



Joint Conference  
GSM - Kyoto University and Universitas Indonesia

24<sup>th</sup> - 25<sup>th</sup> October 2014  
Kyoto University, JAPAN



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# THE 9<sup>th</sup> INTERNATIONAL CONFERENCE ON BUSINESS AND MANAGEMENT RESEARCH

“International Market Integration”

# PROCEEDINGS



ABEST21

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FACULTY OF ECONOMICS & BUSINESS | UNIVERSITAS INDONESIA

# PROCEEDINGS

THE 9<sup>th</sup> INTERNATIONAL CONFERENCE ON  
BUSINESS AND MANAGEMENT RESEARCH (ICBMR)

“International Market Integration“

Joint Conference GSM - Kyoto University and Universitas Indonesia  
Supported by ABEST 21

24<sup>th</sup> - 25<sup>th</sup> October 2014  
Kyoto University, JAPAN



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Dear colleagues,

I am pleased to welcome you to The 9<sup>th</sup> International Conference on Business and Management Research (ICBMR) by Department of Management - Faculty of Economics and Business, Universitas Indonesia and Kyoto University Graduate School of Management (GSM-KU). This Conference has been held consistently for nine consecutive years and has become one of the leading academic international conferences.

The first ICBMR was held in August 2007 in Bali, while the second ICBMR was held in August 2008 in Jakarta. To establish a platform for international collaboration for research, MRC actively look for potential partners in conducting the annual conference. The 3<sup>rd</sup> ICBMR was held in Bali together with The 14<sup>th</sup> Euro-Asia Conference, and in 2009, MRC hosted the joint conference with the University of Adelaide. Since 2010, the event was also supported by ABEST 21. We have collaborated with Ateneo de Manila University, Philippines, University of Economics-Ho Chi Minh City (UEH), and Sungkyunkwan University for the past three years. We expect to expand our collaboration not only in Asia Pacific but also to other region such as North America and Europe.

We hope that the publication of this proceeding will be able to serve as a media for the latest researchers and new ideas; this thought is aligned with Universitas Indonesia's vision to become Research Oriented University.

Finally, on behalf of all my colleagues from Universitas Indonesia and GSM - Kyoto University, and all the members of Organizing Committee ICBMR 2014, we wish you not only an enriching conference but also a pleasant stay in Kyoto, Japan.

Regards,

Rofikoh Rokhim, Ph.D.  
Head of Organizing Committee ICBMR 2014

**The 9<sup>th</sup> International Conference on Business and Management Research  
Kyoto, 24<sup>th</sup> -25<sup>th</sup> October 2014**

**Friday, 24 October 2014 (Main Venue: International Hall III, 2nd floor of Clock Tower Centennial Hall, KU Main Campus)**

<b>08:30 - 8:50</b>	<b>Registration</b>
<b>9:00 - 9:25</b>	<b>1. Opening Ceremony (Moderator Dr. Ruslan Prijadi, Universitas Indonesia)</b>
	(1) Opening Speech by Prof Hiroataka Kawano, Dean of Graduate School of Management, Kyoto University
	(2) Greeting by Prof Ari Kuncoro, Dean of Faculty of Economics Universitas Indonesia
<b>9:25 - 10.10</b>	(3) Greeting by Dr. Yusron Ihza Mahendra*, Ambassador of Indonesia in Japan
	<b>2. Keynote Speech (by Mr. Hoshi Fumio, Mitsui-Sumitomo Bank)</b>
<b>10:10 - 12:00</b>	<b>3. Plenary Session (Moderator [Prof.Kiyoshi Kobayashi, Graduate School of Management, Kyoto University])</b>
	Speaker 1: JBIC, Mr.Masaaki Amma, Managing Exective Officer, Global Head of Corporate Group
	Speaker 2: Bank Indonesia, Director of Macro Prudential, Policy Department, Dr. Agusman
	Speaker 3: Development Academy of the Philippines, Prof.Cayetano W.Paderanga
	Speaker 4: Omron Corporation, Senior Excecutive Officer, Mr.Koji Nitto
	Speaker 5: PT Indika Energy Tbk, Director, Ir, Heru Dewanto MBA
<b>12:00 - 13:00</b>	<b>Q &amp; A Session</b>
	<b>Lunch (Venue: International Hall III, 2nd floor of Clock Tower Centennial Hall). (Note) This is only for general participant</b>
<b>14:00 - 15:40</b>	<b>Dean of KU &amp; UI, Vice Rector UI Dr Adi Zakaria, Dr Ruslan, Dr. Kim, Dr Rofikoh and Indonesia Ambassador meet the Rector of KU</b>
<b>14:00 - 15:40</b>	<b>Company visit (OMRON)</b>
<b>17:00 - 20:00</b>	<b>Dinner (Venue: KU Coop North Cafeteria in North Campus)</b>
	<b>(Note) This would be for participant, Greeting by Dr. Adi Zakaria Afiff, Vice Rector, Universitas Indonesia &amp; Prof Kiyoshi Kobayashi, Graduate School of Management, Kyoto University</b>
<b>Saturday, 25 October 2014 (Main Venue: Class room in GSM's building [Research Building No.2])</b>	
<b>09:00 - 9:20</b>	<b>Registration (Venue: each of 6 class rooms in GSM's Building [Research Building No.2])</b>
	<b>(Venue: each of 6 class rooms in GSM's Building [Research Building No.2] )</b>
<b>9:20 - 10:50</b>	(1) Lecture Hall (1F), (2) Room-108 (1F), (3) Room-110(1F) , (4) Case Study Seminar Room (3F), (5) Large Seminar Room 2 (3F), (6) Large Seminar Room 3 (B1) (Others) Seminar room 3 (1F; for Staff room)
	<b>Parallel Session 1</b>
	Thematic session: Finance
	Thematic session: Strategic Management
	Thematic session: Marketing
<b>11:10 - 12:40</b>	Thematic session : Human Resource
	Thematic session: Economics
	<b>Parallel Session 2</b>
	Thematic session: Finance
	Thematic session: Strategic Management
<b>12:40 - 14:00</b>	Thematic session: Marketing
	Thematic session : Human Resource
	Sharing session : Statistics
	<b>Lunch (Venue is KU Coop Cafeteria in West Campus)</b>
<b>14:00 - 15:30</b>	<b>Parallel Session 3</b>
	Thematic session: Economics
	Thematic session: Strategic Management
	Thematic session: Marketing
<b>15:30 - 16:00</b>	Thematic session: Human Resource
	<b>Closing ceremony and Announcement Best Paper (Venue: Lecture Hall (1F of Research Building No.2)</b>
	Greeting by Dr. Adi Zakaria Afiff, Vice Rector, Universitas Indonesia
	Announcement by Prof. Fumio Ito, ABEST 21
	Closing Speech by Prof Kiyoshi Kobayashi, Graduate School of Management, Kyoto University

