

BOOK OF ABSTRACTS



**THE 3rd ASIA PACIFIC
MANAGEMENT RESEARCH**

CONFERENCE

*Digitalization - The Way to Tourism
Destination's Competitive Advantage*

13th-15th NOVEMBER 2019

BALI, INDONESIA

Hosted by:



PPM SCHOOL OF
MANAGEMENT



HANOI UNIVERSITY
OF SCIENCE AND
TECHNOLOGY



ASIA UNIVERSITY

Co-Hosted by:



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Research Center & Case Clearing House
PPM School of Management
Jl. Menteng Raya No. 9, Jakarta Pusat 10340

RC-CCH Research Center and
Case Clearing House

The 3rd Asia Pacific Management Research Conference
13th-15th November 2019 Bali, Indonesia

Book of Abstracts

**The 3rd Asia Pacific Management
Research Conference –
“Digitalization - The Way to Tourism
Destination’s Competitive Advantage”**

APMRC 2019

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FOREWORD FROM THE DEAN

Ladies and Gentleman
Academician and Scholars

On behalf of the PPM School of Management (Sekolah Tinggi Manajemen PPM) I am pleased to welcome you to the 3rd Asia Pacific Management Research Conference (APMRC) in Bali, Indonesia. Without God's permission, this international conference would not have been possible.

I would like to thank our partner universities, Hanoi University of Science and Technology (Vietnam), Asia University (Taiwan), and Indonesia Banking School (Indonesia), who always show commitment in maintaining our collaboration. So many things can be realized with the synergy between academics from the four academic institutions.

Furthermore, the current theme of this conference is less meaningful if there are no experts who provide their perspectives that are relevant to the theme. Therefore I would like to thank Prof. Dr. Mamun Habib from BRAC Business School, Bangladesh; Dr. Wahyu Trisetyobudi from PPM School of Management, Indonesia; Dr. Nguyen Danh Nguyen, Ph.D., Hanoi University of Science and Technology, Vietnam; and Prof. Yinghui Chen, Ph.D., Asia University, Taiwan for their willingness to be the keynote speaker at this conference.

I also want to thank 145 academicians, executives, and scholars from four countries who have sent extended abstracts. The reviewers who worked hard, read all the extended abstracts and professionally selected quality research abstracts to be accepted at this international conference.

For 91 presenters who will present their ideas and research results for the past two days, I thank you. Hopefully through this conference there will be a dialogue between academics and scholars from various academic institutions, which will produce input to improve the quality of your research and publications. Also possible, new ideas for your future research's.

Finally, for all members of the organizing committee who have worked hard for the past seven months, highest appreciation for all of you. I am sure this conference will produce research that will benefit Indonesia in particular and Asia Pacific broadly.

I wish all of you every success with this important conference.

Assoc. Prof. Ningky Sasanti Munir, M.B.A.
Dean
Sekolah Tinggi Manajemen PPM
(PPM School of Management)

FOREWORD FROM THE CHAIRMAN

Greetings from Indonesia,

Dear distinguished Professors, as our commitment to develop knowledge within the fields of business management, every year PPM School of Management held a special event which gathered academicians, practitioner and researcher all around the world. Today we are celebrating the 3rd Asia Pacific Management Research Conference in the most beautiful island in Indonesia – Bali. We aim the creation of new insight and knowledge relating to the application of digital world into tourism industry.

As we recall some statistic facts about the industry, for the past two years, even though in general terms the world has been identified as experiencing economic turbulence, but for some countries in Asia such as Thailand, Indonesia and Malaysia, tourism sector had been proven as one of the major contributor for the overall performances. Indeed, as the major archipelago in the world, Indonesia has so many opportunities in this sector. Therefore, with the rise in internet technology, several studies conclude that the combination between the two will have a significant impact to our economy.

We acknowledge tourism industry as the massive growing sector for the next five years. It takes not just effective marketing or better hospitality but we need a fully comprehensive system to manage this sector. An integrated inbound and outbound logistic, efficient cash flow and capital structure, and frugal innovations are needed to elevate the sector to be number one.

Having considered all these factors, we welcome all participants to our event and may God bless us always.

Best regards
Assistant Prof. Aries H. Prasetyo, Ph.D.

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ABSTRACTS

[ABS-2]
**INTEGRATING AMBIDEXTIRITY INTO THE MODERN
MANUFACTURING ERA OF INDUSTRY 4.0**

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Abstract

Ambidexterity has been a great solution for many problems so far especially in the world of industry. The swift and unpredictable changes in the market have pushed the industry to integrate ambidextrous capabilities in all aspects, in this case Modern Manufacturing process. Manufacturing talks about the Supply Chain Management from the beginning until the products reach the markets. There has been so many debates about how Ambidexterity will effect the Modern Manufacturing, will it create burdens or instead will it give positive effects? The previous researches have been contradictory between one another. Using systematic literature research, the writer will analyse the needs of integrating ambidexterity into the Modern Manufacturing Era of Industry 4.0 to increase the competitive advantage for the company.

Keywords: Ambidexterity; modern manufacturing; industry 4.0; competitive advantage

Topic: Operation and Supply Chain

[ABS-3]
**FACING DISRUPTIVE CHALLENGES IN MODERN
MANUFACTURING INDUSTRY**

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Abstract

Modern technology has set the business competition to a much higher level. With the increasing number of population all around the world, the proper supply chain management to ensure products availability is inevitably required. Modern Manufacturing industry must put in extra efforts in all fields, especially in the manufacturing process to make the products are ready on time, at the right place, for designated customers. This will certainly be not easy because the world is changing continuously. Using systematic literature review, this paper will discuss the disruptive challenges faced by modern manufacturing industry and the alternative solutions.

Keywords: supply chain management; manufacturing process; modern

Topic: Operation and Supply Chain

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[ABS-8]
**ANALYSIS OF CONSUMER BEHAVIOR TOWARDS STAFF AND
MANAGEMENT TEAM IN THE EDUCATION INDUSTRY**

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Abstract

Education has become one of the top promising industries, with the high rapid growth of new educational institutions everywhere, consumers have various choices of schools to suit their needs. The least competitive schools will soon vanish from the competitions. To be competitive, the schools are changing strategies to adapt to what consumers (parents and children) need. The trend has changed for schools turning into firms and treating consumers as kings. This trend has gone worse lately, with the increasing number of charges and assaults addressed to school teachers, staff and management lately, especially in Indonesia. The teachers, school staff and management are feeling unsafe and dissatisfied by this fact. This paper addresses this issue by analysing this consumer behaviour based on their income level and educational background mediated by product knowledge using a mixed method methodology, surveys and interviews are conducted to be able to obtain reliable results. The result shows that the consumer behaviour is positively related to the income level and educational background. This research is very useful for the schools to analyse the consumer behavior and prevent any future problems and increase school performance. Future research must be done to address this in other type of industry.

Keywords: consumer behaviours, satisfaction, school performance, product knowledge

Topic: Strategic Management

[ABS-9]
**STRATEGY DIGITIZING DEVELOPMENT OF TOURISM
DESTINATIONS EAST COAST IN SOUTH SULAWESI
INDONESIA**

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Abstract

The development of tourism development in Indonesia in the period 2010-2014 among others accounted for 4% of the Gross Domestic Product (GDP) National (4th ranking national foreign exchange earner after oil and gas, coal, and oil palm). With the absorption of 10.13 million workers and generate national foreign exchange amounted to 10 billion USD (Strategic Destination Development and Tourism Industry in 2015-2019). According to the Travel and Tourism Competitiveness Report 2015 by the World Economic Forum (WEF), in ASEAN, Indonesia is ranked fourth after Singapore, Malaysia, and Thailand. Government apply the concept of 3A namely Attractions, Accessibility, and Amenitas ". The tourism sector can be a Core Economy Indonesia, as one of the key factors in increasing revenue service exports, job creation, and the development of the tourism industry. Government efforts in the development of tourism potential in Indonesia, namely how stretched local governments to follow-up programs and activities in the area of tourism development, respectively. Research locations in Bulukumba, because various aspects of strength in the growth and development of tourism that is geographically very Strategic, various aspects of strength in the growth of a diverse destination, and as a center for tourism development in the southern part of South Sulawesi province. Whatever the level of the tourism destination of life cycle needs to be supported by technology and digitalization on aspects: 1) Features cultural, historical conditions, cultural and social conditions affect the process and outcome. 2) The framework administrative, legal and political, with various administrative provisions, rules and regulations, and political conditions of tourism development. 3) The degree of integration is the level of integration of various parties, including the implementation of the tourism business models. This research approach combines research methods or associate a combination of qualitative and quantitative forms. This approach involves philosophical assumptions, the application of qualitative and quantitative approaches, and mixing (mixing) of both approaches in a single study. This study used a combination of research methods sequentially. The results showed the limited infrastructure, both infrastructure and supporting facilities digitalization, and low of financial resources to support the development of tourism superior and competitive in South Sulawesi Bulukumba

Keywords: Strategy, Digitizing, Area Development, Tourism and Infrastructure

Topic: Strategic Management

[ABS-11]
**THE INVESTIGATION OF MOTIVATION'S ROLE WITH
MEDIATOR EFFECTS ON EMPLOYEES' PERFORMANCE**

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Abstract

The aims of this research is to find out and obtain information related to the influence of reward, work environment, also investigated the motivation factor as mediator on employees performance from reward and work environment. Purposive sampling was taken as sampling method in this research with Nurses From Raja Ahmad Tabib Hospital, Tanjungpinang, Kepulauan Riau Province, Indonesia as respondents. As 85 questionnaires were filled out correctly by nurses from 108 questionnaires that distributed totally. The analytical tool used in this study is multiple linear regression. The results of the research prove that reward has a positive effect on motivation, but negatively affects employees performance. While the work environment has a positive effect on employees motivation and performance. Reward and work environment also have a positive effect on employees performance through motivation. The aims of this research is to find out and obtain information related to the influence of reward, work environment, Also investigated the motivation factor as mediator on employees performance from reward and work environment. Purposive sampling was taken as sampling method in this research with Nurses From Raja Ahmad Tabib Hospital, Tanjungpinang, Kepulauan Riau Province, Indonesia as respondents. As 85 questionnaires were filled out correctly by nurses from 108 questionnaires that distributed totally. The analytical tool used in this study is multiple linear regression. The results of the research prove that reward has a positive effect on motivation, but negatively affects employees performance. While the work environment has a positive effect on employees motivation and performance. Reward and work environment also have a positive effect on employees performance through motivation. The results of the study show that reward has an influence on performance through work, and proven indirect effects are greater than the direct effects of imbalances in performance. This means that the higher the award the company gives to employees, the higher the work motivation of employees so that this will improve employee performance. Regarding the direct effect of reward on performance in this research, which contradicts with previous study in general, it may be due to the lack of conformity of rewards received by employees, but on the other hand employees will continue to work according to orders because working alone is a form of self-respect. It is recommended that employers must compete with several types of imbalances because they recruit, maintain and support the performance of each individual in the organization. With the provision of a balanced reward that is in accordance with the expectations of

employees, it is expected to encourage the achievement of employee motivation and ultimately will improve employee performance.

Keywords: reward, work environment, motivation, employees' performance and hospital

Topic: Human Resource or Capital

[ABS-14]
**SENSUALITY IN MARKETING – STUDY OF SENSORY
MARKETING STRATEGIES IN RETAILING BUSINESS**

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Abstract

1. Introduction and research problem

Every day the consumer is exposed to a gamut of sensory triggers which works subconsciously in stimulating and influencing consumers buying behavior. Also, these sensory triggers may result in consumers self-generation of (desirable) brand attributes, rather than those verbally provided by the advertiser. The understanding of these sensory triggers implies an understanding of sensation and perception as it applies to consumer behavior—this is the research perspective of sensory marketing.

“Sensory marketing” has been defined as “marketing that engages the consumers senses and affects their perception, judgment and behavior.” From a managerial perspective, sensory marketing can be used to create subconscious triggers that characterize consumer perceptions of abstract notions of the product (e.g., its sophistication or quality).

Purpose of the study: Is to explore and study at the retail level, the effectiveness of mental simulation and mental imagery evoked by ad visuals enhancing ad effectiveness, Multi-sensory stimulation in ad copy enhancing actual taste perceptions. Touch, actual or imagined, or increasing consumer product evaluations. Smell enhancing memory for product descriptions and thereby affecting product evaluations, and finally music in retail stores affecting attention and effective consumer persuasiveness.

Objective: The study discusses the role of sensory marketing in driving promotional communication and retail scope effectiveness for different category of products and service brands.

2. Methods

The Research paper will be based on qualitative research, Observation, and followed by a small scale Quantitative survey to collect first hand data to throw light on the role of sensory marketing effectiveness in retail outlets. Study conducted in Mysore retail outlets of different category of products and services.

3. Results and findings

Findings – The paper reports an empirical review by the researcher based on literature available and applying both Quantitative research method and Qualitative research for data collection and analysis to give insights as to how Sensory marketing finds important applications to strategic brand management at the retail level. The outcome of these research findings will help Marketers understand the following:

- Understand and predict consumers’ buyer behaviour and preferences
- Design the right sensory mix (colour, shape, taste, smell, texture, and sound) for each product

- Fine-tune their positioning and product range for every local market
- Systematically increase their innovation hit rate.

4. Conclusions, implications and significance

It is quite apparent from the preliminary literature review conducted, that there still remains tremendous need for research within the domain of sensory marketing—and this research can be very impactful.

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Keywords: Sensory Marketing, Senses, perceptions, buying Behavior, retail scape, strategies, brand management.

Topic: Marketing Management

[ABS-15]
**ANTECEDENT AND CONSEQUENCE OF DESTINATION
INNOVATIVENESS**

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Abstract

This article proposes the concept of developing the competitive advantage of Tourism Competitive Advantage which emphasizes the development of tourism in knowledge quality and destination innovativeness by increasing entrepreneurship learning. We define knowledge quality as used knowledge whose quality in adaptability, quality of development and of which is easy to apply. Destination Innovativeness is defined as the willingness of tourist destinations to engage in and support new ideas, novelty, experiments, and creative processes which can create new products, services, or new technological processes in existing playing fields. Tourism Competitive advantage covers the ability of objects and the attractiveness of tourist destinations in maintaining the sustainability of local resources, creating and integrating value-added products, raising high living standards for surrounding communities and attracting and satisfying potential tourists. The proposed framework of tourism competitive advantage in this research cover environmental sustainability, social wealth, satisfaction, and attractiveness. The analysis shows that entrepreneurial learning may affect tourism competitive advantage by the way of knowledge quality and destination innovativeness on non-government tourism objects. This paper initiates a new research agenda of tourism competitive advantage with implication for future research, practice and public policy.

Keywords: Destination innovation, tourism competitive advantage, knowledge quality, entrepreneur learning

Topic: Hospitality and Tourism

[ABS-18]
**THE INFLUENCE OF TECHNOLOGICAL INNOVATION ON
FINANCIAL PERFORMANCE IN BANKING THAT CONDUCTS
ONLINE BANKING IN INDONESIA STOCK EXCHANGE (IDX)**

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Abstract

The frequency of transactions through online banking increased 169% from 13.6 million customers in 2012 to 50.4 million customers in 2016. Providing an overview of the increase in revenue from the use of technological innovations. The purpose of this research is to determine the effect of innovation technology on the financial performance. Population of this research is all Banks that conduct online banking listed in Indonesia Stock Exchange in 2017. Population of this research are 30 banks in IDX that provides online banking. Samples for each banks are average from 3 respondents. The independent variable uses primary data obtained from questionnaires are Customer Independent, Customer Assisted, and Customer Transparent as a calculation of Innovation technology. The dependent variables uses secondary data from financial reports in Indonesia Stock Exchange (IDX) are financial performance which uses 3 indicators consisting of Non Performing Loans (NPL), Return on Assets (ROA) and Capital Adequacy Ratio (CAR). The data processing method used is the Partial Least Square (PLS) method using SmartPLS 3.0 software. The results show that Customer Independent have no significant effect on financial performance. Customer assisted and customer transparent have a positive significant on financial performance.

Keywords: customer independent, customer assisted, customer transparent, financial performance, technology innovation and bank.

Topic: Finance and Risk Management

[ABS-19]
TRAVEL CHATBOT FOR CUSTOMER SATISFACTION

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Abstract

Industry 4.0 has touched all sectors of industry, including tourism. The digital world has brought the competitions to a much higher level, and the future is absolutely much tougher than right now.

Previous and recent researches have tried to seek solutions by making innovations and trying to upgrade their levels by analyzing the quantitative and qualitative data in many ways. One sure thing about upgrading levels is to ensure two-way communication. The biggest mistake for any tourism services is to let the customers wait for responds, which will disappoint the customers and the customers will find other alternatives.

A report in 2017 by Nielsen has shown that today's generation has traveled more than any generations, and the tourism world reacted by creating travel chatbots which are now parts of any tourism activities. With the increasing number of travel chatbots, customers will have abundant but also overlapping information. Data from each travel chatbots might end up giving different outcomes, different features for every apps or misleading information, and this in return will decrease customer satisfaction. This paper addresses this issue by analyzing the literature data from previous and recent researches and find where the travel chatbots must be patterned by integrating Artificial Intelligence, then the writer does a quantitative analysis to do significance tests on the travel chatbot users relating to customer satisfaction. Overall, the result shows that travel chatbots are related positively and significantly to customer satisfaction, but the data also show that with overlapping information from many travel chatbots will leave the customers in confusion and decrease customer satisfaction. The travel companies will benefit from this paper to undertand customer needs in creating the best serving travel chatbots for better services.

Keywords: travel chatbots; artificial intelligence; customer satisfaction; tourism industry

Topic: Hospitality and Tourism

[ABS-20]
**DO FOREIGN FIRMS BRING VALUE TO EMERGING
FINANCIAL MARKET? AN EMPIRICAL EVIDENCE INDONESIA
BANKING**

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Abstract

The aim of the research is to study the value created by the foreign shareholders in Indonesia banking industry from 2016-2018. The research analyzed the performance of the foreign owned banks versus domestic owned banks. The banking industry is one of the main drivers of economic growth. The study focused on the 19 banks that are categorized as bank books 3 and 4 as per the central bank regulation. The shareholders status will be the independent variable and the main financial ratios will be dependent variables. The financial ratios are capital structure, credit risk, firm size and profitability ratio. We use non-parametric (Mann Whitney) and parametric (Dummy Variable Regression). The empirical results show that there are differences in profitability and firm size. The profitability was shown in return on assets, return on equity, economic value added. The firm size was shown in total asset and equity. The local banks performed better than foreign banks in return on assets, return on equity, economic value added and net interest margin. However, the foreign banks only performed better than local banks in equity size. There was no significant difference in capital structure and credit risk. The results is significant at $\alpha = 1\%$ for return on asset, economic value added and equity size.

Keywords: Banking, Financial ratio, Foreign Ownership, Profitability

Topic: Finance and Risk Management

[ABS-22]
**GROWTH OPPORTUNITY AND FINANCIAL PERFORMANCE:
THE MODERATING ROLE OF INTELLECTUAL CAPITAL**

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Abstract

This aim of this study was to examine the role of intellectual capital in moderating the relationship between growth opportunities and financial performance. The study was conducted on banking companies listed on the Indonesia Stock Exchange for the period 2015-2017. Samples selected by purposive sampling technique. This study used is secondary data, namely the financial report for the financial year 2015 to 2017. Data is obtained from the Indonesian Capital Market Directory and the financial report available online at the site www.idx.co.id. The data collection method used is documentation techniques. Data analysis techniques using SEM-PLS. The research proves that intellectual capital moderating the relationship between growth opportunities and financial performance.

Keywords: growth opportunity, intellectual capital, financial performance

Topic: Cost Management and Accounting Management

[ABS-24]
**THE CHALLENGES OF SMALL AND MEDIUM OYSTER
MUSHROOM ENTREPRENEURS IN INDONESIA: A REVIEW
FROM NON-ACCOUNTING AND ACCOUNTING PERSPECTIVE**

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Abstract

Small and Medium Enterprises (SMEs) have proven able to withstand the economic crisis in Indonesia. SMEs in Indonesia strive to grow and develop so that they can compete with various pressures both from local and foreign products, including in this case SMEs engaged in cultivation and processing of oyster needles (*pleurotus ostreatus*). This case study focuses on the exploration of the challenges and strategies faced by oyster mushroom SMEs in business development. Case analysis and findings reveal that the challenges faced by oyster mushroom SMEs are: (1) problems in acquiring capital to develop businesses; (2) how to determine a structured marketing strategy; (3) determine the added value of oyster mushroom products; (4) hygienic processing of products. Furthermore, the results of this analysis reveal that the strategies that must be carried out by oyster mushroom entrepreneurs are: (1) need to learn to improve product quality and (2) calculate production costs so that competitive selling prices can be determined but still get a positive contribution margin.

Keywords: Oyster Mushroom Entrepreneur, Non-Accounting, Accounting Perspective

Topic: Innovation and entrepreneurship

[ABS-25]
**CORPORATE COMMITMENT ENVIRONMENT CONCERN:
EVIDENCE FROM SUSTAINABILITY REPORTING**

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Abstract

Sustainability reporting reflects the companies commitment to express the companies accountability in conducting business responsibly both to stakeholders and to the sustainability of the environment. The Companies should no longer think about how to obtain economic benefits from their activities, but also think about sustainability. Meanwhile, mining companies run their business using natural mining products as the main raw material, where most of the raw materials are non-renewable, the mining companies have an obligation to carry out efforts to balance and preserve natural resources. For this reason, this study aims to examine the companies commitment to ethics and the environment. This ethics and environment commitment is important to ensure that they will operate their business in accordance with the rules of ethics without doing damage to nature.

This article using content analysis as a research method. The content analysis in this study was conducted by discussing the content of information related to ethics and environment, which was reported or printed in the sustainability report of 22 mining companies listed on the Indonesia Stock Exchange. In this content analysis, an examination of the substances of the text was also carried out by identifying various specific characteristics of a message objectively, systematically, and generalized.

The research results showed that not all companies disclosed their commitment of the environment concern. As a mining company that uses a lot of natural resources as its raw material, the mining company should be more committed and concerned about the sustainability of nature and the environmental damage it causes.

For the next research, is better if enlarge the research data for the mining companies in Asia or around the world for knowing the corporate commitment of environment sustainability.

Keywords: commitment, environment, sustainability

Topic: Cost Management and Accounting Management

[ABS-26]
**ANALYZING THE IMPORTANCE OF USER COMPETENCY TO
THE EFFECTIVENESS OF ACCOUNTING INFORMATION
SYSTEM IN BANKING SECTOR**

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Abstract

Information technology is developing very fast now. In this fourth Industrial Revolution, technological development plays an important role in organization. In order to be able to survive, especially in the midst of today's world that increasingly rely on information technology, every organization need Accounting Information System. As a business strategy, Accounting Information System must be supported by competent employees. In other words, without an adequate user competency it is impossible to have an effective Accounting Information System. This research aims to analyze the effect of user competency on the effectiveness of Accounting Information System.

