malaysia, Russia, United Kingdom, Brunnei Darussalam, Saudi Arabia, Srilanka and etc. The main theme of our conference is “Innovating Sustainability : Commitment to Environmental Practices” and special sessions.

Our conference’s primary goal is to provide a unique global platform to facilitate the exchange of leading-edge ideas for effective advancement of knowledge in business, accountability and environmental issues in economics; where academics, professionals, consultants, government officials and entrepreneurs from both developed and developing countries are engaged in intellectual discourse for the generation and dissemination of new knowledge to facilitate the globalization process for the betterment of environmentally. This will be achieved through multidisciplinary presentations and discussions of current business and environmental issues in emerging and developed countries.



## MESSAGE FROM THE DEAN AND HEAD OF APCeS

Professor Dr Faizah Darus  
Dean, Faculty of Accountancy &  
Head, Asia-Pacific Centre for Sustainability (APCeS)  
Universiti Teknologi MARA (UiTM)  
MALAYSIA



*Selamat Datang* and Welcome to all our distinguished guests, presenters and participants of the Fifth International Conference on Governance and Accountability (ICGA) 2018 with the theme "*Innovating Sustainability: Commitment to Environmental Practice.*" The island of Belitung, Indonesia was chosen as the venue for the 2018 conference to allow participants to visit and enjoy the uncharted island of Belitung and to reaffirm our commitment to preserve the environment. The first ICGA conference was held in 2010 in Solo, Indonesia and now 2018; we meet again in Indonesia to share new experiences and knowledge on governance and sustainability.

The ICGA conference which is organized every two years aims to bring together all stakeholders who are passionate about governance and sustainability. It is hoped that this conference series will, by and large, provide a common platform where research-focused academic institutions and practice-based organizations including NGOs can share their experiences, collaborate on solutions, and identify best practices that will contribute to sustainable development. This global sharing of best practices in the area of governance and sustainability provides yet another opportunity for academics and practitioners to benchmark social and environmental performance.

This conference would not have enjoyed the success you witness today without the selfless efforts of many people. We would like to thank all the committee members of the conference both in Malaysia and in Indonesia for their efforts in making this conference a success. We would also like to thank all the co-organizers and sponsors of the conference.

We trust that this 2018 conference will benefit all presenters and participants from both a knowledge sharing as well as a networking perspective. We hope that you will have an enjoyable time in Belitung.



**MESSAGE FROM THE DEAN**  
**ECONOMICS FACULTY, UNIVERSITY OF BANGKA BELITUNG**

Dr Reniati  
Dean, Economics Faculty  
University of Bangka Belitung  
INDONESIA



*Assalamu'alaikum Wr. Wb.*

Dear All Executive Boards, honourable guests and distinguished audiences

On behalf of International Conference on Governance and Accountability (ICGA) 2018 co host, let we deliver an honoured warm welcome to all participants particularly to those who have submitted papers and attending this event. Alhamdulillah, praise the Lord because of the presence of his permission were we still given favors health and an opportunity to be able to attend the ICGA (International Conference on Governance and Accountability) 2018 in Laskar Pelangi, Belitung Island.

Thanks and outstanding appreciate for faculty of Economics and business of the University of Lampung (UNILA) of call-cooperation for the sake of International Conference event's realised. Truly honor for Faculty of Economics University of Bangka Belitung (FE UBB) is given the trust to support the success of this event. Once again, Bravo for the Faculty of Economic and business of UNILA. We would also like to express our gratitude and appreciation to MARA University of Technology which today is also willing to cooperate with FE-UBB through the signing of an MoU. We hope that cooperation in other fields in the future will be realized with the principle of mutual benefit and giving between the two parties.

The selection of the Belitung as the Venue of activities is not without reason. In accordance with the theme of the ICGA 2018 "Inovating Sustainability: Comitment to Enviromental Pratices", Belitung represents as a region of which it's economic growth resting on the concept of Green Economy. With carrying the tag line that already is global, "Negeri Laskar Pelangi", Belitung will become one of the favorite tourist destinations in the world. In the era of Tin Post, Belitung will switch from areas with potential mining into areas with tourism potential. The practical side of the business, tourism is very supportive of the efforts of all of us in applying the concept of green economy, which certainly supports the creation of enviromental sustainability. No. Body's perfect, therefore I'm personally delivered the apology over the technical deficiencies in the course of the event. As a final remark, we would do very appreciate to all the organising committee for the excellent contribution to make this event well prepared and succes.

Wishing you all have a great time here with us. Please do enjoy Indonesia hospitallity. Welcome to Indonesia, welcome to Belitung as a famous island.

*Wassalamu'alaikum Wr. Wb.*



**PROGRAMME ITINERARY**

**29 AUGUST 2018- WEDNESDAY (OPENING AND CONFERENCE DAY 1)**

08.00-08.30	Registration
08.30-09.00	Arrival of delegates / invited speakers
09.00-10.00	<b>Opening Ceremony</b> Official Opening by : <b>1. Dr. H. Erzaldi Rosman, S.E.,M.M.</b> Governor of Bangka Belitung Province <b>2. Prof.Dr. Satria Bangsawan, S.E.,M.Si.</b> Dean of Economics and Business Faculty University of Lampung (Unila) <b>3. Dr. Reniati, S.E.,M.Si.</b> Dean of Economics and Business Faculty University of Bangka Belitung (UBB) <b>4. Prof . Dr. Faizah Darus</b> Dean of Faculty of Accountancy Universiti Teknologi Mara (UiTM) and Head Asia-Pacific Centre For Sustainability (APCeS)
10.00-10.30	Coffee break
10.30-11.30	<b>Key-note Speaker 1</b> <b>Dr. Gilian Vesty</b> <b>RMIT University, Australia</b>  <b>Topic:</b> <i>Innovative approaches to embedding sustainability in organisational practices</i>
11.30-12.30	Parallel Sessions-Paper Presentations  Room : 1. Ballroom 2. Room 1 3. Room 2



12.30-14.00	Lunch
14.00-15.00	Parallel Sessions-Paper Presentations Room : <ol style="list-style-type: none"><li>1. Ballroom</li><li>2. Room 1</li><li>3. Room 2</li></ol>
16.00-17.00	Parallel Sessions Paper Presentations Room : <ol style="list-style-type: none"><li>1. Ballroom</li><li>2. Room 1</li><li>3. Room 2</li></ol>
17.30	End of Day 1
19.45-22.30	<b>Gala Dinner</b>  Gala Dinner Location at Convention Hall Pandan House Restaurant Tanjung Pandan, Belitung.  Barcode Location <ol style="list-style-type: none"><li>1. Download QR Code Reader</li><li>2. Capture this barcode</li><li>3. Browse link</li></ol> 



**30 AUGUST 2018-THURSDAY (CONFERENCE DAY 2)**

08.00-09.00	Parallel Sessions – Paper Presentations
09.00-10.00	<b>Key-note Speaker 2</b> <b>Dr. Mohd Nizam Mohd Ali</b> Senior Director and Chief Coordinator The Centre for Knowledge and Consultancy on Integrity Malaysian Institute of Integrity
10.00-10.30	Coffee break
10.30-12.30	Parallel Sessions – Paper Presentations
12.30-14.00	Lunch
14.00-15.00	Parallel Sessions – Paper Presentations
14.00-15.00	<b>Forum Discussion</b> <b>Topic:</b> <i>Governing Sustainability through Strategic Collaboration</i>  Moderator : <b>Prof. Dr. Hasan Fauzi</b> Director, Indonesian Center for Social and Environmental Accounting Research and Development (ICSEARD), Sebelas Maret University  Panelists: <b>Panelist 1 : Dr. Ir. Siti Nurbaya Bakar Msc.</b> (Government) – Kementerian Lingkungan Hidup  <b>Panelist 2 : Dyah Erowati, S.E., M.B.A.</b> (Head of Belitong National Geopark)  <b>Panelis 3 : Prof.Dr.Normah Omar</b> (Academician) is currently the Director of the Accounting Research Institute (ARI), Universiti Teknologi Mara
15.00-15.30	Best Paper Awards & Closing Ceremony  Official Closing by :  <b>1. Dr. H. Erzaldi Rosman, S.E.,M.M.</b> Governor of Bangka Belitung Province



	<p><b>2. Prof.Dr. Satria Bangsawan, S.E.,M.Si.</b> Dean of Economics and Business Faculty University of Lampung (Unila)</p> <p><b>3. Dr. Reniati, S.E.,M.Si.</b> Dean of Economics and Business Faculty University of Bangka Belitung (UBB)</p> <p><b>4. Prof . Dr. Faizah Darus</b> Dean of Faculty of Accountancy Universiti Teknologi Mara (UiTM) and Head Asia-Pacific Centre For Sustainability (APCeS)</p>
15.30-16.00	Afternoon Tea
16.00 -18.00	City Tour

**31 AUGUST 2018-Friday (CONFERENCE TOUR)**

09.00	Island Tour “Hopping Island”
-------	------------------------------



**PARALLEL SCHEDULE**

Wednesday, 29<sup>th</sup> August 2018

**SESSION I**

Time 11.30 - 12.30

Room : Ballroom  
Moderator : Khairiyansyah, S.E., M.M.  
Co-Moderator : Anggraeni Yunita, S.E.,M.Si.  
Reviewer : Dr.Rolland Fangidae (University of Nusa Cendana, Indonesia)

No	Title	Institution	Author
1	The Effect Of IfRS Convergence, The Effectiveness Of The Board, And The Effectiveness Of Audit Committee On Earning Management	Universitas Indonesia	Nabella Roma Desi, Aria Farah Mita
2	Cultural Influence On Accountants' Professional Judgments	Universitas Negeri Padang (UNP)	Sany Dwita
3	Assessing financial reporting practices of small retailers in Malaysia: Does accountability exist?	UiTM Malaysia	Kamaruzzaman Muhammad
4	Role Of Audit Committee Financial Expertise And Their Status In Reducing Corporate Real Earnings Management	Universitas Indonesia	Aninta Sagitaria, Aria Farah Mita
5	Earnings Quality Variation Trend In Europe and USA.	Jazan University, Saudi Arabia	Dr Slaheddine Trabelsi
6	The Effect Of Conformity With Accounting Standard And Legislation Compliance To Unqualified Audit Opinion	Nusa Cendana University	Sarinah Joyce Margaret Rafael



**The Fifth International Conference on Governance  
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**SESSION I**

Time 11.30 - 12.30

Room : 1  
Moderator : Aning Kesuma Putri, S.E., M.Si.  
Co-Moderator : Karmawan, S.E.,M.Sc.  
Reviewer : Dr. Devi Valeriani (Bangka Belitung University Indonesia)

<b>No</b>	<b>Title</b>	<b>Institution</b>	<b>Author</b>
1	The Effect Of Risk Management On Firm Financial Performance	Universitas Indonesia	Andreas M. Sinurat, Sylvia Veronica Siregar
2	Managerial Overconfidence, the Audit Fees and the role of the Audit Committee: Case Study in ASEAN	Universitas Indonesia	Reza Krishnawardana, Aria Farah Mita
3	Implementing an Effective Cost Control Strategy at Stations: Case Study of PIA	IOBM Pakistan	Sartaj Qasim
4	Factors Influencing Accountants' Acceptance Of Enterprise Risk Resource Planning Implementation: An Accountability Approach	IUTM Malaysia	Erlane K Ghani, Noor Humaira Ahmad, Kamaruzzaman Muhammad
5	Human Resource Management Practices and Knowledge Management	Eastern University, Sri Lanka	Lourdes Dilakshini Victor
6	Stakeholders' Perception Towards The Internal Audit Unit (A Case Study In Nusa Cendana University)	Nusa Cendana University	Minarni Anachi Dethan



**SESSION I**

Time 11.30 - 12.30

Room : 2

Moderator : Suhaidar, S.E.,M.Si.

Co-Moderator : Dian Prihardini Wibawa, S.E.,M.M.

Reviewer : Dr. Susi Dwimulyani, M.M.,Ak.,CA (Trisakti University Indonesia)

No	Title	Institution	Author
1	Causality Relationship between Profitability and Corporate Social Responsibility Disclosure	Universitas Prasetiya Mulya	Desy Ayu Triningsih, Raihan Rahadi, Retno Yulianti , Arief Rijanto
2	Does CEO Overconfidence, Audit Firm Size And Real Earnings Management Influence To The Audit Opinion?	STIE Trisakti	Paulina Sutrisno
3	Imitation Model: Impact Of Economic Factors On The Level Of Political Trust	Plekhanov University of Economics, Russia	Tatiana V. Skryl
4	The Impact Of Indonesia GAAP Convergence To International Financial Reporting Standards (IFRS) And The Gender Of Company Cfo To Accounting Conservatism	Universitas Indonesia	Farhansyah Arditya Ideawan, Aria Farah Mita
5	Trading Volume Reactions And The Adoption Of International Accounting Standard (IAS 1): Presentation Of Financial Statements In Indonesia	Universitas Indonesia	Beatrise Sihite, Aria Farah Mita
6	The Determinants Of Risk Culture	Universitas Airlangga	Nadia Anridho



**PARALLEL SCHEDULE**

Wednesday, 29<sup>th</sup> August 2018

**SESSION II**

Time 14.00 - 15.30

Room : Ballroom  
Moderator : Dr. Devi Valeriani, S.E.,M.Si.  
Co-Moderator : Aning Kesuma Putri, S.E., M.Si.  
Reviewer : Prof. Dr. Faizah Darus (UiTM Malaysia)

No	Title	Institution	Author
1	The Effect Of Ceo Tenure, Manajerial Skills And Earning Power On Earnings Manipulation With Corporate Governance As A Moderating Variable On Manufacturing Companies In Indonesia Stock Exchange	Universitas Trisakti	Dita Solihah, Vinola Herawaty
2	The Impact Of Employee Engagement On Learning Organization: In The Perspective Of Senior Lecturers In Indonesia	Esa Unggul University	Rina Anindita
3	Locus Of Control, Gender, And Professional Judgment	Universitas Negeri Padang (UNP)	Charoline Cheisviyanny
4	Do Women on Board, Risk Management, Investment in non-core business and Strategic Choices affect Earning Persistence? Case in Indonesia	Universitas Trisakti	Hasnawati, Etty Murwaningsari , Harti Budi Yanti



5	Analysis And Mapping Of Mangrove Vegetation Csr Program Pt Pertamina (Persero) Ru Ii Sungai Pakning Bukit Batu District Bengkalis Regency	HSE Pertamina	Wiyono, Wahyu Purwanto , Rahmad Hidayat
6	The Analysis Of Corporate Social Responsibility, Corporategovernance, And Family Ownership On Firm Value With Profitability As A Moderating Variable	Universitas Trisakti	Susi Dwi Mulyani, Nela Marcelina Solin
7	Board Characteristics, Environmental Social Governance Disclosure and Corporate Performance: Evidence from Indonesia Public Listed Companies	Universitas Diponegoro	Andri Prastiwi , Faisal Faisal, Etna Nur Afri Yuyetta
8	Does Corporate Citizenship Influence Auditors' Perception of Financial Reporting Credibility?	Australian National University (ANU)	Sarini Azizan



**SESSION II**

Time 14.00 - 15.30

Room : 1

Moderator : Dr. Reniati, S.E.,M.Si.

Co-Moderator : Dian Prihardini Wibawa, S.E.,M.M.

Reviewer : Dr. Gillian Vesty ( RMIT Australia)

<b>No</b>	<b>Title</b>	<b>Institution</b>	<b>Author</b>
1	Corporate Social Responsibility Mediates Corporate Governance Index And Financial Performance In Indonesia	Universitas Sriwijaya	Luk Luk Fuadah, Anton Arisman, Rulyanti Susi Wardani , Anggraeni Yunita
2	Corporate Governance And Sustainability Report: An Indonesian Perspectives	University of Muhammadiyah Malang	Ihyaul Ulum, Rahayu Novianti, Ihyaul Ulum, Ahmad Waluya Jati
3	The Influence Of Corporate Governance On Corporate Social Responsibility Disclosure: A Focus On Accountability	IUTM Malaysia	Haslinda Yusof, Zunaidah Ahman, Faizah Darus
4	Can Discretionary Spendings Increase The Probability Of Incumbent To Be Re-Elected?	Universitas Indonesia	Dewi Darmastuti, Dyah Setyaningrum
5	Accounting Standard Application in Church Financial Management “Bringing financial practice and theology more intimately intertwined”	Nusa Cendana University	Moni Muskanan, David Pandie, Fred Benu, Rahmawati Maukoni



6	Students' Perceptions And Learning Approaches In Accounting Subject: The Role Of Mobile Apps Technology	IUTM Malaysia	Marziana Madah Marzuki
7.	Can Reelection Strengthen The Relationship Between Local Government Spending And Financial Performance?	Universitas Indonesia	Hidayah Asfaro Saragih , Dyah Setyaningrum

## SESSION II

Time 14.00 – 15.30

Room : 2

Moderator : Karmawan, S.E.,M.Sc.

Co-Moderator : Anggraeni Yunita, S.E.,M.Si.

Reviewer : Dr. Erlane K Ghani ( UiTM Malaysia)

No	Title	Institution	Author
1	Analysis Of Economic, Social And Environmental Impacts On The Development Of "Kek" Kelayang Cape In Belitung Island	Bangka Belitung University	Reniati
2	The Influence Of Local Tax, Local Retribution And Audit Opinion On Expenditure Performance In Local Governments Central Java Province, Indonesia	STIE Widya Manggala	Yeni Kuntari, Anis Chariri , Tri Jatmiko Wahyu Prabowo Nurdhiana
3	The Dynamics Of Financial Making Based On Gender And Tribe By Small And Medium Micro Sized Enterprises At Semarang City	Universitas Indonesia	Sri Suyati
4	Mediating Role Of Efficiency Factors In Determining Bank Financial Performance In Indonesia	University of Riau (UNRI)	Nur azlina, Barjoyai bardai



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5	Free Cash Flow, Financial Distress, Opportunistic Behavior And Monitoring Mechanism Toward Earnings Management	Universitas Trisakti	Christina Dwi Astuti, Ety Murwaningsari
6	Brand Loyalty Level Analysis Of PT. Telkomsel Indonesia	Darmajaya Institute of Informatics and Business	Andri Winata, Anuar Sanusi,M. Bimo Seprada
7	Increasing Accountability through Internal Control Mechanism in Religious	Universitas Ciputra	Wirawan ED Radianto, Kazia Laturette



**PARALLEL SCHEDULE**

Wednesday, 29<sup>th</sup> August 2018

**SESSION III**

Time 16.00 – 17.00

Room : Ballroom

Moderator : Aning Kesuma Putri, S.E., M.Si.

Co-Moderator : Anggraeni Yunita, S.E.,M.Si.

Reviewer : Dr. Susi Dwimulyani, M.M.,Ak.,CA (Trisakti University Indonesia)

No	Title	Institution	Author
1	The Effects Of Perceived Usefulness, Perceived Ease Of Use, And Attitude On The User Intention Of The Village Of Financial System (SISKEUDES) In Bangka Region	Bangka Belitung University	Karmawan
2	Enterprise Risk Management Disclosure – A Study on Indonesia’s Manufacturing Industry	Bina Nusantara University	Rosinta Ria Panggabean
3	Fraud Prevention: Relevance To Spirituality In The Workplace And Religion	Nusa Cendana University	Rolland E. Fanggidae
4	The Effect of Board Characteristics on Internet Financial Reporting: A Meta –Analysis Study	Universitas Diponegoro	Juliana Waromi, Sri Imaningati, Etna Nur Afri Yuyetta
5	Effect Of Religiosity, Locus Of Control, And Professional Commitment To Whistleblowing Intention	Universitas Syah Kuala	Fauziah Aida Fitri, Indayani, Ade Tursina
6	The Impact Of Good Corporate Governance On Diversification Strategy Of Family	Universitas Lampung	Basuki Wibowo Farichah Farichah



	Company And Its Influence Toward Firm Value		
7	Student Perception Of Accountability And Transparency Of Financial Management Political Party In The Context Of Local Election	Nusa Cendana University	Paulina Y. Amtiran

### SESSION III

Time 16.00 – 17.00

Room : 1

Moderator : Suhaidar, S.E.,M.Si.