**ECONOMIC**

# **EVALUATION OF IMPACT OF CURRENT HEALTH INSURANCE SCHEME ON HEALTH CARE COST IN PHILIPPINES USING MULTIVARIABLE REGRESSION ANALYSIS**

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**JUANITO S.CHAN**

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Makati City, Philippines

## **ABSTRACT**

The study focused on the evaluation of impact of current health insurance scheme on inpatient and outpatient health care cost and treatment in the Philippines using multivariate analysis of variance (MANOVA). A survey questionnaire was developed and distributed to households in Metro Manila, in total there were 365 completed surveys in which outliers has already been removed using SAS JMP. It was found out that those households who are premium-holders in health maintenance organizations (HMOs) have experienced a significant decrease in total out-of-pocket expenditures compared to those who are uninsured. However, it is the other way around for premium-holders of PhilHealth, there is a significant increase in their total out-of-pocket expenditures compared to those who are uninsured. Despite the initiated insurance reforms of the Philippine Government, the Filipino households are still vulnerable to high health care cost. Recommendations include awareness, information and education campaign of PhilHealth and Department of Health, positive political commitment and momentum, improve accessibility and affordability of health care, build sustainability through health care strengthening and implementation of curative and preventive health plans by the government.

**Keywords:** Health care cost, health insurance scheme, multivariable regression analysis, survey, SAS JMP

# WHY PUBLIC-PRIVATE PARTNERSHIP : REVISITED

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**MASAMITSU ONISHI**

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Kyoto, Japan

## **ABSTRACT**

There are two distinctive views on why public-private partnerships are utilised for infrastructure development in practice; the *agency problem view* which emphasises the economic efficiency arising from contractual arrangement as a public procurement scheme, and the *financial instrument view* which emphasises PPP's aspect as a financial instrument to mobilise private capital for construction of infrastructure as an alternative to the public funding source. The literature on the agency problem view gives a theoretical rationale for desirability of PPPs, whilst a theoretical rationale of PPPs related to the financial instrument view has not been established. Contrary to the theoretical view, the predominant motive of PPPs in reality is the benefit coming from financial view. This paper addresses the so-called 'additionality' motive of PPPs. The ultimate purpose of the study is answering the question whether financial scheme of PPPs itself can be theoretically justified in terms of economic point of view.