Data collection in this descriptive survey research uses questionnaires which were distributed to regional banks located in 24 provinces in Indonesia. Total 176 questionnaires were collected from manager and staff related to accounting. Analysis of data uses Smart Partial Least Square (PLS).

Based on the results of this study it can be concluded that user competency affects the effectiveness of Accounting Information System. The results show that inadequate knowledge and skills possessed by the employees will give an impact to the effectiveness of the Accounting Information System. Thus, it is necessary for all banks to increase knowledge and skills of their employees as user of Accounting Information System so they are able to compete. This findings are in line with previous research and support the theory.

Keywords: User Competency, Knowledge, Skills, Accounting Information System

Topic: Human Resource or Capital

[ABS-29]
SUSTAINABILITY ACCOUNTING MODEL

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Abstract

The purpose of this study is to criticize the sustainability model developed by Hawkes. The model includes cultural elements as one of the pillars. This research is a qualitative research, using a combination of questionnaires in the form of closed and open questions. The respondents of this study are 10 people who have sustainability reporting certification. The results of this study indicate that the model designed by Hawkes is appropriate to include cultural pillars, but there are changes in the model proposed by Hawkes. Culture needs to be integrated and uncocealed displayed in the sustainability accounting model.

Keywords: Sustainability Accounting, Model, Hawkes

Topic: Sustainable Business Development

[ABS-30]
**THE EFFECT OF SUSTAINABLE HUMAN RESOURCE
MANAGEMENT TOWARDS EMPLOYEES' PRODUCTIVITY**

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Abstract

The development of the world and globalization force businesses to always develop themselves, and one of the keys to develop the business is to develop the human inside it. And to develop human resources, one can utilize a theory of Sustainable Human Resource Management (SHRM). This research is made to find out whether there is an effect of SHRM towards the Employees productivity, and the variable chosen as SHRM programs are Training and Development, Corporate Culture, and Compensation.

The research method is a quantitative descriptive research approach analysis. The sample was 171 out of 300 employees of a private company in Indonesia as a study case. The number of samples in this study were determined using simple random sampling technique with Slovin method. The data obtained are primary data through questionnaires and processed using statistical software. This study has fulfilled the instrument test and classic assumption test, namely: normality test, linearity test, multicollinearity test, and heteroscedasticity test.

The result of this research is that independently, all the variables significantly affect the employees' productivity with the corporate culture as the biggest factor to affect employees' productivity. The final analysis done show that all of the variables in SHRM simultaneously affect the employee productivity significantly.

Researcher's recommendation is, mainly, for the organization to improve the employees' productivity by improving SHRM, especially corporate cultures that is according to the research, gave the biggest influence to increase the employees' productivity.

Keywords: Sustainable Human Resource Management, Productivity, Corporate Culture

Topic: Sustainable Business Development

[ABS-31]
**BIOLOGICAL ASSETS AS MUDHARABAH BASED LOAN
COLLATERAL ALTERNATIVE FOR SMALLHOLDER FARMERS
IN INDONESIA**

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Abstract

1. Introduction

Lack source of fund is one of critical issues being faced by smallholder farmers. Despite of having teak trees in their yards, such trees as biological assets are not accepted as loan collateral for bank's loan. In general, smallholder farmers fulfill their daily needs by cutting down their teak trees of five years old for sale. This research explored the feasibility of postponing teak harvesting time and analyzed the financial impact. By postponing the harvesting time, it is expected the tree grows in diameter and height, thus increase the volume. Combine with the price increases, it is expected that the value of the asset is increased.

2. Methods

This research was carried out in Gunung Kidul Regency, Yogyakarta, Indonesia between 2008 to 2018 in an area of 30 hectares. The method being employed was enterprise budget in which the costs of maintenance, the growth of the trees, and the sales of the harvested trees over time were considered. For the purpose of the valuation, a profit sharing as a result of value increases due to harvesting delay is shared between the owner of the asset and the investor through mudharabah financing arrangement.

3. Result

The result suggests that the annual return for the investor (such as a bank) is well above the current interest depending on the investor's profit sharing and the duration of harvesting delay. Specifically, for a five years delay of harvesting time and an investor's share of 40%, the investor's annual return is well above 30%.

4. Conclusions, implications and significance

It is concluded that teak trees as biological assets should be justified as a bank collateral.

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Keywords: enterprise budget, loan collateral, mudharabah, teak plantation

Topic: Finance and Risk Management

[ABS-32]
**EMPLOYEE RISK SCORING AS A TOOL FOR PREVENTING
INTERNAL FRAUD IN BANK**

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Abstract

One of factors causing operational risk event in Indonesian banks is human factor, one of those is internal fraud. This paper is aimed to determine which factors significantly affecting employee to commit internal fraud, and to set simple model for scoring risk of employee to measure likelihood of committing internal fraud.

Data was collected from human capital management system in a bank comprising personal identity, static data, liabilities, and other related data recorded at the system. The collected data was discussed through Focus Group Discussion (discussion members from several different departments in the bank) to be taken as important variables to affect employee to commit internal fraud. The variables were statistically tested to be determined as important and significant variables of model to score employee risk scoring. The output of scoring employee risk was categorized as Low, Low to Moderate, Moderate, Moderate to High and High.

The result of correlation test shows that there are 9 variables significantly influencing employee to conduct fraud. Those comprise credit card outstanding, time length of employment, take home pay, time length of duty rotation, percentage of day leave taken, overtime job taken, internally soft loan outstanding, age and organization position. Based on the statistically testing, alternative solution by using expert judgment is proposed, i.e. using weighted scoring.

The alternative solution applied to several employees in branch offices result then was confirmed to their managers. The selected managers confirmed that the alternative solution result is rationally accepted and could be used as a tool to measure likelihood level of employee committing fraud described as likelihood levels stated above, from Low to High.

The next study with more detailed variables is recommended to more precisely estimate likelihood level of employees committing fraud. The Big Data also can be potentially used as more detailed and accurate data.

Keywords: Employee Risk Scoring, Fraud, Bank

Topic: Finance and Risk Management

[ABS-33]
**HOW IS THE PHYSICAL AND NON PHYSICAL WORKING
ENVIRONMENT CAN EFFECT TO THE EMPLOYEES
PRODUCTIVITY WITH MOTIVATION AS AN INTERVENING
FACTOR**

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Abstract

Productivity means as a comparison between the results achieved (output) and the overall resources used (input). Work productivity is a process to produce or increase the results of goods and services as high as possible by utilizing resources as efficiently as possible. In this study, productivity will be measured through the impact of physical work environment, non-physical work environment and work motivation.

The research method used is a quantitative method with a descriptive research approach and associative analysis. The number of samples in this study were 82 employees who were determined using simple random sampling technique with Slovin method. The data obtained are primary data through questionnaires and processed using statistical software. This study has fulfilled the instrument test and classic assumption test, namely: normality test, linearity test, multicollinearity test, and heteroscedasticity test. The description of statistics in the study shows that the physical work environment, non-physical work environment, work motivation and work productivity have homogeneous data.

The results of the analysis in the study showed that there were positive and significant effects (1) physical work environment on work motivation, (2) non-physical work environment on work motivation, (3) work motivation on work productivity, (4) work motivation on work productivity, (5) work motivation as an intervening variable between physical work environment and work productivity, (6) work motivation as an intervening variable between non-physical work environment and work productivity. The results of the latest data processing showed results that did not significantly influence the non-physical work environment on work productivity.

Keywords: Physical work environment, non-physical work environment, work motivation, work productivity

Topic: Organizational Behavior

[ABS-34]
**(T, R(N,α,p)) INVENTORY POLICY FOR A FMCG RETAIL
SUPPLY CHAIN**

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Abstract

Introduction: The scope of this study is limited to the supply chain of a FMCG retail business spreading through retail outlets and connected with the central warehouse. Manual intervention of requisitioning quantity of footwear on daily basis, from the retail outlets to the warehouse, was creating frequent problems of both stock-out resulting loss of sale and higher inventory resulting higher holding cost. Instead, both can be within an acceptable level if the requisitioning quantity truly considers the sale/demand distribution. The objective of this study was, therefore, to develop a scientific inventory policy for determination of requisitioning quantity for footwear, based on actual sales of all outlets.

Methods: Considering the size wise break-up, daily sales data of sampled items of sampled outlets, spread over various states, was captured for two consecutive years along with records of re-order levels (ROL). It was observed from the time plots that both mean and variability of demand change over time. The extreme values of observed sales distribution of items accommodate both the effects of mean and variability, and, change in time points reflects the seasonal/festive effects on mean and variability. With this understanding, a simple exponential smoothing model, using pth percentile point of distribution of daily sales data for past recent N days, is proposed for determination of requisitioning quantity. Keeping in mind that the overall stock-out% should remain at a low level, the optimal values of N, α and p were determined empirically as 30 days, 0.3 and 0.99 respectively based on daily sales of randomly selected items from first year data.

Results: The usefulness of the model was validated against the daily sales data of randomly selected footwear items of second year prior to its implementation across outlets. First, the stock-out% and average inventory, that actually occurred based on the earlier subjective method, were estimated. Then, they were estimated using the fitted model for determination of the requisitioning quantity. It was further noted that the average inventory would have reduced by 31% without increase in average stock-out%, and the sales to inventory ratio would have increased by 75%.

Conclusions: Determination of requisitioning quantities for footwear items, using the fitted model at fixed interval of one month, would reduce average inventory and thus holding cost without increasing average stock-out%. However during festive/seasonal

period, the interval for ROL modification should not exceed seven days to absorb the sudden change of demand pattern. The overall requisitioning quantity for items in outstation outlets is the sum of the requisitioning quantities determined by the fitted model and lead-time demand. Software has been developed for calculating the requisitioning quantity of any item at any day in an outlet, using the fitted model. Subsequently, the cost-benefit analysis was done on new sale data to show the expected gain per year due to savings of interest. It was recommended to integrate the software in the organization within the scope of the supply chain considered. This approach is, in general, applicable for any type of FMCG retail business environment.

Keywords: FMCG Retail, Supply Chain, Exponential Smoothing, Requisitioning Quantity, Stock-out, holding cost

Topic: Operation and Supply Chain

[ABS-39]
**SUPPLIER SELECTION CRITERIA AND METHODS IN SUPPLY
CHAIN – A STATISTICAL APPROACH**

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Abstract

1. Introduction

In today's competitive environment, vendor selection is considered as a strategic issue in the effective management of a supply chain. In most industries, the cost of raw materials and component parts represents the largest percentage of the total product cost. Therefore, selecting the right suppliers is the key to procurement process. For many years, the traditional approach to supplier selection has been to select suppliers solely on the basis of price. Keeping in view the strategic importance of the supplier's role in the functioning of supply chains the researchers have developed number of criteria, methods and models for supplier selection. This study involves a comprehensive review of different methods of supplier selection available in the literature and suggests a new approach based on statistical analysis on different characteristics of the supplier.

2. Methods

The present study was carried out in Indian ferro-alloys industry to evaluate the suppliers' performance with respect to different quality characteristics of the raw material i.e. chrome ore. Data was collected in a planned manner on different quality characteristics of different lots supplied by different suppliers. An assessment of the existing quality status of Chrome ore, supplied by various suppliers, was done by multivariate analysis of variance (MANOVA). Duncans Multiple Range Test was used to classify the suppliers into homogeneous groups. Vendor rating was done on the basis of the obtained score using desirability function. Based on desirability value suppliers were ranked.

3. Results

Results of multivariate analysis of variance shows there exist a significant difference in the quality characteristics of the different suppliers. Since different quality characteristics are having different specifications and are measured in different scales it is needed to convert them in a single 0-1 scale which is done using desirability function. For each supplier each quality characteristic was converted to a desirability value in the same scale. Combining the desirability values of each characteristics a single desirability value was obtained using geometric mean. This gives an index of the performance status of a supplier. Comparing these performance index the suppliers were ranked and the best one was selected.

4. Conclusions

This study presents a structured methodology for supplier selection and evaluation based on statistical analysis considering all quality characteristics of all suppliers. This methodology can be applied for vendor selection and vendor rating for any industry irrespective of its nature of products and its characteristics. The use of desirability function converge all characteristics of the supplier into a single point in a 0-1 scale and desirability value of each supplier indicates its performance index in a 0-1 scale. Hence it has a vast scope of application. After selecting a suitable supplier its performance can be monitored using its desirability value. The future scope of research may involve developing a suitable monitoring scheme for the desirability value of the selected supplier.

Keywords: Vendor selection criteria, Multivariate ANOVA, desirability function

Topic: Operation and Supply Chain

[ABS-41]
**TOURISM POTENTIAL IDENTIFICATION IN OPTIMIZING THE
PASIR PADI BEACH DEVELOPMENT STRATEGY**

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Abstract

The objective of this research is to identify the tourism potential development of Pasir Padi Beach and offer a program of development focusing on improving the tourism attraction based on the tourists' judgment. The method used for this research is mix method, qualitative analysis using IPA (Importance Performance Analysis) to identify the conditions of the research variables as well as every indicator supported by gap analysis and descriptive quantitative analysis in order to elucidate the strength and weakness by means of SPSS analysis tool version 22. In regards to the number of respondents, 60 tourists are selected through non-probability sampling and Convenience Sampling. The result shows that there are one variable included in the main priority to be improved, and seven indicators included in the main priority to be improved and developed. Thus, the research proves that the attraction variable and sea water quality indicator, transportation availability, shower and clean water facility, quantity and quality of the toilet, rubbish bin availability, cleanliness quality, and environment awareness are the main prioritized indicators and variables to be improved and developed

Keywords: Development Strategy, Importance Performance Analysis, Tourism, beach

Topic: Hospitality and Tourism

[ABS-44]
**KNOWLEDGE SHARING APPROACH USING ICT BASED
ENTREPRENEURSHIP ORIENTATION DURING TECHNOLOGY
TURBULENCE TOWARD SUSTAINABLE SMES : A
CONCEPTUAL MODEL PAPER**

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Abstract

SMEs, IoT, knowledge-based entrepreneurship orientation, sustainable competitiveness the challenge for SMEs today is not just economic turmoil, but in the era of the internet (internet of thing), technology turmoil has begun to shift SME governance. The sustainability of a small business can no longer be said to depend on mere market share, but how SMEs make it into market speed. All this requires a strategic orientation of knowledge-based entrepreneurship to create sustainable competitive SMEs.

Keywords: SMEs, IoT, knowledge-based entrepreneurship orientation, sustainable competitiveness

Topic: Innovation and entrepreneurship

[ABS-47]
**MANAGEMENTS ATTITUDE TOWARDS RISK MANAGEMENT
IS THE MODERATING VARIABLE BETWEEN MANAGEMENTS
SUPPORT AND RISK MANAGEMENT PERFORMANCE**

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Abstract

The purpose of this study is to know whether management attitudes can moderate the relationship between management support and risk management performance. Respondents from 112 companies were taken. They were the top rank risk management personal in those companies. Questionnaire was designed in collecting the data. The validity and reliability of the questionnaire has been tested. Multiple regression analysis techniques were used to test the null hypothesis that attitude is the moderating variable between management support and risk management performance. The null hypothesis was accepted indicating that attitude toward risk management was not a moderating variable in the relationship between management support and risk management performance. However further analysis with the use of path analysis found that management support instead was the mediating variable between attitudes and performance of risk management. Therefore, when top management has positive attitude toward risk management will increase the risk management performance of the organization.

Keywords: Risk management; attitude; management support; risk management performance

Topic: Finance and Risk Management

[ABS-49]
**BUILD SAKANA PHARMA'S COMPETITIVE ADVANTAGE
THROUGH ORGANIZATIONAL TRANSFORMATION**

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Abstract

Introduction

Sakana Pharma is an Indonesian pharmaceutical manufacturer that have main revenue from contract manufacturer to fulfill drug needs in Indonesian Universal Health Coverage (UHC) market. UHC market is the biggest pharmaceuticals market in Indonesia. From BCG matrix mapping, the main revenue of Sakana Pharma is in the market which growth is slowing down due to 20 % price erosion per year since Indonesian UHC was started. This become the main reason for Sakana Pharma to transform the core business to secure it's position in the future.

According to Burke (2002), 70 percent of organizational transformation are fails. One effort to ensure the success of transformation is measure the readiness of individuals and organizations to change (Cinite et al., 2007, Noer 1997; Zamor, 1998). Therefore it is necessary to analyze the Sakana Pharma's transformation readiness then arrange transformation design.

Methodology

This research was started with determining transformation direction which appropriate with Sakana Pharma's needs, then continued with transformation readiness audit and arrange transformation design. The transformation direction is set based on BCG matrix strategic direction then continued with transformation readiness assessment using "Transformasi Organisasi Indonesia" model to identify the readiness of 9 transformation elements in a company (PPM, 2017). After identifying the readiness of each element, we can make a transformation design to cover the elements that are not ready. Transformation design are consist of type of transformation, new vision, transformation strategy and transformation road map.

FINDINGS/RESULTS

From BCG matrix mapping, the main revenue of Sakana Pharma is in cash cow zone. Sakana Pharma need to transform it's business into market that has high growth. Based on external and internal analysis, Sakana Pharma must focus more on exports. To make sure Sakana Pharma ready for globalization, we assess some elements to check Sakana Pharma transformation readiness. Based on audit result, some elements still have a readiness value below the minimum value. The root cause are lack of sense of urgency and business direction has not been firmly established

CONCLUSIONS

Based on this result, It is important for Sakana Pharma to define new vision, share new

vision to increase sense of urgency. After that Sakana Pharma must create blue print transformation that consist of type of transformation, transformation strategy and transformation road map.

Keywords: Transformation, Transformation direction, Transformation readiness, Transformation audit, Transformation design

Topic: Strategic Management

[ABS-50]
**BURNOUT IMPACT AND WORK SATISFACTION TOWARD
MEMBERS OF SAMSAT SURABAYA REGIONAL POLICE OF
EAST JAVA'S MORALE**

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Abstract

Morale can be influenced from within individuals and the environment surrounding. Morale is a psychological state that can cause pleasure and encourage someone to work actively in achieving the goals set (Siswanto, 2000: 35). Things that can affect morale are burnout and work satisfaction. Burnout is a psychological condition experienced by a person due to stress accompanied by failure to achieve expectations in a relatively long period of time. Burnout is mostly found in the human service profession, namely people who work and provide services to the general public, such as teachers, nurses, polices, counselors, doctors and social workers. Someone who experiences burnout, will usually be less interested in work, making their morale low to carry out and complete tasks. While work satisfaction is more about whether someone is satisfied or not regarding: duties, authority, and responsibilities in his work. If someone feels satisfied with his work, then morale tends to be high, and vice versa. The purpose of the research conducted is to determine the effect of burnout on work morale, the effect of job satisfaction on morale, and the effect of burnout and job satisfaction on morale.

This research uses a quantitative approach with a survey method. The population in this study are members of the Surabaya one-stop administration unit (Samsat), amounting to 282 people and a sample of 165 people with 59 bachelor degree, 21 diplomas and 85 high schools graduates. With the age range of 31 people at the age of more than 40, 32 people of 36-40 years, 49 people of 31-35 years, 34 people of 25-30 years, and 19 people under 25 years. The number of samples using the Slovin formula and is carried out by random sampling technique. Data collection technique using questionnaire consists of 58 statement items. Data analysis technique uses the Test Validity and Reliability of Instruments, Classical Assumptions Test, Multiple Regression Analysis and Hypothesis Test using t test and F test and the coefficient of determination.

From the research findings and discussion, it can be concluded that burnout gives a significant influence of 13.4% on the morale variable. This can be seen from the high morale of members with the function of interaction between individuals and the environment. Job Satisfaction gives a significant influence of 60.3% on the morale variable. Members are satisfied with the results obtained from the organization, and strive to improve the work system. Burnout and job satisfaction simultaneously have a significant effect of 33.3% on the morale variable. Work morale can increase when the level of fatigue of the members can be avoided by including matters related to job satisfaction. So it is suggested to be able to do further research on the variables of

organizational commitment, individual characteristics, cohesiveness, transformational leadership, organizational climate, and work stress, so that it can be explained more fully about other variables beyond burnout and job satisfaction that affect the morale.

Keywords: Burnout, Job Satisfaction and Morale

Topic: Strategic Management

[ABS-51]
**GOVERNMENT RESPONSIBILITY AS THE MAIN
STAKEHOLDER IN TOURISM DEVELOPMENT_LITERATURE
REVIEW ON HERITAGE TOURISM**

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Abstract

Currently, the economic growth of some countries contributions by the vast development of the tourism sector and the development of a heritage site is one of the offers. Many tourists were aware of the city's status as a world heritage site that encompasses a historic center, monuments, and architectural buildings. One of tourist motivation can be heritage site perception with finding is indicate a distinct relationship between tourists' perceptions of the site relative to their heritage and motivation for visiting the site. The interpretation of authenticity is essential for the marketing and management of heritage attractions because existential authenticity is an antecedent to tourists' loyalty toward heritage sites. There are many problems or constraints from the process in tourism because of low control and lack of responsibility. Government still pay less attention to long term development which is policies is one of the barrier problems and sometimes not in democratic solution. Low level of involvement in the strategic planning in process and hierarchical top-down system also as a barrier needs to be attentive. Analyzed the problems, classification, and categorized 53 previous studies focused on heritage site has done. The study informed five elements correlation on tourism development and benefits as multiplier effects in tourism categories. The elements mentioned the tourist need and to be attracted, potential contribution, the constraints or problems in the process of visitation to the destination, stakeholders contributions and responsibility, and also strategic plan. The stakeholders contributions are the most significant element for taking responsibility, and the government as the main stakeholder who has to do the role of all process on heritage tourism development with policies and strategic plan to cover other elements. Government as the main stakeholder responsibility in processing on heritage tourism and with government hands can open partnership with other stakeholders (NGOs, Private, local community and visitors) to develop and then manage the heritage tourism easier. A proper process development then becomes sustainable, the outcome as a multiplier effect can obtain. This study will use in the future study at Tugu Kebulatan Proklamasi (TKP) in Rengasdengklok, Indonesia as a small site but have most histories for Indonesia independent, to put the government as the main stakeholder to investigate the implementing model of development with policy and strategic plan.