Co-Moderator : Khairiyansyah, S.E., M.M.

Reviewer : Dr.Rolland Fangidae (University of Nusa Cendana, Indonesia)

No	Title	Institution	Author
1	Corporate Governance, Earnings Quality And Market Responses: A Comparative Analysis Of Shariah And Non-Shariah Stock	STIE Tazkia	Sugiyarti Fatma Laela, Rafi Rahmad Darmawan
2	Earnings Management: ESOP And Corporate Governance	STIE Trisakti	Ellen Cecilia, Yulius Kurnia Susanto
3	Foreignness And Firm Profitability In Indonesia: The Effects Of Directors, Education, And Ownership	Atma jaya Catholic University	Jeremy Surya Wijaya, Stevanus Pangestu
4	Consumer Preferences Model In Offline And Online Shopping Behavior On Retail Business	Esa Unggul University	R.A.Nurlinda, Eka Bertuah, Ritta Setiyati
5	Auditor's Ability In Detecting Fraud	Universitas Trisakti	Khomsiyah, Jetri Wilson, Susi Dwi Mulyani



6	Theoretical Inventory of CSR: From Islamic Perspective	Universiti Islam Sultan Sharif Ali, Brunnei Darussalam	Abdul Ghafar Ismail
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### SESSION III

Time 16.00 – 17.00

Room : 2

Moderator : Moni Muskaran

Co-Moderator : Anggraeni Yunita, S.E.,M.Si.

Reviewer : Dr. Susi Dwimulyani, M.M.,Ak.,CA (Trisakti University Indonesia)

No	Title	Institution	Author
1	Model For E-Satisfaction And E Loyalty A Case Study Of Online Shoppers In Indonesia	Dian Nuswantoro University	Yohan Wismanoro, Y. Tyas Catur Pramudi
2	The Effect Of Transactional Leadership And Communication On Employee Performance	Darmajaya Institute of Informatics and Business	Meliyanti, Veny Resannita, Anuar Sanusi, Andri Winata
3	Corporate Responses In Disclosing Carbon Information: Evidence From A Developing Nation	IUTM Malaysia	Faizah Darus , Hidayatul Izati Mohd Zuki , Haslinda Yusoff and Noraslinda Mat Aris
4	The Effect Of Interest Rate, Level Profit On Profit Loss Sharing In Sharia Banking In Indonesia	Universitas Lampung	Marselina, Tri Joko Prasetyo,
5	Is Concentrated Ownership Moderating the Dividend and Earnings Quality?	Universitas Prasetiya Mulya	Sacarissa Salim, Sandy Adhitya Halim,Rinaningsih



6	The Impact Of Tax Incentives And Ifrs Adoption On Foreign Direct Investment In Asean Countries	School of Accounting, Polytechnic of State Finance STAN	Galu Bernie Aprian Ferry Irawan
7	The Relationship Between Environmental Performance And The Extant Of Environmental Disclosure	Universitas Diponegoro	Cornelio Purwantiniab, Faisal Faisal, Indira Januartia, Ignatius Aris Dwiatmokob

### PARALLEL SCHEDULE

Thursday, 30<sup>th</sup> August 2018

#### SESSION I

Time 08.00 – 9.00

Room : Ballroom  
 Moderator : Aning Kesuma Putri, S.E., M.Si.  
 Co-Moderator : Anggraeni Yunita, S.E.,M.Si.  
 Reviewer : Dr. Devi Valeriani (Bangka Belitung University)

No	Title	Institution	Author
1	Empowerment of Micro, Small and Medium Enterprises Potency Through the Role of The CSR Program	Dian Nuswantoro University	Nila Tristiarini, Yohan Wismantoro, Zaky Machmudah, Mustafa
2	Environmental And Ethical Initiatives And Reporting Of Small And Medium Enterprises: Are They Doing Enough?	IUTM Malaysia	Mustaffa Mohamed Zain, Nik Zam Nik Wan, Rohaya Atan and Faizah Darus



3	Corporate Social Environmental Responsibility Expenditure, Foreign Investment And Corporate Financial Performance	Universitas Diponegoro	Sari Rahmadhania, Faisal Faisal
4	The Effect of Corporate Governance and Ownership Structure to the Corporate Social Responsibility Disclosures in the Indonesian Banking Companies	Universitas Prasetya Mulya	Yang Elvi Adelina
5	The Effect Of Corporate Social Performance And Financial Performance With Firm Size As A Control Variable	Universitas Lampung	Kiagus Andi
6	The Influence Of Corporate Characteristics And Good Corporate Governance (Gcg) Toward The Risk Management Disclosure	Universitas Lampung	Einde Evana Edwin Mirfazli Leire San-Jose



**SESSION I**

Time 08.00 – 9.00

Room : 1  
 Moderator : Khairiyansyah, S.E., M.M.  
 Co-Moderator : Anggraeni Yunita, S.E.,M.Si.  
 Reviewer : Prof. Dr. Faizah Darus (UiTM Malaysia)

No	Title	Institution	Author
1	Corporate Social Responsibility and Capital Allocation Efficiency: Family and nonfamily Firms	STIE Trisakti	Linda Wimelda, Astrid Rudyanto
2	Modeling Of The Voting Process On Election Sites	Plekhanov University of Economics (RUSIA)	Tatiana V. Skryl
3	Interpersonal Village Partners In Supporting The Development Of Geopark Belitong	Kementerian Desa, Pembangunan Daerah Tertinggal dan Transmigrasi	Priyono
4	Financial performance and market share in Indonesia Islamic Banking: Stakeholder theory perspective	Universitas Bandar Lampung	Aminah, Soewito, Nuria Erina, Khairudin, Tri Damayanti
5	Effect Of Total Quality Management And Environment On Sustainability Of Manufacturing Company In Indonesia	Bina Nusantara University	Richiana Lupita Agustina
6	CSR DISCLOSURE IMPACT TO CORPORATE MARKET PEFORMANCE	Universitas	Nurdiono Nurdiono Edwin Mirfazli Doni



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	(CMP) AT INDONESIA LISTED COMPANIES IN TRADE SECTORS	Lampung	SagitarianWarganegara
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**SESSION I**

Time 08.00 – 9.00

Room : 2  
 Moderator : Dian Prihardini Wibawa, S.E.,M.M.  
 Co-Moderator : Suhaidar, S.E.,M.Si.  
 Reviewer : Dr. Reniati (University of Bangka Belitung)

No	Title	Institution	Author
1	Board Diversity And Environment, Social And Governance (ESG) Disclosure	IUTM Malaysia	Sarah shahida awang
2	The Influence Of Intellectual Capital, Financial Performance And Leadership Style On Firm Value Creating Procees Based Market Perceptions	Universitas Diponegoro	Sri Imaningati, Yuliana Waromi, Etna Nur Afri Yuyetta
3	Model of Intellectual Intelligence, Emotional Intelligence and Spiritual Intelligence on Employee Performance	Esa Unggul University	Lia Amalia. Rojuaniah, Nina Nurhasanah
4	Performance Measurement System in the Governance of Waqf Institution: A Concept Note	IUTM Malaysia	Aliza Ramli*, Fadzlina Fahmi, Faizah Darus & Zarinah Abd Rasit
5	The Effect Of Independent Commissioners, Managerial Ownership, And Audit Committee On Accounting Conservatism	Universitas Lampung	Einde Evana, Edwin Mirfazli, Adriana Tiron Tudor, Ade Widiyanti



**PARALLEL SCHEDULE**

Thursday, 30<sup>th</sup> August 2018

**SESSION II**

Time 10.30 - 12.30

Room : Ballroom

Moderator : Khairiyansyah, S.E., M.M.

Co-Moderator : Anggraeni Yunita, S.E.,M.Si.

Reviewer : Dr. Erlane K Ghani (UiTM Malaysia)

No	Title	Institution	Author
1	The Effect of Effectiveness of Board of Commissioner and Audit Committee on Likelihood of Fraudulent Financial Reporting	Universitas Indonesia	Roris Oktian S, Vera Diyanty
2	The practice of corporate sustainability in Malaysia: What role does the board of director play?	IUTM Malaysia	Azbariyah Aziz, Aida Maria Ismail, Fadzlina Mohd Fahmi, Zuria Hajar Mohd Adnan
3	The Effect Of Directors' Diversity On Corporate Internal Control Effectiveness	Universitas Indonesia	Hillary Jhonson, Vera Diyanty
4	Transformational Leadership and Organizational Culture as a Model to Drives The Intrapreneurship Behavior in Organizations	Esa Unggul University	Rojuaniah



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5	Company Risk, Size, Fiscal Loss Compensation, And Tax Avoidance: Evidence From Indonesian Islamic Companies	University of Muhammadiyah Malang	Ria Triananda Putri, Ihyaul Ulum, Adi Prasetyo
6	Performance Of Company Value From The Perspective Of Value Added Intellectual Capital And Corporate Social Responsibility	Dian Nuswantoro University	Dian Prawitasari

**SESSION II**

Time 10.30-12.30

Room : 1

Moderator : Dr. Hamsani, S.E.,M.Sc.

Co-Moderator : Suhaidar, S.E.,M.Si.

Reviewer : Dr. Mohd Nizam Mohd Ali

No	Title	Institution	Author
1	The Effect Of Tax Ratio And Good Government Governance On Economic Growth In Asean Countries	Universitas Lampung	Marselina
2	The Effect of Transparency, Competency and Religiosity on Public Officers' Ethical Behavior	IUTM Malaysia	Mazurina Mohd Ali, Nurul Izzah Mohamed Azam, Erlane K Ghani
3	The Impact Of Firm Characteristics To Capital Structure In Indonesia	Universitas Prasetiya Mulya	Titin Pranoto
4	Board Characteristics, Environmental Social Governance Disclosure and	Universitas	Andri Prastiwi , Faisal Faisal, Etna Nur Afri



	Corporate Performance: Evidence from Indonesia Public Listed Companies	Diponegoro	Yuyetta
6	Bulls And Bears And Bankruptcy- An Early Warning Of Distress	Esa Unggul University	Eka Bertuah

## SESSION II

Time 10.30-12.30

Room : 2

Moderator : Dian Prihardini Wibawa, S.E.,M.M.

Co-Moderator : Aning Kesuma Putri, S.E., M.Si.

Reviewer : Dr. Vinola Herawaty, M.Sc., Ak.,CA (Trisakti University)

No	Title	Institution	Author
1	Implementation Of Ifrs Convergence And Corporate Social Responsibility On Earnings Quality (Case On Oil Plantations Companies In Indonesia And Malaysia)	Universitas Sumatera Utara	Narumondang Bulan Siregar
2	Vector Auto Regression Analysis Between Export, Economic Growth And Job Opportunity In Bangka Belitung Islands Province	Bangka Belitung University	Devi Valeriani, Desy Yuliana Dalimunthe, Ayu Wulandari, M. Fikri Ashar
3	Corporate Governance and Financial Performance of Banking Industry in Indonesia: Ownership Concentration Matter?	Universitas Indonesia	Belina Rachmawati, Fitriany
4	LET'S GO FOR EMA!	Universitas Airlangga,	Alfiyatul Qomariyah



5	The Fraud Triangle And The Level Of Accounting Irregularities In Indonesia	Universitas Indonesia	Aditya Prayatna, Fitriany
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**PARALLEL SCHEDULE**

Thursday, 30<sup>th</sup> August 2018

**SESSION III**

Time 14.00 – 15.00

Room : Ballroom

Moderator : Khairiyansyah, S.E., M.M.

Co-Moderator : Anggraeni Yunita, S.E.,M.Si.

Reviewer : Prof. Dr. Fredrik L Benu ( University of Nusa Cendana)

No	Title	Institution	Author
1	The Model Of Entrepreneurial Development Based On Creative Economy Through Business And Technology Incubator (Case Study Of Private Universities In Indonesia)	Darmajaya Institute of Informatics and Business	Anuar Sanusi, Andri Winata
2	Financial Performance of Local Government And Social Welfare: The Case In Indonesia	Universitas Bandar Lampung	Khairudin, Rosmiati Tarmizi, Indrayenti, Nurdiawansyah, Budhi Waskito
3	Environmental, Social, And Governance (Esg) Performance And Earnings Management In The Asean-5 Countries	Universitas Indonesia	Khalid Ardhi Nurrahman, Aria Farah Mita



4	Financial Performance Information As Forming Corporate Failure Model In Indonesia	Esa Unggul University	Raden Ayu Nurlinda, Eka Bertuah
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### SESSION III

Time 14.00-15.00

Room : 1

Moderator : Dr. Hamsani, S.E.,M.Sc.

Co-Moderator : Karmawan, S.E.,M.Sc.

Reviewer : Dr. Reniati (University of Bangka Belitung)

No	Title	Institution	Author
1	Islamic Social Reporting Index On Islamic Banking Financial Performance In Indonesia	Bangka Belitung University	Aning Kesuma Putri, Eka Fitriyanti, Ineu Sulistiana, Izma Fahria, Hidayati
2	The Role of Instagram in the Management Practices of an Indonesian Islamic Bank	Universitas Indonesia	Tria Yulia Rahmawati, Miranti Kartika Dewi
3	The Impact of Integrated Reporting Disclosure Quality and Corporate Performances	UiTM Malaysia	Nooraslinda Abdul Aris
4	Sustainability Report and Cost of Capital: The Moderating Effect of Ownership Type in Indonesian Public Companies	Universitas Indonesia	Raisya Arum Sari, Hilda Rossieta



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5	Corporate Social Responsibility vs Creating Shared Value : Study at PT Holcim	Universitas Brawijaya	Erwin Saraswati
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**SESSION III**

Time 14.00-15.00

Room : 2

Moderator : Dr. Devi Valeriani, S.E.,M.Si.

Co-Moderator : Dr. Hamsani, S.E.,M.Sc.

Reviewer : Dr. Vinola Herawaty, M.Sc., Ak.,CA (Trisakti University)

No	Title	Institution	Author
1	Integrated Reporting: Review of Developments and Future Agenda	Bina Nusantara University	Rosinta Ria Panggabean
2	Measuring Quality Control Circle Implementation and Organizational Productivity in Micro Small Medium Enterprises (MSMEs)	Darmajaya Institute of Informatics and Business	RZ. Abdul Aziz, Yan Aditiya Pratama, Delli Maria, Dewi Puspitasari
3	CSR Practics In Indonesia In Cement Industry	Nusa Cendana University	Veronika Arief Muliani Kantus
4	The Rhetorical Story In Corporate Social Responsibility Disclosure Pt Semen Padang, Tbk.	Universitas Negeri Padang (UNP)	Charoline Cheisviyanny



### LIST OF PARALLEL PRESENTER

No	Name	Institution
1	Nabella Roma Desi, Aria Farah Mita	Universitas Indonesia
2	Sany Dwita	Universitas Negeri Padang (UNP)
3	Kamaruzzaman Muhammad	UiTM Malaysia
4	Aninta Sagitaria, Aria Farah Mita	Universitas Indonesia
5	Dr Slaheddine Trabelsi	Jazan University, Saudi Arabia
6	Desy Ayu Triningsih, Raihan Rahadi, Retno Yuliati , Arief Rijanto	Universitas Prasetiya Mulya
7	Paulina Sutrisno	STIE Trisakti
8	Tatiana V. Skryl	Plekhanov University of Economics, Russia
9	Farhansyah Arditya Ideawan, Aria Farah Mita	Universitas Indonesia
10	Beatrise Sihite, Aria Farah Mita	Universitas Indonesia
11	Andreas M. Sinurat, Sylvia Veronica Siregar	Universitas Indonesia
12	Reza Krishnawardana, Aria Farah Mita	Universitas Indonesia
13	Sartaj Qasim	IOBM Pakistan
14	Erlane K Ghani, Noor Humaira Ahmad, Kamaruzzaman Muhammad	IUTM Malaysia
15	Lourdes Dilakshini Victor	Eastern University, Sri Lanka
16	Dita Solihah, Vinola Herawaty	Universitas Trisakti



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17	Dewi Darmastuti, Dyah Setyaningrum	Universitas Indonesia
18	Charoline Cheisviyanny	Universitas Negeri Padang (UNP)
19	Hasnawati, Etty Murwaningsari , Harti Budi Yanti	Universitas Trisakti
20	Wiyono, Wahyu Purwanto , Rahmad Hidayat	HSE Pertamina
21	Susi Dwi Mulyani, Nela Marcelina Solin	Universitas Trisakti
22	Andri Prastiwi , Faisal Faisal, Etna Nur Afri Yuyetta	Universitas Diponegoro
23	Nur azlina, Barjoyai bardai	University of Riau (UNRI)
24	Luk Luk Fuadah, Anton Arisman, Rulyanti Susi Wardani , Anggraeni Yunita	Universitas Sriwijaya
25	IhyaUl Ulum, Rahayu Novianti, IhyaUl Ulum, Ahmad Waluya Jati	University of Muhammadiyah Malang
26	Haslinda Yusof, Zunaidah Ahman, Faizah Darus	IUTM Malaysia
27	Rina Anindita	Esa Unggul University
28	Moni Muskanan, David Pandie, Fred Benu, Rahmawati Maukoni	Nusa Cendana University
29	Marziana Madah Marzuki	IUTM Malaysia
30	Reniati	Bangka Belitung University
31	Yeni Kuntari, Anis Chariri , Tri Jatmiko Wahyu Prabowo Nurdhiana	STIE Widya Manggala
32	Sri Suyati	Universitas Indonesia
33	Sarini Azizan	Australian National University (ANU)
34	Christina Dwi Astuti, Etty Murwaningsari	Universitas Trisakti



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35	Andri Winata, Anuar Sanusi, M. Bimo Seprada	Darmajaya Institute of Informatics and Business
36	Wirawan ED Radianto, Kazia Laturette	Universitas Ciputra
37	Karmawan	Bangka Belitung University
38	Faricha, Basuki Wibowo	Universitas Lampung
39	Rosinta Ria Panggabean	Bina Nusantara University
40	Rolland E. Fanggidae	Nusa Cendana University
41	Juliana Waromi, Sri Imaningati, Etna Nur Afri Yuyetta	Universitas Diponegoro
42	Fauziah Aida Fitri, Indayani, Ade Tursina	Universitas Syah Kuala
43	Sugiyarti Fatma Laela, Rafi Rahmad Darmawan	STIE Tazkia
44	Ellen Cecilia, Yulius Kurnia Susanto	STIE Trisakti
45	Jeremy Surya Wijaya, Stevanus Pangestu	Atma Jaya Catholic University
46	R.A.Nurlinda, Eka Bertuah, Ritta Setiyati	Esa Unggul University
47	Khomsiyah, Jetri Wilson, Susi Dwi Mulyani	Universitas Trisakti
48	Abdul Ghafar Ismail	Universiti Islam Sultan Sharif Ali, Brunnei Darussalam
49	Yohan Wismantoro, Y. Tyas Catur Pramudi	Dian Nuswantoro University
50	Meliyanti, Veny Resannita, Anuar Sanusi, Andri Winata	Darmajaya Institute of Informatics and Business
51	Faizah Darus, Hidayatul Izati Mohd Zuki, Haslinda Yusoff and Noraslinda Mat Aris	IUTM Malaysia
52	Marselina, Tri Joko Prasetyo,	Universitas Lampung
53	Sacarissa Salim, Sandy Adhitya Halim, Rinaningsih	Universitas Prasetiya Mulya



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54	Hidayah Asfaro Saragih , Dyah Setyaningrum	Universitas Indonesia
55	Nila Tristiarini, Yohan Wismantoro, Zaky Machmudah, Mustafa	Dian Nuswantoro University
56	Mustaffa Mohamed Zain, Nik Zam Nik Wan, Rohaya Atan and Faizah Darus	IUTM Malaysia
57	Sari Rahmadhania, Faisal Faisal	Universitas Diponegoro
58	Yang Elvi Adelina	Universitas Prasetiya Mulya
59	Kiagus Andi	Universitas Lampung
60	Linda Wimelda, Astrid Rudyanto	STIE Trisakti
61	Tatiana V. Skryl	Plekhanov University of Economics (RUSIA)
62	Yunia Amelia	Universitas Lampung
63	Nur azlina, Barjoyai bardai	University of Riau (UNRI)
64	Richiana Lupita Agustina	Bina Nusantara University
65	Minarni Anachi Dethan	Nusa Cendana University
66	Sarah shahida awang	IUTM Malaysia
67	Sri Imaningati, Yuliana Waromi, Etna Nur Afri Yuyetta	Universitas Diponegoro
68	Lia Amalia. Rojuaniah, Nina Nurhasanah	Esa Unggul University
69	Aliza Ramli*, Fadzlina Fahmi, Faizah Darus & Zarinah Abd Rasit	IUTM Malaysia
70	Priyono	Kementerian Desa, Pembangunan Daerah Tertinggal dan Transmigrasi
71	Azbaryah Aziz, Aida Maria Ismail, Fadzlina	IUTM Malaysia