**Key Words:** Public private partnerships, liquidity, credit risk

# **SOCIAL CAPITAL DAN POVERTY IN THE CROSS BORDER REGION, INDONESIA-MALAYSIA**

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## **RAMADANIA**

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## **ABSTRACT**

High levels of poverty are found primarily in the border region. In term of development, the border region is often regarded as the marginalized region. Geographical (being isolated/remote areas) and non geographical issues (inadequate basic/socio-economic facilities) that is commonly found in the border region, results in less than optimal utilization of the income that the community receive, which brings implications to the poor social conditions of the target demographic . Since 1994 World Bank has sponsored a study of the (social capital initiative in developing countries to address the problem of poverty. This study aimed to design a model of social capital for poverty reduction efforts in the border region of Sajingan-Sambas. This study also aims at identifying and mapping the demographic, social capital, and poverty in communities at the border region Sajingan. This study used a qualitative approach. The research method is by surveys. The research data consists of primary data and secondary data. Methods of data collection were through using interviews, observations, questionnaires and focus group discussions. The results showed that people in the area of Sajingan have a pretty good social capital. But it's not optimally utilized to overcome poverty in Sajingan.

**Keyword:** Poverty, Social Capital, Cross-Border, Indonesia-Malaysia



# **BENFORD'S LAW TO IDENTIFY ABNORMAL VALUE OF SHRIMP EXPORT DATA IN INDONESIA**

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**MUHAMMAD RIFKY SANTOSO**

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Indonesia

## **ABSTRACT**

A monthly value of export by commodity in Indonesia has been analyzed by using Benford's law. It has been found that most data for shrimp and prawn between 2007 and 2009 indicate anomaly. Studied by Faiqoh (2012) has shown that (1) shrimp exports are not influenced by production in the short term but they have a positive influence in the long term, (2) Rupiah to US Dollar exchange rate does not influence in the short term, but in the long term it has a positive influence, (3) international market price has a positive influence not only in the short term but also in the long term, and (4) production, international market price, and exchange rate together have positive influence in the short and long term. There was a volatile in Rupiah to US Dollar exchange rate in 2009 because of financial crisis in 2008. There was no change for the shrimp prices in international market significantly in 2009. For further analysis, the most of shrimp and prawn exports are dominated by one big company in Indonesia. This company has problems in production and cut their production in 2009. Theoretically, depreciation of Rupiah in 2009 and reducing in production will increase value of shrimp and prawn exports. In a fact, the export is decline.

**Keyword:** Benford' Law, shrimp, exchange rate, export.

# FLEA MARKET REVITALIZATION AS AN EFFORT TO STRENGTHEN PEOPLE'S ECONOMY

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**SRI RAHAYU**

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Depok, Indonesia

**TJAHYA WIDAYANTI**

Ministry of Trade, Government of Indonesia  
Indonesia

## **ABSTRACT**

This study is generally aims to analyze the flea market revitalization as an effort to strengthen people's economy. In the process there is a special purpose to build the constructs/ variables to measure the revitalization activity, so in the future it can be applied to organize flea market revitalization universally. The results of this study indicate that the revitalization can be measured with the variables of physical revitalization, social revitalization, and management revitalization, which all of those variables has a significant relation to create strengthen in people's economy trough variable of economy revitalization. Physical revitalization in this research includes the quality of the building, the connecting system, advertising spot, and urban realm. While social revitalization and management revitalization includes how the structural people could create interesting neighborhoods that has positive impact to strengthen the public realm. This study is expected to confirm significant variables that should be focused in term of flea market revitalization to strengthen people's economy. So further the government can use it as significant indicator to measure the success of revitalization for the flea market.

**Keywords:** flea market, traditional market, revitalization, people's economy

# THE APPLICATION OF MANAGEMENT INFORMATION SYSTEM BASED ON CLOUD COMPUTING FOR THE EXPORT-ORIENTED INDONESIAN SMALL MEDIUM ENTERPRISES TO THE EMERGING MARKETS IN JAPAN AND TAIWAN

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**TUWANKU ARIA AULIANDRI**

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Surabaya, Indonesia

## **ABSTRACT**

Profit-oriented organizations in the form of Small Medium Enterprises (SME) are widely spread in Indonesia. The commercialized products also vary in kinds. Being aware of the untouched potential in overseas markets, especially in Taiwan and Japan, a number of SME tried to break into the markets by putting best efforts to send their products by using export mechanisms to Japan and Taiwan. This research is conducted to investigate the management system applied by the export-oriented SME. Previous researches show that there is information gap between SME in Indonesia and the markets in Japan and Taiwan. Regarding the context of export-oriented SME as encouraged by East Java Commerce Department, the researcher argue and suggest that both parties (the SME in Indonesia and the consumers/markets in Japan/Taiwan) could interact well by using the application of Online Cloud Computing-based Management Information System. It is expected that the Supply Demand interaction between them would be better facilitated and might benefit all parties. Online Cloud Computing-based Management Information System has been widely hosted by Indonesian vendors. This topic is raised by the researcher based on the argument that Cloud Computing has a wide variety of features that fit the operational aspects of those SME. Academic and managerial implications will be explained further in the final part of this research.