Keywords: Development of Heritage Site, Tourist, Responsibility, Government as Main Stakeholder, Policy and Strategic Planning

Topic: Hospitality and Tourism

[ABS-53]
**THE ROLE OF INTENSITY OF THE USE OF SOCIAL MEDIA
TOWARD DESTINATION BRAND EQUITY IN FORMING WORD-
OF-MOUTH AND E-WORD-OF-MOUTH (STUDY OF EASTERN
INDONESIA TOURISM DESTINATION)**

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Abstract

The research aims to see the effect of the intensity of the use of social media communication on the dimensions of brand equity, namely brand awareness, brand image, customer perceived value, brand quality and brand loyalty. The study was conducted by distributing questionnaires to 160 respondents who visited tourism destinations in Eastern Indonesia and the results showed that there was an influence between the use of social media and destination brand awareness and there was an influence between visitor perceived value and the formation of e-WOM. This research is quantitative data which compiles primary data as primary data, plus secondary data. Criteria for respondents who were sampled in this study were domestic tourists over the age of 18 years, who had travelled to areas in Eastern Indonesia. Questionnaires were distributed within a period of 3 months during the period July-September 2018 with the number of questionnaires collected was 160. This research builded by 12 hypothesis. Hypothesis testing results are:

1. There is a strong influence between the Intensity of Use of Social Media variable on the Tourism Destination Awareness variable.
2. There is an influence of Tourism Destination Awareness on Tourism Destination Image.
3. There is an influence of Tourism Destination Awareness on Tourism Destination Quality.
4. There is an influence of Tourism Destination Awareness on Visitors Perceived Value.
5. There is no influence of Tourism Destination Awareness (AWA) on Intention to Recommend Using Traditional WOM.
6. There is no influence of Tourism Destination Image on Intention to Recommend Using Traditional Word of Mouth Communication
7. There is no influence of Tourism Destination Quality on Intention to Recommend Using Traditional WOM.
8. There is no effect of Visitors Perceived Value on Intention to Recommend Using Traditional WOM.
9. There is no influence of Tourism Destination Awareness on Intention to Recommend Using e-WOM.
10. There is no influence of Tourism Destination Image on Intention to Recommend Using e-WOM.
11. There is no influence of Tourism Destination Quality on Intention to Recommend Using e-WOM

12. There is an effect of Visitors Perceived Value on Intention to Recommend Using e-WOM.

Based on the results of the study there is a strong relationship between Tourist Destination Brand Awareness to the establishment of Destination Brand Equity (Brand Image, Brand Quality and Perceived Value), so it can be concluded that:

1. The intensity of social media use significantly influences destination brand awareness. This proves that exposure to a tourism destination on social media can increase awareness of the tourism destination.
2. Destination brand awareness has a positive influence on destination brand image, destination brand quality and customer value. However, this brand image and brand quality does not influence tourists to do WOM or e-WOM.
3. The results of the research show that what affects e-WOM is the perceived visitor value, so managers must be able to increase the value that a destination can offer, such as price and benefits.

Keywords: WOM, eWOM, brand awareness, social media, destination brand equity

Topic: Marketing Management

[ABS-54]
**CREATING IMPACTFUL MODEL FOR ORGANIZATIONAL
TRANSFORMATION**

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Abstract

Introduction

A big change can be occurred anytime and cannot be predicted. Every year, there will always be some markets that going through change, and organization must be ready to overcome this change for it to survive. The right processes is needed to help organizations face the market change. Therefore transformation model is built aiming to accommodate the needs.

Methodology

Methods used in this research is quantitative methods with double regression hierarchy and SEM. As much as 229 respondents gathered, with majority of the respondents hold supervision or higher level position (76.4%), and 88.1% of the respondents have been worked for more than 3 (three) years. This profile of the respondents generate beliefs that individuals participating in this research are competent enough to and appropriate to represent companies they worked for.

Findings

Research findings suggest that there are 3 main factors in organizational transformation model, which consists of 9 elements. These factors are: Strategy Factors with Visionary Business Direction, Readiness to Change, Market Orientation, and Dealing with External Environment elements; Execution Factors with Operational Excellence, Strong Leadership, and Competent People elements; as well as Acceleration Factors with Risk Management, and Organization Culture elements. For business strategies to run efficiently, these factors give both direct support and impact to the business strategies. Several factors, however, do not have a direct impact to and act as a booster and fasten the execution of business strategies.

Conclusion

PPM Management's Transformation Model started from the consultation formulations and organizational experience PPM had, and then validated through deepening the theory and scientific research to make this model one solid model and can be implementing in many organizations to synchronize their business model with company's new strategies in order to become a competitive organization.

Keywords: Transformation, Organization, Change, Strategic Management

Topic: Strategic Management

[ABS-55]
**THE CONTINGENCY APPROACH OF DIGITALIZATION AND
ENTREPRENEURIAL ORIENTATION ON SMEs'
PERFORMANCE**

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Abstract

The ability to enter the international market has become a competitive necessity for many firms, and one important for survival and growth in the era of globalization. At the same time, digitalization is transforming the locus of entrepreneurial opportunities and entrepreneurial practices, thus offering new perspectives on internationalization. When entering international market, SMEs will require innovativeness capability, proactiveness and risk taking. However, there is a gap in the literature exploring the interplay of digitalization and entrepreneurial orientation in the internationalization process. The objective of the present study aims at developing insights that explain how SMEs in Semarang in the batik industry can use the tactics and strategies associated with entrepreneurial orientation (EO) to achieve superior performance in the digitalization age. Results from a survey in 63 SMEs show that: 1) SMEs that display high levels of EO report a higher level of performance, 2) SMEs that display high levels of digitalization report a higher level of EO, 3) the relationship between EO and performance is moderated by digitalization and 4) the relationship between digitalization and performance is moderated by EO. These results indicate that for those firms, innovativeness capability, risk taking and proactiveness are crucial to their success in foreign markets. Instead, SMEs should develop a clear vision on digitalization that is characterized by innovation, being ahead of the competition, and a willingness to take risks.

Keywords: entrepreneurial orientation; digitalization; foreign markets; SMEs' performance

Topic: Innovation and entrepreneurship

[ABS-57]
**GREEN HOTEL AS A COMPETITIVE PRODUCT (CASE STUDY
AT A 5-STAR HOTEL IN BALI)**

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Abstract

1. Introduction and research problem

Today tourists tend to choose hotels that consistently implement environmentally friendly practices. In line with this phenomenon, the concept of sustainable accommodation must apply the principles of environmental conservation, education, ecology, community empowerment and the use of local products, as well as minimizing environmental damage. Rahmafritria (2014) in her research revealed that accommodation with environmentally friendly concepts and management is one of the parameters driving tourists to choose accommodation facilities. President of the Republic of Indonesia Joko Widodo asked that the development of ten new tourist destinations must be realized. The President also requested that tourism destinations are differentiated into the ten new Bali developments. The ten new Bali is a term to say that Bali is the most popular and important destinations in the country. Thus, tourists also have more destinations in choosing tourist destinations (Kompas.com). The hotel industry is highly competitive and is extensively driven by customer demand. Moreover, the customers preferences and expectations are changing from time to time. Therefore, to be able to win the attention of the consumers, the tourism businessmen have to rapidly adjust for the changes that occur in the market (Deloitte, 2018). In response to the consumer's change of preference towards green products and services, the hotel industry is adopting sustainable practices

and advertised towards potential customers (Martínez García de Leaniz, Herrero Crespo, & Gómez López, 2018). An environmentally friendly hotel can be categorized as the one that offers sustainable services and focuses on minimizing its negative impacts on the environment through reusing, reducing, and recycling. It is used by an eco-friendly use of water and energy (Dalton, Lockington, & Baldock, 2008). Going green is important to attract the new segment of conscious consumers and to stay competitively relevant to the targeted market, but is also financially beneficial for the related tourism industry. What green aspects the hotel have which differentiating them from the hotel competitors?

2. Methods

The research was located in a 5-star hotel in Bali. The study population was a 5-star hotel. The sample size is determined by 10 percent of Tri Hita Karana (THK Award) recipients. The sampling technique used is purposive sampling with a sample size of 36 respondents and 6 hotels. The respondents are F & B Manager, Purchasing Manager, Learning Development Manager, Director of Engineering, Public Area Manager, and CSR Manager from 6 samples hotel, namely Melia Bali, St. Regis Bali, Intercontinental Hotel, Conrad Bali, Mandapa Bali, and The Royal Pita Maha Resort. The primary data is obtained through observations, questionnaires, interviews with respondents, and Focus Group Discussion (FGD). Secondary data were obtained from Learning and Development, literature through the internet, newspapers, reading books and articles relating to this research. The variables in this study are the green aspects of the hotel and differentiating green aspects from the hotel competitors. Variables identified through environmentally friendly business practices and the uniqueness of the application of green hospitality business practices which is analyzing by adopting generic competitive strategies (Porter, 1985). The basic elements used in identifying the uniqueness of the application of green hospitality refer to the ASEAN Green Hotel Standard and EarthCheck. The data analysis method used is qualitative descriptive technique, which is an analytical one to describe a phenomenon and explain the relationship among the variables.

3. Results and findings

In response to green business practices, 100 percent stated that adopting green business practices can maintain the hotel brand image, as a competitive advantage, and make the company and employee performance more effective and efficient. This is supported by the commitment of hotel management in implementing green practices in services ranging from reservation, reception, check-in, room supply, and check-out. There are a few cultural constraints faced in the application of green business practices, initially due to habits, for example against the use of new tools with new technology, the use of certain products switch to other products with less risk of pollution. Sample hotels have fully implemented green business practices through the use of environmentally friendly raw materials or substitute materials, selecting suppliers taking into account environmentally friendly criteria, optimizing processes to reduce solid waste, reducing liquid waste, minimizing wasteful use of water, reducing air emissions, reduce noise, use clean technology to save energy, water and waste, recycle internal materials for the company, use alternative energy sources, and return packaging to suppliers for reuse. The uniqueness of the application of green hospitality in 5-star hotels in Bali with a varied approach. St. Regis applied it through a social and environmental responsibility model, Mandapa fully adopted the value of local wisdom, Melia Bali with the CIP and CSR program approach, one of them through a rare tree planting program in the hotel area and

recruiting disabled employees, The Royal Pita Maha Resort with the application of traditional (puri-royal house) and modern (villa) fusion concepts in organic themes, Conrad with an approach to the integration of local values with global values standardized by local and internal Certification Institutions. While Intercontinental fully adopted the value of local wisdom as the competitiveness of the uniqueness of its products. All properties include elements of social capital in shaping the core value of each hotel. This finding is in line with the results of research from Chen and Chang (2013). The benefit of implementing a green hotel is to reduce the operational cost of the hotel which results in the elevation of added-value to boost the revenue. An interesting finding from this study is that most respondents strongly agree with the fact that the hotel must build a network with other hotels implementing green business practices and integrating locals, government and private sectors and traditional villages as in the last two years they have implemented green practices. This shows that the practice of green hospitality business practices is used as a tool to improve hotel competitiveness by collaborating with surround hotels that carry the green paradigm.

4. Conclusions, implications, and significance

The research helps discover innovative hotel efforts that should be recognized and can benefit peers and shows what's trending each year. The practice of green at the operational level is positive and has resulted in supporting sustainable tourism. The uniqueness of the application of green hospitality business practices as a competitive advantage is carried out with harmonious interactions between management and operational staff. Green hotels are ecologically conscientious subjects that promote and practice energy efficiency, conservation, and recycling while providing their guests healthy, sustainable and clean services.

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Keywords: green hotel, green product, competitive product, sustainable tourism

Topic: Hospitality and Tourism

[ABS-58]
**USING QFD APPROACH TO IMPROVE LOGISTICS SERVICE
QUALITY IN TRUCKING OPERATIONS**

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Abstract

Introduction:

Service quality is one of the most important factors to achieve customer satisfaction. Improving service quality in logistics operations has been considered by a number of studies as a strategic initiatives since the competition arises due to industry growth. Eklof et al. (2018) showed that customer satisfaction and loyalty significantly influence the company's profitability, including Return on Assets (ROA), Return on Equity (ROE), Profit Margin, and Operating Income. Furthermore, the study concluded that increasing customer satisfaction leads to more profitability.

Parasuraman et al. (1988) developed SERVQUAL model to evaluate service quality, which has been used in various industries including logistics. Several studies also integrated the model with other tool, such as Importance-Performance Analysis (IPA) and Quality Function Deployment (QFD). Integration of SERVQUAL, IPA, and QFD was used in improving service quality in telecommunication (Darmawan dan Wurjaningrum, 2014), restaurant (Cheng, Tsai, dan Lin, 2015), perbankan (Kurniawati dan Singgih, 2015), dan manufaktur (Murali et al., 2016). This integration will not only produce robust service quality evaluation, but also develop strategy to generate competitive advantage, especially in logistics industry.

This study aimed at analyzing the trucking service quality gap, determining the most critical service quality attributes, and developing strategies for service quality improvement through integration of Gap Analysis, Importance-Performance Analysis (IPA), and Quality Function Deployment (QFD).

Methods:

This study used combination of quantitative and qualitative research design. Data was collected using purposive sampling in a trucking company headquartered in Semarang, Central Java. The sample was exported from company's customer database from 2016 to 2018. A questionnaire was administered using online survey and generated 9,6% of response rate (48 of 500). Data was further analyzed with descriptive statistics using Excel and SPSS.

Results:

Gap Analysis followed by paired-sample t test showed that all 18 attributes of logistics service quality have negative gaps, indicated that in general, the company's service quality was still under good performance. Among five quality dimensions, "Customer

Focus” has the biggest average value of negative gap (-0,667), followed by “Information Quality” (-0,556), “Order Fulfillment” (0,542), “Corporate Image” (-0,533), and “Timeliness” (-0,478).

All attributes were then mapped on the IPA matrix, resulted in well-distributed points in four quadrants, namely quadrant I (keep up the good works), quadrant II (possible overkill), quadrant III (low priority), and quadrant IV (concentrate here). The attributes located in quadrant I and IV will be furthered utilized in developing strategies using Quality Function Deployment approach.

Conclusions:

Strategy development using QFD resulted in five strategies, namely “develop an independent QHSE division” (Contribution 25,59%), “develop partnerships with on-demand trucking platform” (Contribution 22,66%), develop an integrated transport management system” (Contribution 21,98%), “develop a training centre for truck drivers” (Contribution 17,33%), and “develop a preventive maintenance system” (Contribution 12,44%).

This study gives a model for logistics companies to improve service quality and enhance competitive advantage. The strategies developed by this model can also be implemented especially with support from the management in all levels.

Keywords: Service Quality, Gap Analysis, Importance-Performance Analysis, Quality Function Deployment, Trucking

Topic: Operation and Supply Chain

[ABS-60]
**THE EFFECT OF TRAINING AND COMPENSATION ON
EMPLOYEE PERFORMANCE**

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Abstract

PT Badak NGL is a liquefied natural gas producing company that has management and marketing activities for liquefied natural gas to LNG buyers. In an effort to improve employee performance, PT Badak NGL, especially those in Bontang, East Kalimantan, conduct training programs in accordance with employee needs, as well as provide compensation that is considered fair and appropriate in return for employee performance to the company. The formulation of the problem in this study is the extent of the effect of training and compensation on the performance of the employees of PT Badak NGL.

Theories used in this research are the theories of human resources related to the theory of human resource training, and the theory of compensation, and the theory of employee performance. This research method uses a survey approach, and the type of research is quantitative descriptive. The nature of the study is the explanation. The number of samples used consisted of 100 employees of PT Badak NGL. The data analysis model used to answer the first and second hypotheses is multiple regression analysis, using a confidence level of 95 percent.

Keywords: Training, Compensation and Performance

Topic: Human Resource or Capital

[ABS-61]
**DETERMINING FACTORS FOR SUCCESS OF BANKING
DIGITAL TRANSFORMATION**

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Abstract

PURPOSE / AIM & BACKGROUND

Banking industry in Indonesia are facing a problem in the decline of their payment services customer because new financial technology companies (fintech) give continuous discount in their “burn money” strategy to seize banking market. A bank in Indonesia who has seen their payment customer growth decreased, a fact which forces the bank to start a digital transformation. One of the many benefits of the transformation is reduced operational costs (King, 2018). Based on the Digital Transformation Playbook by Rogers (2016) they needed to review their strategic thinking in 5 domains, namely CC-DIV (Customer, Competition, Data, Innovation, Value) and increase their organizational agility. The research is limited to the first part, i.e. Strategic Thinking. Recommendations for the bank in dealing with the fintech’s “burn money” strategy are also provided.

METHODOLOGY

To measure the readiness of employees in facing digital transformation surveys are carried out and distributed to all employees. The gap analysis at the company’s current condition vs ideally transformed was carried out by mixed research method, which consists of surveys, observations, and interviews (Sekaran & Bougie (2016)). The Disruptive Business Model Map by Rogers (2016) is used as a strategy map. The elements contained in the strategy decision tool written by Rogers (2016), namely The Disruptive Response Planner are used to choose the decision.

FINDING / RESULTS

Digital transformation readiness questionnaire results showed that 2/3 of employees stated that the company was ready for digital transformation, while 1/3 still doubted readiness in all strategic thinking domains of CC-DIV. This result was further confirmed by interviews. From the observations it was found that the company had previously collaborated with fintech so that they remained relevant to the conditions needed by customers. The Application Programming Interface became the new business model of that bank to on which new channel and revenue stream were generated. Meanwhile, that bank has already put in place sharing programs for employees of the changing conditions from the analog to digital era. To maintain long sustainable profit they have been socializing the importance of a lifelong learning culture to be kept up to date with customer needs. They have also collaborated with all fintechs in topping up of their digital money application and collaborated with customers to fulfill what they actually need.

CONCLUSION

In addition to collaborating with consumers, including fintechs, there are 2 things that they can choose in facing digital giants, i.e. becoming disruptors themselves or by making their mobile application as a platform business model for all fintechs and existing old-fashion business models

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Keywords: The Digital Transformation Playbook, Collaboration

Topic: Strategic Management

[ABS-62]
**ENTERPRISE RISK SCORECARD APPLICATION ON
INDONESIAN STATE-OWNED ENTERPRISES: CASE STUDY
THREE SHIPPING COMPANIES**

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Abstract

Enterprise Risk Scorecard (ERS) essentially is a Balanced Scorecard (BSC) combined with risk management. This experiment's objective is to find out how risk management is applied to Indonesian SOEs in shipping companies using ERS. BSC focuses on objectives of company's performance while ERS focuses on risk treatment that is perceived to affect the KPI achievement process. By 2018, Indonesia only had total of 19 ships and 226,948 deadweight tons and the number of ships which operated by SOEs is declining since 2014 and this affect the deadweight tons which also is declining. According to Indonesian Ministry of State-Owned Enterprise (SOE) Regulation for Good Corporate Governance (GCG) Application, risk management is an integral part of GCG by developing and applying risk management program as a whole strategic activity. This declining situation and the compliance due to Regulation of Indonesian Ministry of SOE for GCG then become the reason risk management must be applied in SOEs. Risk management in Indonesia is applied in two ways and they are done by paradigm of risk management and reward and punishment. Qualitative case study is used in this research with inductive approach and data is collected by interview. The results are risk management application using ERS for company A and company B is adopted by paradigm of risk management while for company C, risk management is adopted by reward and punishment. Reward and punishment model consider risk management as burden, sometimes it means costly and ineffective. Therefore, corporate tends to refuse applying risk management. On the other hand, regulation from central government insist of risk management appliance which make the BoD include risk management in their corporate governance mechanism by applying ERS. Management have two intentions of applying risk management and they are desire to get reward and fear for being punished by stakeholders. Paradigm model considers risk management as an internal need, even it is considered as strength. With this paradigm, BoD apply risk management in their corporate governance mechanism by applying ERS. ERS helps each company to apply risk management for the whole company to achieve their stated KPI by combining risk management into the BSC. By applying risk management with ERS, those companies will have a higher probability to achieve their own strategic KPI.

Keywords: balanced scorecard, enterprise risk scorecard, Indonesia, risk management, state-owned enterprise

Topic: Finance and Risk Management

[ABS-64]
**THE EFFECT OF COMPANY'S EXTERNAL AND INTERNAL
FACTORS TO FIRM'S VALUE WITH CAPITAL STRUCTURE AS
INTERVENING VARIABLE IN LISTED CONSTRUCTION'S
COMPANY IN INDONESIA**

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Abstract

This study focused on the effect of external company's factor (inflation) and internal company's factor (profitability, size of company, growth, tax shield, and company's assets) to firm's value with capital structure act as an intervening variable in listed construction's company in Indonesia. Hypothesis which tested in this research contain two major hypothesis which are direct effects of company's factor to firm's value and indirect effects of company's factor to firm's value through capital structure. In order to support this research, research problems was constructed which are:

- Are company's internal factor s can effect company's capital structure decision?
- Is company's external factor can effect company's capital structure decision?
- Is company's capital structure decision effect company's value?
- Are company's internal factors effect company's value?

This study use data from construction company which is listed in Indonesia Stock Exchange (IDX) starting from 2014 until 2017. This study use a quantitative and causality research as the design of this study. Listed construction's company act as the population of data used in this study. This study use Structural Equation Modelling with Partial Least Square approach as a method for conducting analysis in this study. The result of this study found out that company's growth act as a factor that effect company's capital structure decision in listed construction company in Indonesia. Other factor like inflation, profitability, company's size, company's assets and tax shield show no significant effect to capital structure decision. This study also found out that variable which is used like profitability, company's size and company's growth show no significant effect to firm's value, capital structure decision also show the same effect to firm's value. This study conclude that only company's growth able to effect the company's capital structure decision in listed construction companies in Indonesia. Further research regarding another factor should be consider. The result of this study is corresponding to related study conducted by another researcher as Moyo (2013), Komera (2015), Gill (2009), Shanmugasundaram (2008).

Keywords: Capital Structure

Topic: Finance and Risk Management

[ABS-65]
**VICTIMS PERCEPTION AND REACTION TOWARDS
WORKPLACE BULLYING**

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Abstract

The changing work employment is indicating dynamic nature of employees as well as competition. In the globalized era, the workplace is more diverse in terms of culture, language, age and nationality. The organization needs employees with more dedication and with good interpersonal skills. Workplace bullying is a barrier to form a good interpersonal skills and performance. It is considered as continuous mistreatment towards targeted individual or a group, which causes different emotional, personal and work related problems. Based on the existing literature review, researcher understood there is a growing evidence to carry out the research on understanding experience of workplace bullying among entry level employees in Indian IT sector.

This research is aimed to understand the perspective of workplace bullying from the person who experienced bullying. The location of the study was Karnataka, Kerala, Delhi, and Tamil Nadu. The researcher followed purposive sampling technique to collect data from employees. The sample size of the study is 15 Nos. The data were collected from entry level employees who is having minimum of 6 month of experience in currently working organization. Phenomenological approach is used for understanding the experience. Primary and secondary data were used for this research. Interview method was used for collecting the data from participants.