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	Mohd Fahmi, Zuria Hajar Mohd Adnan	
72	Sarinah Joyce Margaret Rafael	Nusa Cendana University
73	Rojuaniah	Esa Unggul University
74	Ria Triananda Putri, Ihyaul Ulum, Adi Prasetyo	University of Muhammadiyah Malang
75	Dian Prawitasari	Dian Nuswantoro University
76	Marselina	Universitas Lampung
77	Mazurina Mohd Ali, Nurul Izzah Mohamed Azam, Erlane K Ghani	IUTM Malaysia
78	Titin Pranoto	Universitas Prasetiya Mulya
79	Paulina Y. Amtiran	Nusa Cendana University
80	Andri Prastiwi , Faisal Faisal, Etna Nur Afri Yuyetta	Universitas Diponegoro
81	Eka Bertuah	Esa Unggul University
82	Narumondang Bulan Siregar	Universitas Sumatera Utara
83	Devi Valeriani, Desy Yuliana Dalimunthe, Ayu Wulandari, M. Fikri Ashar	Bangka Belitung University
84	Khalid Ardhi Nurrahman, Aria Farah Mita	Universitas Indonesia
85	Cornelio Purwantiniab, Faisal Faisal, Indira Januartia, Ignatius Aris Dwiatmokob	Universitas Diponegoro
86	Anuar Sanusi, Andri Winata	Darmajaya Institute of Informatics and Business
87	Aditya Prayatna, Fitriany	Universitas Indonesia
88	Khairudin, Rosmiati Tarmizi, Indrayenti, Nurdiawansyah, Budhi Waskito	Universitas Bandar Lampung



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89	Veronika Arief Mulyana Kantus	Universitas Nusa Cendana
90	Raden Ayu Nurlinda, Eka Bertuah	Esa Unggul University
91	Aning Kesuma Putri, Eka Fitriyanti, Ineu Sulistiana, Izma Fahria, Hidayati	Bangka Belitung University
92	Tria Yulia Rahmawati, Miranti Kartika Dewi	Universitas Indonesia
93	Roris Oktian S, Vera Diyanty	Universitas Indonesia
94	Nooraslinda Abdul Aris	UiTM Malaysia
95	Raisya Arum Sari, Hilda Rossieta	Universitas Indonesia
96	Rosinta Ria Panggabean	Bina Nusantara University
97	RZ. Abdul Aziz, Yan Aditiya Pratama, Delli Maria, Dewi Puspitasari	Darmajaya Institute of Informatics and Business
98	Belina Rachmawati, Fitriany	Universitas Indonesia
99	Charoline Cheisviyanny	Universitas Negeri Padang (UNP)
100	Aminah, Soewito, Nuria Erina, Khairudin, Tri Damayanti	Universitas Bandar Lampung
101	Kurnia Purnama Ayu, Rindu Rika Gamayuni, Yenni Agustina	Universitas Lampung
102	Indra, Yunia Amelia, Yuliansyah	Universitas Lampung
103	Nadia Anridho	Universitas Airlangga
104	Alfiyatul Qomariyah	Universitas Airlangga
105	Erwin Saraswati	Universitas Brawijaya
106	Ferry Irawan	PKN STAN



**IMPLEMENTING AN EFFECTIVE COST CONTROL STRATEGY AT STATIONS:  
CASE STUDY OF PIA**

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**ABSTRACT**

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This case study describes the process of developing and implementing a strategy to control costs and reduce losses on account of frauds, accounting errors, wrong payments, etc., at the worldwide outstations of an airline where traditional oversight methods had fallen short of management expectations. By identifying the systemic weaknesses in various areas of station disbursement accounting arising out of lack of training, non-availability of important corporate policies and management directives and lack of standard procedures for preparing and dispatching disbursement reports to head office, a comprehensive Stations Disbursement Manual was developed to train and empower the managers at stations to control and release payments in a responsible manner.

**Keywords:** Airline Cost, Disbursement Accounting, Cost Control Strategy, PIA



## MODELING OF THE VOTING PROCESS ON ELECTION SITES

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### ABSTRACT

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The article considers factors that have a certain influence on the voting process. The main goal of the work is to develop the algorithm and model for the constructing of political space and variant behavior of voters in the process of political elections. Methods of the research is based on the system analysis of the voting process, the theory of probability and distribution laws, and the method of political modeling. Main results are achieved by the construction of a multifactor simulation model of voting at the polling station with interface graphic information. In conclusion, the authors admit that by analogy with the proposed model, it is possible to build more complex models for each region of any country. On the proposed model, students and researchers can conduct political experiments seeking an advantage for the chosen political party.

**Keywords:** political elections, simulation model, distribution of votes, political experiment, political modeling.



## THE CAUSALITY BETWEEN CORPORATE PROFITABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURE

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### ABSTRACT

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This study aimed at examining the causality between corporate profitability and Corporate Social Responsibility (CSR) disclosure. This study was the first that investigated the causal relationship between profitability and CSR disclosure using the Granger Causality approach in the Indonesian context. The CSR disclosure was based on the presence or lack of CSR disclosure without analyzing the quality feature of the CSR. 227 non-financial companies listed on Indonesia Stock Exchange (IDX) during 2010-2015 period were selected to be the subjects for this study using the purposive sampling method. The results of this study showed that profitability had a significant positive effect on CSR disclosure while the CSR disclosure had no significant effect on profitability. This study also proved that there was no causal relationship between profitability and CSR disclosure. The results of this study may support previous studies such as a study that was done by Hirigoyen and Poulain-Rehm (2015). This study was hoped to be able to raise an awareness for company's management and regulators on the importance of CSR disclosure for the stakeholders. The small number of CSR activities in Indonesia found in this study should prompt Indonesian government to enforce strict laws and regulations related to the obligation to conduct CSR disclosure.

**Keywords:** Corporate Social Responsibility (CSR) disclosure, Global Reporting Initiative (GRI), Granger Causality, profitability

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## FACTORS INFLUENCING ACCOUNTANTS' ACCEPTANCE OF ENTERPRISE RESOURCE PLANNING IMPLEMENTATION

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### ABSTRACT

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This study examines the factors influencing accountants' acceptance of Enterprise Resource Planning (ERP) implementation. Specifically, this study examines three factors namely, perceived usefulness, perceived ease of use and computer self-efficacy that may influence the accountants' acceptance on ERP implementation. This study employs the questionnaire survey on 218 accountants who are working in various industries in Malaysia. This study shows that computer self-efficacy significantly influence the accountants' acceptance on ERP implementation. However, this study shows that no significant influence of perceived usefulness and perceived ease of use on accountants' acceptance on ERP implementation. The findings of this study indicate that the accountants perceived ERP more as a requirement imposed by the government rather than finding the system useful. However, the accountants can become motivated in exploring ERP when they are given greater control in using ERP. That is, the success of ERP implementation can be attributed by the accountants' involvement and participation in enhancing the functionality of the system and indirectly promote accountability. This study provides insights to organisations in assessing and predicting acceptance factors towards ERP among their employees, particularly the accountants so that they can assure ERP implementation success.

**Keywords:** Enterprise resource planning, accountants, perceived usefulness, perceived ease of use, computer self-efficacy

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## ASSESSING FINANCIAL REPORTING PRACTICES OF SMALL RETAILERS

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### ABSTRACT

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The growth of small retailers in Malaysia has increased substantially over the years. Such growth can contribute to a significant portion of the government's income via tax revenue which can be reduced if they do not practice financial reporting. This study examines the financial reporting practices of the small retailers in a state of Malaysia namely, Kuala Selangor. Specifically, this study examines whether the small retailers prepare financial statements, whether they keep accounting records and their motivation for doing so and the reasons for not keeping accounting records. Using a questionnaire survey on 150 small retailers, this study shows that the financial reporting practices among the small retailers are satisfactory. This study shows that the important motivations for them to practice financial reporting are performance evaluation and income distribution. In addition, this study shows that time consuming and difficulty in maintaining system are the two main reasons for their failure in preparing financial reports. This study suggests the provision of financial reporting awareness and training programs to the small retailers so that they can appreciate the importance of financial reporting and inculcate such practice in their business. The findings in this study can assist the interested parties particularly the Inland Revenue Board in understanding the challenges faced by the small retailers in practicing accountability to the government.

**Keywords:** Financial reporting, small retailers, accountability, Kuala Selangor, Malaysia

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## EARNINGS QUALITY VARIATION TREND IN EUROPE AND USA

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### ABSTRACT

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This paper investigates the trend of change in earnings quality during the last ten years in two different accounting and financial environment: Europe and United States of America. Seven proxies are implemented to evaluate the earnings quality. These proxies were classified into three groups: accounting proxies include : predictability and persistence, accruals proxies integrates accruals quality and conservatism and market proxies involve : value relevance and timeliness (TLR and TPR). From a sample of 5030 firm–year observations 503 American and European firms observed during ten years [2004 – 2013]). We conclude that earnings quality of American and European companies differs and the relevance of each proxy depends on the specificity of the institutional environment of the company. However, this divergence continues to decline over the years.



**FINANCIAL PERFORMANCE OF LOCAL GOVERNMENT AND  
SOCIAL WELFARE: THE CASE IN INDONESIA**

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**ABSTRACT**

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This study aims to capture the financial performance and community welfare in Indonesian local governments and to find empirical evidences on the effect of financial performance towards community welfare. This research was conducted in Indonesian district or city governments where the financial performance is measured through the ratio of local government financial independence, financial effectiveness, financial efficiency, and financial growth and the community welfare is measured through Human Development Index (HDI). The testing was performed using hypothesis testing. The results of the study, based on the period of observation, found evidences that (1) the financial performance and the community welfare in Indonesian local governments are not so good; (2) the local government financial independence has positive and significant effect on community welfare; (3) the local government financial effectiveness has positive but not significant effect on community welfare; (4) the local government financial efficiency has positive and significant effect on community welfare; and (5) the local government financial growth has negative and significant effect on community welfare. This study confirmed the stakeholder theory, in which local government as an organization has given benefits to the stakeholders in the form of welfare for the community, although it is not yet reaching our expectations.

**Keywords :** Financial Performance, Community Welfare.



## THEORETICAL INVENTORY OF CSR: FROM ISLAMIC PERSPECTIVE

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**Tassadaq Rashid Qazi**

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Lampung, Indonesia, 28-30<sup>th</sup> August 2018

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### ABSTRACT

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This paper will be looking in to the theoretical inventory of corporate social responsibility from the Islamic point of view. The existence of corporate social responsibility in the business industry is not new. If we look conventional point of view the connection could be link back in 1800 century when there was first industrial revolution raised. However, the concept of corporate social responsibility could be found in Islam from the day first when the light of Islam brighten the world. Neoclassical theories of conventional corporate social responsibility roots from 1950s on ward. Most corporate social responsibility theoretical and framework refers to the business ethics as well as economic developments in the firm's sustainability. Whereas, Islam has given complete framework as well as theoretical solution for a successful business which can contribute to the society and it is the way of achieving the happiness of Allah as well as fulfil the commandments of our Lord. This paper will add literature in the field of corporate social responsibility and look for further areas to be explored. Therefore, the purpose of this paper is to review the theories of corporate social responsibility in firms and how to relate these theories with the Islamic prospective.

**Keywords:** corporate social responsibility; firm behaviour; philanthropy;

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## AUDITOR'S ABILITY IN DETECTING FRAUD

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### ABSTRACT

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The purpose of this study is to examine the ability of auditor to detect fraud. The variables of professional scepticism, communication skill, Computer Assisted Auditing Techniques (CAATs), and certification of forensic auditor predicted influence on the auditor's ability to detect fraud. The study used primary data obtained using questionnaire instrument. The sample used in the study was 160 respondents who were the auditors of the auditor board (BPK). Multiple linear regression analysis used to test the effect of independence variables on the auditor's ability to detect fraud.

The study results confirmed that professional scepticism, communication skill, Computer Assisted Audit Techniques (CAATs), and forensic auditor certification have positive effect on auditor's ability to detect fraud. The implications of this study are to strengthen the importance of professional scepticism, communication skill, Computer Assisted Auditing Techniques (CAATs), and forensic auditor certification for auditors in fraud detection efforts.

**Keywords:** professional scepticism, communication skill, Computer Assisted Auditing Techniques (CAATs), fraud detection.

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**STUDENTS' PERCEPTIONS AND LEARNING APPROACHES IN ACCOUNTING  
SUBJECT: THE ROLE OF MOBILE APPS TECHNOLOGY**

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**ABSTRACT**

The objective of this paper is first to investigate students' perception on the accounting subject and how the perceptions influence their approaches in learning. In addition, this study investigates students' perceptions on the role of mobile-app technology in their approaches of accounting learning. Based on the self-administered structured questionnaire developed and distributed to 153 respondents that comprised of non-accountings students from all branches of Universiti Teknologi MARA (UiTM) in Malaysia, the results find that there is significant relationship between students' perceptions on accounting and their approaches in learning which further indicate that positive perceptions lead to deep approaches in learning accounting, meanwhile negative perceptions lead to surface approaches of learning. When we test the relationship between learning approaches and students' perceptions on the role of mobile apps in teaching and learning process, the result shows insignificant result which indicates that student could not perceive the role of mobile-apps technology in accounting subject. This is probably due to inexperience of using this tool in their learning experience as for time being mobile-apps has not been introduced as one of the teaching tools in accounting subject. Thus, this study implies that higher learning institutions in Malaysia still apply traditional method in accounting teaching and learning. Our study provides implications that accounting education in Malaysia need to consider the new reform in the teaching pedagogical method to accommodate the evolvement of technology in education process in this new era which may help to instill positive perception towards accounting subject.

**Keywords:** Accounting, approaches, mobile-apps technology, pedagogical, perceptions.



**THE INFLUENCE OF INTERNAL CONTROL, ETHICAL CULTURE OF  
ORGANIZATION, AND LEADERSHIP STYLE ON FRAUD AT PRIVATE  
UNIVERSITY IN BANDAR LAMPUNG**

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**ABSTRACT**

The purpose of this study was to obtain empirical evidence about the influence of internal control, ethical culture of organization, and leadership style on fraud. This research was conducted at Private University in Bandar Lampung with minimum accreditation of C. The sampling technique used is random sampling. Types of data used in this study are primary and secondary data. Primary data were obtained by using field surveys using questionnaires distributed to respondents. Secondary data are collected from data collection agencies and published to the users of the data. In this study consists of three independent variables, namely internal control, organizational culture, and leadership style, and one dependent variable, namely fraud. Methods of data analysis using Structural Equation Model (SEM) with SmartPLS 3.2.6 data processing tool. The results of this study indicate that internal control significantly negatively affect fraud. Leadership style consisting of Participative Style, Authoritarian Style, and Task Oriented Style significantly negatively affect fraud. While the ethical culture of organization has no effect on fraud. This may be influenced by a lack of employees' understanding of the ethical culture in their office. This results are expected to be useful to prevent the occurrence of fraud, especially at the Private University.

**Keywords:** internal control; ethical culture of organization; leadership style; and fraud

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**DOES CEO OVERCONFIDENCE, AUDIT FIRM SIZE AND REAL EARNINGS  
MANAGEMENT INFLUENCE TO THE AUDIT OPINION?**

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**ABSTRACT**

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This study aims to test the direct or indirect relationship between CEO overconfidence, audit firm size, real earnings management to audit opinion. The sample used in this study is a manufacturing company listed on the Indonesia Stock Exchange in the period 2014-2016. This research testing uses multiple linear regression and logistic regression. The results of this study indicate that CEO overconfidence has a positive effect on real earnings management, while real earnings management has no effect on audit opinion. In addition, this study also shows that the audit firm size has no effect on the relationship between CEO overconfidence and real earnings management. However, this study shows that CEO overconfidence has a negative effect on audit opinion. This study also shows that real earnings management does not mediate the relationship between CEO overconfidence and audit opinion.

**Keywords:** CEO Overconfidence, Audit Firm Size, Real Earnings Management, Audit Opinion

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## CORPORATE GOVERNANCE AND SUSTAINABILITY REPORT: AN INDONESIAN PERSPECTIVES

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### ABSTRACT

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The purpose of this research is to examine the influence of financial performances, firm's characteristics and good corporate governance (GCG) mechanism to the disclosure of sustainability report (SR). GCG mechanism was proxied by board of director, board of commissioner, audit committee, independent commissioner and managerial ownership. Sample was drawn from companies which published sustainability report in year of 2016. Warp PLS 6.0. SEM (Structural Equation Modelling) was used to analyze the data. The result shows that financial performances and GCG mechanism have a positive effect to the disclosure of SR, while the firm characteristics has no significant effect. It can be concluded that, when the financial performance of the company is good, then the disclosure of SR more informative. In the same way, the better a company's GCG mechanism, then the SR disclosure is also getting better.

**Keywords:** Financial Performance<sub>1</sub>; Firm's Characteristic<sub>2</sub>; Good Corporate Governance, Sustainability Report.

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**THE IMPACT OF EMPLOYEE ENGAGEMENT  
ON LEARNING ORGANIZATION;  
IN THE PERSPECTIVE OF SENIOR LECTURERS IN INDONESIA**

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**ABSTRACT**

Lecturers are the most important asset in universities, so they are instrumental in supporting the achievement of universities objectives. Employee engagement, learning organization and organizational commitment are variables that play some roles in improving employee performance in achieving universities goals. The objective of this research is to see how employees engagement could encourage lecturers in conducting continuous learning activities, inquiry and dialog, engaging in college activities and working together in teams, which are included into learning organization activities. As well as another objective is to look at how employee engagement and learning organization can improve the level of organizational commitment of the lecturers. This research used survey method, by one shot study, with questionnaires as its instrument. Questionnaires were distributed to senior lecturers at universities in some big cities in Indonesia. The number of samples were 463 lecturers. Data processing was done by using factor analysis, descriptive analysis as well as causality analysis with path analysis completed with t-statistics. The results showed that certified lecturers have the desire to discuss and cooperate with colleagues in terms of carrying out their works as lecturers. And the functional position as an associate professor encourages a lecturer to share his/her knowledge. The results are matched to the purpose of this study, indicating that the emotional attachment of lecturers to their profession encourages lecturers to perform activities of learning organization and then encourages positive psychological attachment at the college where they work.

**Keywords:** Higher Education, Employee Engagement, Continuous Learning, Learning Organization, Inquiry and Dialog

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**THE IMPACT OF INDONESIA GAAP CONVERGENCE TO INTERNATIONAL  
FINANCIAL REPORTING STANDARDS (IFRS) AND THE GENDER OF COMPANY  
CFO TO ACCOUNTING CONSERVATISM**

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**ABSTRACT**

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The objective of this study is to find whether there are an impact of International Financial Reporting Standards (IFRS) and the gender of the executive on both earnings and balance sheet conservatism in Indonesia. Since Indonesia is a code-law country that adopts IFRS which its origin from common law country, we hypothesize that earning conservatism will increase while balance sheet conservatism will decrease after the convergence with IFRS. However different from the hypothesis, we find that there is a significant evidence that earning conservatism decreasing and an increase of balance sheet conservatism in Indonesia after convergence with IFRS. Beside IFRS, we also try to examine the effect of gender of the chief financial officer of the company on both earnings and balance sheet conservatism. We hypothesize that both earning conservatism and balance sheet conservatism will increase with company CFO held by a woman. Consistent with the hypothesis, we find there is an increase in both earning conservatism and balance sheet conservatism on the company with female CFO

**Keywords:** Accounting conservatism, balance sheet conservatism, earning conservatism, International financial reporting standards, gender, CFO



## CONSUMER PREFERENCES MODEL IN OFFLINE AND ONLINE SHOPPING BEHAVIOR ON RETAIL BUSINESS

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### ABSTRACT

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The purpose of this research is to know the factors of retail mix and brand image in forming consumer preference and to know trend of offline and online shopping behavior. The data used in this study is the primary data by questionnaire. This questionnaire consists of six variables of retail mix: service quality, product diversity, price, promotion, store atmosphere, and brand image with the total number of statements that are thirty-two statements and have been tested for validity and reliability. Samples taken as many as 300 respondents. The analytical method used is discriminant analysis. Based on the calculation of the whole analysis it can be concluded that product diversity and store atmosphere are variables affecting consumer behavior in offline and online shopping on retail business and shopping behavior trends in retail business leads to offline shopping system.