**Keywords:** Management Information System, Cloud Computing, Supply Demand, SME (Small Medium Enterprise), Handicraft, Import, Export, Japan, Taiwan

# INTERACTION BETWEEN THE GOVERNMENT AND THE NATURAL RESOURCES EXTRACTION INDUSTRY IN INDONESIA

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**SITI ADIPRIGANDARI ADIWOSO**

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Depok, Indonesia

## ABSTRACT

This study examines the interactions among primary stakeholders in the highly regulated mining sector in Indonesia to seek better and in depth understanding on how negotiations, institutional arrangements, and strategies are construed at three levels; i.e, at the micro- or company-, mezzo- or institutional-, and macro- or meta-institutional level. It adopts Douglas North's (1995) neo-institutional economic theoretical framework in conducting comparative analysis of secondary and primary data. In collecting primary data, in-depth interviews with informants from four mining companies, the Ministry of Energy and Mineral Resources, the People's Representative Council, two Non-government Organizations on Energy and Mining, and representatives of the local communities at the site of the mining companies were conducted. The main concern for the last 5 years until to date is the Mining Law no.4/2009, specifically the legal requirement for corporation/companies engaging in minerals and coal extraction to set up smelter plants for processing of raw materials with the objective of increasing their economic added values as of January 2014. From the government's perspective, the regulation is seen as in line with its *National Development Plan Four Track Strategy* in the mining sector in line with the economic constitution, that is (1) pro-growth, (2) pro-job, (3) pro-poor, and (4) pro-environment. However, underlying the political statement, at the core it is basically directed towards increasing government revenue, creating employment, and shifting infrastructure development to the private sector. From the mining companies' perspective it is not only an added cost and complicates operating license requirement, but also requiring different internal organizational and operating design. Furthermore, for multinational corporations (MNC's) it is seen as breach of contract, and counter-productive towards the idea of free-trade. The conflicting interests have brought the involved parties into continuous negotiating process until to date. The Ministry of Energy and Mineral Resources indicates that statistically there are 10,918 licenses for mining operation, and 6,042 are already declared „*clear and clean*’, whereas 4,876 are pending. The government has relented to extend the deadline to comply to the law until January 2017. In addition, to the protest from two main MNCs regarding the prohibition for exporting copper ore concentrate, the government has become lenient and modified the regulation from total ban to quota based and progressive export taxation scheme exporting requirement. One of the MNCs has already brought the case to court, namely to the International Center for the Settlement of Investment Dispute (ICSID) for breach of contract. These contesting interests and continual processes of negotiation indicates that international influences, pressures, and power play are taking place in the decision making processes of each parties involved. MNCs' main business strategy in resolving external business environmental factor is to exert assistance from the international forum to create pressure on the Indonesian government. This study indicates that interactional processes as a dynamic continuous activities rather than static single choice should be part of strategic management issues, and a chain of fluctuating decision making process need to be given further attention in the teaching of managing external business environment

**Key Word:** Strategic Management, Institutional Economic Theory, Business and Society.

# **INTERNATIONAL DEPENDENCY IN GMS ECONOMY: COMPILATION AND STRUCTURAL ANALYSIS OF BILATERAL INPUT-OUTPUT TABLE IN THE CASE OF THAILAND AND VIETNAM**

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**Kim Kwangmoon**

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Kyoto, Japan

**Fransisco Secretario**

Association of Regional Econometrics and Environmental Studies

**Bui Trinh**

Association of Regional Econometrics and Environmental Studies

**Hidefumi Kaneko**

Association of Regional Econometrics and Environmental Studies

## **ABSTRACT**

This paper attempts to measure and analyse the interdependent economic relations between the countries of Thailand and Vietnam, made possible by constructing a bilateral input-output (I-O) table linking the said two countries. It is an inter-regional type of I-O models that provides a compact and comprehensive accounting framework to quantify the economic inter-relationships among and between industries located in the study regions. This study is deemed to be a prototype of what the Association of Regional Econometrics and Environmental Studies (AREES) needs to support its ongoing efforts to develop an integrated database for its proposed research project, entitled: "Impact Analysis of Infrastructure Investment in the Indochina Region: An Input-Output (I-O) Approach". One interesting observation of the results is the multiplier effect of export demand on the import requirements in production. While the import content of the production of export-oriented commodities cannot be directly measured from the I-O table, impact analysis revealed that production of export goods and services in Thailand was found to be more import-dependent than in Vietnam's. It can thus be concluded that, in terms of net foreign exchange earnings, which is estimated as the difference between gross export receipts and calculated import "leakages", appeared to be relatively more beneficial to Vietnam's economy than to Thailand's.