Data was analysed using Atals Ti and manually. From the research analysis, it is found that there are three stages for workplace bullying such as Invasion stage, Tolerance stage and Surviving stage which is followed by eleven themes. The antecedents of workplace bullying identified as Job demands, Lack of leadership responsibilities, Interpersonal conflicts, Preconception, Behaviour experienced from perpetrator. The result shows that there are different types of bullying among entry level employees such as Belittling, System bullying, Behaviour of victims, Mechanism partiality based on seniority. The consequences of bullying identified in three categories such as emotional, personal and work related and finally the data shows different coping mechanism used by employee who experienced bullying.

Keywords: Workplace bullying, Antecedents, consequences, coping mechanisms, Entry level IT employees)

Topic: Organizational Behavior

[ABS-66]
**CORRUPTION, ACCOUNTING PRACTICE & ECONOMIC
GROWTH: EVIDENCE FROM ASEAN COUNTRIES**

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Abstract

This study analyzes the impact of corruption on economic growth by including the role of accounting practices. Corruption has a negative influence on economic growth in countries with poor quality accounting practices than in countries with high-quality accounting practices. The new contribution of this study concerns the relationship between corruption literature and separate accounting practices regarding economic growth. To our knowledge, this is a study of the first ASEAN countries to document the impact of corruption on economic growth that depends on the quality of accounting practices in a country. We use cross-section data for 2018 for 11 ASEAN countries. Data on economic growth is taken from the World Bank, while corruption is represented by the Transparency International (TI) Corruption Perception Index (CPI). Meanwhile accounting practices are represented by the strength of auditing standards and financial reporting from the World Economic Forum (WEF), as well as the adoption of the International Public Sector Accounting Standards (IPSAS) in a country from the International Federation of Accountants (IFAC). We apply the Moderated Regression Analysis (MRA) approach for estimating results. The results of studies show that corruption inhibits economic growth. In addition, the strength of auditing standards and financial reporting strengthens the relationship between corruption and economic growth. Other results show that the adoption of IPSAS does not strengthen the relationship of corruption with economic growth in ASEAN countries. The findings of this study prove that high-quality accounting practices in a country can weaken corruption which can hamper economic growth. Conversely, corruption will easily grow in countries with weak quality accounting practices whose impact will hamper economic growth.

Keywords: corruption, accounting practice, economic growth

Topic: Cost Management and Accounting Management

[ABS-67]
**DESIGN AND IMPLEMENTATION OF RISK MANAGEMENT
SYSTEM AT PT XYZ**

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Abstract

Introduction and Research Problem

PT XYZ needs to design and implement risk management. One of the urgency for designing and implementing risk management system is because the soul of the parent companys business is in the construction field and wants to diversify its business into new business fields as energy investments that entrusted to PT XYZ. New business fields in the energy sector will certainly be faced with the high risks. Coupled with minimal experience makes the risk faced will be even higher.

The need for the design and implementation of risk management at PT XYZ is also indicated by the occurrence of cost overrun in current projects. In carrying out each project, PT XYZ must pay a pre-development cost whose value is quite high. However, after PT XYZ spent the costs, the planned project may not be able to be proceed to the next stages. Therefore, PT XYZ has potential to pay sunk costs. Design and implementation of the risk management system is expected to make the usage of project pre-development costs will be more efficient.

Methods

The design of risk management systems in this study uses the ISO 31000: 2018 approach. To find out the current implementation of risk management at PT XYZ, an assessment of the risk maturity level that refers to the Chapman model (2011) was conducted.

Furthermore, the risk management system then implemented by PT XYZ which includes several stages. The external context determination stage uses the PESTEL analysis and stakeholder analysis while the internal context determination stage uses the 7s McKinsey analysis. The Risk Breakdown Structure method through Work Breakdown Structure is used to identify the risks. In addition, root cause analysis be used to compose risk treatment plans.

Results and findings

This study's result are risk management system design such as: risk management policy, proposed organizational structure, SOP and risk management processes templates that include communication and consultancy; determination of the scope, context and criteria;

risk assessment; risk evaluation; risk treatment; monitoring and review; recording and reporting.

The risk maturity level assessment shows that currently PT XYZ is at the basic level. In implementation of risk management design, the scope of risk management process is limited to PT XYZ and has not been integrated with its subsidiaries. From the process, 128 risks in PT XYZ have been identified, consisting of 59.4% strategic risks; 32.0% financial risk; 4.7% HR risk; 1.6% reputation risk; 1.6% legal risk; and 0.8% operational risk. In addition, the result of the risk evaluation shows that PT XYZ has 8% extreme risk.

Conclusions, implications and significance

The risk management system has been designed at PT XYZ. The risk maturity level of PT XYZ shows that the risk management system is designed as an effort to improve the business. Beside, risk treatment plans are composed to reduce the level of likelihood and / or level of impact of extreme risks. After being given treatment, PT XYZs risk profile is expected change to 33% low level risk, 41% medium level risk and 26% high level risk.

Keywords: Energy Investment, Risk Management, ISO 31000:2018

Topic: Finance and Risk Management

[ABS-68]
**COMBINE BUSINESS MODEL CANVAS, BLUE OCEAN
STRATEGY, AND ANALYTHICAL HIERARCHY PROCESS TO
DEVELOP BUSINESS MODEL OF MALKITA MALL JAKARTA**

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Abstract

Background

Malkita Mall (disguised name) is a place for shopping, recreation, entertainment and sports located in North Jakarta. It occupies on area of 7 hectares, consisting of an 8-story building with a gross area of 270 m². Starting operations in October 2004, Malkita Mall has 827 units to lease for entrepreneurs. The establishment of Tokopedia, Lazada, Bukalapak, and e-commerce business (virtual marketplace) slowly but surely erodes mall visitors who come with the aim of shopping. Because of that, in recent years there has been a shift in function of the mall from shopping places to people gathering place looking for entertainment, culinary, and exercising. This shift occurred due to changes in lifestyle and visitor needs. If the mall does not follow this change, visitors will switch to other malls. The decline in the number of visitors will reduce tenant sales revenue which will cause a decrease in tenant satisfaction. The level of tenant satisfaction is also triggered by the speed of the manager in responding to tenants complaints and the existence of events organized by mall administrator. Tenant dissatisfaction will impact on the tenants business sustainability. Turn over of tenants is a factor affecting the mall occupancy rate. In May 2019 Mal Malkita, occupancy was 94% leaving 6,265 m² of vacant space. This is not a favour rate in mall's market since it less than the average rate of industry. The level of occupancy will ultimately affect companys margins. In 2018 the margin of Mal Malkita has decreased for the first time in 5 years. This was due to a significant decrease in revenue that was not accompanied by a decrease in operating expenses. This situation forces Mal Malkita to review its business model and then come up with the new model.

Methodology

The main purpose of this paper is to design a right business model of Malkita mall 2020-2023. To achieve this main objective, several objectives will be set, namely identification of the current business model through internal analysis, opportunities and threats to the company through external analysis, ideal business models, company strengths and weaknesses through gap analysis between the current business model and the ideal business model, three prototypes of new business models through the development of new business models with the blue ocean strategy. After the main objective is found then the roadmap of implementation plan will be prepared.

The research method was carried out in a qualitative approach. To conduct an internal analysis, we interviewed Director of the Headquarter office and GM Mal Malkita and conducted a study of documents regarding the financial statements and the results of the

visitor survey. The results of internal analysis were used to determine Current Canvas Business Model. To do external analysis, we study documents from research journals on public purchasing power, e-commerce business, mall business shifts, and online news. Whereas to conduct an industrial analysis, we conducted survey on tenants and study of documents of the 2018 Jakarta Property Market Review First Quarter, visitors survey results, tenant survey results, and related online news. This external analysis is intended to identify opportunities and threats to Mal Industry in the next few years. Based on that, we structured the ideal Business Model Canvas. After that we did gap analysis between the Ideal and the Current Business Model Canvas. This gap analysis then shown us the strengths and weaknesses of the company. These were used as inputs to develop 3 alternative new business models using the concept of Blue Ocean Strategy. Considering current company's strengths and weaknesses, we should do prioritising of those three prototypes. Then an election was made using the Analytic Hierarchy Process method. We used four criteria, they were conformity with the Mal Malkita concept, level of profitability, investment costs, speed of execution, and sustainability of the strategy.

Results

The three prototypes found were the "Unicorn Frappucino" Prototype, the "Thai Tea" Prototype, and the "Milkshake Monster" Prototype. Finally, "Thai Tea" prototype which offers a value proposition in the form of a variety of new tenants is combined with the layout of the outlet that displays branded goods has been selected as the best choice.

Conclusion

The value proposition of "Thai Tea" is offered to millennial visitors in their productive age who have the potential to increase tenants turnover. Sales turnover expectedly will increase tenant satisfaction which has the potential to extend the rental period. This brings an opportunity for Mal Malkita to raise the rental price. Satisfied tenants will also endorse Mal Malkita to potential new tenants. To implement the prototype of "Thai Tea" is estimated cost of Rp. 16,915 Billion. The implementation plan starts in January 2020 until December 2021. The target is to increase number of visitors by December 2022. On weekends it is expected that the number of visitors will increase by 40% to an average of 85,400 people per day while for weekdays it will increase by 30% to 46,800 people per day. With the increase in visitors, it is expected that in December 2023 there will be an increase in tenants by 10% consisting of permanent tenants and exhibitions. The increase in tenants is expected to trigger an increase in mall occupancy of 4% or an area of 4,354 m².

Keywords: mall, business model, Business Model Canvas, Blue Ocean Strategy, Analytic Hierarchy Process

Topic: Strategic Management

[ABS-69]
**TOWARDS THE QUALIFIED HUMAN RESOURCE: INTERNSHIP
PROGRAM AT LEADING EX-LPTK UNIVERSITIES IN
INDONESIA**

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Abstract

Internship becomes a way to grow human resource capabilities in terms of competencies on knowledge or practical skills and soft skills. Higher education institutions like universities as the organizers of an internship program certainly have some roles to produce capable, intelligent and professional workforce. Therefore, it is undeniable that a good internship program in university is an important stage in the development of quality human resources. Our research aims to uncover the description of the system of organizing internships at university level, in order to obtain a comprehensive picture of the programs objectives in preparation for students to enter the workforce life. In this research, we also specifically portrayed the management of internships at the best ex-LPTK (Lembaga Pendidikan Tenaga Kependidikan) universities in Indonesia, as the institutions whose mission is to produce graduates as teaching staff/academics along with practitioners. Using qualitative approach, semi-structured interviews were held with the lecturers as well as superintendents and staff at three ex-LPTK universities, and processed by content analysis. Overall, the internship programs at these universities have been managed with the orientation on the interests of students, have adopted the use of technology, and are evaluated routinely based on feedback from internal and external parties of the university. The lack of internship and the organization of the mentoring system conducted by the lecturers become the major deficiencies in organizing internships at the universities. These can be used as a basis to put on efforts to improve the internship system at the university level, especially in Indonesia.

Keywords: Internship, Human Resource, Education, Ex-LPTK

Topic: Human Resource or Capital

[ABS-70]
**USING PPM TRANSFORMATION MODEL® TO DESIGN
TRANSFORMATION PROCESS OF PT. OTSUKA INDONESIA**

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Abstract

Purpose and background: PT Otsuka Indonesia is a pharmaceutical company that produces clinical nutrition solution with the largest market share in Indonesia. For more than 40 years working in the pharmaceutical business in Indonesia, Otsuka has been working on the regular sector as its main target market. Meanwhile, placing product quality as a guarantee of product strength that is delivered consistently to its customers. Since 2018 Otsuka has changed its market segmentation to JKN (Jaminan Kesehatan Nasional, National Health Insurance) market in accordance with market trends that were fully supported by the Government. This change caused a forcing to do business transformation in order to keep its market position as a market leader. Proper efforts need to be made accordingly so the transformation will be running as well.

Otsuka has a superior business unit Clinical Nutrition and Infusion Set Business Unit that supports 85% of the companys sales. The products produced were known to be of the highest quality among competitors with a broad range of products and were marketed by reliable marketers nationwide. In the context of market adjustments, Otsuka has made changes to the segments cultivation by targeting 80% of its sales target in the JKN segment, which was not seriously worked and took a very small portion previously. The JKN program has enormous potential as well as a big challenge in the form of demands for very low product prices.

Methodology: The transformation design used is the Indonesian Transformation Model® of PPM which links nine elements of the company to create an innovative, valuable and sustainable results (Tim Manajemen PPM, 2017). The study begins with mapping the companys position using PESTEL Model (Politic, Economic, Social, Technology, Environment, Law) and Porters Five Forces methods for external analysis and Key Success Factor for internal analysis. With the Boston Consulting Group matrix and the Grand Strategy matrix, we obtained companys position and alternative strategic directions. The choice of strategy was then sharpened by using the Decision Analysis method. Readiness of transformation internally was measured by using Quick Assessment® method, to obtain elements with which needed to get top priority for improvement. Followed by the transformation process, we designed an action plan to overcome the gap of transformation readiness and execution of selected grand strategy. Finally, we produced a roadmap strategy for the next three years.

Results: The results of external mapping show the potential of the pharmaceutical market

for clinical nutritional fluids still has potential to grow, and Otsuka as a market leader still has opportunities to maintain its position. Mapping on the BCG matrix, Otsuka was positioned at the boundary of the cash cow and the star quadrants. It was projected to lead to the star quadrant if Otsuka immediately transforms to adjust market conditions. This statement was corroborated by mapping the Grand Strategy matrix which produced alternatives of market penetration strategies, backward integration and horizontal integration. Using decision analysis, we found that the chosen strategy was backward integration by implementing strategic alliances to reorganize activities of packaging materials and supply raw materials.

Internal surveys shown that the two elements needed top priority for improvement were responsiveness to the external environment and market orientation. Otsuka was considered to be insufficiently responsive to the desires of the JKN market, which insist on cheapest price to win the auction. This was in line with difficulties faced by Otsuka in market competition, where Otsuka considered as higher prices as well as product quality. Now, Otsuka tried to play in this new field while hoping to maintain its position as a market leader by doing business transformation. A survey using the Indonesian Transformation Model® of PPM shown that the biggest gap were in the elements of being responsive to the external environment and market orientation.

Conclusions: The backward integration strategy was the best choice to make a strategic alliance with the supplier company as an effort to improve supply of packaging materials and active raw materials to reduce the cost of production and win market competition. The result would estimatedly increase gross margin to 21.30% or IDR 188 billion per year. To describe the implementation of the strategic alliance process and overcome the gap in the readiness for transformation, an action plan was made. This would use as a basis for planning. Furthermore, the planning was described in the transformation roadmap starting from this year for the next three years with the stages of consolidation for the preparatory year (2019), improvement for the first year (2020), stabilization for the second year (2021) and excellent performance for the third year (2022).

Keywords: Transformation, Organization, Strategic Management

Topic: Strategic Management

[ABS-71]
**STRATEGI BISNIS PT. WOODLAM INDONESIA ABADI,
PERIODE 2019-2021**

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Abstract

Rapid technological developments have changed many things in the construction industry, particularly in the development methods. One technologies that gives a considerable influence in this industry is a prefabricated system, where the building components have been produced previously in the factory and transported to the construction site to be assembled. Woodlam Indonesia is a new company that produces prefabricated houses for middle to upper market segments. The problem is, the use of prefabricated systems for housing construction has not been widely known by people in Indonesia. Besides educating the people continuously, Woodlam Indonesia must have another way to survive in this prefabricated housing industry. Therefore, a business strategy is needed to clarify the goals and directions of the companys work in the future.

The aim of this study is to analyze the business models that are being carried out by Woodlam Indonesia and recommend business strategies that should be implemented. The research method is descriptive cross sectional with case study approach in the company. The data collection techniques are by conducting interviews, observations, and literature studies.

Keywords: construction, prefabricated system, business strategy, business model

Topic: Strategic Management

[ABS-72]
**MAPPING OF SOCIO-ECONOMIC PROFILES FOR RIVER
WATER EDUCATION TOURISM SUPPLY CHAIN
MANAGEMENT POLICIES**

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Abstract

This research provides recommendations for action in order to reduce waste pollution, improve water quality, and strengthen the community economy through the development of alternative economies, especially those based on water-tourism through the concept of supply chain management in Saguling Reservoir inlet. There are three research questions in this study. First, what efforts can be done to improve water quality and reduce waste pollution that occurs in the Citarum River, especially in the Saguling Reservoir inlet? Second, is there a relationship between poor water quality and waste pollution with the perceptions, attitude, and behavior of people living in the Saguling Reservoir inlet? Third, what efforts can be made to strengthen the socio-economic level of the people who are in the Saguling Reservoir so that their social status is more prosperous compared to their socio-economic conditions before the Saguling Reservoir was built?

This research was conducted in Jelegong Village which is one of the villages in the Saguling Reservoir Inlet, and has been running for three months in 2017. Three villages were selected from 14 villages as research samples with different livelihood criteria to see the patterns of social-economic activities. As the research sample, Jelegong Village will be presented in this study with the livelihood of the population in the industrial field. The research method was used is Participatory Action Research (PAR), which is a research process that places respondents under study as research partners, both in the process of collecting, compiling, analyzing data, and in the process of drawing conclusion and formulating action of recommendations. This study uses five instruments that are accommodated from participatory rural action, namely social-economic mapping, village transect, seasonal calendar, diagram-venn of stakeholder, and livelihood analysis. This study involved 150 respondents from 50 families in Jelegong.

There are four results from this study, namely, social-economic profile map of the Jelegong community; recommendations for strengthening the economy of living community; a description of the perceptions, attitudes and behavior of the people related to the decline in river water quality and high waste pollution; and recommendations for action on how to reduce waste pollution in the Saguling Reservoir inlet, specifically in Jelegong region.

From these results, researcher formulated recommendations for the arrangement of the area that should be done in Jelegong Village related to water tourism. Water tourism that needs to be formed is tourism with nuances of education, and also with the existence of rivers and water quality in order to improve the welfare of living together. The

formulation of recommendations is built on the concept of tourism supply chain management on the basis of community development and education on the importance of protecting the river and water. All these results of this study offered three strategic arrangements, as follows, first, recommendations on strengthening economic behaviour and controlling pollutant behaviour; second, recommendations for piloting community-based economic development in Jelegong Village; third, recommendations on the establishment of water-based tourism in order to improve the quality of river water; and recommendation on conducting further surveys to deepen this research.

Keywords: mapping of socioeconomics, supply chain management, water-based tourism, participatory action research

Topic: Hospitality and Tourism

[ABS-74]
**THE EFFECTS OF RESOURCE MANAGEMENT TO FIRM'S
PERFORMANCE THROUGH EXPLORATORY AND
EXPLOITATIVE INNOVATIONS**

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Abstract

1. Introduction and research problem

Small firms are effective in exploring and recognizing new business opportunities, but are unable to build a strong foundation for exploiting future competitive advantage, whereas large firms are effective at exploiting competitive advantage but are less effective in exploring and recognizing new entrepreneurial opportunities (Ireland et Al., 2003). To be able effectively pursue exploratory & exploitative innovation simultaneously, a strong foundation of strategic resource must be managed, bundled and leveraged (Sirmon & Hitt, 2003; Sirmon et. al., 2007) also known as Strategic Entrepreneurship (SE.). SE. is firm's capability to exploit current competitive advantage and explore new opportunity for future competitive advantage simultaneously (Hitt et. al., 2011).

This research was conducted on real estate firms in Indonesia, which is a sector that makes an important contribution to Indonesias GDP (BPS, 2017). In the past, property industry experienced several severe crises which caused many real estate firms to go bankrupt. Nevertheless, some companies could survive the crisis and even revive. It was believed that the capability of Strategic Entrepreneurship that makes the real estate firms are able to survive.

This research will try to find answers to the formulation of the problem of this research, namely how Resource Management affects explorative innovation and exploitative innovation, and whether explorative and exploitative innovation or their integration affect firm's performance.

2. Methods

This research is a quantitative research, with analysis unit is real estate firms in Indonesia. The respondent is individual who presents the firms. The time for the survey was approximately 4 months; June - September 2016. Four latent variables are used in this theoretical model. One dependent latent variable is firm's performance and 3 independent latent variables are resource management, exploratory innovation and exploitative innovation. Six hypotesis were constructed (H1 – H6).

The questionnaires were then analysed as follow; first, factor analysis, which is the process of grouping latent variables formed by a number of operational questions, followed by bivariate correlation analysis to examine the relationship between latent variables (H1 – H4). The next stage will be inferential analysis in the form of multiple regression and overall model analysis using the seemingly causal model (SCM) method to examine the causal relationship of several variables according to the hypothesis developed (H5 – H6). All stages of the analysis above will use e-views software.

3. Results and findings

From 250 questionnaires distributed, 56 proper questionnaires (24%) returned. Results of bivariate correlation analysis show that data support the hypothesis H1 – H4 at the significance level $\alpha : 0.01$. Next, the result based on the statistical test F : $F_0 = 33,0603$ with $df = (3,50)$ and the value of $p = 0.0010$ indicates that the data support the hypothesis H5, while based on the test statistic F: $F_0 = 6.3003$, with $df = (3, 50)$ and the value of $p = 0.0010$. thus the data support the hypothesis H6.

The results above showed that the resource management positively affects exploratory innovation and exploitative and affects firm's performance. These results support finding from previous research on strategic entrepreneurship stating the importance to perform resource management and directed through exploratory and exploitative innovation simultaneously will be creating added value to the company (Ireland et. Al., 2003; Ireland & Webb, 2007). The results show that it is important to invest firms' resources that are aligned with industry standards and are leveraged according to the industrial context in order to provide maximum performance (Sirmon & Hitt, 2009).

The results also show that firms that conduct explorative and exploitative innovations simultaneously (+/- 57%) show higher performance compared to firms that only carry out explorative or exploitative innovations. Whereas companies that lacked both explorative and exploitative innovations (+/- 27%) showed lowest performance.

4. Conclusions, implications and significance

This study concludes the importance of Strategic Entrepreneurship, likewise; Resource Management which has been evolved into important theory in strategic management. Conclusions about explorative and exploitative innovation can be described in a quadrant. Firms that run only explorative or exploitative innovation are in the focus quadrant, their performance are below the firms that are in the quadrant that runs explorative and exploitative innovations in an intense and balanced manner. This result supports previous research that the balanced ambient density increases performance, while the imbalance causes the decrease performance (He & Wong, 2005; Auh & Menguc, 2005).

These results provide practical implications to managers of the firms on how they can apply Strategic Entrepreneurship, especially how to apply Resource Management and direct it through Explorative and Exploitative Innovation in balanced manner. This study also provides theoretical implications for Strategic Entrepreneurship by providing empirical research evidence that are still limited.