**Keywords:** Consumer Preferences, Shopping Behavior, Retail mix, Brand image



## THE IMPACT OF FIRM CHARACTERISTIC TOWARDS CAPITAL STRUCTURE IN INDONESIA

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### ABSTRACT

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The purpose of this research is to investigate the relation between firm characteristics that affect firm capital structure in Indonesia. The research was performed using panel data of 238 firms listed on BEI for the period of 2012 to 2016. The hypothesis that are researched in this paper are the firm characteristics which are profitability, firm size, growth, liquidity, earnings volatility, non-debt tax shield, and tangibility; in relation to firm capital structure which defined as leverage and coverage. The research resulted in findings that profitability and liquidity have negative relation to capital structure. Firm size, growth, and non-debt tax shield have positive relation to capital structure. Earnings volatility and tangibility have no significant relation capital structure.

**Keywords :** Firm Characteristics, Capital Structure, Indonesia Stock Exchange

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**CAN REELECTION STRENGTHEN THE RELATIONSHIP BETWEEN LOCAL  
GOVERNMENT SPENDING AND FINANCIAL PERFORMANCE?**

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**ABSTRACT**

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The purpose of the study is to examine the effect of local government spending on local government financial performance. Furthermore, this study also investigates the moderating role of reelection on the relationship between local government spending and the financial performance for all local government and for dynastic local government. The hypotheses are analyzed using multiple regression with fixed effect using 229 observations from the period of 2010-2015. The result shows that local government spending positively affects local government financial performance. Moreover, this study proves that reelection strengthens the positive effect of local government spending on local government financial performance in all sample and weaken the positive effect of local government spending on local government financial performance on dynastic local government. The findings of this study is very useful for the central government in terms of policy formulation and mechanisms to limit the practice of political dynasty.

**Keywords:** Spending, political dynasties, financial performance, reelection, local government

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## IS CONCENTRATED OWNERSHIP MODERATING THE DIVIDEND AND EARNINGS QUALITY?

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### ABSTRACT

The purpose of this study is to examine the effect of dividend payment and dividend payout to earning quality that are moderated by concentrated ownership on companies listed in Indonesia Stock Exchange between the period 2011-2015. The total sample of this research is 960 firm-years. Earning quality is proxied by the low level of earnings management, where the proxies for earnings management are Absolute Discretionary Accrual (Kothari, 2005) and Absolute Accrual Quality (Dechow & Dichev, modified by McNichols, 2002). The result shows a significant negative influence on the relationship between dividend payout status (DIV) and earnings management (ADA and AAQ). This indicates that companies pay dividends tend to have better earning quality. This is due to the dividend payout limiting resources that are potentially used for the benefit of the management. In addition, this study also proves that there is a negative relationship between the amount of dividend payout with earnings management. This indicates when the company share a larger dividend, it takes more real cash flow great too, making it difficult for management to manipulate. Therefore, the greater the dividend given, the higher the company's earnings quality. This results are aligned with Sirait and Siregar (2014). Moreover, this research also shows that concentrated ownership have no effect to earning quality. This is possible because of the elimination between two effects, whereas the concentrated ownership have the incentive to monitor the management in order to maximize value thus increase earning quality. However on the other side concentrated ownership prefers short-term profit so they do not put attention in monitoring management thus in the long run will reduce earning quality.

**Keywords:** Dividend; Earning Quality; Concentrated ownership

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**THE EFFECT OF CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURE TO THE CORPORATE SOCIAL RESPONSIBILITY  
DISCLOSURES  
IN THE INDONESIAN BANKING COMPANIES**

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**ABSTRACT**

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This research aimed at elaborating the effect of corporate governance mechanism and the ownership structure on the banking company's Corporate Social Responsibility (CSR) disclosures in Indonesia from the year 2010 to 2015 with independent commissioners, size of board of commissioners, role of corporate secretary, and institutional ownership as the independent variables, followed by company size, board of commissioners meeting, and return on assets as the control variables using multiple regression analysis. The CSR Disclosure was observed based on four categories namely environment, community involvement, employees, and the social product of the service quality. Based on 73 samples selected by purposive sampling method, the result was discovered that independent commissioners, size of board of commissioners, role of corporate secretary, and institutional ownership had a significantly positive influence on the of bank's CSR disclosure. The research result was in line with the previous research result by Jizi *et al.* (2013) for independent commissioners. It was also parallel with the research result by Sembiring (2005, Untoro and Zulaikha (2013), and Jizi *et al.* (2013) for the size of board of commissioners. The institutional ownership variables was also in accordance with the research result obtained by Oh, Chang, and Martynov (2011).

**Keywords:** Disclosure of CSR; Commissioners; Role of corporate secretary; Institutional ownership; Banking industry

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**COMPANY RISK, SIZE, FISCAL LOSS COMPENSATION, AND TAX AVOIDANCE:  
EVIDENCE FROM INDONESIAN ISLAMIC COMPANIES**

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**ABSTRACT**

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The purpose of this research is to examine the influence of corporate risk, company size, and compensation tax losses against tax avoidance. Sample was drawn from Jakarta Islamic Index (JII) companies. We use secondary data from Indonesia stock exchange and company's official websites. PLS-SEM was used to analyze the data, especially we use WarpPLS 6.0. The result indicates that corporate risk and size significantly influence on tax avoidance, while compensation tax losses has no impact on tax avoidance. This means that the higher of corporate risk, the higher amount of tax avoidance. The bigger size of companies, the higher amount of tax avoidance.

**Keywords:** Compensation Tax Losses \_1; Corporate Risk \_2; Size\_3, Tax Avoidance\_4.



**MODEL OF INTELLECTUAL INTELLIGENCE,  
EMOTIONAL INTELLIGENCE AND SPIRITUAL INTELLIGENCE ON EMPLOYEE  
PERFORMANCE**

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**ABSTRACT**

PT Bank Mandiri Syariah is one of the best sharia banks in Indonesia. This year the company has improved its operational, finance and asset. This study aims to analyze the model of intellectual intelligence, emotional intelligence, and spiritual intelligence. This study aims to construct policy models and guidelines in presenting and analyzing the intellectual intelligence, emotional intelligence and spiritual intelligence on the performance of sharia banking employees. This research is a causal quantitative study, using random sampling technique which contains 250 employees as total samples. The type of data is in the form of primary. The result shows that the variable of Intellectual intelligence and spiritual intelligence partially has a positive effect but there is no significance related to employee performance. Whereas, the variable emotional intelligence has a positive and significant effect on employee performance.

**Keywords:** Intellectual Intelligence, Emotional Intelligence, Spiritual Intelligence, Employee Performance

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**CAN DISCRETIONARY SPENDING INCREASE THE PROBABILITY OF  
INCUMBENT TO BE RE-ELECTED?**

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**ABSTRACT**

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This study aims to investigate the opportunistic behaviour of the Local Government (LG) Head using discretionary spending (consisting of grant spending, social assistance, and financial assistance) to win the election. Total 133 sample is selected from district / municipal governments in Indonesia prior to the election period. Using logistic regression, the result shows that the use of discretionary spending prior the election period do not affect the probability of the incumbent to be re-elected. This result implies that incumbent should not use the discretionary spending for political purposes because it is proved doesn't help incumbent to be re-elected. Government and NGO should inform voters to be more cautious on the opportunistic behaviour of incumbent using discretionary spending and encourage voters to choose their leader based on their performance.

**Keywords:** discretionary spending; grants; social assistance; financial assistance; election

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## LOCUS OF CONTROL, GENDER, AND PROFESSIONAL JUDGMENT

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### ABSTRACT

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This study aims to prove the influence of locus of control and gender on professional judgment. The population was professional accountants in Padang, represented by public accountants and accounting lecturers. The sampling technique used was purposive sampling method. There are 69 respondents in this study. The research data was obtained through questionnaires. Data was analyzed by using independent t-test. The results of this study are: (1) Men are better than women in giving judgments; (2) There is no difference between accountants with internal locus of control and accountants with external locus of control in giving judgments; and (3) Female accountants with internal locus of control are not better in giving judgments compared to female accountants with external locus of control and male accountants with internal locus of control. The results are interesting since all the hypotheses were rejected. These findings implied that locus of control and gender do not influence professional judgment because accountants have code of ethics that guide them in making judgments. It suggests for further researches to add other variables such as culture or religiosity.

**Keywords:** locus of control, gender, professional judgment

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**BULLS AND BEARS AND BANKRUPTCY-  
AN EARLY WARNING OF DISTRESS**

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**ABSTRACT**

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We examine possible indicators of financial distress: financial ratio; financial decision; the preferences of investors; and economic macro conditions. Based on these indicators, we model financial distress using capital structure theory.

Our population is manufacturing companies listed on The Indonesian Stock Exchange from 2003 to 2016. We use the composite market index to detect whether the market is bullish or bearish using regression analysis time series. Then we use factor analysis and logistic regression. Models which predict financial distress in bearish markets are more accurate than in a bullish market. Investors, therefore, are more vulnerable in a bullish market. Equity financing will reduce the probability of financial distress in both bullish and bearish markets. This supports the pecking order theory in capital structure - when the companies need funding, an early funding alternative is to retain earnings.

**Keywords:** bearish; bullish; financial distress; early warning tools.



**FINANCIAL PERFORMANCE INFORMATION AS FORMING  
CORPORATE FAILURE MODEL IN INDONESIA**

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**ABSTRACT**

We examine indicator corporate failure based on profit or cash flows. Measuring profit or cash flow use ratio of industry. Our population is manufacturing manufacturing companies listed on Indonesia Stock Exchange in 2003 to 2016. Data analysis use Multi Discriminant analysis. Based on indicators, we model corporate failure using agency theory and pecking order theory. The research results show that information based on cash flows have accuracy level higher than information based on profit. The study also evidence that factors of funding, investment, and asset management is indicators that can be used in investigation the possibility of corporate failure. When company experience negative profit, the risk assets more funding by debt, so it can be agency problem. This finding support agency theory. Similarly when companies experienced negative cash flow, funding with equity becomes a main funding.

**Keywords** : financial performance, profit, cash flow, industry relative ratio, corporate failure.



**THE EFFECT OF BOARD CHARACTERISTICS ON INTERNET FINANCIAL  
REPORTING: A META –ANALYSIS STUDY**

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**ABSTRACT**

The aim of this paper is to examine the relationship between corporate governance namely board characteristics and internet financial reporting. The method used is a meta-analysis technique developed by Hunter and Schmidt's (1990) and Lipsey and Wilson (2001) by conducting meta-analysis of 26 previous articles published in 2004-2017. The study finds that board characteristics represented by board size, board independence have a positive effect on internet financial reporting and role duality has no correlation. This paper has important implications for regulators show that board size, board independence important as a predictor variabel to internet financial reporting. The paper is also of interest to investors and companies related accountability and transparency. In these studies, other characteristics of corporate governance such as audit committee board, ownership structure are not included in this study due to the limited number of studies related to corporate governance and internet financial reporting. This study extends meta-analysis literature related corporate governance charactectistics on Internet Financial Reporting.

**Key words** - Board size, Board Independence, Role Duality, Internet Financial Reporting, Web based Reporting, On line Reporting

**Acknowledgements :** This research was supported and funded entirely by LPDP-BUDI DN



**BOARD CHARACTERISTICS, ENVIRONMENTAL SOCIAL  
GOVERNANCE DISCLOSURE AND CORPORATE PERFORMANCE:  
EVIDENCE FROM INDONESIA PUBLIC LISTED COMPANIES**

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**ABSTRACT**

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This study investigates the relationship between board characteristics and environmental social governance disclosure (ESGD) practices. Also, it examines whether such the disclosure influence corporate performance. Seventy-three public listed companies that have ESGD score in 2015 were used as sample. Multiple regression analysis was applied to test whether size of board of commissioners and board of directors have a significant effect on ESGD. The results show that (1) the size of board commissioners has a negative effect on corporate performance (2) the larger size of boards of directors the lower of ESGD. However, in terms of the relationship between ESGD and corporate performance, this study provide evidence that there is no relationship between these variables.

**Keywords:** Environmental social governance, Disclosure, boards, corporate performance, Indonesia



**THE RELATIONSHIP BETWEEN ENVIRONMENTAL PERFORMANCE  
AND THE EXTENT OF ENVIRONMENTAL DISCLOSURE**

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**ABSTRACT**

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This study examines the relationship between environmental performance and the extent of environmental disclosure. Sample of this study consists of thirty-five high profile companies. The environmental performance is measured based on the results of the PROPER assessment and the extent of environmental disclosure index by using GRI checklist items. This research applies content analysis, descriptive and inferential statistical analysis. The result shows that on average, the extent of environmental disclosure is low (22.5%). Mining companies provide highest environmental disclosure (58.2%) followed by chemicals (21.4%), utilities (19.0%), pulp and papers (16.5%), industrial (11.0%), and oil and gas (4.2%). The analysis also presents that environmental performance doesn't have effect on level of environmental disclosure. This result suggests that high environmental performance may not encourage companies to communicate more environmental issues. This finding indicates that motivation for company to disclose environmental information is not always based on the legitimacy perspectives but might be as accountability form.

**Keywords:** environmental performance, environmental disclosure, legitimacy, high profile industry, PROPER

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**CORPORATE SOCIAL ENVIRONMENTAL RESPONSIBILITY  
EXPENDITURE, FOREIGN INVESTMENT AND CORPORATE  
FINANCIAL PERFORMANCE**

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**ABSTRACT**

The accounting system of corporate social and environmental responsibility (CSER) costs is still unable to disclose and accumulate the true value of CSER activities. The costs of CSER is known as CSER expenditure. The CSER expenditure consists of three elements namely expenditure of environmental management, expenditure of social contribution, and expenditure of research and development of production. The purpose of this study is to examine the relationship between the elements of CSER expenditure on foreign investment activities and its impact on corporate financial performance. Sample of this study consists of 132 manufacturing companies for period of 2012-2016, The results of this study show that the elements of CSER expenditure have significant influence on foreign investment and corporate financial performance.

**Keywords:** social environmental responsibility, expenditure, investment, financial performance

**Acknowledgements :** This research was supported and funded entirely by LPDP-BUDI DN

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**THE DYNAMICS OF FINANCIAL MAKING BASED ON GENDER AND TRIBE BY  
SMALL AND MEDIUM MICRO SIZED ENTERPRISES AT SEMARANG CITY**

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**ABSTRACT**

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The purpose of this research is conducted by financial decision making of women in small and medium micro enterprises wingko babad in Semarang, and the gender based. The methodology applied the study of a phenomenon. In terms of this research is methodologically used a qualitative approach to explore in depth. The research results show that the women and as the manager cannot make decisions by reason of blame, did not even have the authority to decide, for decision making by the family. It can happen because of history and culture in family. In terms of practical, this study provide input into the management of micro small medium enterprises sustainable in performing business. Conclusions on this situation of female carries harmonisation in the business of giving credence to the financial decision making

**Keywords:** dynamics, financial decision making, female leader, gender, tribe



**ANALYSIS AND MAPPING OF MANGROVE VEGETATION  
CSR PROGRAM PT PERTAMINA (PERSERO) RU II SUNGAI PAKNING  
BUKIT BATU DISTRICT BENGKALIS REGENCY**

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**ABSTRACT**

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This research explains the distribution and analysis of mangrove vegetation as a form of CSR PT. Pertamina RU II Sungai Pakning which is an effort to handle abrasion project in Sungai Pakning. The purpose of this research is to know the distribution and kind of result from CSR activities of PT Pertamina RU II Sungai Pakning. Vegetation analysis did by plot method with size 10 m x 10m and for mangrove mapping using geographic information system (GIS) . The result is mangroves in the area of PT Pertamina RU II Sungai Pakning covering an area of 218.86 hectares. In addition there are several types of mangrove forest that exist in the research area is Rhizophora Apiculata, Sonneratia Alba, Xylocarpus Granatum, Avicennia Alba, Excoecaria Agallocha, and others.

**Keywords :** mangrove analysis, geographic information system (GIS), csr



**THE INFLUENCE OF CORPORATE GOVERNANCE ON CORPORATE SOCIAL  
RESPONSIBILITY DISCLOSURE: A FOCUS ON ACCOUNTABILITY**

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**ABSTRACT**

The purpose of this study is to examine the extent of the accountability-related to CSRD and the influence of the corporate governance on CSRD practices. This study used the Modified Koppell's Model in understanding the accountability-related to CSRD, which consists of four dimensions, namely; transparency, liability, responsibility and responsiveness. The corporate governance characteristics studied are board size, board independence, board meetings, and female directors on board, which are used as the predictors of company's accountability on CSRD. Annual reports of 100 public listed companies in Malaysia were analysed using the content analysis the two years observations i.e. 2015 and 2016. Descriptive analyses were conducted and it has been discovered that the percentage in accountability-related CSRD in Malaysian companies are mostly low. The study also provides empirical evidence that only board size has a significant relationship with the accountability-related CSRD. In general, this study put forward some insights about Malaysian CSRD practices from the perspective of accountability as well as governance related strategy in enhancing companies' accountability in reporting CSR information. The study also signifies the need to strategically establish a relevant CSRD-accountability model towards an enhanced ethical-accountability based reporting.

**Keywords:** Accountability, corporate governance, corporate social responsibility, Malaysia



**THE ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY, CORPORATE  
GOVERNANCE, AND FAMILY OWNERSHIP ON FIRM VALUE WITH  
PROFITABILITY AS A MODERATING VARIABLE**

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**ABSTRACT**

This study investigate the influence of corporate social responsibility (CSR), corporate governance (CG), and family ownership on firm value with profitability as moderating variable in the manufacturing companies that listed on Indonesia Stock Exchange period 2014-2016. The data are obtained from firm annual report and financial statement in Indonesia Stock Exchange (IDX) website. The samples are 45 manufacturing companies. The sampling technique is purposive sampling method. The hypothesis test use regression analysis. Based on the empirical test it can be concluded that CG and profitability have positive effect on firm value. CSR and family ownership are unable to effect on firm value. Profitability as moderating variable is unable to strengthen the effect of CSR, CG, and family ownership on firm value.

**Keywords:** Corporate Social Responsibility, Corporate Governance, Family Ownership, Profitability, Firm Value.



**ISLAMIC SOCIAL REPORTING INDEX ON ISLAMIC BANKING  
FINANCIAL PERFORMANCE IN INDONESIA**

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**ABSTRACT**

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This study was conducted to analyze the factors that affect the disclosure of Islamic Social Reporting (ISR) in Islamic banks on the Stock Exchange, analyzed the data carried on the annual report of six Islamic banks in 2013-2017, while the factors that affect the disclosure of ISR is profitability, company size, and leverage, the results of this study are expected to Islamic banks in order to apply the principle of full disclosure with Islam in a more comprehensive way. The sampling technique used is sampling considerations, obtained a total sample of six Islamic banks in Indonesia. The data analysis technique used is multiple linear regression, based on the classic assumption test shows that the research data were normally distributed variables and found no deviations. These results indicate that the factors of profitability, company size and leverage effect simulant or jointly against Islamic Social Reporting (ISR). While partially or individual that is a factor of profitability and leverage does not affect the Islamic Social Reporting (ISR). Based on the level of disclosure of social responsibility reporting in Islamic perspective using ISR index explains that Syariah bank having high enough index of ISR obtained by Bank Muamalat Indonesia that managed to reach the value of 20 and above more precisely 32 component of the total index of ISR 48 component in the year 2017. The hypothesis testing it is found that the F-test of profitability factor and leverage simultaneously or together have an influence on the factors in the disclosure of Islamic Social Reporting (ISR) in Sharia Bank in Indonesia. The hypothesis testing on the T-test, it is found that: Profitability and leverage have no effect on the disclosure of Islamic Social Reporting (ISR) in Syariah Bank in Indonesia.