**Key Words:** International IO, GMS, Cross-Border Economy

# AN EMPIRICAL RESEARCH ON THE RELATIONSHIP BETWEEN FOREIGN TRADE AND TRADE CREDIT INSURANCE BASED ON GRAVITY MODEL IN THE REPUBLIC OF KOREA

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**HONGJOO JUNG**

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Seoul, South Korea

## **ABSTRACT**

It is 'foreign trade' that has played a pivotal role in economic growth in Korea since the first economic development policy was implemented in early 1960s. Due to scarce natural resource and limited domestic market size, Korea could not help having heavily depended upon export-oriented growth strategy for its economic growth. Its ever-increasing trade dependency ratio has ended up with reaching 100 percent in the year 2012. As foreign trade is commerce between two different countries of probably differing law, language, custom, currency, policy, and long distance, it is usually subject to insurmountable amount of risk than domestic commerce. Not only foreign exchange risk and political risk which are idiosyncratic in foreign trade, but also transportation risk as well as credit risk can be larger in foreign trade than in domestic transaction. While ocean marine insurance covers the transportation risk in foreign trade, for instance, foreign credit insurance does most of the credit risk, foreign exchange risk and political risk therein. Foreign trade credit insurance is a non-profit governmental insurance program to promote foreign trade that indemnifies any unintentional loss of exporter, importer, producer, or financial intermediary that arises out of political risk or credit risk. The insurance has been examined in several empirical researches for its validity or effectiveness, except the so-called gravity model, as far as we understand. Using a gravity model, as a result, this research tries to analyze the impact level of trade credit insurance on the amount of foreign trade in Korea. Any empirical results from this research may strengthen the effectiveness of the insurance and suggest further role of the insurance in trade expansion up to the emerging or frontier markets. Derived from the Newton's physics theory, the gravity model has been used several times in foreign trade analysis owing to its simplicity and explanatory power, but without in trade credit insurance. For the first time in that analysis with Korean case, this research aims to show any significant impact of trade credit insurance on the volume of foreign trade. The results, if any, can imply academic or policy implication for future direction of the export-promoting non-profit insurance system.

**Keywords:** Foreign Trade, Trade Credit Insurance, Gravity Model

# ACCEPTABILITY OF TRANSPORT POLICY INSTRUMENTS IN THE ERA OF SUSTAINABILITY – EVALUATION FRAMEWORK TO ANALYZE THE FACTORS TO ENHANCE THE ACCEPTABILITY

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**IZUMI INASAWA**

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## **ABSTRACT**

As a result of globalization, corporate activities are deeply linked around the globe and goods and services are robustly traded to seek the utmost of economic efficiency. In this dynamic situation, on one hand, transport policies will directly or indirectly and at the macro- or micro- level affect corporations' strategies of supply chain management and cost minimization. On the other hand, however, corporations are expected to cope with sustainability requirements which can be most eminently recognized as the problem of global warming and climate change. Since corporations have the tendency to maximize the short-term profits, integrating sustainability concept into corporations' management would not be easy task. By the same token, the transport policies toward sustainability are not easily accepted. Based on this understanding, this paper first analyzes such conventional evaluation frameworks as cost-benefit analysis, multi-criteria analysis and the approaches of social psychology in order to assess to what extent such frameworks can accommodate with the idea of sustainability. Then the paper tries to incorporate cross-disciplinary approach into the analytical framework, mainly from the perspectives of policy science, by introducing the analytical viewpoints of (i) interactions between and among actor and institutions, (ii) decision making processes and (iii) actors' motivations. The conclusion suggests that such incorporation of the viewpoints of economic and policy science will provide profound and ample possibilities to analyze the factors to enhance the acceptability of transport policy instruments.

# **HUMAN RESOURCES**



# GREAT SPIRIT GRAND STRATEGY

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**AMELIA INDRAJAYA**

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## **ABSTRACT**

The low spirit and the lack of higher purpose and meaning in the workplace had an impact toward employees' morale. Eventually the low moral commitment will decrease employees' productivity and organizational commitment at work (Jones, 2011). This finding adds to other research showing the importance of workplace spirituality, which has been defined as a framework of organizational values where the culture of the organization promotes the experience of transcendence through the work process, and it also facilitate the employees sense of being connected to others in a way that provide the feeling of completeness and joy (Jurkiewicz & Giacalone, 2004). Years of downsizing and job insecurity creates a spiritual revival in the workplace. Employees search for more meaning at work. The leaders eventually seek for more socially responsible approaches to business which in turn motivates and inspire workers (Garcia-Zamor, 2003). Profit eventhough not becoming the sole primary aim, usually follows even more than what was expected (Mitroff & Denton, 1999b). Despite the growing belief that workplace spirituality significantly relates to performance, we still need more support based on academically proven empirical research that great spirituality is part of the strategic management approach toward better performance. The research is conducted in Telkom Indonesia, being the only big corporation in Indonesia who specifically has a very well and carefully managed spiritual division. In order to pursue the double digit growth, Telkom had launched a "Great Spirit Grand Strategy" approach with the value of "Always the Best" in terms of always giving service excellence where work is seen as a form of worship (Yahya, 2013). The focus is on analyzing individual spirituality as the antecedent of spirituality in the workplace toward a better organizational commitment and job satisfaction. Quantitative research in Witel Central Jakarta Telkom being the best Witel in Indonesia, have shown a significant support toward the hypotheses.