Limitation; this research was conducted using sectional data, while real estate have property cycle which is show different demand and supply levels. Therefore, this research does not fully capture the condition of real estate in Indonesia, and, it is necessary to be careful in interpreting the results of this study.

Keywords: Strategic Entrepreneurship, Resource management, explorative innovation, exploitative innovation.

Topic: Strategic Management

[ABS-75]
**STRATEGI BISNIS PT BAROKAH GALANGAN PERKASA
PERIODE 2020-2022 DALAM RANGKA MENINGKATKAN DAYA
SAING**

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Abstract

* Introduction: With changing times that increasingly provide challenges, PT. Barokah Galangan Perkasa needs to carry out a careful strategic planning with long-term implications, and can still be translated into a clear and measurable framework. PT. Barokah Galangan Perkasa should have a business strategy that is suitable with the current state of the environment so that it is able to compete in its industry.

* Methods: The formulation starts from analyzing the companys vision & mission, external analysis, internal analysis, EFE and IFE analysis, Competitive Profile Matrix analysis, IE Matrix analysis, TOWS Matrix, and QSPM Analysis. Data were collected from interviews with board of directors and managers with supplementary data from secondary sources and document study

* Results: Indonesias development agenda as the World Maritime Axis launched by the President of the Republic of Indonesia since 2014 has become one of the countrys strategic foundations. This makes an excellent opportunity for the progress of the domestic shipyard industry. On the other hand the number of shipyard distribution in Indonesia is still uneven. Shipyards activity are still largely concentrated in central and western parts of Indonesia. These things become opportunities in the shipyard industry. On the other hand, challenges for domestic shipyards are government policies that regulates the import duty on raw materials and shipbuilding components subject to a tariff of 5-15% VAT, while import vessels are exempted from import duty, in other words 0% VAT

PT. BGP is located in the Mahakam River which is a busy shipping lane in Indonesia with ship traffic activities that can reach up to 1000 ships per month, this geographical advantage makes a good market opportunity. PT. BGP has strengths in additional services such as fresh water and fuel refilling, PLN electricity and 500 KVA generators, indoor and outdoor warehouse facilities with complete equipment, and most importantly its competitive prices.

CPM analysis shows that PT. BGP is still unable to compete with PT. Daya Yes and PT. Galangan Kapal Lancar. The reliability of the shipyards docking and undocking facilities and the availability of spare parts and materials on time, these points are some of the weaknesses of PT. BGP aside from the availability of experts, additional facilities for ship owners, and also the most crucial thing is their slow shipbuilding process.

* Conclusions: From all of the opportunities and threats, as well as the strengths and weaknesses, a right strategy is needed to increase the competitiveness of PT. BGP. From the analysis, the most appropriate strategy to implement is the Product Development strategies. It is a way to increase value added to featured products or services in an efficient way and not bearing too much impact on production costs. Development is directed at value added services for customers, such as work process improvement, component standardization, and adding more services for example by adding more docking facilities, like floating dock or adding rail facilities to speed up the ships docking-undocking process, and increasing the number of certified workers and experts.

Keywords: Business strategy, key success factors, shipyard

Topic: Strategic Management

[ABS-76]
**THE IMPACT OF ENVIRONMENTAL PERFORMANCE AND
FINANCING DECISIONS ON SUSTAINABLE FINANCIAL
DEVELOPMENT**

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Abstract

Companies in achieving sustainability status need to establish a sustainability strategy known as a trade off strategy because it can identify the relationship between the results obtained from improvement of environmental performance and financial performance. The sustainable value approach is built on the premise that companies need economic and environmental resources to create high economic performance. The measure of success in sustainable development is not solely based on growth in financial performance, but through efforts by companies to improve environmental performance through appropriate financing decisions.

The purpose of this study is to prove empirically the influence of environmental performance, external financing decisions, external financing decisions through short-term debt, external financing decisions through long-term debt, and external financing decisions on sustainable financial development. The benefit of this research is that it can make a positive contribution to the company to apply the form of operational activity accountability in environmental aspects and emphasize the right financing decisions for the company in funding its long-term operating activities. This research samples focus on mining companies listed on the Indonesia Stock Exchange in the 2015-2018 period with meeting certain criteria.

The results obtained in this study are that environmental performance has a positive effect on sustainable financial development, external financing decisions do not affect sustainable financial development, external financing decisions through short-term debt do not affect sustainable financial development, external financing decisions through long-term debt have no effect towards sustainable financial development, and internal financing decisions do not affect sustainable financial development.

Keywords: Environmental Performance, Financing Decisions, Sustainable Financial Development

Topic: Cost Management and Accounting Management

[ABS-77]
**BUSINESS SUSTAINABILITY IMPROVEMENT FOR MSMEs:
DEVELOPMENT OF COMPREHENSIVE BUDGETING MODEL**

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Abstract

MSME (Micro, Small and Medium Enterprises) is a vital sector for the economy. MSMEs being the biggest contributor to Indonesias Gross Domestic Products (GDP) value. UMKM has wide benefits through employment and economic drive. Therefore, MSMEs need to improve business continuity through proper financial management. Comprehensive financial budgeting is one of the management tools that can be used by MSMEs. Budgeting is a planning and control instrument for organizations. This study aims to develop a financial budgeting model that is suitable for the conditions of MSMEs. The budgeting model was prepared with a comprehensive approach to facilitate MSMEs in making budgets. Using the development method, a needs analysis was carried out using interview techniques and documentation studies at 25 MSMEs spread throughout East Java. The data obtained is used as a basis for implementing the budgeting models development. Overall, the comprehensive budgeting model produced in this study can help MSMEs in making financial budgets. The budgeting model can produce more systematic financial documents for MSMEs. The financial document can be used as a reference in decision-making by the organization to improve business sustainability

Keywords: MSMEs, Finance, Budgeting, Comprehensive, Business Sustainability

Topic: Finance and Risk Management

[ABS-78]
**IMPROVING DYNAMIC CAPABILITY IN PT SUKSES PHARMA
FOR MANUFACTURING SITE**

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Abstract

Competition in the pharmaceutical industry is unavoidable. On the other hand, external factors have influenced this competition such as falling drug prices, rising raw material and labor prices, increasing regulations, and changing other business trends. This should be anticipated by the Success Pharma Site as a manufacturing industry that carries out drug production processes and offers toll manufacturing, out-licensing and product export services. Through a dynamic capability framework, Pharma Site Success is required to be able to sense, seize and reconfigure its resources to win the competition. Based on the research results, the dynamic capabilities that must be owned by the Success Pharma Site are capabilities in conducting operational processes, market research, market development and networking/alliances. After qualitative measurements, this capability is considered to still have a gap with the expected conditions, especially in the following aspects, namely the ability of employees to identify new opportunities by utilizing technology, the ability of employees to interact with external parties, databased capabilities, IT systems and technology used can help the work process operationally, and the ability of the Pharma Site Success to be able to attract external talents. Measurements were carried out by conducting a survey using a series of guide questions submitted to the operational managers of the Success Pharma Site. Based on the results of this study, several strategic plans were carried out for the next three to five years with a theme that was in line with the vision of the Success Pharma Site, namely "To Be A Global Player in the Regulated Market". Strategies to improve dynamic capabilities that will be carried out are (1) improving operational work processes by optimizing IT systems and technology; (2) building and preparing new organizations ready to conduct market research, market development and networking / alliance activities; and (3) make improvements to the system of human resources to be able to retain internal talent and attract external talent.

Keywords: dynamic capability, pharmaceutical industry, strategy

Topic: Strategic Management

[ABS-79]
**THE EFFECT OF TRAINING, WORK ENVIRONMENT AND
WORK DISCIPLINE ON MILLENNIAL GENERATION EMPLOYEE
PERFORMANCE**

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Abstract

This study aims to determine the effect of training, work environment and work discipline on the performance of millennial generation employees. Data collection techniques using a questionnaire distributed to 208 millennial generation employees. This research is quantitative by using multiple linear regression analysis. Data analysis methods used in this study are validity test, reliability test, classic assumption test, multiple linear regression analysis, T test, F test, and R test using SPSS (Statistical Package for the Social Sciences).

Based on the results of the analysis conducted, it can be concluded that training has an influence on employee performance, this can be seen from the results of t arithmetic $(8.872) > t$ table $(2,353)$. In the work environment a positive effect on employee performance, this can be seen from the results of t arithmetic $(9,981) > t$ table $(2,353)$. Work discipline has a positive effect on employee performance, it can be seen from the results of t arithmetic $(5.858) > t$ table $(2,353)$. The results of data analysis show that simultaneous training, work environment and work discipline influence employee performance with a determination coefficient R^2 of 0.822 meaning 82 percent of employee performance is affected by training, work environment and work discipline and the remaining 18 percent is influenced by other factors not included in the research model.

Keywords: training, work environment, work discipline, job performance

Topic: Human Resource or Capital

[ABS-81]
**THE INFLUENCE OF THE WORK ENVIRONMENT ON THE
LOYALTY OF MILLENNIAL EMPLOYEES**

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Abstract

The purpose of this research is to find out the influence of work environment on the performance of millennial employees in one of the Republic of Indonesia's state ministry offices.

Methods of this research is quantitative with a hypothetical testings using SPSS. The population and study sample are all employees who working in companies with minimum one year work tenure that fall into the millennial age category according to Howe and Strauss (2000). Data was collected using a questionnaire that was built based on the concept of work environment according to Sedarmayanti (2011) and employee loyalty according to Saydam (2011). There are 23 statements in the questionnaire with responses using 5 Likert scales.

From the results of descriptive analysis, the average score of respondents perception was 4.10 for work environment and 4.13 for loyalty of millennial employees. All average perception score is found higher than 80% of the highest value of the Likert scale used (4,00 from 5 level Likert scale).

From the hypothesis test results obtained: work environment has a significantly positive effect on the loyalty of millennial employees with a t count of 7.903 and a significance of 0.000. Hypothesis was accepted.

Theoretically, the findings from the results of this study have implications to support and complement the results of previous studies.

In practical management, the findings from the results of this study have implications: companies need to ensure the availability of work environment factors that have proven to have significant effects on employee loyalty. The work environment factors referred to primarily are the physical work environment (lighting, temperature, layout, and supporting equipment) and non-physical (cooperative relationships, professional colleagues, and bosses that are easily found).

From the research results, there are a number of proposals for further research: although the influence of work environment was found to be significant, the coefficient of determination was only 36.7%. It needs to be further investigated for other influential factors which are 63.3%.

Keywords: work environment, loyalty, millennial employee

Topic: Organizational Behavior

[ABS-82]
**THE EFFECT OF WORKLOAD ON EMPLOYEE PERFORMANCE
THROUGH WORK LIFE BALANCE AT THE OLLINO GARDEN
HOTEL MALANG EAST JAVA**

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Abstract

The problem that often arises in Ollino Garden Hotel Malang is high workload due high season. Therefore this study was conducted, where the purpose of this study was to find out. 1) the description of workload, work life balance and job performance at Ollino Garden Hotel malang; 2) wheter workload effect and significantly towards the work life balance at Ollino Garden Hotel Malang; 3) wheter work life balance effect and significantly towards the job performance in Ollino Garden Hotel Malang; 4) wheter workload effect and significantly towards the job performance at Ollino Garden Hotel Malang; 5) wheter workload bears indirectly effect towards job performance through work life balance at Ollino Garden Hotel Malang. This study uses an instrument in the form of a questionnaire, the results of the data from the questionnaire will be analyzed using path analysis. The population used in this study were 48 employees of Ollino Garden Hotel Malang. While the technique used is Proportionate Random Sampling, resulting in a total sample of 43 employees of all Ollino Garden Hotel Malang employees. Based on the results of path analysis, it can be seen that: 1) Workload, work life balance and employee performance at Ollino Garden Hotel Malang are categorized as good; 2) Workload has a positive and significant effect on work life balance; 3) Work life balance has a positive and significant effect on performance; 4) workload has a negative and significant effect on performance; 5) Indirect workload has a positive effect on performance through work life balance at Ollino Garden Hotel Malang.

Keywords: workload, work life balance, employee performance

Topic: Human Resource or Capital

[ABS-83]
**THE EFFECT OF SUSTAINABLE HUMAN RESOURCE
MANAGEMENT TOWARDS EMPLOYEES PRODUCTIVITY**

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Abstract

The development of the world and globalization force businesses to always develop themselves, and one of the keys to develop the business is to develop the human inside it. And to develop human resources, one can utilize a theory of Sustainable Human Resource Management (SHRM). This research is made to find out whether there is an effect of SHRM towards the Employees productivity, and the variable chosen as SHRM programs are Training and Development, Corporate Culture, and Compensation.

The research method is a quantitative descriptive approach analysis. The sample was 171 out of 300 employees of a private company in Indonesia as a study case. The number of samples in this study were determined using simple random sampling technique with slovin method. The data obtained are primary data through questionnaires and processed using statistical software. This study has fulfilled the instrument test and classic assumption test, namely: normality test, linearity test, multicollinearity test, and heteroscedasticity test.

The result of this research is that independently, all the variables significantly affect the employees' productivity with the corporate culture as the biggest factor to affect employees' productivity. The final analysis done show that all of the variables in SHRM simultaneously affect the employee productivity significantly.

Researcher's recommendation is, mainly, for the organization to improve the employees' productivity by improving SHRM, especially corporate cultures that is according to the research, gave the biggest influence to increase the employees' productivity.

Keywords: Sustainable Human Resource Management, Productivity, Corporate Culture

Topic: Sustainable Business Development

[ABS-84]
**STRATEGIC CRM IN DIGITAL BUSINESS: LEVERAGING
PROFITABILITY IN ONLINE COMMUNITY**

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Abstract

Online community business has been growing rapidly worldwide, including Indonesia. The users and businesses that employs internet as main resources keeps increasing and strat changing the behavior of consumers. It is important for business and organizations to tap the customers in digital ways by building close relationships and develop loyal online communities.

Strategic Customer Relationship Management (CRM) refers to an approach or business systems designed to manage interactions with current and potential customers. One of the most important aims of CRM is to maximize the value of each company's interactions with customers and drive superior corporate performance (Buttle, 2009). Another important and practical aim is to help companies develop relationships with customers and increase customer loyalty.

This study aims to formulate a customer relationship management (CRM) strategy, with the customer lifecycle model as the outcome, that is expected to be a tool to achieve its vision and mission in raising the market and empowering consumers. The approach used in this research is Buttles CRM Value Chain Model which becomes the main framework of research in formulating strategic CRM. The object of the study is Female Daily, the largest women online community in Indonesia with over 465,000 members. CRM strategy and the detailed customer life cycle management programs are then developed for Female Daily.

Keywords: Customer Lifecycle, Customer Relationship Management (CRM), Online Business, Online Community

Topic: Marketing Management

[ABS-86]
**BUSINESS MODEL DEVELOPMENT OF PT. XYZ USING
BUSINESS MODEL CANVAS**

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Abstract

Changes in external and internal environment often cause changes in a company's business model. For this reason, companies must have a flexible business model that is in line with the company's vision, mission and goals. The business model currently used by PT. XYZ is not able to overcome the main problems such as falling income and increasing costs significantly which resulting a very high negative profits. Thus requires a business model that can map and provide solutions to improve revenue performance and cost control. The right business model design is needed to encourage PT. XYZ to get out of the problem and able to improve its performance so that it needed several research objectives to address the problems that occurred such as identification of the company's vision, mission and goals, identification of elements in the current company's Business Model Canvas, identification of external and internal factors of the company that could affect the elements in the Business Model Canvas as well as the development of the company's Business Model Canvas to improve business performance. The methodology or type of research used is qualitative business research with a business model canvas approach that is equipped with a SWOT analysis and blue ocean strategy and data collection methods through document studies and interviews. From this study, the results of the mapping of 9 (nine) elements of the business model canvas include customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structures are obtained. The company's external and internal environment is very influential to the elements in the canvas of PT. XYZ, this is reflected in the decrease of revenue stream and the increase of cost structure which has an impact on the magnitude of the loss of PT. XYZ in 2018 and the occurrence of liquidity problem has caused payment delays of customer claims. Development of a business model canvas for PT. XYZ has been composed by taking into account the vision, mission, corporate objectives and business strategy which is implemented in 2019 to solve liquidity, profitability and solvency problems and add value innovation to strengthen the canvas elements of the business model especially in the revenue stream and cost structure so as to increase value propositions and value creation in carrying out company operations. This thesis research is also a strategic design that is directed to arrive at a managerial decision in the company that is supported by analysis and logical argumentation in exploring data and information.

Keywords: Business Model Development, Business Model Canvas

Topic: Strategic Management

[ABS-87]
DESIGN STRATEGY EMPLOYEE ENGAGEMENT IN PT. XYZ

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Abstract

1. Introduction

Employee engagement is a matter of concern for the company to be able to achieve maximum results. Same is the case with PT.XYZ, seeing employee engagement is one of the important things to get maximum results. The current condition with the success rate of employee turnover, makes the company want to see the importance of employee attachment to the company.

2. Methods

This research was carried out in PT. XYZ Jakarta, Indonesia. First method in this research is to see the level of employee engagement in PT. XYZ use Utrecht Work Engagement Scale (UWES). And the second method is to see how organization performance to engage the employee from employee perception use Importance Performance Analysis (IPA)

3. Results

Employee Engagement in PT. XYZ, is at the level not engaged. And the organization performance to see factor employee engagement is must to repair in three factor, there are infrastructure, work environment, and leader support.

4. Conclusions

Design strategy employee engagement based on three factor must be repair.

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Keywords: Employee engagement, employee engagement strategy, internal communication, competency-based training, leadership skills

Topic: Human Resource or Capital

[ABS-88]
DISTANCE LEARNERS ACCEPTANCE TOWARD E-LEARNING

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Abstract

Introduction:

In the past decade, the world of business and industry has been characterized by great attention and interest in e-learning. Regardless of the meaning of this terminology, it seems that every company planning or even implementing e-learning expects significant benefits and benefits from the choice. The most frequently mentioned benefits and advantages include savings in training costs, increased access to employee learning (especially from geographical aspects), and the development of a culture of self-learning. Service quality system in e-learning plays an essential role in the benefits of e-learning itself. This research will replicate the concepts studied by Wong and Huang (2011) and their application in Indonesia.

Not a few companies do succeed in getting benefits and benefits through the implementation of e-learning. Large companies such as IBM, Petronas, Cingular Wireless, Giant B&Q, Century 21, Cuna, Shell EP, and many other well-known companies, are proof that companies have benefited from the implementation of e-learning that they do.

This research finding was aimed to analyze the effect of e-learning service quality system on user acceptance and openness. Researchers apply the most widely used acceptance model technology - the Unified Theory of Acceptance and Use of Technology (UTAUT) - to investigate user "attitudes, intentions, and satisfaction." Besides, service quality is also a determinant of user perception, so this study uses SERVQUAL to measure the quality of information system services and analyze the difference between service expectations and actual services received by users.

Method: based on the literature review, we used UTAUT and SERVQUAL to collect survey data. A 5-point Likert-type scale-1 for "strongly disagree" to 5 for "strongly agree" – was used for all the items. We received 99 valid questionnaires from 150 respondents (66% response rate). Partial least square was used to analyze and test the relationships among acceptance of e-learning technology and e-learning system quality service.

Results: The construct validity test is measured by the loading score parameter in the research model by using the Average Variance Extracted (AVE), where the value of acceptance of e-learning (0.614) and e-learning system quality service (0.688), both more than 0.5. Reliability of the acceptance of e-learning construct above 0.7, so all the variables are reliable. The significance of the predicted model in testing the structural model, seen from the value of t-statistics between the independent variable and the dependent variable in the path coefficient table. From the path coefficient results obtained that the quality of learning affects the acceptance of e-learning technology.

Conclusion: The results indicate that high "e-learning system service quality" enhances employee e-learning satisfaction. Based on these results, organizations, after successfully introducing e-learning infrastructure, should focus on e-learning management and service operations in order to improve "e-learning system service quality" and thus increase end-users' e-learning satisfaction.

Keywords: e-learning; service quality; user acceptance

Topic: Marketing Management

[ABS-89]
**THEY ARE BUSY SO WE NEED TO MOVE: A DESCRIPTIVE
STUDY ON FEMALE ORGANIZATIONAL CITIZENSHIP
BEHAVIOUR ON TAKING THE LEADERSHIP ROLE IN
FESTIVAL KAMPUNG LABIRIN**

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Abstract

Nowadays, the development of Kampung Wisata is seen as an economic empowerment strategy from Indonesia's government. Several rural areas and suburban areas are transformed from a slump area to tourist attraction. Therefore, this initiative is taken also as an intervention strategy in community development and economic empowerment. The scope of this study only limit to the organizational citizenship behaviour of female group of Festival Kampung Labirin preparation and during the event. Though many nature of the job is mainly very masculine, such as being a field coordinator, the women group had successfully taken over the job in the leadership position.

A participatory observation during 10 months and in-depth interview were conducted to collect the data. The observation was taken place since the development of Festival Kampung Labirin, in Bogor, West Java Province from August to December 2018, until its 4th operation from January 2019 to August 2019. This observation includes the dynamics of team work within local stakeholders, local people, and the committee. Whilst the interview was taken during the launching of the festival and its four monthly operations to 4 female leaders who was performing and was taking the leadership roles.

Based on the observation and interviews, there are several findings that though during the development of the festivals, the male played a biggest role as they built and decorated the area, while female group prepared for performances. When it came to the preparation of the festival, such as trained the performer, did the promotion, and acted as a field manager, the male tended to work slowly and more inactive due to some reasons (busy for working and felt tired). On the other hand, the female took it all and prepared the team, the properties before they did their roles as part of performers itself. These behaviours indicating the organizational citizenship behaviour, in courtesy and sportsmanship dimensions as their main reason is to bring the neighbourhood alive and well-known, aiming for greater purpose for their family and neighbours.

This research conclude that female plays a role in a work with the nature of nurturing and maintaining, as they are good with coordinating and collaboration, as well as serving people. Meanwhile, male group are good for building and constructing the area. This OCB traits that seen in a female arose as they realized no one will take the roles and the

intention to see the good progress of their neighbourhood. This finding indicate that building a tourism spot by developing a local rural and slump area is seen as an effective strategy to develop its local people. This research is very important as an insight to prepare local people for the next move of tourism development.