**Keywords :** Islamic Social Reporting Index\_1, Profitability\_2, Company Size\_3, Leverage\_4



**EMPOWERMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES POTENCY  
THROUGH THE ROLE OF THE CSR PROGRAM IN THE CENTRAL JAVA  
PROVINCE, INDONESIA**

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**ABSTRACT**

Micro, small and medium enterprises have become the backbone of the Indonesian and ASEAN economies. Empowerment of micro, small and medium enterprises cannot be fully charged only to the government, but also required cooperation from the community and industry. One of the involvement in the industry or company in community empowerment is through corporate social responsibility (CSR) activity. This study aims to identify and assess the relevance to industrial role through CSR activities in the process of empowering micro, small and medium enterprises in the Central Java Province, Indonesia. The purpose of this study is to develop a strategic model in its implementation. A Regional Partnership Program that enables partnerships that can participate in supporting government programs to empower communities through the development of micro, small and medium-enterprises for communities. The Regional Partnership Program is conducted to solve the priority problems faced by the community. The results of this study indicate the model of strategic stages that can be used to implement Regional Partnership Programs whose main purpose is to improve the welfare of the community, especially for the development of small and medium-sized micro enterprises.

**Keywords :** Empowerment, Small and and Medium Enterprises, Corporate Social Responsibility, Regional Partnership Program

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**CORPORATE SOCIAL RESPONSIBILITY AND CAPITAL ALLOCATION  
EFFICIENCY: FAMILY AND NONFAMILY FIRMS**

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**ABSTRACT**

Purpose of this study is to examine how family firms differ from nonfamily firms in the relationship between corporate social responsibility performance and capital allocation efficiency, including slack resources as moderating variable. Using moderated regression analysis and subgroup analysis in Indonesian listed nonfinancial companies from 2011-2016, results show that family firms and nonfamily firms are different in the relation of corporate social responsibility performance and capital allocation efficiency. When family firms are efficient, there is no relationship between corporate social responsibility performance and capital allocation efficiency. Slack resources also do not reduce negative effect of corporate social responsibility performance on capital allocation efficiency. When family firms are inefficient, corporate social responsibility performance negatively affects capital allocation efficiency and slack resources reduce this negative effect. In nonfamily firms, when nonfamily firms are efficiently allocating capital, corporate social responsibility performance negatively affects capital allocation efficiency. Further analysis shows that this difference is only apparent in 20% threshold of family ownership, in accordance with PSAK 15.

**Keywords:** Corporate Social Responsibility; Capital Allocation Efficiency; Family; Slack

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## THE EFFECT OF TRANSPARENCY, COMPETENCY AND RELIGIOSITY ON PUBLIC OFFICERS' ETHICAL BEHAVIOUR

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### ABSTRACT

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This study examines the relationship between transparency, competency and religiosity with the ethical behaviour of the public officers in Malaysia. This study utilises the questionnaire survey as the research instrument distributed to the public officers from eleven enforcement agencies in Malaysia. Using multiple regression analysis on 71 respondents, this study shows that both transparency and competency have significant relationship with the ethical behaviour of the public officers in the enforcement agencies, and the relationship is significant. Personal actions and interpersonal relationships, two-way communication, reinforcement, and decision making are among the factors contributing to the significant relationship. However, religiosity does not have a significant relationship on the public sector officers' ethical behaviour. The findings of this study provide some implications towards the enforcement agencies in improving their ethical behaviour in performing their tasks.

**Keywords:** Transparency; competency; religiosity; ethical behaviour; public officers, Malaysia

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## INCREASING ACCOUNTABILITY THROUGH INTERNAL CONTROL MECHANISM RELIGIOUS ORGANIZATION

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### ABSTRACT

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Internal control plays important role not only for profit organization but also non-profit organizations. Internal control system can enhance the accountability of non-profit organizations since these organizations have specific objective that is serving society. There is less research regarding religious organizations in relation with accounting research, so this study is important. Religious organizations have special characteristics which are different from other non-profit organizations therefore this issue is very interesting to be explored. The purpose of this study is to investigate to what extend the implementation of internal control in religious organizations. This is quantitative research. This study used church organizations as non-profit organization. To collect data we used purposive sampling method. We developed questionnaires and sent to the respondents. We had about 100 samples that could be analyzed further. The finding of this study as follows. All of the churches have already aware that accountability if very important for them in order to be trusted by congregation. Therefore, most of them have already implemented internal control systems. According to chi-square analysis, there are differences in the level of internal control in term of governance of the churches. Different type of church governance will influence internal control mechanism.

**Keywords:** internal control, accountability, religious organization

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**INTERPERSONAL VILLAGE PARTNERS  
IN SUPPORTING THE DEVELOPMENT OF GEOPARK BELITONG1**

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**ABSTRACT**

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Inter-Village Cooperation (IVC) is a mandate of Law no. 6 of 2014 regarding Village, and it has an important role in supporting the development of Geopark Area. Geopark area has potential fishery products which can be managed with IVC in East Belitung Regency to encourage its development. This study aims to identify the potential of economic resources to be managed by IVC that can support the development of Belitung Geopark. This study is a qualitative research which the location case set based on the needs and can support the development of Geopark Belitung. The results show the Belitung geopark area consists of 5 tourist destinations (Open Pit Nam Salu, Kerangas Forest, Batu Pulas/Keran island, Burung Mandi Geopark, and Gunung Lumut). The supporting activities that have been implementing cooperation between 3 villages (Desa Baru, Kurnia Jaya, and Mekar Jaya Village). IVC is jointly agreed on 15 December 2017 by three villages. The agreement set in Permakades (joint agreement among the head of villages) No. 2 year 2017 regarding the Establishment of Joint Village-Owned Enterprises "Kurnia Mekar Baru Mandiri". The agency will manage the fisheries products, fish farming, fish processing into fish crackers, fish meatballs, crispy fish, fish abon, fish sausage, and others. Initial activities manage the membership funds and government assistance from village fund which is 50 million rupiahs for each village. The activities that can be collaborated in the field of security, development of local transportation for tourism, souvenir shops (galleries) that managed by the Joint Village-Owned Enterprises to promote geopark area. Commodities processing that can be developed are coffee, pepper, sapu-sapu tea, pasak bumi herbs, Kerangas Forest screen printing-shirts, seafood products (fish, crab, calamari, etc.), Mengguru shrimp paste, rattan handicraft, Kater miniature, and Krakap Batu herbs. The Ministry of Village, Development of Disadvantaged Regions and Transmigration contributes in giving assistance and providing facilities and infrastructure to support economic enterprises.

**Keywords:** Inter-Village Cooperation, Geopark Development



## THE EFFECT OF RISK MANAGEMENT ON FIRM FINANCIAL PERFORMANCE

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### ABSTRACT

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This study examines the effect of risk management on financial performance of listed firms on the Indonesia Stock Exchange year 2015-2016. We have total sample of 710 observations. This study uses three variables as a proxy of risk management: the appointment of Chief Risk Officer, the establishment of risk management committee, and the financial competence of the Chief Executive Officer and to measure financial performance we use return on asset (accounting-based measure) and price-to-book value (market-based measure). The results of this study show that the appointment of Chief Risk Officer and the establishment of the risk management committee has no significant effect on both measures of financial performance, while the financial competence of the Chief Executive Officer has a significant positive effect on the firm market financial performance.

**Keywords:** chief executive officer, chief risk officer, financial competence, price to book value, return on asset, risk management, risk management committee



**THE EFFECT OF CEO TENURE, MANAJERIAL SKILLS AND EARNING POWER  
ON EARNINGS MANIPULATION WITH CORPORATE GOVERNANCE AS A  
MODERATING VARIABLE ON MANUFACTURING COMPANIES IN INDONESIA  
STOCK EXCHANGE**

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**ABSTRACT**

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The purpose of this research is empirically to find out the effect of CEO tenure, managerial skills and earning power with corporate governance as a moderating variable on earnings manipulation. Controlling variables are firm size and leverage. This research uses logistic regression data because the data used in the dependent variable is dummy variable with nominal scale, while the independent variables with the scale ratio. The research is done by using manufacturing companies listed on the Indonesia Stock Exchange during 2012-2016 as a sample. Sample determination is done by using purposive sampling method. The total sample of this research are 240 manufacturing companies. Based on the hypothesis testing result, it can be concluded that CEO tenure and managerial skills have positive effects on earning manipulation, while, earning power and corporate governance have negative effects on earnings manipulation. Corporate governance only strengthens the negative effect of earning power on earnings manipulation.

**Keywords** : CEO tenure, managerial skills, earning power, corporate governance, earnings manipulation, firm size, leverage.



**FINANCIAL PERFORMANCE AND MARKET SHARE IN INDONESIA ISLAMIC  
BANKING:  
STAKEHOLDER THEORY PERSPECTIVE**

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**ABSTRACT**

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This research aimed to examine the influence of financial performance on market share in Indonesia Islamic Banking. We use return on assets (ROA), capital adequacy ratio (CAR), non performing loan (NPL), operating expenses-operating income (OEOI/BOPO), and financing to deposit ratio (FDR) as proxies of financial performance. Also, we apply market share as the comparison of Islamic banking total asset on total asset of Indonesia banks. This study is using stakeholder perspective analysis. How market share is influenced by financial performance, since market share is the reflection of stakeholders perception. We collect 33 Islamic Banks financial report in 2013-2015 using times series model. The result shows that ROA has positive significant effect on market share. Meanwhile, NPL and BOPO have negative significant effect on market share. Otherwise, FDR has no significant effect on market share. Based on the research findings, this study confirms that in Indonesia Islamic banking provides goodnews in their financial performance.

**Keywords:** ratio analysis, stakeholder interest, trust



**THE RHETORICAL STORY IN CORPORATE SOCIAL RESPONSIBILITY  
DISCLOSURE PT SEMEN PADANG, TBk.**

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**ABSTRACT**

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This study aims to see whether there is a rhetorical story in the disclosure of Corporate Social Responsibility (CSR) information of PT Semen Padang in annual report and sustainability report. The company implements CSR in three programs namely Partnership Program, Environmental Development Program and Non-EDP Program. Rhetorical analysis is done through content analysis to annual report and sustainability report compared with online news and semi structured interview to relevant parties. The results of this study indicate the existence of rhetoric, both positive and negative, in disclosure of CSR information. This is done to gain legitimacy from stakeholders.

**Keywords:** CSR disclosure, rhetorical story



## THE EFFECT OF TOTAL QUALITY MANAGEMENT AND ENVIRONMENT ON SUSTAINABILITY OF MANUFACTURING COMPANY IN INDONESIA

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### ABSTRACT

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This study aims to explore the environmental impact of company activities on company sustainability. Total Quality Management (TQM) through continuous quality improvement is applied by a company to maintain its sustainability. The interconnection of quality and environment has an effect on product quality and company sustainability. TQM subsequently is integrated with environmental policy, henceforth called Total Quality Environmental Management (TQEM). With TQEM it is expected that a company is able to improve its production quality while preserving the environment. This is qualitative research, with data obtained from primary sources through questionnaire administration. Questionnaires were distributed to 100 respondents working at manufacturing companies who were selected randomly to represent the analysis process. This study data were processed using the path analysis through regression to measure the correlation between dependent and independent variables and to analyze research hypotheses via SPSS. It was concluded that the TQM application and the environment of a company can sustainably enhance the company quality. With environmental factor taking a central role in the conduct of a company business, the implementation of TQEM may help the company enhance its product quality while still preserving the environment.

**Keywords:** Total Quality Management (TQM)\_1; Environment\_2; Total Quality Environmental Management (TQEM)\_3; Sustainability\_4



## THE ROLE OF INSTAGRAM IN THE MANAGEMENT PRACTICES OF AN INDONESIAN ISLAMIC BANK

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### ABSTRACT

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Instagram is one of the fastest-growing social media platforms in the world, and Indonesia is among the four leading countries in terms of numbers of Instagram users. It is believed that Instagram will be able to assist businesses in gaining public trust by engaging users through visual content, and therefore Instagram's role in company management practices is an interesting avenue for exploration. In this study, we take an Indonesian Islamic bank as the study case in considering whether Instagram may potentially perform as a low-cost channel to promote the products and services of Islamic banks to a broader audience. This aim also aligns with attempts to boost growth in the market share held by Islamic banks, particularly in Indonesia, which has the largest Muslim population in the world. In the course of qualitative research (through document analysis and semi-structured interviews with the case banks' officials and Instagram followers), this study finds that Instagram has been used by the bank to perform marketing and promotional activities, and that these have enabled increasing engagement with both current and potential customers and the obtaining and providing of information access, as well as promoting brand identity to the public. Despite these achievements, Instagram in the case bank still tends to be used as a one-way rather than a two-way communication channel, and this reflects the findings of previous studies.

**Keywords:** Instagram, Indonesia, Islamic bank, business, management practices

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## ENVIRONMENTAL AND ETHICAL INITIATIVES AND REPORTING OF SMALL AND MEDIUM ENTERPRISES: ARE THEY DOING ENOUGH?

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### ABSTRACT

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SME's individual environmental impacts seem to appear at a minimum level but environmental cases reported otherwise. Even though they should be equally accountable, little is known about SMEs' initiatives in preserving the environment. Inspired by the above, this study decided to explore Malaysian SMEs' involvement in environmental initiatives including environmental reporting. This study used qualitative research. The data collection process included semi-structure interviews, content analysis of documents and observations and focused only on SMEs that are registered as members of FMM. Through interviews, observations and content analysis this study revealed that the SMEs did implement some environmental initiatives. Despite being said to be smaller in nature findings of this study indicated that Malaysian SMEs also demonstrated their responsibility towards the environment. These SMEs not only complied with the related environmental rules and regulations but they also committed their limited financial resources to implement several environmental initiatives. Among the non-mandatory initiatives implemented are environmental management system, waste management, energy conservations, tree planting and creating environmental awareness. It was identified that the SMEs did have environmental reporting as part of their environmental initiatives. They communicated to their stakeholders the companies' environmental policies and objectives, their environmental friendly practices and the environmental initiatives implemented. However, it was also identified that the information was provided more on ad hoc basis rather than systematically and periodically and mostly did not convey the complete information of actual environmental initiatives implemented.

**Keywords:** Keyword\_1; Keyword\_2; Keyword\_3 Environmental Initiatives\_1, Environmental Reporting\_2, GRI\_3, SMEs\_4, CSR\_5



**DO WOMEN ON BOARD, RISK MANAGEMENT, INVESTMENT IN NON CORE  
BUSINESS AND STRATEGIC CHOICES AFFECT EARNING PERSISTENCE?  
CASE IN INDONESIA**

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**ABSTRACT**

**Purposes** -- The objectives of this research are (a) to determine association of gender diversity on boards of commissioners and boards of directors, risk management and infrastructure investment in non-core business to earnings persistence; (b) to find out whether strategy choices could moderate association of gender diversity of the board of commissioners and board of directors, risk management and infrastructure investment in non-core business to earnings persistence;

**Design/methodology/approach** -- This research used multiple regression with 5 years of observation (2011-2015) and used spss to test the hypotheses. The sampling technique was purposive sampling. From the selection results obtained 79 companies that met the criteria, so the total observations are 395 samples.

**Finding** -- This research found that gender diversity on board of directors had positive effect on earning persistence and investment in non core business had negative impact on earning persistence. On the other hand, there was no direct effect of diversity gender on board of commissioners and risk management to earning persistence. But when gender diversity on board of commissioners combined with the type of prospector strategy, it had a positive effect on earnings persistence, so did risk management.

**Contribution** – This study has practical contribution for shareholders, investor, board and academics. This paper underline that women should be courageous to take part in the business either as a board of commissioners or directors, and the company should provide wider opportunities for women. Investor should carefully with the companies' strategic choice. This study also has empirical contribution to fill literature gap of factors that influence the earnings persistence beyond financial factors.

**Originality** – There are limited researches that examined earning persistence which includes risk management, investment in non-core business infrastructure and strategy as variables

**Keywords:** Gender diversity, board, risk management, investment in non-core business, strategy, earning persistence



**THE INFLUENCE OF LOCAL TAX, LOCAL RETRIBUTION AND  
AUDIT OPINION ON EXPENDITURE PERFORMANCE  
IN LOCAL GOVERNMENTS CENTRAL JAVA PROVINCE,  
INDONESIA**

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**ABSTRACT**

Capital expenditure is one of government performance. It is a component of direct expenditure in government budgets that produce fixed assets. This study aims to examine the influence of Local Tax, Local Retribution and Audit Opinion on Expenditure Performance in Regencies / Cities in Central Java Period 2014-2016. The populations in this study are 30 regencies and 6 cities in Central Java. The samples are 27 regencies and 6 cities in Central Java Period 2014-2016. The sampling technique in this study uses purposive sampling non probability sample. The data analysis technique uses multiple linear regression. The results of this study indicate that partially Local Tax and Local Retribution has positive significant influence on Expenditure Performance. Meanwhile Audit Opinion has no significant influence Expenditure Performance. The result simultaneously shows that there is significant effect of Local Tax, Local Retribution and Audit Opinion on Expenditure Performance.

**Keywords:** Expenditure Performance, Local Tax, Local Retribution, Audit Opinion

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**THE EFFECT OF CONFORMITY WITH ACCOUNTING STANDARD AND  
LEGISLATION COMPLIANCE TO UNQUALIFIED AUDIT OPINION**

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**ABSTRACT**

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Auditors take the applicable standard and legislation as consideration in auditing processes. The unqualified audit opinion was given when the preparation of financial statements conformed. Research was conducted on East Nusa Tenggara Province Office and East Sumba District Office of Indonesia. Both of them was granted the unqualified audit opinion for two consecutive years from 2015. This achievement is impossible without the hard work of regional office of Badan Pendapatan, Pengelola Keuangan dan Aset Daerah (BPPKAD) which responsible for consolidation in the presentation of financial statements that will be audited by the Badan Pemeriksa Keuangan (BPK). Employees of BPPKAD totally 55 people who did the job is taken as a sample in this research using purposive sampling technique. Data were analyzed using SPSS version 24. The results showed that conformity with accounting standards and legislation compliance had a significant positive effect on acceptance of unqualified audit opinion.

**Keyword:** Conformity with accounting standard, Legislation Compliance, Unqualified Audit Opinion



**CORPORATE SOCIAL RESPONSIBILITY MEDIATES  
CORPORATE GOVERNANCE INDEX AND FINANCIAL  
PERFORMANCE IN INDONESIA**

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**ABSTRACT**

The purpose of this research is to investigate the relation between corporate governance index, corporate social responsibility and financial performance in Indonesia. Corporate governance uses Indonesian Corporate Governance Index in this study. The sample in this study is companies that joined Indonesia Institute for corporate governance. This study uses secondary data from annual report from 2014-2016. The first result shows the significant relation between corporate governance and financial performance. The second result shows that corporate governance has a significant link with corporate social responsibility. However, the last result shows not significant connection between corporate social responsibility and financial performance. This study concludes two contribution. First, this study investigates the companies that joined Indonesia Institute for corporate governance. Second, the finding shows corporate social responsibility not as mediatory in the relationship both corporate governance and financial performance. The limitation of this study is the framework is not yet the best framework. For future research, suggestion is to add another variables related to corporate social responsibility, corporate governance and financial performance

**Keywords:** corporate governance, corporate social responsibility, financial performance, Indonesia

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**EFFECT OF RELIGIOSITY, LOCUS OF CONTROL, AND PROFESSIONAL  
COMMITMENT TO WHISTLEBLOWING INTENTION**

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**ABSTRACT**

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In this research study, we apply theory of behavioral to intent auditor whistleblowing. The purpose of this paper is to examine the effect of religiosity, locus of control, and professional commitment on whistleblowing intention. The data was collected by using questionnaire and sent to auditors intern who worked at inspectorate of Aceh province government. The samples are chosen using simple random sampling method and resulted 41 respondents. This research uses the multiple linear regression analysis to test the hypothesis. The findings of this study indicates that religiosity, locus of control, and professional commitment have the effect on whistleblowing intention.