This study explores the impact of spirituality in the work place as the on-going quest of human journey in finding their real calling of their existence and working commitment. It answers the gap caused by the lack of empirical study on the subject of workplace spirituality. It suggests important findings on how to increase individual spirituality in order to improve the workplace spirituality and in turn will create a higher commitment and job satisfaction toward increasing performance. Further quantitative explanatory approach and/or qualitative exploratory approach will be needed to reach a more solid conclusion.

# **ETHICAL WORK CLIMATE IN ORGANIZATION: EFFECT ON ROLE AMBIGUITY, JOB SATISFACTION, ORGANIZATIONAL CITIZENSHIP BEHAVIOR, AND TURNOVER INTENTION**

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**PERMATA WULANDARI**

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## **ABSTRACT**

This study aimed to analyze the impact of Ethical Working Climate and factors affecting overall employee's performance such as role ambiguity, job satisfaction, organizational citizenship behavior, emotional exhaustion and turnover intention. Ethical work climate in a company is essential in building behavior. The importance of institutionalized ethical working climate for the employee is inevitable, and it is assumed that the higher the ethical climate in a company, the better the worker's performance. The research conducted in Indonesian financial industry with individual employee as the unit analysis. There are 114 cases collected using a self-administered questionnaire. All instruments prepared for this research are reliable. Findings from this study reveal that most of the variables affect ethical working climate significantly, except organizational citizenship behavior.

**Keywords:** Ethical working climate, role ambiguity, job satisfaction, organizational citizenship behavior, emotional exhaustion, turnover intention.

# CYBERLOAFING AND COMPUTER USE RESTRICTION IN WORKPLACE

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**YANKI HARTIJASTI**

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## **ABSTRACT**

Cyberloafing is perceived as a form of computer abuse behavior because of unauthorized personal use of company-provided internet access for employees' own personal purposes during working hours. As the internet has become daily working necessity, cyberloafing is likely to be a plausible counterproductive activity if it is excessively done for more than 5 hours a week. The objective of this study was to analyze the influence of computer use restriction towards cyberloafing. Data gathered from 313 respondents from various industries were analyzed by using nominal logistic regression. This study found that computer use restriction had significant negative influence towards cyberloafing. According to the result, lack of consistent computer use restriction implementation caused cyberloafing in the workplace. Therefore, it is suggested that organizations should implement end-to-end computer use restriction mechanism in order to draw obvious rules for internet usage.

**Keywords:** Cyberloafing in the Workplace, Computer Use Restriction

# PSYCHOLOGICAL CAPITAL AS A MEDIATOR BETWEEN LEADERSHIP STYLE AN SALE'S ADAPTIVE SELLING

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## **ABSTRACT**

Psychological capital is one of Positive Organizational Behaviors (POB) that argued affected job performance, however the empirical evidences are still less if comparing with others POB investigated. This study was aimed to find empirical evidence from psychological capital role as a mediator between manager leadership style named transformational leadership and adaptive selling of insurance agents. Data were collected from 205 "door to door" insurance agents and accounted by using correlation and regression techniques. The result showed that psychological capital was proved as a full mediator between transformational leadership style of managers and adaptive selling of insurance agents. The finding suggest that psychological capital is more powerful in influencing adaptive selling than transformational leadership style. Consequently, personality variabel such as psychological capital need to be noticed not just in selection process but also in developing skill for insurance agent better performance.

**Key words :** Psychological capital, transformational leadership, adaptive selling, insurance agent

# IDENTIFYING CURRENT VALUES OF INDONESIAN YOUTH

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## **ABSTRACT**

This study identified Indonesian youth values. Understanding people's values is important because values lead people to behave in the way that they believe. Specifically, understanding youth values contribute to understand youth characters which will express their behavior. Survey data gathered from university students in 4 big cities in Indonesia: Jakarta, Bandung, Semarang and Surabaya. A total of 1067 respondents were obtained. The data then was analyzed by applying exploratory factor analysis. The findings of this study show that there are 9 dimensions of Indonesian youth values: mutual assistance, religion, democracy, kinship, hospitality, corruption, western culture, religious fanaticism, and selfish. The paper provides an analysis of the data, a discussion of the findings and the directions for future research.