Keywords: OCB, female, Festival Kampung Labirin

Topic: Human Resource or Capital

[ABS-90]
**INDONESIAN TOURISM 4.0: TRAVELLER BEHAVIOR IN PEAK
SEASON OF HOLIDAY**

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Abstract

Indonesia's tourism industry never ceases to grow rapidly. In 2017, Indonesia was ranked as the 20th country in the world tourist industry and ranked as the 9th fastest growing in Southeast Asia (The Jakarta Post, 2018). In early 2019, Bank of Indonesia declared that tourism is the most effective sector boosting the national foreign exchange. The government aims to achieve 20 million outbound visits from Indonesia in 2019. Most of the outbound visits from Indonesia occurred during peak season of holiday, such as the Eid holiday, school holiday, and Christmas (year-end) holiday. In this industry, Indonesian traveler becomes an important key player. They are the ones making this industry as it is now. Their behavior, especially their decision making process, is indeed crucial for the government and corporates. It is important to study what the meaning of traveling for them, how they plan their vacation, which channel they prefer (online or offline) as seller, and which aspects matter the most in deciding the destination as well as the flight operator, hotel, travel agent, etc. This exploratory study aims to investigate the behavior of Indonesian travelers using the framework of Consumer Decision Making process by Hawkins and Mothersbaugh (2014).

Through quantitative approach by survey, this study successfully gathered data from 1000 Indonesian travellers as respondents in Christmas holiday. The survey was deployed during 4 days at the airport. It aimed to gather the insights from local traveller who aged between 21 – above 50 years old. Purposive sampling technique was used when disseminating the questionnaire.

There are five steps in consumer decision making process. Therefore, there are five major results in this study. Majority of Indonesian travellers in peak season travel for holiday once or twice in a year. Three crucial objects for travellers are flight operator, hotel, and travel agent. Online channel is the most preferred channel for buying flight operator and hotel, while offline channel is the most preferred channel for travel agent. For alternative evaluation, price competitiveness remains the most important factor in buying flight operator, hotel, and travel agent. For post-purchase behaviour, Indonesian travellers love to recommend their travel experience to their family and friends and spreading Word of Mouth; a proven way of promotion in the country.

The findings of this research are expected to provide a thorough understanding towards the Indonesian travellers behaviour in peak season; the most important time for tourism

industry based on Consumer Decision Making framework. It has strong practical implications for this industry, especially for the government and private sector.

Keywords: Tourism, consumer decision making process, traveler

Topic: Hospitality and Tourism

[ABS-91]
**STAKEHOLDER'S PERCEPTION OF COMPANY AND CSR
ACTIONS—ANALYSIS OF WEBSITE MEDIA RICHNESS**

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Abstract

The management has an obligation to report all conditions and changes to stakeholders as a form of commitment and transparency in managing the company. This information will be used by stakeholders as a basis for decision making. Beside economic information, a company is currently required to submit information related to its activities including the social and environmental aspects too (Corporate Social Responsibility/CSR). Such informations about a company are no longer disclosed through financial statements and annual reports, but also delivered on websites that contain financial and non-financial information (Cho, et al., 2009). With the internet, companies are facilitated to convey their latest information to stakeholders, without waiting for periodic reports. That is because the website is a potential tool for increasing company transparency and accountability (Elkington et al., 1999). Website pages that use a variety of media such as text, photos and videos can improve the quality of the delivery of company information (Lodhia, 2004).

This study aims to elaborate on media richness theory, focusing on two things; (1) whether the content presentation on a website can change stakeholder perceptions of the company, and (2) the stakeholder perceptions of CSR actions taken by the company. This research contributes to media richness theory by explaining how much impact the completeness and attractiveness of the content on a website has on stakeholder behavior.

To test the influence of website media richness on stakeholder perceptions of the company and CSR actions taken by the company, an experimental study was conducted. The experiment consisted of two conditions that showed two different media presentations: one website that displays information with text and static images, while the other website displays information with text, images, and interactive videos.

This study uses the Mann-Whitney Test to see the effect of media use on websites on stakeholder perceptions of the company and stakeholder perceptions of the company's CSR actions. The results obtained in the form of Mann-Whitney Test significance values are below 0.05 for each variable. This shows that there are significant differences for the four variables between websites with low media and websites with high media. The average value of stakeholder perception on websites with high media richness is higher than websites with low media richness. This shows that the media richness used by a company can influence the level on perception of stakeholders towards the company. The high media richness can affect on the increase of stakeholder perceptions of the company. Moreover, there are more evidences about stakeholder perceptions of CSR in this study; there is a difference between those who receive information through a low media website and those who receive information through a rich media website. In addition, the average value of stakeholder perceptions of CSR actions of companies with high media richness also proved to be higher than websites with low media richness. Thus, it can be said that the richer the presentation of a website, the stakeholders' perceptions of corporate social responsibility actions will increase.

Keywords: Media Richness, Website, Corporate Social Responsibility

Topic: Sustainable Business Development

[ABS-92]
**THE EFFECT OF PERCEIVED ORGANIZATIONAL SUPPORT
TO EMPLOYEE'S COMMITMENT: TESTING JOB
SATISFACTION AS MEDIATING VARIABLE**

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Abstract

Employees' commitment is an important issue in organization, especially in business, since employees who commit to the organization show better performance, lower in intention to leave and increase productivity. There are some antecedents found related with employees' commitment; job satisfaction and perceived organizational support (POS). This study tries to investigate the effect of POS to employees' performance through job satisfaction, since many studies found different research findings related with mediation effect of job satisfaction toward the effect of POS to employees' performance. By doing survey toward 98 employees of Gas Station with simple random sampling technique, only 66 returned the questionnaires. The collected data then analyzed with descriptive and path analysis technique. The results showed that job satisfaction is fully mediate the effect of POS to employees' commitment. Therefore, it is important for the organization to maintain job satisfaction condition of their employees and also organizational support programs, because those factors found to be direct or indirect influenced employees' commitment to the organization.

Keywords: Perceived Organizational Support, Employee Commitment, Job Satisfaction, Mediation Effect, Path Analysis

Topic: Organizational Behavior

[ABS-93]
**THE EFFECT OF ENVIRONMENTAL UNCERTAINTY AND TOP
MANAGEMENT TEAM FORESIGHT ON BUSINESS CYCLE
ORIENTATION AND ORGANIZATIONAL AMBIDEXTERITY:
THE CASE OF MINING AND CPO INDUSTRY IN INDONESIA**

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Abstract

The ups and down in commodity prices is arguably important challenges to deal with for commodity-based firms in order to strive and survive. The increasing volatility of this business cycle has increased the difficulties in responding strategically. An empirical study has been undertaken to build an organizational model for commodity-based firms to deal with this issue fundamentally. This study used the Structural Equation Modeling–Partial Least Square (SEM-PLS) methodology to analyze 130 top management representing 99 different mining and Crude Palm Oil companies in Indonesia. It found that commodity-based firm can have better performance by being an ambidextrous organization. In order to achieve this, firms need to have orientation towards its business cycle and this orientation is determined by its top management foresight and environmental uncertainties. This study contributes to the existing literature on strategic management in relation to ambidextrous organization, managerial foresight, organizational orientation, environmental uncertainty, and its performance implications. The study provides managerial advice by proposing a model that could give valuable insights in the purpose of building business cycle ambidextrous company.

Keywords: Ambidexterity, Business cycle orientation, Top management foresight, Business performance, Commodity based firms, Strategic management

Topic: Strategic Management

[ABS-97]
**MARKETING MIX: A STUDY ON BNI'S MOBILE BANKING
SERVICE**

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Abstract

Indonesia has four banking institutions with the status of State-Owned Enterprises namely Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI), Bank Tabungan Negara (BTN) dan Bank Mandiri. Facing the marketing 4.0, banks created a mobile banking service to facilitate transactions for customers. BNI mobile banking has the lowest rating of 3.6 on a scale of 5. This study aims to analyze the service marketing mix as a marketing strategy. Data obtained through observation of 100 users of BNI mobile banking service. The results of the factor analysis show that the service marketing mix dimension that has the highest influence is the product with a 95% confidence level. Furthermore, BNI needs to develop mobile banking services on an ongoing basis in accordance with customer expectations.

Keywords: Marketing Mix, Service

Topic: Marketing Management

[ABS-98]
**PORTFOLIO STRATEGY CFU ENTERPRISE PT
TELEKOMUNIKASI INDONESIA, TBK**

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Abstract

Introduction: The purpose of this study is to identify the current and future CFU Enterprise sub-holding business portfolio of PT Telekomunikasi Indonesia Tbk (Telkom), mapping key success factors from each industry in which strategic units operate, identify strengths and weaknesses and the ability of each SBU to respond to external strategic issues, as well as the business portfolio strategy of the Telkom CFU Enterprise business group 2020-2023. Telkom is a BUMN in the field of information and communication technology (ICT) services with a TIMES business portfolio (Telecommunications, Information, Media, Edutainment and Services). Since 2016 Telkom has changed the organization from a core and adjacent-based business to a customer-centric based, known as the Customer Facing Unit / Functional Unit (CFU / FU), which aims to consolidate and manage group (divisions) and subsidiary businesses according to the portfolio one that is needed to serve its customers, one of which is CFU Enterprise which focuses on the corporate market, which consists of nine Business Unit Subsidiaries (BUS).

Methods: This research uses descriptive qualitative method. Data was collected through interviews with leaders at the CFU Enterprise Sub-Holding level and leaders at nine SBUs, as well as studies of public documents and company internal data. The analysis in this study uses the IE Matrix (Internal Factor Evaluation / IFE Matrix and External Factor Evaluation / EFE Matrix), PESTEL Analysis and Five Porter Strengths, which are used for company internal and external scanning. The BCG matrix is used to map the portfolio of nine SBU businesses.

Results: This research has been able to map the business portfolio of a subsidiary / SBU from Telkom CFU Enterprise. This research has identified the key success factors in each industry in which the SBU / CFU Enterprise Subsidiary operates. Basically the nine SBUs are in the same business stream, namely ICT (information and communication technology) services with key success factors including: professional workforce and international certification; Wide Coverage, Strong Sales & Service Network; Networking & good cooperation with technology principals; Strong engineering / Technology capability; and flexible financial capacity and budgeting processes. This research has identified the strengths and weaknesses of Subsidiaries / SBU in the CFU Enterprise environment. With functional analysis which includes four factors: human resources and organization; marketing; operational; and financials, which are then mapped into the IFE Matrix. This research has identified the ability of each SBU to respond to external

strategic issues. With PESTEL and Porters Five Forces analysis, opportunities and threats have been mapped which are then mapped in the EFE Matrix.

Conclusion: This research has mapped the business portfolio strategy of the Telkom CFU Enterprise business group 2020-2023: (1) Product development strategy (diversification) and entry into new markets with high market growth. The divestment and rethachment strategy is not an option chosen by CFU Enterprise management; (2) Build strategies: penetrate the market; product development; (3) Hold Strategy: Backward integration; Forward integration (forward integration); market penetration and Product Development / Diversification; (4) Harvest (harvest) strategy in the form of Product Development.

Keywords: Corporate Strategy, Portfolio Strategy, BCG Matrix, IE Matrix

Topic: Strategic Management

[ABS-99]
**THE IMPACT OF CUSTOMER EXPERIENCE ON PURCHASE
INTENTION IN JAKARTA'S SHOPPING MALLS**

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Abstract

1. Introduction and research problem

This study examines the factors that influence customer experience and the effect of customer experience on purchase intention. The objects of this research are shopping malls in Jakarta. The background and problems of this study arise from the presence of e-commerce, which disrupts the shopping mall industry as reflected in numerous retail spaces that have been closed in recent years. According to Pine and Gilmore (1999), customer experience is a way to compete, by creating experience through product creation and service provision to consumers. Verhoef et al. (2009) has revealed a new theory by holistically/comprehensively examining the customer experience in the retail industry. Yang and He (2011) use the basic theory of Verhoef et al. (2009) in combination with Schmitt (1999), which is then associated with purchase intentions. In view of those theoretical descriptions, the researchers have found a gap that there is no research, especially in Indonesia, which has tested the theory of Verhoef et al. (2009) by simultaneously testing the factors influencing the customer experience as well as examining the relationship between customer experience and purchase intention.

2. Methods

This research is a descriptive study with a quantitative method, which is part of the Conclusive Research Design (Single Cross-Sectional Design). The Sample Unit will be taken from the population group living in Jabodetabek with the age group of 15-39 years and is targeted at class B respondents, who came to shopping malls in Jakarta during the past 1 month. The sampling technique in use is non-probability sampling with focus on judgemental sampling, which will be continued with the selection of respondents in convenience. This research has gone through the pretest test, outliers test, classic assumption test, reliability test and validity test before proceeding with the hypothesis test using simple regression and multiple regression.

3. Results and findings

Researchers have found that service interface, assortment, price, retail brand, and social environment factors have a significant positive effect on customer experience at shopping malls in Jakarta. The atmosphere factor does not have a significant positive effect on customer experience in shopping malls in Jakarta. It is suspected that there are differences in terms of respondent's profile, place, and time of respondent taking when testing the effect of atmosphere factor on the customer experience in a shopping mall. The retail brand is the factor that has the greatest influence on the customer experience in shopping

malls in Jakarta. The customer experience factor has also a significant positive effect on the purchase intention in shopping malls in Jakarta.

4. Conclusions, implications and significance

This research proves the approach of Verhoef et.al. (2009) through questionnaires with indicator questions using references from Gentile et.al. (2007), which has been adapted to the research locations, namely Jabodetabek. These indicators are pleasure, joy, satisfaction, and beauty, which are used by researchers to assess the levels of variables in this study. Yang and He (2011) explain the purchase intention factor using 3 indicators, combined with other indicators such as cognitive goal, emotional goal, economic goal, and passive goal. Companies engaged in shopping malls are expected to be able to develop the results of this research into a strategy to improve customer experience and purchase intention based on the most important factors for consumers. For academics, it is expected that the results of this research can enrich and complement the information related to shopping or retail centres in Jakarta.

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Use APA style for references and citations. Do not number the references list. Sort the references list alphabetically. Use hanging indent.

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Keywords: Customer Experience, Purchase Intention, Shopping Malls

Topic: Marketing Management

[ABS-100]
DOES CORPORATE SOCIAL RESPONSIBILITY MATTER?

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Abstract

Introduction: what is CSR? & why it matters?

Since 2017, public companies in Indonesia are required to pay attention to the social and environmental interests that play a role in helping a company's business in a sustainable context. The program is reported in the form of a sustainable financial report or commonly called a sustainability report.

In the international world, sustainability report can be used as a company transparency regarding the impact of the business to environment and social, such as climate change and human rights. In addition to corporate transparency, sustainability reports also help companies make better decisions related to the company's social, environmental and economic aspects. One part that includes in sustainability report is the disclosure of corporate social responsibility or usually called CSR.

The definition of CSR based on the EU Commission is the concept in which companies integrate social and environmental care in their business operations activities and company interactions with stakeholders (Aras and Crowther, 2008). The application of CSR in the company began in 1970, many experts began to realize the influence and important reasons why companies need to implement CSR. The importance of companies implementing CSR is also explained through the statement by Burke & Logsdon (1996) that in the short term CSR tends to incur costs but this will have an impact on corporate profits in the long run. From the external side according to Howard R. Bowen in Melé (2008), CSR is a reflection of the responsibility of employers on the environment and social. The experts also suggest that one of the roles of accounting should be to report on the impact of the activities of the organization or company. In accordance with the information of Ballou & Heitger (2005), CSR is one of the methods used by companies to present transparent reports, accurate and reliable data, as well as present performance company as a whole.

The conclusion of the importance of companies implementing CSR is as a real disclosure of corporate responsibility due to the impact of business activities. In addition, CSR also supports the long-term sustainability of business activities and forms of transparency to stakeholders.

In Indonesia we used GRI sustainability reporting guidelines- G4 issued in last May 2013. The guidelines which contain 91 point of disclosure, helps to provide an international reference for all parties interested in the disclosure of corporate governance and environmental, social and economic performance approaches and organizational impacts. This research will limit the discussion about the effect of CSR disclosure on firm value, with profitability (ROE) as a moderating variable that happened in bank industry.

Methods

This research used a secondary data, which are provided in Bursa Efek Indonesia (www.idx.co.id) and the company website. The period used in this research start from 2014 until 2018. For analyzing data, we used statistic software called SPSS that in the end will provide some statistics tables that shows how significant and the effect of independent variable to dependent variable. There are some tests that were used in this research such as normality test, autocorrelation test and heteroscedasticity test. There isn't multicollinearity test because the research only contain one independent variable.

Findings

Based on testing that has been done, there are results showing that the significance value is 0.001 (<0.05) which states that H_0 is rejected and H_1 is accepted. So it can be concluded that CSR disclosure has a positive effect on the firm value (PER), especially the banking sector. This means that the greater disclosure of CSR make a greater firm value.

The results of this study support the opinion of McDonald & Rundle-Thiele (2008), vsványi (2009), McDonald & Lai (2011) and Mocan et al. (2015) who conducted a similar study in the banking industry in developed and developing countries, stated that reporting CSR programs conducted by the company would have a positive impact on customer loyalty, company reputation, company communication with stakeholders, which in turn would have an impact on the value of the company in market. Therefore it can be concluded that the banking sector in Indonesia is also doing the same thing, that the disclosure of CSR will have a positive effect on company value.

One factor driving CSR disclosure in Indonesia is the emergence of regulations from the OJK which said that starting in 2017, all public companies are required to report on environmental social responsibility (TJSL). It aims to increase transparency and report on corporate responsibility towards stakeholders. In the end this disclosure provides its own benefits for the company.

Conclusion

Based on the results of research that has been done, it was concluded that CSR has a positive influence on firm value and ROE which is used as a moderating variable in this study is able to be a moderator in the relationship between CSR and firm value.

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Keywords: CSR, Firm Value, Profitability (ROE)

Topic: Cost Management and Accounting Management

[ABS-101]
**STRATEGY TO PREVENT TERRORIST NETWORKS FROM
RECRUITMENT AND SELECTION OF NEW EMPLOYEES
PERTAMINA HULU ENERGY NUNUKAN COMPANY**

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Abstract

The threat of terrorism in Indonesia is quite a challenge nowadays due to the phenomenon that some terrorist actors are actually part of company employees. The process of selecting and recruiting new employees is very strategic in preventing the entry of terrorism networks into a business organization in Indonesia. PHENC as one of the largest oil and gas BUMN companies in Indonesia, namely PT Pertamina (Persero) which is being one of the operational targets of terrorists, this was obtained from the ex-combatants interviewed in this study. Terrorist teams have data and images of pipelines, wells and oil and gas refineries throughout Indonesia. The data obtained from the interviews with the combatants is their ability to recruit candidates from young people to older people from academia to religious and business circles. With the ability to recruit each year they can print 50 people with the ability to attack that can save larger victims and attacks on strategic objects with the ultimate goal of making the country improve the results of these attacks. Therefore PHENC as a national vital object (obvitnas) needs to have a strategy to prevent the defense terrorism network in the recruitment and selection of new employees.

This research uses applied research using qualitative methods that do not use statistical data and narrative translations. Narrative means this research details about research on the object of research. Qualitative data in this study were collected by written interview method with several representatives of PHENC management. The analysis technique used is descriptive analysis.

The analysis result shows that currently PHENC has not conducted a Background Check (BC) in the recruitment and selection process of new employees. Beside that, recruitment and selection was found as security threat in risk register of PHENC. The design of strategy to prevent the terrorism network in the recruitment and selection of new employees, it is proposed to consist of three parts. The first part is for new permanent employees of PHENC. The second part is intended for new outsourcing employees and the last part is the implementation of an integrated security management system (SMP). The design of the strategy can be implemented through eight steps.

Keywords: terrorism, recruitment and selection, risk management, security management system

Topic: Human Resource or Capital

[ABS-102]
**INVESTMENT DECISIONS AND INVESTOR EXPERIENCE IN
CHOOSING FINANCIAL TECHNOLOGY (FINTECH) SERVICES:
PEER-TO-PEER LENDING**

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Abstract

1. Introduction and research problem

The development of information technology has an impact on the financial services industry with the advent of financial technology (FinTech) products. The Financial Services Authority (OJK) defines FinTech as utilizing the development of information technology in improving services in the financial industry. The OJK has classified FinTech in Indonesia into 5 major groups including (1) digital payment systems, (2) Financing & Investment, (3) information & feeder side, (4) account aggregator and (5) personal finance.

P2PL is a financial technology (FinTech) product. Peer-to-peer lending provides an opportunity for a investor to provide funds/capital loans to people who need funds directly through a digital platform. P2PL is seen as an attractive investment instrument because it offers a high rate of return when compared to conventional investment instruments. The growth of the P2PL company was also welcomed by the community who contributed to becoming a borrower or becoming a lender. The presence of P2PL was quickly utilized by the people who needed a fast loan. The number of borrowers calculated based on the number of accounts increased by 786.5% from last year, so that as of September 2018, the number of borrowers was 2.3 million borrower accounts. So far, 85.6% of borrowers still come from Java. However, from year to year funding has begun to flow to regions outside Java, which was only 3.3% of the total number of borrower accounts in Indonesia in December 2016, to 14.4% (September, 2018).

Garman et al. (2008) states that investors are one of the keys to success in the sustainability of the P2PL industry. Investors are looking for loans that can be funded as an alternative investment or additional investment instruments that have been owned. Jahanzeb and Muneer (2012) state that the decision making process is a complex cognitive process for choosing an alternative among the other available alternatives. In this study, researchers will provide a perspective on how investors decide to invest and how the process of selecting P2PL companies in Indonesia and the experience of investors in investing in P2PL. Investor experience is expected to provide insight for individuals who want to learn and consider P2PL as an investment alternative.

2. Methods

This study uses a qualitative approach to view investor perspectives on P2PL as an alternative investment. Researchers conduct in-depth interviews with informants

(investors). Researchers conduct an inductive process by building patterns, categories and themes starting from data and then entering into more abstract units of information. This process is repeated until the researcher can build a complete theme from all the data he has. Further more the deductive process is also carried out when a theme has been obtained to see and ensure the evidence supporting each theme is sufficient. If it is still lacking, researchers will look for and recombine other information. The research protocol that has been made acts as a guide for researchers but may change according to the response of the informant.

Research informants deliberately and purposefully selected are individuals who have become lenders on the P2PL platform in Indonesia. Investors who are to be investigated are not limited to a particular P2PL platform or have joined within a certain period of time. The number of informants who were the sources of this study were 8 people consisting of 3 women and 5 men. The number of informants is considered sufficient by the researcher based on the saturation principle. The study lasted for four months which ran from October 2018 to January 2019.

In the analysis phase, the researcher combines the data into a small number of themes by coding in verbatim obtained from the previous step. Coding itself is a process of organizing data by collecting pieces and writing certain categories based on information obtained (Rossman & Rallis, 2012). This study uses several procedures to test data validation, namely triangulation and peer review conducted on interview data sources obtained from various perspectives and participant experiences.