**Keywords:** Religiosity; Locus of Control; Professional Commitment; Whistle-Blowing Intention

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**CORPORATE GOVERNANCE, EARNINGS QUALITY AND MARKET RESPONSES:  
A COMPARATIVE ANALYSIS OF SHARIAH AND NON-SHARIAH STOCK**

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**ABSTRACT**

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The main objective of this study is to analyze the role of earnings quality in mediating the relationship between corporate governance quality and market response. The study also observes the impact of earnings quality of shariah stocks on market response, compared to non-shariah stocks using 138 firm years of listed companies registered in the Indonesian Institute of Corporate Governance Award 2008-2016. To test the mediating role of earnings quality, this study employs path analysis, while moderated regression analysis used for testing the impact of earnings quality on market response for both shariah and non shariah stock. The results shows that the quality of corporate governance does not directly have a significant impact on market response. However it indirectly has a significant influence of market response mediated by earnings quality. The evidence also demonstrates that the better the quality of corporate governance, the better the quality of earnings. However the lower the quality of earnings, indicated by the high accrual value, the higher the of Tobins'Q as proxy of market response. This finding may be a sign of an accrual anomaly in the Indonesian capital market. Finally, this study also finds evidence of higher positive market response on earnings quality of shariah stocks than non-shariah stocks.

**Keywords:** Corporate Governance, Earnings Quality, Market Response, Shariah Stock, Islamic Accounting



**MEDIATING ROLE OF EFFICIENCY FACTORS IN DETERMINING BANK  
FINANCIAL PERFORMANCE IN INDONESIA**

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**ABSTRACT**

The study aims to analyze mediating role of efficiency factors in determining bank financial performance in Indonesia. The sample was obtained using purposive sampling method and data analysis in this research was quantitative using statistical descriptive and statistical inference, and SPSS. The statistical inference used is the structural equation model using the Wprap PLS version 06 software. The findings of this study are: 1) The efficiency factors of mediating of earning assets quality and financial performance, 2) The efficiency factors of mediating of net interest margin correlation and financial performance, 3) The efficiency factors of mediating of non-performing loans and financial performance.

**Keywords:** Earning Assets Quality, Net Interest Margin, Non-Performing Loans, Efficiency Factors, Financial Performance.



**ROLE OF AUDIT COMMITTEE FINANCIAL EXPERTISE AND THEIR STATUS IN  
REDUCING CORPORATE REAL EARNINGS MANAGEMENT**

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**ABSTRACT**

The study aims to examine the role of audit committee financial expertise (measured by audit committee educational background in accounting and finance and CPA certification) and their status (relative to board of directors) in reducing real earnings management. Audit committee status is compared to board of director status and status for both groups measured by the current or previous employment in Indonesia Stock Exchange (IDX) listed companies in Indonesia; current or previous employment in the Indonesia public companies with similar industries; current or previous employment in the Indonesia public financial sector companies or financial institutions; current or previous employment in Indonesia government institutions; and a degree from prestigious educational institutions. Samples of this research consists of Indonesia Stock Exchange (IDX) listed non-financial companies with a period of observation of 2013-2016. The total observations are 1080 firm-years. The result of this study shows that audit committee financial expertise has no impact in reducing corporate real earnings management. Meanwhile, audit committee status can reduce corporate real earnings management. This study also finds that audit committee status has not been able to strengthen audit committee financial expertise to reduce corporate real earnings management.

**Keywords:** Real earnings management; Status; Financial Expertise; Audit committee



## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) PERFORMANCE AND EARNINGS MANAGEMENT IN THE ASEAN-5 COUNTRIES

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### ABSTRACT

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This study aims to analyze the effect of corporate sustainability performance on earnings quality. The sustainability performance measured by Environmental, Social, and Governance (ESG) disclosures is expected to affect the earnings quality by reducing the company's earnings management and improving the earnings informativeness. This study was conducted on 97 companies with ESG Thomson Reuters score from 2012 to 2016 in ASEAN-5 countries: Indonesia, Malaysia, Philippines, Singapore, and Thailand. This study shows that a high corporate sustainability performance has a negative effect on earnings management. This study implied that regulators may consider implementing regulations that encourage companies to report their sustainability performance.

**Keywords: Sustainability performance; ESG disclosures; earnings management**

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## EARNINGS MANAGEMENT: ESOP AND CORPORATE GOVERNANCE

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### ABSTRACT

The aim of this research is to provide empirical evidence about the influence of employee stock ownership programs (ESOP), information asymmetry, leverage, profitability, firm size, managerial ownership, institutional ownership, audit quality, and firm age on earnings management. Sample of this research are 87 non-financial companies listed in Indonesia Stock Exchange during the research period 2014 until 2016, thus totaled 261 data. Sample selection method used was purposive sampling. Data were analyzed using multiple regression analysis. The empirical evidence of this research indicated that ESOP, profitability, firm size, and firm age influence on earnings management. While, information asymmetry, leverage, managerial ownership, institutional ownership, and audit quality don't influence on earnings management. ESOP is attractive in Indonesia as a way to reduce agency problems between shareholders and managers. The purpose of ESOP is to create alignment of interests and mission of employees and executives with shareholders interest and mission. ESOP can be considered a long term incentives provided by the company to engage a sense of belonging by the employee to the company. This believed can increased the employee productivity and company performance.

**Keywords:** Earnings Management; employee stock ownership programs; corporate governance; agency problem

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**MANAGERIAL OVERCONFIDENCE, THE AUDIT FEES AND THE ROLE OF THE  
AUDIT COMMITTEE: CASE STUDY IN ASEAN**

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**ABSTRACT**

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The purpose of this study is to provide empirical evidence about the effect of managerial overconfidence on audit fee in ASEAN countries. This research also examines the role of the audit committee on the relationship between managerial overconfidence and audit fee in ASEAN countries. An overconfident manager tends to overestimate the projected future cash flows of projects but underestimate the impact of adverse events which will increase the audit risk. Conversely, audit fees for companies with an overconfident manager will be lower if managers demand less audit services due to either hubris in their companies' financial reporting or a desire to reduce auditor scrutiny over aggressive accounting practices. Sample in this study are listed firms in 5 ASEAN countries: Indonesia, Malaysia, Singapore, Philippine, and Thailand from 2014 to 2016. The result of the study showed that managerial overconfidence has positive effect on audit fee. There is no evidence that audit committees weaken the effect of managerial overconfidence on audit fee

**Keywords:** Managerial Overconfidence, Audit Fee, Audit Committee, Hubris, Audit risk



**FREE CASH FLOW, FINANCIAL DISTRESS,  
OPPORTUNISTIC BEHAVIOR AND MONITORING MECHANISM TOWARD  
EARNINGS MANAGEMENT**

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**ABSTRACT**

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This study aims to provide empirical evidence of the effect of free cash flow and financial distress on earnings management with opportunistic behavior (profitability) and monitoring mechanism (type of auditor) as moderating variables.

Research population is companies listing on Bursa Efek Indonesia in 2011-2015. By using purposive sampling method from 539 companies obtained a sample of 195 companies with a total of 962 observations.

The results showed that both free cash flow and financial distress had no effect on earnings management, nor did opportunistic behavior and monitoring mechanism could moderate the relationship between free cash flow and financial distress with earnings management. This result strengthens the evidence that in the Indonesian capital market, which is an imperfect market, the information obtained from the financial statements is not responded highly by investors, so managers do or not do of earnings management is not big problem for investors. Investors is more believing from inside information or the reports from capital market analysts.

**Keywords:** free cash flow, financial distress, opportunistic behavior, monitoring mechanism, earnings management



**FOREIGNNESS AND FIRM PROFITABILITY IN INDONESIA FIRMS: THE  
EFFECTS OF DIRECTORS, EDUCATION, AND OWNERSHIP**

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**ABSTRACT**

The ASEAN Economic Community opens up the proverbial borders of Indonesia to its neighbouring countries. Foreigners would soon pour into the economy of Indonesia, even more than the present time. The purpose of this study is to investigate the effects of foreign directors, foreign education, and foreign ownership on Indonesian firm performance, measured with Return on Assets (ROA). We attempt to assess whether these foreign qualities would positively or negatively influence Indonesian companies. Our longitudinal dataset comprises 367 public non-financial corporations over a 4-year period, 2013-2016 (n= 1,468). Based on panel regression, we find that foreign education negatively influences ROA. The incompatibility between what was learned in foreign educational institution and real practices in Indonesian environment might cause this negative effect. Meanwhile, the existence of foreign directors and foreign ownership do not significantly affect ROA. The minority presence of these foreign investors and directors might render the results insignificant.

**Keywords:** foreign director, foreign ownership, corporate governance, firm performance, education



## TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL CULTURE AS A MODEL TO DRIVES THE INTRAPRENEURSHIP BEHAVIOR IN ORGANIZATIONS

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### ABSTRACT

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In order to develop an organizations needs organizational culture and the leader who could be an inspiration and motivate the employees to become more independent, creative and innovative. The purpose of these studies intended to investigate the effects of organizational culture and leadership on intrapreneurship behavior in organizations.

The design / methodology / approach of this study is quantitative research. Objects and respondents in this research are private university lecturers in Jakarta area. Data collection by using questioner and direct interview with selected respondents. The results of these studies founded that the dimensions of transformational leadership consisted of : inspirational motivations, intelectual stimulations, individual considerations and idealized influences has a positive and significant on the employees intrapreneurship behavior. The dimension of organizational culture, both of the external focus (adaptability and mission) and internal focus (involvement and consistency) has a positive effect and significant on the employees intrapreneurship behavior.

**Keywords:** Transformational Leadership, organizational culture, Intrapreneurship



## VECTOR AUTO REGRESSION ANALYSIS BETWEEN EXPORT, ECONOMIC GROWTH AND JOB OPPORTUNITY IN BANGKA BELITUNG ISLANDS PROVINCE

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### ABSTRACT

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The economic performance of Bangka Belitung Islands Province during the period of 2005-2016 has increased, it is indicated by the increasing total growth rate of Gross Regional Domestic Product (GRDP) measured at constant price of 75.3 percent. These performance improvements should be accompanied by employment creation efforts such as increasing exports to boost economic growth. The purpose of this research is to analyze the causality relationship between job opportunity, export and economic growth in Bangka Belitung Islands Province. This research uses secondary data with Vector Auto Regression (VAR) analysis tool. The test results show that employment is affected by employment in the previous year (t-1), as well as exports influenced by the previous year's employment (t-1). Furthermore from the results of the study found that exports and employment opportunities show that employment contributes more than exports to economic growth. It is understood that job opportunity in Bangka Belitung Islands Province is non-export oriented job opportunity.

**Key Words** : Eksport, Economic Growth, Employment, Vector Auto Regression



## CULTURAL INFLUENCE ON ACCOUNTANTS' PROFESSIONAL JUDGMENTS

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### ABSTRACT

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This research aims to examine the influence of culture on accountants' professional judgments in Indonesia by focusing on Javanese and Minangkabau ethnic groups. Drawing from psychological and anthropological literature of construal of self and Javanese and Minangkabau cultural values, this research formulates hypotheses that there are differences in professional judgements between Javanese and Minangkabau accountants with regards to their respective accounting value of conservatism and secrecy. The data for this research was collected using a survey questionnaire to 80 and 73 final year accounting student of Javanese/Madurese and Minangkabau, respectively. The questionnaire contained passages from IFRS-based accounting standards with the use of uncertainty expressions (i.e. substantial, major part, significant influence, etc.) and elicited the respondents to give their judgments in the interpretation and application of the standards. The results of the research find support for the hypotheses that there are differences between Javanese and Minangkabau accountants in exercising their professional judgments with regards to conservatism and secrecy. The findings have implication on the application of IFRS-based accounting standards in Indonesia.

**Keywords:** accounting convergence, culture, accountants' judgments, uncertainty expressions, and conservatism



**THE PRACTICE OF CORPORATE SUSTAINABILITY IN MALAYSIA:  
WHAT ROLE DOES THE BOARD OF DIRECTOR PLAY?**

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**ABSTRACT**

Corporate sustainability is one of the vital corporate agenda which is most widely used to refer to relationships between business, environment and society. It is an approach to create long-term stakeholder value by implementing a business strategy that considers every dimension of those relationships. Businesses that integrate sustainability into their operations are expected to be in the position of developing a long-term strength by instilling public confidence and thus enhancing their competitive advantage. In this 21st century, more companies are seen to be integrating their strategic business goals with the global development agenda such as the Sustainable Development Goals (SDGs) by aligning their business model and practices with these goals. This is consistent with the commonly known view on the importance of business roles towards contributing to sustainable economic development. Thereupon, board's roles have been extended from the traditional shareholder-centric view to such that encompasses various stakeholders. As this issue has not yet being studied extensively in Malaysia, this study to explore board's roles in governing sustainability practice in company boards using qualitative approach based on interview with the Board of Director . This paper provides important evidence to support the conclusion drawn from the study about the importance of board in governing sustainability practice.

**Key words:** corporate sustainability, sustainability practices, corporate roles, board roles

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## THE EFFECT OF TRANSACTIONAL LEADERSHIP AND COMMUNICATION ON EMPLOYEE PERFORMANCE

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### ABSTRACT

The human resources performance is the work result showed in company. The marketing fluctuation happened that the target of sale did not reach at Indomaret company Gatot Subroto branch in 2016. The aim of this study was to know the effect of Transactional Leadership and Communication on Employee Performance. It was hoped that it can be the optimum result for employees especially for company. The method used was associative. The sample taking technique used was the saturated sampling. The research result showed that Transactional Leadership and Communication were the strategic models to increase the performance because those variable models influenced. The suggestion to the management to increase the employee performance by fixing in the quality of transactional leadership and communication.

**Keyword :** Transactional Leadership Style, Communication and Employee Performance



**MEASURING QUALITY CONTROL CIRCLE IMPLEMENTATION AND  
ORGANIZATIONAL PRODUCTIVITY IN MICRO SMALL MEDIUM ENTERPRISES  
(MSMES)**

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**ABSTRACT**

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The Companies constantly changing global business world and it requires every company to keep improving its performance in order to survive in the business world. In 2017, The Indonesian Chamber of Commerce and Industry states that there is an improvement in the last five years in the MSME sector to gross domestic product of 57.84% to 60.34%. Quality Control Circle (QCC) is a system of business management aimed at improving efficiency, productivity and quality of production, in order to improve the competitiveness of the products produced. Workforce productivity is the success key of an organization, therefore, the productivity of individual, group and organizational levels as an entire productivity must always be maintained and improved. The objective of this research was to develop the instrument of QCC implementation and organizational productivity in MSMEs. This research had 13 instrument variables to measure the validity and reliability level in implementing the Quality Control Circle and organizational productivity in MSMEs which was often found and faced by MSMEs Unit of manufacture and services. In collecting the data, the questionnaires were distributed on MSMEs. At the end of this section of the study, it was found that 13 variables valid and reliable instrument that implemented properly in QCC and organizational productivity in MSME.

**Keywords:** Quality Control Circle, Organizational Productivity, MSME



## BRAND LOYALTY LEVEL ANALYSIS OF PT. TELKOMSEL INDONESIA

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### ABSTRACT

This study was aimed to determine the value of loyalty level Telkomsel Ltd. in Bandar Lampung, Indonesia. The data collection methods used were interviews, observation, library research, and a questionnaire. The population of this research was customers of Telkomsel in Bandar Lampung, the samples were the customers or users the product of Telkomsel with the minimum in two times purchasing or using Telkomsel products, treated as the customers. According to the sampling method of Etta Sopiah, the sample obtained as 99,98 or 100 respondents. The sampling technique used was purposive sampling because the sample was determined based on certain considerations. The results of this study showed the level of brand loyalty from Telkomsel Ltd. in Bandar Lampung City was so significant. The results of levels of brand loyalty for Telkomsel Ltd. were 26% for Switcher, 63% for Habitual Buyer, 77% for Buyer Satisfied, 78% for the liking of the brand and 85% for Committed Buyer. The loyalty brand Pyramid shape of PT. Telkomsel in Bandar Lampung City was an upside-down pyramid.

**Keywords:** Loyalty Brand Pyramid, Brand loyalty, Brand, Telkomsel

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**THE MODEL OF ENTREPRENEURIAL DEVELOPMENT BASED ON CREATIVE  
ECONOMY THROUGH BUSINESS AND TECHNOLOGY INCUBATOR.  
(CASE STUDY OF PRIVATE UNIVERSITIES IN INDONESIA)**

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**ABSTRACT**

The role of University today is to greatly contribute in the development of start-up business, in accordance with its capacity as an intellectual source through the formation of the students' atmosphere into a reliable entrepreneur in the future. The strategy is to create an entrepreneurial atmosphere in the University through a business and technology incubator model development that focuses on start-up business based on the creative economy sub-sector. The purpose of this research is to strengthen the incubator institute of the business and technology in the University with the approach of model and method of work, the development of business incubation program, and also to produce tenants of a start-up business in the University. The result of this research found that there is effective model of business start-up development in University through an ideal and effective business incubator that is replicated and implemented by other Universities. The next finding in establishing an entrepreneurial atmosphere model is through a start-up competition program among Universities.

**Keywords:** Entrepreneur, Incubator of Business, Development And Start-Up Competition

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**ACCOUNTING STANDARD APPLICATION IN CHURCH FINANCIAL  
MANAGEMENT**

**“BRINGING FINANCIAL PRACTICE AND THEOLOGY MORE INTIMATELY  
INTERTWINED”**

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**ABSTRACT**

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This paper aims to assess accounting application in church financial management (FM), including planning, program execution, documentation and reporting. This paper is qualitative in nature by firstly comparing the literatures of accounting in churches in social and theological contexts to support the main argument that accounting has to be recognized as one of the most important tools to actualize the theological principles in FM processes. It describes how financial management engagement produces accountable financial information as the main responsibility of the churches servant to God and congregation. The paper also suggests that the FM engagement should be embedded with the theological principles of creationism, stewardship, agapism, engagement, and witness to successfully apply accounting in churches. It then exposes Indonesian non-profit organization accounting standard, namely PSAK 45 to describe a technical example of the accounting application in church FM. It delineates the accounting application in GMT Kota Baru Church, one of the largest churches in Kupang, East Nusa Tenggara, to reveal the lacuna between the concept and the application.

**Keywords:** church financial management; accounting in churches; non-profit organization accounting standard, theology principles



**STUDENT PERCEPTION OF ACCOUNTABILITY AND TRANSPARENCY OF  
FINANCIAL MANAGEMENT POLITICAL PARTY IN THE CONTEXT OF LOCAL  
ELECTION**

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**ABSTRACT**

This research was conducted with the aim to know the perception of students to the accountability and transparency of financial management political parties of the local election. Accountability and transparency of financial management political parties sourced from APBN / APBD funds, membership fees and party donors.

The method used in this research is to use quantitative descriptive method with simple regression analysis. The data used using primary data by doing the distribution of questionnaires to students to know the implementation of accountability and transparency of financial management political parties in the context of a local election.

The result of this research is student perception to have a positive influence to accountability and transparency of the financial report of the political party at the local elections in Kupang. The results of this study can be used as an indicator to choose a credible political party.

**Keyword :** Accountability, Political Parties, Financial Management, Perception, Transparency.



## FRAUD PREVENTION: RELEVANCE TO SPIRITUALITY IN THE WORKPLACE AND RELIGION

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### ABSTRACT

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Fraud in the financial statements causes the information to be invalid and not in accordance with the financial reporting mechanism. The Association of Certified Fraud Examiners (ACFE) defines cheating as an act of fraud or mistake made by a person or body that knows that such mistakes may result in some unfavorable benefits to an individual or entity or other party. The fraud of undetected financial statements can develop into a major scandal that harms many parties. Lately, aspects of spirituality have begun to get the attention of the world of science, including accounting. The rapid development of science and technology as well as the increasingly fierce competition make people more intended to pursue material satisfaction (hedonistic) and ignore the spiritual life so that human life becomes unbalanced. To solve the problem of fraud, a positive economic approach is still applied. The use of normative economic approaches such as ethical and religious values is still small. Spirituality in the workplace has been widely adopted by big companies in Indonesia to harmonize spirit and strategy. The results show that there is a positive and significant influence between religion and spirituality on fraud prevention. Understanding based on spirituality and religion about the importance of work, involvement in the workplace will inspire them to love their work and ultimately prevent them from acts that will harm themselves and the company.