**Keywords:** Indonesia, youth values, survey, exploratory factor analysis

# THE KNOWLEDGE SHARING CULTURE AND INNOVATION CAPABILITY: A STUDY OF BATIK SME'S IN INDONESIA

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## **ABSTRACT**

Knowledge sharing culture is considered one of the most important functions that enable organizations to effectively benefit from the knowledge of their employees, enhance their performance, and create competitiveness over their competitors. Knowledge sharing culture supports organization in fulfilling customers' needs and wants. Besides that, implementation of knowledge sharing culture will bring major benefits to the organization itself such as enabling employees to propose new ideas and become innovative in their organization. In this paper, the author had identified and discussed several factors that will lead to knowledge sharing culture and its impact on innovation capability. Data from 100 respondents were used to validate the measures and test the research model. The practical implications of these studies provide knowledge and information for SMEs in an attempt to improve innovation capability through knowledge sharing culture. Originality of research can prove the test configuration model of knowledge sharing culture to increase innovation capability. Finally, the recommendation for HR executives are discussed in this research may help the companies in guiding their efforts to build knowledge-based companies in Indonesia.

**Keywords** : Knowledge sharing culture, innovation capability, small medium enterprises

# LEADERSHIP DEVELOPMENT EXPERIENCES OF WOMAN LEADERS IN STATE-OWNED ENTERPRISES (BUMN) IN INDONESIA

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Management Department, Universitas Indonesia  
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**RIANI RACHMAWATI**

Management Department, Universitas Indonesia  
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## **ABSTRACT**

There has been an increasing trend of the woman participation rate in the Indonesian labour market. However, the proportion of woman in Indonesia who sit in the board of directors was only 6% out of entire woman work force. The Minister for State-Owned Enterprise (BUMN) Republic of Indonesia believes that woman are capable to be leaders as those of their male counterparts and thus, plans to multiply the number of woman in the Director and CEO levels of BUMN. The importance of retaining and developing woman leaders for organizations has been demonstrated in the literature review. Subsequently, this research aims to look at the composition of woman leaders in BUMN's and explore the development experience of woman leaders of BUMN to assess the aspects which shape them to be leaders. Nine woman leaders from various BUMNs were interviewed to gain information on their development experience from entry level until they hold the leadership positions. The research indicates the low ratio number of woman in BUMN's management team although there is an optimism that the number would increase. Key points discovered in this research were experiential development programs done by the participants own initiatives; and BUMN's poor investment on leadership development programs towards woman employees.

**Keywords:** Leadership development, leadership experience, women leaders, BUMN

# **MAXIMIZING THE BENEFITS OF INTERNATIONALIZATION: THE MODERATING ROLE OF LABOR FLEXIBILITY**

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## **ABSTRACT**

Using the Korean Workplace Panel Survey, the impact of firm's internationalization on workplace-level performance is explored in the present study. Three types of labor flexibility are tested to examine their moderating effects on the internationalization-performance relationship. Our findings demonstrate that, while functional flexibility and part-time work arrangement enhance an inverse U-shaped relationship between internationalization and financial performance, in-house subcontracted work arrangement, which is unique to an East-Asian business environment, has no significant influence. The theoretical and practical implications of distinctive roles of different types of labor flexibility for workplace performance are discussed in the context of internationalization.

**Keywords:** Internationalization, Functional flexibility, Numerical flexibility, Workplace performance



# SEXUAL ORIENTATION POSITIONING AS AN INVISIBLE DIVERSITY ACROSS THE EUROPE

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## **ABSTRACT**

In order to indicate the positioning of sexual orientation, this study firstly explores what diversity and diversity management are. After examination of diversity in a conceptual way, understanding of sexual orientation as an invisible diversity has been introduced through reports and research studies. Institutions of European Union (EU), political system of EU, managing diversity in EU and protection of sexual orientation minorities by Non-Governmental Organizations (NGOs) in Europe have been discussed in order to indicate sexual orientation positioning based on EU. In this study, literature related to diversity, reports, regulations and research studies have been used for creating the study of sexual orientation positioning.

**Keywords:** Diversity, diversity management, sexual orientation, European Union, Non-Governmental Organizations

# **PROBLEM BASED LEARNING IN BUSINESS EDUCATION – A CASE AT SKKU IN KOREA**

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## **ABSTRACT**

This is a case study of a new application of the PBL (problem based learning) method in business education in Korea. Imported from Maastricht University, Holland in 2010, however, the method needed to be adjusted into Korean classroom system in some way, but works well enough to have students enjoy studying, discussing, and doing homework. The method seems to enable students to retain what they learn better than traditional lectures.