3. Results and findings

Investors decision to invest in P2PL is a decision that is driven by various factors. Rationally, an investor who has a neutral and profit-oriented risk appetite will channel funds if they get at least the same return as other investment alternatives. In a rational situation, investors will consider the rate of return and risk that must be borne by investors. The rate of return offered by P2PL tends to be higher compared to other conventional investment instruments such as stocks, bonds and others. This is an attraction and is also a consideration for investors in choosing a P2PL company with other companies and determining the sustainability of the investments made. Financial aspects are risks that need to be borne by investors for the returns obtained. In addition to the financial aspect, there are other aspects that are also a consideration of investors investing in P2P which is classified in non-financial aspects. The first non-financial factor is the ease in the investment process felt by investors. This ease is felt in the investment process and there is an assumption that investing in P2PL does not require special education or knowledge. The second non-financial factor is the social impact. This social motivation becomes one of the motives in participating in P2PL (Gerber et al., 2012).

Investors also need to make a decision to choose the P2PL platform that will be used from the many P2PL platforms in Indonesia. This decision-making process begins with gathering information related to the borrower provided by the platform and also considering previous investment experiences that others have. This experience and information will be taken into consideration for investors choosing criteria and evaluating the creditworthiness of borrowers. An evaluation of credit worthiness will lead investors to choose a borrower that suits their risk appetite and expected rate of return.

4. Conclusions, implications and significance

P2PL is an alternative investment that is calculated by investors. P2PL has its own appeal because it offers a greater rate of return when compared to conventional investment instruments such as deposits and mutual funds. In the process, investors will choose their own borrowers to be funded. This is done by considering the credit worthiness and risk of each borrower to the risk appetite of each investor. Information about borrowers provided by the P2PL platform allows investors to conduct credit worthiness assessments even though they do not have the ability to do risk analysis that is normally done by banks. This is what builds the perception that P2PL is an easy investment instrument. Ease of that both in terms of access and investment processes that make investors from all walks of life can invest.

The business mechanisms used on the P2PL platform in Indonesia are very diverse. Through the P2PL platform, investors also provide social impacts for people who are specifically funded in certain segmentation of borrowers such as for example micro-entrepreneurs in areas that are difficult to access finance or in certain lending allocations such as the need for education and health costs. In the decision-making process, investment experience will affect the perspective of investors in making an assessment, especially when evaluating the credit worthiness of a borrower. Through experience investors will eventually have their own valuation criteria which are believed to be the right parameters in selecting borrowers. This experience is not only beneficial for investors themselves but also beneficial for decision making by investors who have just started investing. Here, discussion forums that discuss investor experience become one of the important information channels and are used by investors to be able to know and take lessons so as to minimize the wrong decision making.

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Keywords: Peer to peer lending, investment decision making process, investment experience, financial technology, investment motivation

Topic: Finance and Risk Management

[ABS-103]
**CELEBRITY ATTITUDE, ADVERTISING ATTITUDE,
CELEBRITY MATCH-UP AND THE EFFECTS ON BRAND
ATTITUDE: INVESTIGATION IN INDONESIAN ADVERTISING
CONTEXT**

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Abstract

INTRODUCTION

Celebrity endorsement is the practice of using artists or popular persons to become a spokesperson or an icon of brands that are advertised through various available media. The use of celebrity in advertisement has been a common marketing practice worldwide when celebrities support the advertised brands (Shimp, 2003; 2008). Various studies have been done to investigate the effects of such endorsement, including the effects on brand awareness, brand attitude and purchase intention. However, there is still limited research accomplished to reveal the fundamental and factual depiction of the effect such phenomena of celebrity endorsement in advertisements. Further, there has not been rich research investigating how the celebrity endorsers suit the advertised brands (celebrity match-up).

The objective of the current research is threefold. First, exploring the most recalled endorsed-advertisements. Second, investigating the evaluative measures of endorsed advertisement such as ad recall, brand attitude, attitude toward celebrity endorser, and celebrity match-up. Third, exploring the interplay relationships among important concepts within the topic of celebrity endorsement that include the effects of attitude toward celebrity, celebrity match-up, attitude toward the advertisement, brand attitude and purchase intention (Menon, Boone and Rogers, 2001; Holmes and Strutton, 2008; Till and Busler 2013).

METHODOLOGY AND RESULTS

A mixed method of qualitative and quantitative procedures is conducted in three consecutive studies. Study 1 involves interviewing 80 subjects to explore and collect the most recalled recent advertisements that involve celebrities as the endorsers in Indonesian advertisement practices. The result is the list of 22 most recalled advertisements that in turn will be used as the basis for the next study.

Study 2 entails an online survey to gain responses from 329 respondents. The result of this study is to acquire descriptive effect evaluations of the use of celebrity endorsers in the advertisements. In this study, table showing sorted frequencies is presented and accordingly we have the results of which advertisements, celebrities and brands with highest recall, highest attitude and highest celebrity match-up level. Means of the

audience evaluation of the measured concepts (such as the level of celebrity attitude, advertising attitude, celebrity match-up and brand attitude) are then presented.

Using the same data set, Study 3 investigates the interplay relationships among the explored concepts. All scales to measure the related concepts are adopted from the extant literature after assuring the reliabilities and validities of each measurement. Non-parametric procedures using Kruskal Wallis are performed to test most of the relationships since the classical assumptions are violated. Results show that all explored relationships are significant. More findings and implications are then discussed.

Keywords: Celebrity Endorser, Brand Image, Brand Personality, Celebrity Image, Celebrity Attitude, Advertising Attitude, Brand Attitude, Celebrity Match-up, Purchase Intention

Topic: Marketing Management

[ABS-107]
**SOCIAL RETURN ON INVESTMENT (SROI) FOR CIVIL
SOCIETY ORGANIZATION (CSO) IN INDONESIA A CASE
STUDY OF RUMAH DONGENG PELANGI**

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Abstract

PURPOSE AND BACKGROUND

As the rising on the number of civil society organization (CSO) every year in Indonesia, the need to fulfill the financial resources is crucial and important. The CSO usually divided their financial capital into two usage, donation or event budget and operational cost (Rumah Dongeng Pelangi, 2019). To fulfill both, most of CSO have two sources of financial capital, internal and external sources. The existence of Social Return on Investment is crucial to be the indicator to justify the usage of the donation received from the donors. The SROI could be used to help the CSO to predict the social value will be created by the program they designed, also to help the donors to know the social value they are expecting when they donate their fund. However, the knowledge regarding the SROI concept in Indonesia generally, and the CSO specifically is still low. Many of the CSO still used faith-based relationship and undefined standard of value added (Rumah Dongeng Pelangi, 2019).

The paper evaluates the social return on investment for an Indonesian CSO focusing itself on the early child education through storytelling method, Rumah Dongeng Pelangi (RDP), operates in Jabodetabek. In this particular paper, the programs will be observed and evaluate are the annual and continuous programs that have been continuing for more than 3 years in a row. Those programs are Ramadhan Bucket List, Christmas Bucket List, Satu Kakak Satu Adik (One Brother One Sister), and Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children).

METHODELOGY

This research was carried out by reference to methods, principles, and guidelines of SROI measurement promoted by The SROI Network UK (Social Value International). The evaluation takes place on August to September 2019 by evaluating the data within the last three years. The information needed was gathered by doing in-depth interviews to the key stakeholders for each evaluated programs.

RESULTS

The key finding of this research is that the SROI of four annual programs of Rumah Dongeng Pelangi is 3.95 This result shown that for every one rupiah donated through Rumah Dongeng Pelangi, the social impact given could be monetized as Rp3,95.

The stakeholders for some programs are mainly similar like Ramadhan Bucket List, Christmas Bucket List and Satu Kakak Satu Adik (One Brother One Sister) since all these programs are focusing on the charity for foster children. The most difference stakeholders are Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children) program, because this program was design to give teaching session for low-budgetted early child schools.

Both Satu Kakak Satu Adik (One Brother One Sister) and Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children) have the longest impact duration which is 5 years. The impact duration for other programs are 3 years. The impact of Satu Kakak Satu Adik (One Brother One Sister) program was caused by the impact and experience gained from having more intimate relationship between the “Kakak” and “Adik” for a day. Meanwhile the impact of Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children) could be long since the shared value is an education methods that could be used for a long time with a little adjustment along the way.

CONCLUSION

The SROI of four annual programs of Rumah Dongeng Pelangi is 3.97. The impact of the programs spread widely to the stakeholders of every program. Satu Kakak Satu Adik (One Brother One Sister) is the most impactful program, yet both with Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children) have the longest impact duration. Both programs have their own strength to have the longest duration of impact.

The evaluation of SROI done to the four annual programs of Rumah Dongeng Pelangi shown that the organization could maximize the capitals it has. It shows that the programs Rumah Dongeng Pelangi designed already executed correctly and effectively. There could be more impactful program that Rumah Dongeng Pelangi held that could have bigger impact with longer impact duration.

It is recommended to Rumah Dongeng Pelangi to maximize the utilization of its volunteers. Based on the recorded past event and the human resource record, the number of the passive volunteers is quite high. Only when all of the volunteers were utilized then the SROI of Rumah Dongeng Pelangi could be higher even without creating any other program.

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Keywords

SROI, CSO, Social Return on Investment, Impact on Program, Storytelling
JEL Classification
A13, L31, P31

Keywords: Social Return on Investment, CSO

Topic: Sustainable Business Development

[ABS-108]
**INOVASI PLATFORM: A STUDY ON DONORS AT
KITABISA.COM**

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Abstract

Technology and the internet are two things that cannot be separated in the digital age. Both become tools that can encourage various sectors, for example the economy, communication, transportation including charity activities. Considering that Indonesia is a country that has mutual cooperation principles, the kitabisa.com platform was created to facilitate the community in carrying out social activities. If previously the activity of charity is done directly, after the innovation platform for charity activities can be done online. This study aimed to determine the effect of platform innovation on the intention to make donations. The research method used to test the research hypothesis is quantitative descriptive Structural Equation Modelling (SEM). Data obtained through filling out questionnaires by 100 respondents who already have an account kitabisa.com. The results of hypothesis testing indicate that platform innovation influences the intention to make donations at a 95% confidence level. As an innovation, kitabisa.com platform has succeeded in changing peoples behavior in doing charity activity.

Keywords: Product innovation; Purchase intention

Topic: Marketing Management

[ABS-109]
**EFFECT OF WORK ENVIRONMENT, ORIENTATION, AND
EXPERIENCE OF INTERNSHIP ON SUCCESSFUL ADAPTATION
OF WORK FOR FRESH GRADUATE GENERATION Y NEW
EMPLOYEES**

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Abstract

According to Ministry of Research, Technology and University, there are 750 million fresh graduate in every year. Survey from Monster.com in 2018 found 29% fresh graduate new employee quit their first job in less than a year of joining, most of them because of under-prepared in their first job so it is difficult to adapt.

This study aim to find out effect of work environment, orientation and experience of internship on successful adaptation of work for fresh graduate generation Y new employees. This study used a sample of 75 people, the questionnaire data was then processed using multiple linear regression tests which included t-tests and F-tests. The test results decided that the orientation period and internship experience had a positive effect on the adaptation of fresh graduate generation Y employees. While the work environment has no effect on the adaptation of Generation Y fresh graduate employees. Together (simultaneously) the three factors (work environment, orientation period, and internship experience) have a positive influence on the adaptation of Generation Y fresh graduate employees.

From the results of 75 questionnaires also found 61 people (81.3%) need less than six months, eight people (10.7%) need six months, two people (2.7%) need 7-12 months, and four people (5.3%) requires more than 12 months from the first day of work to adapt.

Keywords: Work Environment, Orientation, Internship, Employee Adaptation, Generation Y

Topic: Human Resource or Capital

[ABS-110]
**ANTECEDENTS OF INTENTION TO SUBSCRIBE PAID DIGITAL
NEWS APPS**

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Abstract

Internet has brought fast-growing news media business. By utilizing digital technology, access to information is fast, easy and convenient while often freely obtained through online sites and social media. Despite the widespread access to free news information, a number of players in the news media industry remain optimistic about running a digital news application business with subscription-based paid content. By combining the Technology Acceptance Model (TAM) and Theory of Planned Behavior (TPB), this research conducted approaches to identify the antecedents that influence individual intentions in subscribing to digital news applications.

Seven hypotheses were built to determine the variable correlation in TAM and TPB towards the intention to subscribe to digital news applications. An online survey is conducted with 310 respondents who are users of digital news applications. Structural Equation Model (SEM) method assisted by AMOS 23 was used for the data analyses. We aim this research to add references that can implement the use of TAM and TPB and the development of marketing strategies for application-based digital media businesses.

Keywords:

INTRODUCTION

Several researches have designated the behavioral intentions of technology acceptance. Only a few researches built the derivatives, the author has not found research that discusses antecedents of individual intentions using digital news, especially in Indonesia. Thus not yet described what factors cause consumers to have the intention to improve digital news applications. This research uses several previous research references that use Theory of Planned Behavior (TPB) and their derivatives, and bears a resemblance to the object of research based on the adoption of information technology and the factors that influence (antecedents) individuals intention towards receiving (using, buying, subscribing) application products based on digital technology.

HYPOTHESES

Seven hypotheses are built from six variables with two exogenous variables; (1) control of perceived behavior (PBC) and (2) subjective norms (SN), and four endogenous

variables; (1) perceived ease of use (PEOU), (2) perceived benefits (PU), (3) attitude of use (A), (4) intention to subscribe (ITS).

METHODOLOGY

This study uses descriptive and explorative methods, with 310 respondents using digital news applications in multiple areas including the major cities in Java and the majority of DKI Jakarta. Two steps approach of Structural Equation Modeling are employed to test the measurement model, structural model as well as the competing model of the conceptual framework. The path analyses are then reported and discussed.

CONCLUSIONS

The survey response defines that majority of respondents read digital news applications every day, but most never subscribe. One out of seven hypotheses tested in this research was not proven, namely the effect of the direct relationship of perceived behavioral control variables to the intention to subscribe to digital news applications. The rests of the hypotheses were proven giving effect to intention to subscribe to digital news application. However, subjective norm variables become the most dominant variables that influence directly or indirectly on the intention to subscribe to digital news applications. The results of this study support the merging of the TPB and TAM models.

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Keywords: TAM, TPB, Intention to Subscribe, Digital News Application

Topic: Marketing Management

[ABS-112]
**THE VALUE RELEVANCE AND SUBJECTIVITY OF OTHER
COMPREHENSIVE INCOME**

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Abstract

PURPOSE/AIM & BACKGROUND

The financial statements issued by the company contain information about the condition and performance of the company during the related period. Information in financial statements is useful for users of financial statements for decision making as investors for investment decision making. In 2013, the Financial Accounting Standards Board (DSAK) in Indonesia revised the Statement of Financial Accounting Standards (PSAK) 1 regarding the presentation of financial statements which added the components of other comprehensive income (OCI) to the statement of profit or loss and other comprehensive income. In measuring and evaluating component of OCI, subjectivity is contained due to estimations, assumptions, and judgments (Rissi, 2016). The component of OCI consists of unrealized gains or losses that provide more comprehensive information to users such as investors for investment decisions. Company managers provide information through accounts that signal investors to help make investment decisions (Godfrey et al, 2010). Value relevance is measured by the ability of information in financial statements to convey information that affects stock prices (Francis and Schipper, 1999). This research will discuss the effect of the income statement and other comprehensive income, namely net income, comprehensive income, other comprehensive income, other comprehensive income with low subjectivity, and other comprehensive income with high subjectivity to stock returns. This research was conducted on infrastructure, utilities, and transportation companies listed on the Indonesia Stock Exchange in the 2014-2018 period.

METHODOLOGY

In this research, panel data regression analysis using Eviews software consists of 3 models to be selected, namely the common effect model, fixed effect model, random effect model. To estimate the regression model that will be chosen, 3 tests were performed to select the most appropriate model to use. The first is the chow (likelihood ratio) test to determine the chosen common effect model or fixed effect model. Second, the thirtest test to determine the fixed effect model or random effect model chosen. And third, lagrange multiplier (LM) test to determine the common effect model or random effect model chosen. Then, the researchers conducted hypothesis testing. First, a partial test (t test) to see the effect of the independent variable partially on the dependent variable (Kurniawan, 2016) and secondly, the coefficient of determination (R²) to find out how much the variation of the independent variables can explain the dependent variable (Nachrowi and Usman, 2006).

FINDINGS/RESULTS

In this study, the selected regression model is the common effect model and the test results are as follows:

Variable	Coefficient	Std. Error	t statistic	Prob.
NIPS	0,216299	0,069499	3,112242	0,0033
CIPS	-0,164921	0,057706	-2,857933	0,0065
OCI	-0,131916	0,045250	-2,915241	0,0056
SEC	-0,035861	0,030225	-1,186465	0,2418
N_SEC	-1,69E+14	1,19E+13	-14,25640	0,0000
C	1,056112	0,046713	19,65747	0,0000
R-Squared	0,185315	Adjusted	R-squared	0,092737

(Table 1 - The Results of Common Effect Model with Eviews 9)

From table 1, it can be seen that the net income variable (NIPS) has a positive effect on stock returns, comprehensive income (CIPS), other comprehensive income (OCI), and other comprehensive income with high subjectivity (N_SEC) has a negative effect on stock returns, and other comprehensive income with low subjectivity does not have a negative effect on stock returns. The adjusted R-squared value is 0.0927, which means 9.27% of the independent variable can explain the dependent variable and 90.73% is influenced by other variables.

CONCLUSIONS

In infrastructure, utilities, and transportation companies listed on the Indonesia Stock Exchange, net income has value relevance that is responded positively by investors. Comprehensive income, other comprehensive income, and other comprehensive income with high subjectivity have value relevance but are responded negatively by investors. While other comprehensive income with low subjectivity does not have value relevance. 9.27% of the independent variables can explain the dependent variable and 90.73% are influenced by other variables.

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Keywords: net income, comprehensive income, other comprehensive income

Topic: Finance and Risk Management

[ABS-113]
**SOCIAL AND ENVIRONMENTAL DISCLOSURE AND EARNING
PERSISTENCE: EVIDENCE MINING SECTOR IN INDONESIA**

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Abstract

Introduction

Earnings persistence occurs by several factors such as innate factors (company age, company size, competition) and discretionary factors (risk aversion, auditor quality) (Francis et al., 2004; Mahjoub & Khamoussi, 2012). Other factors that can influence earnings persistence are non-financial aspects such as social and environmental. Companies executes good social and environmental activities, have a tendency to provide higher quality earnings information to attract investors (Mahjoub & Khamoussi, 2012). On the other side, two of the financial factors are the level of sales volatility and debt levels. Volatility sales illustrates the quality of profits (Mahjoub & Khamoussi, 2012) because it has an effect on the level of profits that will cause a lot of changes (noise) (Fanani, 2010). On the other hand, if the companys profits are unable to pay the interest expense (due to debt) and its principal, then it will lead to failure and is believed to be unable to obtain a stable profit (Fanani, 2010).

In previous studies explained that the quality of information available on CSR (Corporate Social Responsibility) can improve company performance, especially profitability (Bidhari, Salim, & Aisjah, 2013). Other studies explain that social and environmental policies have a positive relationship with earnings quality (Mahjoub & Khamoussi, 2012). According to Laksmana & Yang (2009), companies that disclose social and environmental information on the financial statements, have stable earnings that affect earnings persistence compared to other companies. This research is focused on social and environmental disclosure on CSR reports on earnings quality which is used as a proxy for earnings persistence with sales volatility and debt level as moderation variables. The research also focused on sectors that have direct social and environmental effects, evidence from the mining sector in Indonesia. This research was conducted in Indonesia from 2014 to 2018.

Methodology

This study uses simple and multiple linear regression with interaction term for determining moderating variables. We also do classic assumption test beforehand such as normality test, heterocedasticity test and multicollonierity test. This study uses 3 Models to determine its hypotheses.

We use 210 data from mining sector in Indonesia which are processed with purposive sampling. Then we obtained 41 sample data. This study uses social and environmental disclosures with the GRI-G4 index (and only concern about social and environmental

category), earnings persistence using a proxy earnings quality (this proxy is a negative coefficient value from the annual earnings regression model (AR1 model) with the following calculation (Fanani, 2010; Francis et al., 2004; Mahjoub & Khamoussi, 2012)), sales volatility with sales variation and debt levels with DTA (Debt to Asset Ratio). This study also uses control variables such as company size variables (log to total asset) and audit quality (dummy variables of big4 and non-big4 company).

Result and Discussion

Model 1 (Simple regression analysis between social and environmental disclosures and earning persistence)

Based on the regression results, the F test value is 0.0165. So it can be concluded that the sed (social and environmental disclosures) variable simultaneously has a significant influence on earnings persistence (PERST). It can be seen that the R-Squared value of 0.2131 which means that all independent variables can explain the PERST variable of 21.31%. The minus sign on the regression coefficient ($\beta_1 X_1 = -0.3947378sed$) indicates that the relationship between disclosure of social and environmental activity with earnings persistence is negative. In this case, the lower PERST value indicates more persistence. In column P> (t) it is explained that the level of sed variable is 0.024 which is less than 0.05. Therefore it can be concluded that the sed variable significantly influences the PERST variable with function model $PERST = 8,473478 - 0,3947378sed + e$.

Model 2 (Multiple regression analysis between sed and PERST with volatility sales as moderating variable) and Model 3 (Multiple regression analysis between sed and PERST with debt level as moderating variable) partially both of them do not significantly influence to dependent.

Conclusion

This study aims to determine the effect of disclosure of social and environmental activities on earnings persistence in the mining sector in Indonesia. In addition, it is also to find out the effect of disclosure of social and environmental activities on earnings persistence with interactions shown in moderating variables such as sales volatility and debt levels. Based on the results of research and discussion and analysis of research, it can be concluded that in the mining sector in Indonesia, social and environmental disclosures on earnings persistence has a significant effect. On the other hand, moderating variables such as sales volatility and debt levels, apparently do not have a significant effect on the relationship between disclosure of social and environmental activities on earnings persistence. This can be due to the level of variation in sales and the level of debt is different from the implications of the results of previous studies. In addition, this study uses a purposive sampling method in sampling. On the other hand, this research was first carried out in the mining sector in Indonesia. There are a number of suggestions given so that it can be utilized in subsequent studies, which can use other moderation variables such as (1) the level of cash flow volatility, because in several studies have shown the consistency of research results in their effects on earnings persistence. Other research explains that if there is a high variation in cash flow, it will affect the companys profit. which (2) with Book-tax-difference, because in several studies explain that the difference in the calculation of commercial tax on corporate profits with fiscal profit calculations related to information on corporate profits.