**Keywords:** spiritualiality; religiosity; spirituality in the workplace: fraud prevention; autor.



**STAKEHOLDERS' PERCEPTION TOWARDS THE INTERNAL AUDIT UNIT  
(A CASE STUDY IN NUSA CENDANA UNIVERSITY)**

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**Maria E D Tunti, SE., M. Si**

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**ABSTRACT**

The aim of this study is to develop a common perception of Stakeholders concerning the Internal Audit Unit. Internal Audit is a part of internal program control function which is responsible for independent reviewer practices of the organization's role and performance. A tertiary educational institution holds a strategic role in regards to higher educational purposes. Therefore, adequate management systems are required through internal audit. The object of this study is Nusa Cendana University Kupang NTT Province. Data were collected through questionnaire, interviews, and documentations. Data analysis employed SWOT analysis method. The Perceptions of Nusa Cendana University's stakeholders regarding the Internal Audit Unit lies within the 1<sup>st</sup> quadrant which represents comparative advantage. The Internal Audit Unit which is positioned in the connection of SO with a strength score of 3.52 and opportunity score of 2.66, precedes 1.85 points. These points to a SO strategy which emphasizes on using strengths and identified opportunities in order to enhance the performances of the Internal Audit Unit. This in turn is expected to shift the bureaucracy paradigm in Nusa Cendana University, which will give an opportunity for the Internal Audit Unit to develop significantly.

**Keywords:** Perception, Stakeholders, Internal Audit Unit.



## INTEGRATED REPORTING: REVIEW OF DEVELOPMENTS AND FUTURE

### AGENDA

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### ABSTRACT

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Integrated reporting (IR) is a major development in several accounting initiatives related to sustainability. Integrated reporting includes financial, economic, governance, and social information in one report. Given the short history of integrated reporting, there is much to learn and to understand. This study aims to unite the views of various accounting research on integrated reporting and proposes the agenda for future research. This study uses the views of other papers contained in Scopus indexed journals themed integrated reporting. This research utilizes and unites the analysis and academic insights in the literature on integrated reporting. This study shows that the development of policies and practices on integrated reporting, presents theoretical and empirical challenges because there are various ways to understand integrated reporting and to apply it within the institution. The limitation is that it utilizes literature that is still at an early stage of development.

**Keywords:** Integrated Reporting, IIRC, Sustainability, Social Responsibility



## THE EFFECT OF INTEREST RATE, LEVEL PROFIT ON PROFIT LOSS SHARING IN SHARIA BANKING IN INDONESIA

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### ABSTRACT

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Syariah banking does not use the interest rate because it is considered 'haram', instead, sharia banking uses a profit-sharing system. In practice, however, some studies show that there is an influence of interest rates on the practice of sharia banking. This study aims to investigate the effect of conventional bank interest rate, BI Rate and profit rate on profit sharing on deposits in sharia banking in Indonesia. Data obtained from Central Bank of Indonesia, the financial statements of sharia banking period 2011-2014. By using simple regression analysis, the interest rate of conventional bank and BI rate have significant effect on the profit sharing of sharia banking, while the profit level of the current year and last year has no effect. It can be concluded that in profit sharing system practically, syariah bank still reference on interest rate. There is still gap between theory and practice in Syariah Banking. From this research should sharia banking to find model of formula for profit sharing in accordance with the provisions of sharia itself so that depositors do not have doubts, because based on research most of the depositors choose to save in sharia banking because of the factor of piety to avoid this system of riba, but still as a monetary policy tool.

**Keywords:** Sharia Banking, Interest Rate, BI Rate, profit loss sharing, deposit



## THE EFFECT OF TAX RATIO AND GOOD GOVERNMENT GOVERNANCE ON ECONOMIC GROWTH IN ASEAN COUNTRIES

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### ABSTRACT

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Every country has an interest in promoting economic growth through taxation and good government governance. Good government governance will create a trust of community as evidenced by paying taxes on its citizens and attracting investors. The purpose of this study is to investigate the effect of tax ratio and good government governance on economic growth. ASEAN became the location of research because as the axis of the new world economy. Using panel data, the results obtained that all elements of government governance such government effectiveness, regulatory quality, rule of law and control of corruption, together with taxes ratio affecting economic growth. To promote economic growth, in addition to reforming the taxation sector, the government must implement good government governance by providing the best service to the community, eradicating corruption, enforcing rules and regulations, creating rules and legislation of good quality , fair and consistently run.

**Keywords:** good government governance, tax ratio, economic growth



## BOARD DIVERSITY AND ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) DISCLOSURE

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### ABSTRACT

This study examined the relationship between board diversity and environmental, social and governance (ESG) disclosure in Malaysia context. Recently, organisations and stakeholders are addressing their concern on voluntary disclosure, particularly ESG that might have an effect on business and market performances. Such growing concern on the importance of ESG disclosure leads to numerous studies investigating whether there are certain factors that may have impact on ESG reporting practices. Arguably, board diversity plays an important role in ESG disclosure practices. Therefore, the main focus in this study is ESG disclosure and how the dimension of board diversity as proxy by board gender diversity, board independence and board size has influenced on the disclosure level. This study is based on a total of companies listed on the FT4GBM index. The data was analysed using Structural Equation Modelling technique of Partial Least Square (PLS-SEM). This study found that board gender diversity and board size have a significant positive relationship with ESG disclosure. However, no significant relationship is found between board independence and ESG disclosure. These results shows that board diversity is important to enhance ESG reporting disclosure, and hence improve the organization's accountability.

**Keywords: ESG disclosure, Board diversity, Board gender diversity, Board independence, Board size**

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## **CORPORATE GOVERNANCE AND FINANCIAL PERFORMANCE OF BANKING INDUSTRY IN INDONESIA: DOES OWNERSHIP CONCENTRATION MATTER?**

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### **ABSTRACT**

This study aims to examine whether corporate governance affects the financial performance of banks with ownership concentration as moderation. Corporate governance as an independent variable Used by members of the board of directors, the quality of the board of commissioners, and the audit quality of the committee. These three variables are moderated by owner concentration. Financial performance is measured by return on asset and Tobin's q. This study uses sample data of companies listed in Indonesia Stock Exchange with period of 2012 - 2016 The results showed that the quality of commissioners was negatively related to the financial performance of the firm, both measured by ROA and Tobin's Q, but positively influenced when moderated concentration of ownership for financial performance as measured by the tobin's q. The number of members of the board of directors has a positive effect on financial performance whether moderated or not by concentration of ownership except on performance with the proportion of Tobin's q. The quality of the audit committee positively affects only the Tobin's q and ROA when moderated by the concentration of ownership.

**Keywords:** corporate governance, ownership concentration, performance



**THE EFFECTS OF PERCEIVED USEFULNESS, PERCEIVED EASE OF USE, AND  
ATTITUDE ON THE USER INTENTION OF THE VILLAGE OF FINANCIAL  
SYSTEM (SISKEUDES) IN BANGKA REGION**

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Indonesian

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**ABSTRACT**

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This study aims to determine the effects of perceived usefulness, perceived ease of use, and attitude on the user intention of Indonesian Village of Financial System (SISKEUDES) in Bangka Region. The data used is primary data collected through questionnaires distributed in the Villages Apparatus in Bangka Region. The sample in this study consists of 100 respondents with accidental sampling technique. This study uses quantitative descriptive analysis with validity test, reliability test, classical assumption test (normality test, multicollinearity test, heteroscedasticity test), and hypothesis test done using multiple regressions test with SPSS20. In hypothesis testing it is confirmed through t test that perceived usefulness, perceived ease of use, and attitude positively effect the user intention of Village of Financial System (SISKEUDES). The F test shows that perceived usefulness, perceived ease of use, and attitude simultaneously have positive effects on the user intention of Village of Financial System (SISKEUDES) in Bangka Region.

**Keyword :** Perceived Usefulness, Perceived Ease of Use, Attitude, and User Intention of Village of Financial System (SISKEUDES).



**THE FRAUD TRIANGLE AND THE LEVEL OF ACCOUNTING IRREGULARITIES  
IN INDONESIA**

**Aditya Prayatna**

**Fitriany**

**Universitas Indonesia**

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**ABSTRACT**

The purpose of this research is to find empirical evidence about the impact of pressure, opportunity, and rationalization (the Fraud Triangle) on the level of accounting irregularities in Indonesia. The samples are taken from a non-financial company that was proven to violate the financial services authority's (FSA) rule during the period 2007–2013. Ordered logistic regression is used to test the hypothesis. The three corners in the Fraud Triangle will each be substituted with a factor based on previous research, and linked to the level of accounting irregularities, which are substituted at the level of sanctions provided by the FSA. This affected by financial stability and pressure due to financial targets, and by the nature of the industry and opportunity induced by ineffective monitoring . The increasing probability of the level of accounting irregularities is not affected by rationalization. For their concern about the security of their investment, investors should choose to invest in a company with good financial stability. Investors should be cautious when considering to invest in companies that have high financial targets, large inventory values, and ineffective internal controls. Accounting irregularities fall on an error-fraud continuum; they may either be a misstatement by error or an instance of intentional fraud. Previous research has only classified accounting irregularities by their presence and does not classify companies based on how severe their accounting irregularities are. In previous research, accounting irregularities have only been linked with corporate governance mechanisms, without taking into account other factors that determine their occurrence. This research attempts to identify factors that can prevent and detect accounting irregularities by using the Fraud Triangle approach.

**Keywords:** Fraud, Accounting Irregularities, Fraud Triangle



**PERFORMANCE MEASUREMENT SYSTEM IN THE GOVERNANCE OF WAQF  
INSTITUTION:  
A CONCEPT NOTE**

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**ABSTRACT**

Despite substantial improvements have been reported on the accounting and reporting of waqf properties, the lack of a sound internal control mechanism is of concern. The existing practice of performance measurement among waqf institutions is less standardised and did not consider their overall performance as a religious and a voluntary institution. Organizations engagement in waqf affairs has also caused various issues relating to the ineffectiveness of management and administration of waqf assets. Thus, a systematic and comprehensive performance measurement system is required to effectively assess the performance of waqf institutions. Drawing from the Balance Scorecard (BSC) framework and Islamic concept coupled with a review of relevant literature, the paper put forth a holistic performance measurement model suitable to assess the performance of waqf institutions. The paper concludes that the governance of waqf entity can be achieved through a sound internal control system which suggests the implementation of a performance measurement system that incorporates both qualitative and quantitative dimensions to better examine its current stance. This type of performance measurement system can also ensure accountability and transparency of waqf institutions as well as for them to better strategize their initiatives to contribute to long-term wealth creation of the society.

**Keywords:** waqf, BSC, performance measurement, shariah



**SUSTAINABILITY REPORT AND COST OF CAPITAL:  
THE MODERATING EFFECT OF OWNERSHIP TYPE IN INDONESIAN PUBLIC  
COMPANIES**

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**ABSTRACT**

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This study aims to examine the moderating effect of ownership-types on the association of Sustainability Report (SR) and cost of capital (i.e., cost of debt and cost of equity) in Indonesian public companies. The ownership types covered in this study are : government, foreign and institutional ownership. The samples used in this study are 115 public companies that disclose their sustainability reports from 2014 to 2016. The method used in this research is binary logistic regression method. The empirical results suggest that for cost of equity model, type of ownership has effect on the disclosure of SR as a whole (state, foreign, and institutional) and environment category (state ownership and institutional ownership). While in cost of debt model, the only the foreign ownership type that moderate the relationship of sustainability information disclosure (all except for economic category) and cost of debt.

**Keyword :** Sustainability Report, Cost of Equity, Cost of Debt, Government Ownership, Foreign Ownership, Institutional Ownership.

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**IMPLEMENTATION OF IFRS CONVERGENCE AND CORPORATE SOCIAL  
RESPONSIBILITY ON EARNINGS QUALITY(CASE ON OIL PLANTATIONS  
COMPANIES IN INDONESIA AND MALAYSIA)**

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**ABSTRACT**

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The purpose of this paper is to examine the correlations of IFRS implementation and corporate social responsibility on Earnings quality of Indonesia and Malaysia Oil Plantations companies, during the full convergences of IFRS period (2012-2016). This examination earning quality focused on the persistence and accrual quality model to proof that oil plantation companies consider environmental sustainability . We first consider the accounting standard, incremental effects on persistence, second we examine the changes in accrual quality. Results of this study indicate that the convergence of IFRS and CSR has significant effect on the value of Indonesia and Malaysia Oil Plantation Companies.

**Keywords:**IFRS, Corporate Social Responsibility, Persistence, Accrual Quality



## CORPORATE RESPONSES IN DISCLOSING CARBON INFORMATION: EVIDENCE FROM A DEVELOPING NATION

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### ABSTRACT

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The issue of climate change has been a significant concern globally both in the developed and developing economies. This study aims to uncover the quality of carbon information disclosed in a developing country such as Malaysia. A content analysis of the annual and sustainability reports of Top 100 companies in environmentally-sensitive industries in Malaysia over a two year period in 2011 and 2014 was undertaken. The results revealed that the quality of carbon information provided by companies improved over the two-year period and the changes were significant. The companies were also beginning to translate quantitative details into monetary amounts. The dimension *Carbon reduction and costs* had the highest mean score for both years. The findings revealed that the construction industry had the lowest mean score for all dimensions in both years and this finding is a concern as activities of the construction industry are generally known to have numerous effects on the environment. The findings from the study revealed that companies are taking the initiatives to set carbon reduction targets to be achieved in the future. However, the overall low disclosure of carbon information may require the intervention from stakeholders to improve the quality of the report.

**Keywords:** Carbon; Disclosure; Environmentally-sensitive industry; Malaysia



**TRADING VOLUME REACTIONS AND THE ADOPTION OF INTERNATIONAL  
ACCOUNTING STANDARD (IAS 1): PRESENTATION OF FINANCIAL  
STATEMENTS IN INDONESIA**

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**ABSTRACT**

Indonesia is in the process of IFRS convergence and plans to adopt the IFRS fully. Therefore, the impact of IFRS adoption on local standards needs to be investigated. This study focuses on the impact of adoption of IAS No.1: Presentation of Financial Statements into Indonesian local standards (PSAK No. 1). This study aims to examine the impact of the adoption on the trading volume around the annual earnings announcement in the first year that the standard becomes enacted in 2011. Consistent with IAS No. 1, Indonesian local standard, namely PSAK No. 1 that requires companies to present total comprehensive income as bottom-line of the financial performance report, which summaries all changes in owners' equity except changes arising from transactions with owners. The samples are Indonesian listed companies which included in the LQ45 index. The findings indicate that total comprehensive income presented as bottom-line in the financial performance report as required by IAS 1 has higher information content than net income. So It is implied that the policy of adopting the IAS No. 1 about Presentation of Financial Statements supports the proponents of the IFRS convergence program in Indonesia as it finds that the presentation of earnings information according to IAS No. 1 has higher information content.

**Keywords:** Comprehensive income; Trading volume; Net income, International Accounting Standard

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**STUDY OF VILLAGE DEVELOPMENT PLANNING  
IN EAST BELITUNG REGENCY**

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**ABSTRACT**

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The establishment of the National Belitung Geopark to be UNESCO Global Geopark requires support from all sectors including from government (Ministry of Village DDRT). The Ministry of Village encourages the villages around the Geopark area to be prepared to derive and support the Geopark itself. The Belitung Geopark Policy has been adopted in the Regional Medium Term Development Plan (Belitung and East Belitung Regencies). In order to synchronize between village and regional planning, the Village Medium Term Development Plan (RPJM Desa) should refer to the upper policy that is the Regional Medium Term Development Plan (RPJM Kabupaten). The substance of Village Medium Development Planning includes determining the vision, mission, priorities, programs, activities, and project development needs that funded either by village budget, personal/community fund, or regional government budget. In the future there will be a lot of funds coming into the village, therefore a good and comprehensive planning is needed. Many cases of village planning are unrelated to regional planning, thus many of the proposed programs and activities within the RPJM Desa cannot be realized. These frequent rejection of the proposals make the village become apathetic in formulating development plans (RPJM Desa). This paper will discuss how far the linkage between village and regional planning as well as the obstacle in preparing the RPJM Desa. This paper also aims to enhance the village officer in preparing village development and community empowerment planning related to Belitung Geopark. The linkage between RPJM Desa and RPJM Kabupaten will make it easier to conduct Belitung Geopark programs. Thus, there will be an integration among government, geopark team, private sector and community in developing UNESCO Belitung Geopark.

**Keywords:** linkages, village development planning, capacity building



**MODEL FOR E-SATISFACTION AND E-LOYALTY  
A CASE STUDY OF ONLINE SHOPPERS IN INDONESIA**

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**ABSTRACT**

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The aim of this study is developing the model of website service quality and technology acceptance factors in relation with e-satisfaction, e-loyalty and trust among online shoppers in Indonesia. Using 111 respondents out of 180 respondents that was eligible to further processed by Structural Equation Modeling version 23. The result shows : website service quality has significant impact on e-satisfaction, second, website service quality has significant impact on e-loyalty, technology acceptance factor has significant impact on e-satisfaction, technology acceptance factor has significant impact on e-loyalty, trust has significant impact on e-loyalty and e-satisfaction has significant impact on e-loyalty. This study has significant contribution to the body of knowledge with respect of digital marketing.

**Keywords:** Website service quality, Technology acceptance factors, e-Satisfaction, e-Loyalty,

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**PERFORMANCE OF COMPANY VALUE FROM THE PERSPECTIVE OF VALUE  
ADDED INTELLECTUAL CAPITAL AND CORPORATE SOCIAL RESPONSIBILITY**

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**ABSTRACT**

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The aim of this research is to examine empirically the influence of Value Added Intellectual Capital (VAIC) to Financial Performance and Corporate Social Responsibility (CSR) as a mediation in Manufacturing Companies that listed in Indonesia Stock Exchange 2013-2017. The type of research is hypothesis testing. The data of this research was secondary in the form of annual reports, financial statements, company performance summary, and company sustainability reports from site of company on Indonesia Stock Exchange (IDX) website. The method of collecting data is purposive sampling . There are 35 manufacturing companies with 175 samples that used in this research. The data analysis methode use Path Analysis by using Warp PLS 5.0 The results of this research show Value Added Intellectual Capital (VAIC) have influence significantly to Company Value that measured by Tobins'Q. This research also found Corporate Social Responsibility that measured by Corporate Social Disclosure Index (CSRDI) can not mediate the relationship between Value Added Intellectual Capital (VAIC) and Company Performance (Tobins'Q).

**Keywords** : Value Added Intellectual Capital, Corporate Social Responsibility, Financial Performance



**DOES CORPORATE CITIZENSHIP INFLUENCE AUDITORS' PERCEPTION OF  
FINANCIAL REPORTING CREDIBILITY?**

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Australian National University, Australia

**Greg Shailer**

Australian National University, Australia

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**ABSTRACT**

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This study examines whether superior corporate citizenship enhances the perceived credibility of financial reporting. It argues that corporate citizenship performance affects the accumulation of social trust, which affects the credibility of the corporation or its managers as the source of financial reporting information. Consequently, this study hypothesises a positive relation between corporate citizenship performance and the perceived credibility of financial reporting information. It examines three components of corporate citizenship that are not widely considered in prior literature that relates corporate citizenship or social responsibility to financial reporting: tax fairness, wage unfairness and philanthropy. Further, this study evaluates the perceived credibility of financial reports from auditors' perspectives of whom must assess risks attached to management's financial reports. Consistent with source credibility hypothesis, this study finds evidence that higher citizenship performance, using all three measures, is positively related to auditors' perceived credibility of financial reporting information, as reflected in audit fees.

**Keywords:** corporate citizenship, audit fees and financial reporting credibility



**HUMAN RESOURCE MANAGEMENT PRACTICES AND KNOWLEDGE  
MANAGEMENT**

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**ABSTRACT**

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The purpose of this study is to explain and empirically test the impact of Human Resource Management Practices (HRM) on Knowledge Management (KM) in the selected commercial banks in Kandy District. It concentrated on HRM practices related to Recruitment and Selection, Training and Development, Performance Appraisal, Compensation and Reward and Employee Empowerment. In order to achieve this primary aim, data were collected through open ended questionnaires from 196 employees in 12 Licensed Commercial Banks (LCBs) branches in Kandy District. Hence, quantitative research approach was used in this study. The research method was descriptive correlative type and it was based on the objective of the method applied. The stratified sampling method was used to make the sampling frame work of the study. The data were analyzed using univariate and bivariate analysis to take the descriptive and inferential statistics. Univariate analysis was used to find out the levels of HRM practices and KM exists in selected commercial banks in Kandy District and bivariate analysis was used to investigate the impact of HRM practices on KM in selected commercial banks in Kandy District. The results indicated that the levels of HRM practices and KM exist in selected commercial banks in Kandy District were high level and the Recruitment and Selection, Training and Development, Performance Appraisal and Employee Empowerment practices had significant positive impact on KM while Compensation and Reward practices had not significant positive impact on KM. The findings of the study provided several important implications for managers and decision makers of the banks. Little empirical research has explicitly examined the relationship between HRM practices and each of the KM processes. Accordingly, the study was contributed to the body of knowledge by filling the gaps in the management literature and by substantiating the findings of previous research while the study generates considerable theoretical and practical contributions.

**Keywords:** Human Resource Management, Knowledge Management, Ability- Motivation- Opportunity (AMO) theory



**THE INFLUENCE OF INTELLECTUAL CAPITAL, FINANCIAL PERFORMANCE  
AND LEADERSHIP STYLE ON FIRM VALUE CREATING PROCES BASED  
MARKET PERCEPTIONS**

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**ABSTRACT**

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The aim is to investigate the impact of Intellectual Capital (IC) on firm Value and the mediating role of Financial Performance (FP) and the influence of Leadership Style (LS) to the relationship between IC and FP. The research model based on prior IC and LS studies. WarpPLS.5 was employed to test it. Data on 52 listed Company collected for empirical investigation. Results show instances of positive relationship between Intellectual Capital and Financial Performance either Financial Performance and Firm Value. Leadership Style were not shown as moderating variable. The results provide an understanding that under certain circumstances IC will have greater direct influence on the creation of FV, because now the stakeholders are already users of financial information directly. This study discusses the effect of IC on the creation of FV. Taking into consideration, the possible influence of leadership style (LS) will influence the development of company's human resources and will ultimately increase the added value of Intellectual Capital itself. The novelty idea is to include the LS wanabel as a moderator of IC influence on FP.

**Key words** – Intellectual Capital (IC), Financial Performance (FP), Firm Value (FV), Leadership Style (LS).

**Acknowledgements :** This research was supported and funded entirely by LPDP-BUDI DN



**ANALYSIS OF ECONOMIC, SOCIAL AND  
ENVIRONMENTAL IMPACTS ON THE DEVELOPMENT OF “KEK” KELAYANG  
CAPE IN BELITUNG ISLAND**

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**ABSTRACT**

The purpose of this research is to analyze the impact of the development of the tourism KEK Kelayang Cape as an alternative economy after Tin Mining. The research method is quantitative descriptive design, the number of samples used 80 SME business based on tourism. Analysis of the data using the analysis Confirmatory Factor with PLS method. Research findings indicate that the development of tourism in the Island of Belitung already provide economic impact, social and environment. The impact of the economy has 5 (five) dimensions, social impact has 5 (five) dimensions and environmental impacts have 4 (four) dimensions. The results of this analysis found that the impact of the economy is the most important dimension of measuring the impact of the development of KEK Kelayang Cape with the value of loading factor as the most high. The results of research has implications for the management practices that for economic impact absorption work force indicator is most important. Now the most important indicator of the social impact is positive changes on the values and adat isitiadat. the most important indicator of Environmental impact is the performance improvement/condition of the tourism area. This research conducted in the election of 1 of 10 tourism destination in Indonesia which is KEK , based on tourism in Belitung Island.

**Keywords:** Economic Impact, Social Impact, Environment Impact, KEK, Kelayang Cape



## THE EFFECT OF DIRECTORS' DIVERSITY ON CORPORATE INTERNAL CONTROL EFFECTIVENESS

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### ABSTRACT

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This study aims to investigate the effect of directors' diversity on the corporate internal control effectiveness. This research is important to conduct because based on the writer's knowledge, there has not been any research that investigates the relationship between the directors's diversity with the effectiveness of the company's internal control, especially in Indonesia. The research object consisted of all non-financial companies listed on IDX in 2015-2016 and resulted in 302 companies as samples. The diversity of directors is measured using standard deviation per mean ratio and Blau Heterogeneity Index, while the corporate internal control effectiveness is measured by scoring method based on the illustrative tools of COSO's 2013 Internal Control-Integrated Framework. The result of this study shows that directors' tenure diversity proved to have positive impact on corporate internal control effectiveness due to team collaboration with many perspectives & information, while director's functional background diversity proved to have negative impact due to conflicts and inefficient team process. The remaining diversity of director's characteristic, such as age, gender, educational background, and education level, proved to have no impact at all on corporate internal control effectiveness. This study is expected to have implications for companies and regulators, in terms of provision to establish ideal corporate director members based on their characteristic composition, in order to improve the corporate internal control effectiveness.

**Keywords:** directors' diversity, internal control effectiveness.



**THE EFFECT OF EFFECTIVENESS OF BOARD OF COMMISSIONER AND AUDIT  
COMMITTEE ON LIKELIHOOD OF FRAUD**

**Roris Oktian S  
Vera Diyanty  
Universitas Indonesia**

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**ABSTRACT**

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The objective of this research is to examine the impact of effectiveness of board commissioner and audit committee on likelihood of fraudulent financial reporting. This research needs to conduct because there has not been any research that combines the role of board of commissioners and audit committee in influencing the likelihood of fraud on financial statements in Indonesia. Effectiveness of board of commissioner and audit committee measured by scoring ASEAN Corporate Governance Scorecard which has been adjusted with two-tier board system. Likelihood of fraud is based on Beneish M-Score (1999) model fraud detection. The research object consist of non-financial companies listed in Indonesia Stock Exchange during 2015-2016. There are 363 companies as samples. Result of this research is that effectiveness of board commissioner and audit committee negatively significant affects the likelihood of fraud. Board of commissioners and audit committees can improve the integrity of financial statements through oversight of management.

**Keywords:** Effectiveness of Board of Commissioner and Audit Committee; Financial Statement Fraud



## CSR PRACTICES IN INDONESIA IN CEMENT INDUSTRY

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### ABSTRACT

This study aims to give a description about Corporate Social Responsibility (CSR) disclosure of cement companies in Indonesia. This study also analyses Corporate Social Responsibility (CSR) in company sustainability report with Global Reporting Initiatives (GRI) standard 3.1 and Corporate Social Performance (CSP). This Study is conducted in PT. Semen Padang, PT. Holcim, PT. Semen Gresik, PT. Semen Tonasa, PT. Semen Baturaja toward annual reports of each company for 2007-2016 years. The analysis is conducted on CSP-Wood indicator and GRI 3.1. The gained result is disclosures of five companies through CSP-Wood typology about 29% and CSRD GRI 3.1 about 71%.

**Keywords:** Corporate Social Responsibility (CSR), Global Reporting Initiative (GRI), Corporate Social Performance (CSP)

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**PRIVATIZATION OF BUMN:  
THE EFFECT OF OWNERSHIP STRUCTURE ON PERFORMANCE  
AND FIRM VALUE**

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**ABSTRACT**

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This study aims to examine the effect of privatization of SOEs on the performance and value of the company. Privatization is the sale of state-owned company shares which causes the ownership structure of SOEs to no longer be concentrated as government property, but some of its shares turn into public property. The independent variables used in this study are government ownership, managerial ownership, foreign ownership and institutional ownership. While the dependent variable being tested is performance and firm value. This research also uses leverage as a control variable. Population in this research is BUMN that listed in The Indonesian Stock Exchange period 2015-2017. Based on the result of purposive sampling, the sample used was 42 samples from 14 selected SOE companies. Research data was analyzed using multiple regression analysis. The results show that government ownership and managerial ownership have no effect on company performance. While foreign ownership and institutional ownership have a positive and significant impact on company performance and value. The leverage control variable significantly affects the negative relationship to the relationship between government ownership, managerial ownership, foreign ownership and institutional ownership of company performance and value. This study proves that the privatization policy undertaken by the government of Indonesia to improve the performance and value of the company is the right step. In addition, SOEs also need to consider the level of leverage owned by SOEs because it will affect the level of performance and value of the company..

**Keywords:** privatization, government ownership, managerial ownership, foreign ownership, institutional ownership, firm performance, firm value, leverage, state owned enterprises.



**EFFECT OF FINANCIAL LITERACY FOR PERFORMANCE AND SUSTAINABILITY  
SMALL AND MEDIUM ENTERPRISES IN LAMPUNG PROVINCE INDONESIA**

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**ABSTRACT**

This Study aims to analyses the effect of financial literacy to small and medium business enterprises performance and sustainability in Lampung province, Indonesia. Collected data were analyzed using partial least square structural equation model. Smart PLS 3.0 software is used to help analyze relationships between variables. Descriptive analysis for interpretation of respondent data and used structural equation model to test hypothesis and analyses the data. The result confirmed that financial literacy significantly affect small and medium enterprises performance but the financial literacy not significantly affect to small and medium enterprises sustainability in Lampung Province, Indonesia. This implies that good financial literacy can be used to get good increase performance and there are other factors that affect significantly the small and medium enterprises sustainability. Thus, it is expected that small and medium enterprises can survive and have sustainability effort in difficult situation because they have the uniqueness in their community.

**Keywords:** Financial literacy, Performance, Sustainability

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**THE EFFECT OF OWNERSHIP STRUCTURE ON FIRM PERFORMANCE (STUDY  
AT TELECOMMUNICATION COMPANIES LISTED ON ASEAN REGION IN 2016-2017)**

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**ABSTRACT**

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This study aims to determine the effect of ownership structure on the performance of telecommunication companies listed on ASEAN in 2016-2017. The ownership structure is considered as a reflection of firm performance. Good corporate performance affects investors' valuation of the company in order to investors can decide to invest in the company. The independent variables used in this study consist of managerial ownership, foreign ownership and institutional ownership. Dependent variable of this study is financial performance with Return on Equity (ROE). This study uses 70 samples of telecommunication companies in 2016-2017 using quantitative purposive sampling method with secondary data from the Securities Exchange of each country in the ASEAN region. Data analysis using multiple linear analysis with SPSS 25 software. The result of this research indicates that the managerial ownership structure has no significant effect on company performance because the proportion of managerial share ownership is less than one percent, while the structure of foreign and institutional ownership has a positive and significant effect on the firm performance. This study has implications as a consideration for investors assessing financial performance and investing in communications companies in the ASEAN region in 2016-2017 as well as consideration for the company in dividing the proportion of share ownership structure in order to improve the firm performance.

**Keywords:** managerial ownership, foreign ownership, institutional ownership, return on equity, firm performance



## THE DETERMINANTS OF RISK CULTURE

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### ABSTRACT

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Risk culture is a key factor of good governance conduct in an organization. However, there is still a few studies about risk culture. The objective of this study is to propose a conceptual model of the determinants of risk culture. The determinants of risk culture consist of personality traits (i.e., agreeableness, conscientiousness, and openness), cultural values (i.e., collectivism, uncertainty avoidance, and harmony), and risk structure. This study proposes that personality traits, cultural values, and risk structure have a positive effect on risk culture. Employee with strong personality traits and cultural values tend to have higher perception of risk culture. Furthermore, the better the risk structure of an organization, the stronger the risk culture will be. This study may contribute to the literature by giving conceptual framework of risk culture that can be empirically tested in the future.

**Keywords:** risk culture; personality traits; cultural values; risk structure

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## LET'S GO FOR EMA!

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### ABSTRACT

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The research of Environmental Management Accounting (EMA) has been widely investigated since many years ago. It is because companies will gain various benefits through implementing EMA such as material efficiency, reducing environmental impacts and risks, as well as reducing costs of environmental protection which finally brings sustainable advantages for the companies. Previous studies have also discussed the possible determinants of EMA from various factors. It is important because companies need to know the 'how' in implementing or improving EMA. However, it seems there are still not many previous studies that examined both the determinants and benefits of EMA at once which may lead to incomplete understanding regarding EMA. Therefore, this study tries to review the determinants of EMA as well as its benefits for the companies based on the findings of the previous studies. For this purpose, this study first of all will categorized the determinants of EMA, after that the benefits of EMA. The research framework is built to describe the finding of the study. The results of this study are expected to give contribution for both academics and practitioners in order to have holistic understanding about EMA.

**Keywords:** Environmental Management Accounting; Institutional theory; Natural resource-based view

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## THE IMPACT OF GOOD CORPORATE GOVERNANCE ON DIVERSIFICATION STRATEGY OF FAMILY COMPANY AND ITS INFLUENCE TOWARD FIRM VALUE

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### ABSTRACT

In order to conduct controlling function, a company must plan the existence of good corporate governance (GCG) that manages the relation and responsibility between various parties that involve in the company that needs variety of regulations, policies, and procedures. GCG implementation is expected to guarantee the action of management to be in line with the interest of shareholders. This study analyzes the relation of GCG implementation and diversification strategy in family company as well as its influence toward firm value that is proxied with corporate share returns (cumulative abnormal return - CAR). The first step is investigating the effect of GCG implementation in family company toward diversification strategy done, then, the next step is investigating the effect of business diversification toward firm value in the following period. The sample of study is companies listed in Indonesia Stock Exchange that meet the characteristics of concentrated shareholders by one family. This study formulates two equation models, with management compensation, the number of independent commissioners, the number of audit committee, managerial ownership, and leverage ratio as the independent variables in equation model I, as well as diversification strategy in equation model II. Dependent variable for equation model I is diversification strategy and for equation model II is firm value. This study uses control variables of size, age, and growth of company. Hypothesis testing is done by using multiple regression and average of t-test. The study result can be concluded that management compensation, independent commissioner, and managerial ownership affect positively, while the number of audit committee, and leverage ratio do not affect diversification strategy. The next result is that the diversification strategy determined by family company positively affects firm value.

**Keywords** : cumulative abnormal return, good corporate governance, management compensation, independent commissioner, audit committee, managerial ownership, leverage, diversification strategy, and firm value.

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## THE IMPACT OF TAX INCENTIVES AND IFRS ADOPTION ON FOREIGN DIRECT INVESTMENT IN ASEAN COUNTRIES

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### ABSTRACT

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This study analyzes the effect of the tax incentive (proxied by tax rate and tax holiday) and IFRS adoption on the Foreign Direct Investment (FDI) in ASEAN countries by using panel data regression. This study is conducted in 9 ASEAN countries, with the object of study is from 2006 to 2015. To produce a more reliable result, the study also involves several control variables: market size, openness to trade, construction, unemployment rate, and public debt. Base on random effect model, there are three important results. First, tax rate makes negative impact on FDI inflows. Second, tax holiday has no statistically significant impact on FDI inflows. Third, IFRS adoption has a positive impact on the FDI inflows. The government's policy in determining the tax incentive and the decision in IFRS adoption provide an institutional advantage, which is become an added value to support the investor's decision on transferring FDI to the country.

**Keywords:** tax incentive, tax holiday, tax rate, IFRS adoption, FDI, ASEAN countries

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*CORPORATE SOCIAL RESPONSIBILITY vs CREATING SHARED VALUE: STUDY AT  
PT HOLCIM INDONESIA Tbk*

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**ABSTRACT**

This research aims to apply Create Share Value proposed by Porter and Kramer (2011) with PT Holcim Indonesia sustainability report as an object. Holcim become the biggest cement industry in the world, while in Indonesia, it takes the third place after PT. Semen Indonesia and Indocement (Semen Tiga Roda) (jpnn, 2017). Holcim consumes a lot of energy such as coal and solar oil which irreplaceable, also 655 kg CO<sub>2</sub> emission per cement ton (sustainability report, 2016). So that, Holcim's social activity and environment should give share value, not doing good like CSR. This research has shown results that CSR activity in PT Holcim already give a value in social aspect, which are infrastructure development, good governance that build relationship with stakeholders to create sustainability and environment in nature conservation. Result of this research also support legitimacy and stakeholder theory. Limitation in this research is, no clear framework available for CSV concept.

**Keywords:** Corporate Social Responsibility; Creating Shared Value; Sustainability Report



**THE EFFECT OF INDEPENDENT COMMISSIONERS, MANAGERIAL  
OWNERSHIP, AND AUDIT COMMITTEE ON ACCOUNTING  
CONSERVATISM**

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**ABSTRACT**

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This study aims to examine the influence of independent commissioner, managerial ownership, and audit committee on the accounting conservatism. The accounting conservatism is measured by accrual measurement. The population of this study is manufacturing's companies listed on Indonesia Stock Exchange in 2012-2015. Based on purposive sampling method, the total obtained sample is 508 companies. The source of data is taken from annual reports of companies listed on Indonesia Stock Exchange in 2012-2015. The data analysis method is using multiple linear regressions with SPSS 22 software application. The result of this study found that managerial ownership has significant negative effect on the accounting conservatism, while the variables of independent commissioner and audit committee have no significant effect on the accounting conservatism.

**Keywords :** Accounting conservatism, accrual measurement, corporate governance, independent commissioner, managerial ownership, and audit committee.



**CORPORATE GOVERNANCE (GCG) TOWARD THE RISK  
MANAGEMENT DISCLOSURE**

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**ABSTRACT**

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This study aims to obtain empirical evidence to the influence of company characteristics (firm size, profitability, leverage and liquidity) and good corporate governance (audit committee, board size, and public ownership structure) toward the risk management disclosure. This study uses the index of enterprise risk management (IERM) as the parameter of risk management disclosure. This study uses secondary data, the population of Property and Real Estate companies listed on the Indonesia Stock Exchange in 2013-2015. The sampling technique was conducted using purposive sampling, which produces 70 samples during the years of observation. The analytical method of this study uses multiple regression analysis of Econometric views 8 (Eviews 8). This study concludes that partial testing shows that firm size, audit committees and board size are positively and significantly related to risk management disclosure. Profitability, leverage, liquidity have no significant influence on risk management disclosure.

**Keywords :** risk management disclosure, company characteristics, good corporate governance, audit committee, board size and public ownership structure, and index enterprise risk management



**CSR DISCLOSURE IMPACT TO CORPORATE MARKET PERFORMANCE (CMP)  
AT INDONESIA LISTED COMPANIES IN TRADE SECTORS**

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**ABSTRACT**

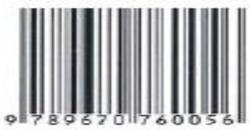
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Main aim of the paper is to analyze effects of disclosed social responsibility information on corporate market performance of Indonesian companies. Main objects of the research are 15 trade companies from retail and trade sector, listed at Indonesia Stock Exchange. The companies are chosen based on population criteria with observation period from 2014 to 2016. Main subject of analyzes are secondary data about social responsibility information derived from annual reports and financial statements of the companies. A main conclusion of the research is that corporate social responsibility information disclosure has impact on market performance measurement namely Stock Return (SR) with Financial performance measurement namely Debt Equity Ratio (DER) and Return on Equity (ROE). Based on the analyzes it is argued that corporate social responsibility disclosure in labor and product response indicators have positive affect but non-significant on the corporate market performance that is measured by SR. Financial performance that is measured by DER have positive effect but non-significant on corporate market performance. In addition corporate social responsibility disclosure has positive correlation with financial performance measured by DER and ROE. The obtained results contribute to more in-depth understanding of the impact of the non-financial information concerning the social responsibility information that corporations disclose on their market performance.

**Keywords:** corporate social responsibility, corporate market performance, financial performance, trade sectors



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