Keywords: Corporate Social Responsibility, Earning Persistence, Social and Environmental Disclosure

Topic: Cost Management and Accounting Management

[ABS-114]
**THE EFFECT OF PERFORMANCE EXPECTANCY, EFFORT
EXPECTANCY, SOCIAL INFLUENCE, FACILITATING
CONDITIONS, SELF-EFFICACY AND AFFECT ON
BEHAVIORAL INTENTION (CASE STUDY ON DKI JAKARTA
RESIDENTS IN USING DIGITAL FINANCIAL SERVICES: PEER
TO PEER LENDING DIGITAL**

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Abstract

1. Introduction and research problem

The growth of Financial Technology (Fintech) services in Indonesia is a form of development of financial services in the digital era. Google and Temasek survey results (December 2018) showed that the digital economy in Indonesia could grow 100 billion US dollars in 2025. This makes Indonesia the largest market for digital economy penetration compared to other countries in Southeast Asia. The presence of Fintech is expected to increase financial inclusion which is considered to be able to reduce some socio-economic problems such as more equitable financial distribution so as to realize the financial independence of the community, reduce poverty and unemployment.

Peer to Peer Lending (P2P) is a type of Fintech service that provides Information Technology-Based Money Lending and Borrowing services and has been officially regulated by the Financial Services Authority (OJK) through OJK regulation number 77/POJK.01 / 016. As of January 2019, there are 99 digital platforms in the Peer to Peer Lending category that have been registered with the OJK.

In this study, researchers used two theories that can explain the level of understanding and acceptance of individuals in studying the use of digital technology-based financial services. The first theory is The Unified Theory of Acceptance and Use of Technology (UTAUT) proposed by Venkatesh et.al (2003) and the second theory is Social Cognitive Theory (SCT) put forward by Compeau & Higgins (1995). The variables used are Performance Expectancy, Effort Expectancy, Social Inflation, Facilitating Condition, Self-Efficacy, Affect, Trust, Reputation and Anxiety towards Behavioral Intention. Research subjects in DKI Jakarta have the population with the highest literacy and inclusion in Indonesia.

2. Methods

The study was conducted in March-April 2019 by conducting a survey of 450 respondents. The determination of the sample is used based on a purposive sampling technique, based on the population of the population in DKI Jakarta of 10,467,600 people (Badan Pusat Statistik, 2018). The results of calculations based on Krejcie and Morgans table showed a minimum of 384 respondents.

This survey uses a Likert scale which aims to measure peoples attitudes, opinions and perceptions about the use of P2P (Sekaran, 2013). Researchers conducted a preliminary test to 30 respondents aiming to measure whether the questions in the questionnaire were appropriate to measure the variables to be measured on a small scale first. The analysis technique used is multiple linear regression to explain how much influence the independent variable has on a dependent variable. The SPSS application is used to process and analyze survey results.

3. Results and findings

The results of the analysis show that Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, Self-efficacy, Affect, Reputation, Trust and Anxiety have simultaneous significant effects on Individual Behavioral Intention in Using Digital Peer to Peer Lending Financial Services in DKI Jakarta is positive that is equal to 90.9%. The results of this study stated that Reputation did not have a positive and significant effect on the Behavioral Intention variable. If it is related to the demographics of the respondents in this study, it can be said that millennial generation does not consider the reputation of Peer to Peer Lending service provider to be important. The Trust does not have a positive and significant effect on Behavioral Intention. This result is contrary to previous research that the Trust variable has a positive and significant effect on the Behavioral Intention. For millennials, the trust variable has full confidence in the security of digital financial services. Peer to Peer Lending, because it has been clear and transparent the entire explanation both from the procedure from start to finish until the service system works and the millennial generation has trusted the authorities such as the Financial Services Authority (OJK) and legal entities can deal with things that should happen if it is not desired. The results of this study stated that the Anxiety did not have a positive and significant effect on the Behavioral Intention variable.

4. Conclusions, implications and significance

The conclusion of this study is the independent variable Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Condition, Self-efficacy and Affect has a significant effect. while Reputation, Trust and Anxiety do not have an influence on Behavioral Intention in Using Digital Peer to Peer Lending in DKI Jakarta. Researchers have some suggestions that can be given as the first, the need for the addition of other variables studied also the expansion of the scope of the research area. Second, this research can be used as input as an evaluation for the parties providing digital financial services, especially Peer to Peer Lending, with the aim of maintaining and improving the performance of the institution and making input as consideration in developing the companys strategy going forward.

The limitation of which is the area coverage in this study is only the DKI Jakarta, and the factors that influence in this study are only taken from the two latest theories, namely Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Condition, Self-efficacy, Affect, Reputation, Trust and Anxiety, while there are many other factors that affect individual Behavioral Intention in using Peer to Peer Lending digital financial services. The test results of this research variable have a positive value of 90.9%, the remaining 9.1% is influenced by other variables outside this study.

Keywords: Financial Technology, Peer to Peer Lending, UTAUT, SCT

Topic: Finance and Risk Management

[ABS-115]
**HOW TO DETECT TAX AVOIDANCE THROUGH FINANCIAL
STATEMENTS**

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Abstract

1. INTRODUCTION

The tax is a levy from the government aimed at taxpayers according to the law, and the levy is coercive that aims to cover state expenditure and the cost of developing the country and the community does not get reciprocal services directly (Darmawan et al, 2014). Taxes are a source of income for the state, whereas for companies, taxes are a burden that will reduce the company's net profit. Differences in the interests of the tax authorities who want large and continuous tax revenues are certainly contrary to the interests of companies that want minimum tax payments (Kurniasih et al, 2013).

In this paper, we discuss how to detect tax avoidance treatment through financial statements using the profitability, leverage, firm size proxy, and tax avoidance measured using Cash Effective Tax Rate (CETR). This paper also uses data from mining companies listed on the Indonesia Stock Exchange in the period 2013 to 2018. The selection of this period was carried out to interpret the latest situation.

2. METHODS

This research uses the secondary data that obtained from the Indonesia Stock Exchange which can be accessed through www.idx.co.id. The population used in this research is mining sector companies listed on the Indonesia Stock Exchange in the 2013-2018 period, amounting to 49 companies. The sampling technique in this study uses purposive sampling, which is a data collection technique that uses certain criteria. For processing the data using assistance from the Statistical Product and Service Solution (SPSS) version 20 program.

3. RESULTS

After applying purposive sampling, 8 companies were found that fit the existing criteria. After running the test with the help of SPSS 20, the test results in the t test results for profitability, it shows a significance value of $0.493 > 0.05$ (p value) so that it can be concluded that profitability has no significant effect on tax avoidance (with a significance value $< 5\%$). That is, changes in the value of profitability do not affect the company's decision to avoid tax. And as for leverage, shows a significance value of $0.053 > 0.05$ (p value), but the difference of 0.05 is not significant. So it can be concluded that leverage has a negative and significant effect on tax avoidance. In other words, if the value of leverage goes up, the value of CETR will go down, which means the lower the value of CETR the more the company indicates in avoiding taxes. It can be concluded that,

companies that have high leverage value, tend to avoid tax. And as for firm size, shows the coefficient value of -0.542, which means that company size has a negative effect on tax avoidance. In the t test results table also shows that the significance value of $0.08 < 0.1$ (p value), so it can be said that the size of the company has a negative effect but not too significant for tax avoidance. In other words, the greater the value of company size, the lower the CETR value. Which means, the lower the CETR value, the more it indicates the company in avoiding taxes.

4. CONCLUSIONS

Based on the results of research that has been done, the following conclusions are generated, first, profitability has no significant effect on tax avoidance. That is, the high or low value of the companys profitability will not affect the companys decision to avoid tax. Second, Leverage has a significant negative effect on tax avoidance. That is, companies that have high leverage values, tend to avoid taxes. Third, The size of the company has a negative effect on tax avoidance but it is not too significant. That is, the greater the size of the company, the greater the tendency of companies to avoid tax.

Keywords: Profitability, Leverage, Firm Size, Tax Avoidance (CETR)

Topic: Cost Management and Accounting Management

[ABS-116]
**INDONESIAN SUSTAINABLE TOURISM AWARD ON CIBUNTU
VILLAGE DEVELOPMENT**

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Abstract

The Indonesian Sustainable Tourism Award "Ista" is a quite prestigious in Indonesias sustainable tourism community. Recently Cibuntu was awarded this award. After this award is received, community expectations will higher in the existence of Cibuntu Village, because it will be one of development of tourism in the future. This is in line with government programs that are developing the "Dewi" Tourism Village program. The paper will explain the process of Dewi Cibuntus journey to get ISTA, and its impact on the welfare of the village community. Research methodology was based on qualitative research. The results of research conducted over a period of two years, have shown that in the process of obtaining Ista there has been an increase in the welfare and happiness of the Dewi Cibuntu community, so it is believed that the Dewi program will accelerate the process of achieving sustainable development goals "sdg" in Indonesia. Big data utilize trough digitalize will more accelerate on it.

Keywords: ista, cibuntu village, welfare, happines, sdg, digitalize

Topic: Hospitality and Tourism

[ABS-117]
**SHAREHOLDERS WEALTH IN POST MERGER-ACQUISITION:
THE CASE OF INDONESIAN LISTED COMPANY**

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Abstract

The increased trends of failure in merger and acquisition shows that inherent risk has played a major role. Previous research concludes that effective merger and acquisition tend to effect the shareholder's wealth. Two years after the action take place, study in US and UK success to identify factors that define what effective merger is. Some factors such as firm size, market capitalization and financial ratios are found to have significant impact on shareholder's wealth in post merger and acquisition. However, study in China failed to support the findings. In China, factors such as daily stock market volatility tend to have significant impact. The reason is because investor prefers communal action in the stock market rather than awaiting for financial ratios to be transformed into monetary valuation. Aiming to have an extended view on the issue, this study address two questions: first are financial ratios have significant impact on shareholder's wealth in post merger and acquisition? And secondly, what is the most significant factors which impacted shareholder's wealth on post merger and acquisition. The study uses independent variable such as firm size, daily stock return standard deviation, quick ratio, interest coverage ratio, debt ratio, total asset turn over ratio, return on equity, price earning ratio, price to cash flow ratio, Z score and default risk. And for the dependent variable the study pointed abnormal return as proxy of shareholder's wealth. This study deploys 23 Indonesian listed company from the year of 2011 to 2015 in order to gain insight on company's performance three years after merger and acquisition. Furthermore, multiple linear regression is used to analyze the impact. After passing the four classical assumption test, the result shows that shareholder's wealth can be clearly found at the third year after merger and acquisition took place. Meanwhile standard deviation of daily stock return and z score are among variables that significantly affected the shareholder's wealth, representing by abnormal return. This findings show that corporate action in Indonesia (merger and acquisition) is inline with trends in US and UK. Investor are having more concern on market acceptance and bankruptcy prediction. That is why when merger and acquisition is found to hurt the acquirer performance then investor will justify the situation as negative action. Conversely, if the main reason is to strengthening company's position in the market then most probably there will be an active buying trends in the market. This is how standard deviation of daily stock return might have impact to the overall abnormal return. Furthermore, discussion and future research direction is also presented in order to provide more evidence on merger and acquisition.

Keywords: Shareholders wealth, merger-acquisition, abnormal return, listed company

Topic: Finance and Risk Management

[ABS-118]
**TRENDS IN MILLENNIAL GENERATION BEHAVIOR IN DKI
JAKARTA USING THE FINANCIAL TECHNOLOGY: PEER TO
PEER LENDING (P2PL)**

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Abstract

1. Introduction and research problem

Research conducted by Deloitte (2015) shows that digital financial services can provide an easier access to financial services, so that they can benefit the national economy. In Indonesia, the development of financial technology (FinTech) shows that in 2018 the number of FinTech in Indonesia was 190 companies divided into three parts, namely 157 Startup Companies, 24 Financial Institutions, and 9 Associate Partners (Indonesian FinTech Association, 2018). On the knowledge side, data published by Dailysocial (2018) shows that many Indonesian people are familiar with FinTech reaching 70.63%. Although experiencing growth, the numbers have not been able to match the level of public literacy about Fintech, which is equal to 58.14%, even that number has dropped of the number of users in 2017 amounted to 60.96%.

Data according to Dailysocial (2018), shows that in Indonesia 32.48% have not used P2P lending services. Looking at the number of people who have not used fintech services, especially P2P lending. This research approach uses a theory created by Ajzen (1989) which is "Theory Planned Behavior" in which it functions to describe several factors that can influence a behavioral intention or a persons behavior. This theory has the perspective that trust is the main factor that can influence behavior. These factors are the attitude towards behavior, subjective norms, and perceived behavior control.

This research was conducted in Jakarta because the highest per capita Gross Regional Domestic Product (GRDP) is still held by Jakarta at 194 million per year. But on the other hand, data published by OJK (2016) shows that there are still 22% or at least 2.2 million people of DKI Jakarta who have not used financial services, both digital and non-digital, even the number could be more for people who have not or not use FinTech services especially Peer to Peer Lending. Millennial was chosen because the generation is close to the use of technology (CHCD-PPM Manajemen, 2018)

2. Methods

This study aims to determine the effect of Atitude Toward Behavior, Subjective Norm, and Perceived Behavioral Control on Behavioral Intention of millennials using Peer to Peer Lending services. Determination of the sample using the basis of Hair, et al (2005) which states that for the purpose of research that is causal analysis, the required respondents are at least 15-20 respondent times the number of independent variables. In this study using three independent variables with a number of indicators or questions as

many as 19 indicators, so that a minimum of 95 respondents as a sample. Researchers distributed questionnaires and got 157 respondents.

This survey uses a Likert scale which aims to measure peoples attitudes, opinions and perceptions about the use of P2P (Sekaran, 2013). The analysis technique used is multiple linear regression to explain how much influence the independent variable has on a dependent variable. The SPSS application is used to process and analyze survey results.

3. Results and findings

The results of the test showed the coefficient of determination (R Squared) obtained was 27.3%. This shows that the Atitude Toward the Behavior, Subjective Norm, can explain the Behavioral Intention variable of 27.3% and 72.7% explained by other variables. The results of the F-test indicate that the Atitude Toward the Behavior, Subjective Norm, and Perceived Behavioral Control affect the dependent variable that is Behavioral Intention simultaneously. These results are in accordance with the requirements in the F test.

The results of hypothesis testing based on the t test show that there is no significant effect between the Atitude Toward Behavior on Behavioral Intention. The same thing happened in the Subjective Norm variable, there was no significant effect of Subjective Norm on Behavioral Intention in the use of Peer to Peer Lending digital financial services in millennials. The influential variable is Perceived Behavioral Control on Behavioral Intention. These results are consistent with all previous studies. One of them according to Pambudi (2017) in his research revealed that there is an influence of the Perceived Behavioral Control variable on the intention or Behavioral Intention of someone in sharia investment, so this variable is in accordance with the theory created by Ajzen (1991), namely TPB. This result can also be concluded that millennial generation who have not used P2P lending services already consider the ease of being offered can be one of the factors that influence ones Behavioral Intention in the use of digital financial services.

4. Conclusions, implications and significance

Two variables namely Atitude Toward Behavior and Subjective Norm have no influence on individual Behavioral Intention variables in the use of digital financial services Peer to Peer (P2P) Lending among millennial generation in DKI Jakarta. The influential variable is the Perceived Behavioral Control of the individual Behavioral Intention variable in the use of digital financial services Peer to Peer (P2P) Lending among millennial in DKI Jakarta. In further research, it is expected to add the number of respondents/samples. The low coefficient of determination (R Squared) indicates that it is necessary to develop a model or add research variables in order to describe variables that have a relationship or influence on the Behavioral Intention variable.

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Keywords: Financial Technology, Peer to Peer Lending, Theory Planned Behavior (TPB), Atitude Toward the Behavior, Subjective Norm, Perceived Behavioral Control, Behavioral Intention.

Topic: Finance and Risk Management

[ABS-119]
**OPTIMIZING THE SERVICES OF THE REGIONAL HEALTH
INSURANCE (JAMKESDA) BASED ON ENTERPRISE RISK
MANAGEMENT ISO 31.000:2018 AT RSU PERMATA CIBUBUR**

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Abstract

1. Introduction and research problem

Hospitals in providing health services are governed by various regulations from the regulator. Regulations and laws that apply to activities will be overseen by the Ministry of Health, the Indonesian National Agency for Drug and Food Control (BPOM), and the Indonesian Doctors Association (IDI). This aims to minimize the risk of mishandling and death of the patient. The provision of health services in hospitals in conducting health care is carried out thoroughly in accordance with Law number 44 of 2009. The intended health maintenance such as promotive, preventive, curative, and qualitative. Professional management is needed in dealing with problems and managing risks in hospital management.

Permata Cibubur Hospital (RSU) is a private hospital that provides maternal and child health services in the fields of obstetric and gynecology, and pediatrics. Permata Cibubur Hospital serves several collateral programs such as private guarantees and government guarantees. Permata Cibubur Hospital is obliged to serve Regional Health Insurance (Jamkesda) in accordance with the regulations and implementation guidelines. Health insurance is a health service program from the government or a private company that uses an insurance system with the aim of providing dependents in using health facilities to all hospitals that collaborate with the health insurance.

Management of Jamkesda in Permata Cibubur Hospital is still often found problems that affect the management system in the hospital. The impact that occurred was that the claim process carried out by the hospital to Jamkesda was hampered, which resulted in disrupted hospital revenue. The researcher uses a risk management approach based on ISO 31,000: 2018 which aims to evaluate and propose the potential risks and risk control measures faced by hospitals in managing health insurance programs.

2. Methods

The researcher uses a qualitative approach to explore natural object conditions, where the researcher is a key instrument. Researchers conducted a study of documents related to the results of audits, procedures for implementing health services in the regional health insurance program (Jamkesda) and conducted in-depth interviews about aspects of risk and health services at the Permata Cibubur Hospital, namely in the division of the Internal Audit Unit (SPI) Permata Cibubur Hospital.

Retrieval of information from informants is done by purposive and snowball, the combination of techniques with triangulation techniques and data analysis is inductive/qualitative. This study aims to develop a concept that already exists in Permata Cibubur Hospital. This study uses several procedures to test data validation, namely triangulation and peer review conducted on interview data sources obtained from various perspectives.

3. Results and findings

Internal control aims to ensure that risks and risk events do not hamper the guarantee service process. However, some related several unit at Permata Cibubur Hospital are still doing activities that are not up to standard. The findings show that Permata Cibubur Hospital needs to do more optimal internal control. Errors that occur in Permata Cibubur Hospital can cause pure risks to the service process.

Permata Cibubur Hospital currently has an Internal Audit Unit (SPI) whose job is to oversee and follow up on the risks that exist in Permata Cibubur Hospital. However, Permata Cibubur General Hospital does not have activities in the form of prevention of risks that will arise so that the risks that occur at any time cannot be controlled by the management of Permata Cibubur General Hospital.

The need to implement enterprise risk management based on ISO 31000: 2018 is as a guide to the implementation of risk which consists of three elements: principle, framework, and process. This is expected to provide added value or provide protection and minimize surprises in providing health insurance services at Permata Cibubur Hospital.

4. Conclusions, implications and significance

In overcoming these risks, the Internal Audit Unit (SPI) has provided policies to address these risks. The policy is intended for the registration unit, polyclinic/Emergency Unit (UGD), Laboratory, Radiology, medical rehabilitation, pharmacy, and cashier. The Internal Oversight Unit also provides an opportunity for each unit to conduct consultations. Consultation is carried out in order to maintain good communication between divisions. Communication between divisions can be done during morning meetings in order to obtain reliable information to facilitate risk oversight and risk decision making, and can build a sense of ownership and responsibility of each division in the event of existing risk.

Risks that occur in Permata Cibubur Hospital occur in 3 critical areas, namely, the service process, the guarantee process, and pharmacy. These risks occur due to lack of coordination and communication between divisions at Permata Cibubur Hospital. Risks that have inherently high value must be immediately given risk treatment to reduce the weight of the risk value so as not to endanger the name of the hospital and avoid losses.

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Keywords: Risk Management, ISO 31000:2018, Hospital, Internal Control

Topic: Finance and Risk Management

[ABS-122]
**THE ROLE OF SOCIAL MEDIA IN BUSINESS
TRANSFORMATION STRATEGIES: DEVELOPMENT AND
VALIDATION OF THE SOCIAL MEDIA COMMERCE MODEL**

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Abstract

Introduction: The rise of social media in the digital era is considered important for anybody because it helps people to communicate and share information with each other online. Because it has become a necessity, it is not surprising that the number of social media users has increased. This also has an impact on increasing various online activities, including business activities. The ease of sharing information and communicating through social media can help entrepreneurs and consumers to conduct business activities or buy and sell online.

Methods: This phenomenon is an inspiration for researchers to uncover the role of social media in Indonesia in business activities, knowing the factors that can influence a social media follower who initially "likes" to "buy", so that it can be developed into a social commerce model. This model is then validated using a quantitative research method, according to the type of business or industry that is suitable to be marketed through social media. By surveying users of social media, 547 data is collected that consists of social media entrepreneurs and social media buyers.

Results: Adapting Wu He (2017) model, the results of data analysis showed that many buyers on social media also make sales on social media. Further analysis using regression also confirms that the frequency of using social media has a strong influence on buying behavior on social media. There is a pattern in which companies also use social media as part of their supply chain.

Conclusions: The results of this study are useful in the management of business operations or start-up companies that use social media. Social media helps businesses to reach consumers easily and quickly without needing to spend a lot of money and energy.

Keywords: Social media, social commerce, digital era, business transformation, business operations

Topic: Operation and Supply Chain

[ABS-123]
**CROWDWORKING, IS IT BENEFICIAL IN DESTINATION
MARKETING?**

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Abstract

Introduction: this proposition provides a model for crowdworking implications in marketing tourist destinations. This research focuses on the importance of network factors, knowledge destination and innovativeness in achieving marketing performance goals, and on achieving improving the goal of sustainable competitive advantage. The suggested model contributes to social exchange theory and entrepreneurial theory in marketing strategies and sustainable tourism development. This proposition model contribute to the theory by expanding support for social exchange theory and knowledge management in the context of tourism marketing and development strategies.

* Methods: This research was conducted at non-government tourism destinations in Central Java and DIY, using SEM analysis as a data analysis tool.

* Results: this proposition providing better insight about the influence of crowdworking and knowledge destination beneficial impact to increase the Destination sustainable marketing on non-government tourism objects in Central Java and DIY.

* Conclusions: this article does not include the stakeholder engagement factors that hopefully can improve the achievement of sustainable competitive advantage goals. Stakeholder involvement can be added for further research.

Keywords: Crowdworking, Destination Marketing, Tourism

Topic: Marketing Management



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*Digitalization - The Way to Tourism
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