# **HOW FUTURE BUSINESS MANAGERS PERCEIVE ABOUT ETHICS : A COMPARATIVE STUDY AMONG BUSINESS STUDENTS IN THE US AND VIETNAM**

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## **ABSTRACT**

Since the Enron's scandal, business ethics has attracted more attention not only in academia but also from media and the public in the U.S. There have been numerous reports and accusations of ethical misconducts of business and government leaders such as fraud, inside trading, cover-up, bribery and corruption. In this 21<sup>st</sup> century world of business, ethics has become even more globalized and complex as business and society experience a higher level of cultural diversity and complexity across cultures. Therefore, being able to recognize and properly deal with ethical issues in cross cultural environment has become a top priority of business leaders. Having ethical employees as well as fostering an ethical organizational culture is critical to the long term success of an organization; and society can benefit from it too (Conroy and Emerson, 2004). The best way to anticipate future business leaders' ethical behavior is to understand their ethical perspectives (Albaum and Peterson, 2006). This study used Clark and Clark's (1966) Personal Business Ethics Scores (PBES) measure to compare the level of ethical maturity of business students in the U.S. and in Vietnam based on gender, business law course taken, code of conduct, and ethics training. Using Univariate Analysis of Variance method, this research analyzed 546 business students (286 American students and 260 Vietnamese students) to examine their Personal Business Ethics Scores (PBES). It appears that American students had higher PBES scores than Vietnamese students. Statistically significant differences were also found in the variables of gender, business law course taken, code of conduct, and ethics training. In this study, literature on business ethics as well as ethics in the U.S. and in Vietnam is presented along with practical applications, suggestions and implications for educators, managers, and employees.

**Keywords:** Business ethics; business students; code of conducts; ethical maturity; ethics training; gender; U.S.; Vietnam

# **UNIVERSITY STUDENT'S PERCEPTION, ATTITUDE AND BEHAVIOR TOWARD CULTURAL DIVERSITY IN KOREA**

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## **ABSTRACT**

Based on more than six hundred surveys to college students in Korea, this research aims to empirically analyze their experience, perception, attitude, and behavior toward 'Cultural Diversity'. Utilizing correlation analysis, factor analysis and path analysis, we found that some experiences and perceptions influence the attitudes and behaviors while the others do not. This finding, based upon six different factors, sheds light on important policy direction as well as practical education.

# **MARKETING**

# THE EFFECT OF CHANGES IN GREEN MARKETING ON CONSUMER ATTITUDE : A CASE STUDY OF NIKE SHOES IN BANDUNG CITY

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## **ABSTRACT**

The era of globalization demands a paradigm shift in all areas, one of which is the field of marketing. The higher the level of competition and uncertain conditions force companies to seek competitive advantages in order to win the competition. Marketers must implement modern marketing concepts or market-oriented customers to achieve competitive potentials. One of them is to do green marketing. Green marketing is an alternative strategy that not only helps to improve the company's image, but also to give more value to the company. This concept is believed to be able to provide different strategies and change the attitude of the end consumer. This research aims to analyze the influence of green marketing and the most dominant variables to change the end consumer attitude towards the products of Nike shoes. Survey methods are used in the analysis of conducted description and verification, while testing hypotheses uses multiple linear regression analysis. This study uses primary data and secondary data. Primary data were obtained from a survey sample of 100 respondents conducted in Bandung City. Retrieval techniques sampling probability sampling are done by using simple random sampling. Secondary data were collected from relevant books, and other published data. The results showed that the influence of Green Marketing to changing the end consumer attitudes towards the Nike products at 74.3% and the remaining 25.7% was influenced by other variables outside Green Marketing. The most dominant influence of Green Product on the end consumer attitudes towards the products of Nike shoes.

**Keywords:** green marketing, consumer attitude changes.

# THE ROLE OF GREEN CSR ACTIVITIES, BUSINESS ETHICS AND PERCEIVED QUALITY OF LIFE IN ENHANCING CUSTOMERS TRUST AND LOYALTY FROM THE PERSPECTIVES OF INDONESIAN YOUTH

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## **ABSTRACT**

This paper will examine the relationship between Green Corporate Social Responsibilities (green CSR) activities, Corporate Reputation, Business Ethics, Trust, Perceived Quality of Life, and Customer Loyalty, from the perspectives of people aged 19-35 years old. This research is the second part of the same research conducted in 2013. The difference will be in the indicators used for Business Ethics variable, the companies serve as the objects of the research, the locations, and the respondents' criteria. Indicators for Business Ethics variable will be developed from literature reviews and focus group discussions. The survey respondents will be the product users of three companies: Bayer Indonesia, Toyota Indonesia and Sharp Indonesia, with the age criteria mentioned above. All three companies have regularly done green CSR activities targeted at youth. The data will be collected from two cities in Indonesia representing the major islands in the Eastern part of Indonesia: Balikpapan and Makassar. The targeted total number of respondents is 300 (150 respondents from each city). The data will be analysed with multiple regressions, with Business Ethics serves as moderating variable.

**Keywords:** Green Corporate Social Responsibility, Business Ethics, Corporate Reputation, Quality of Life, Customers' Trust

# **SMEs AND LEs MARKETING COLLABORATION TO DEVELOP CREATIVE INDUSTRY MARKET**

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## **ABSTRACT**

In the last decade, a trend of creative industry in Indonesia started to contribute a dominant value and "net trade ". Therefore, the creative industry nowadays are being accepted in global market as supporting a local income, as a result of an availability of natural resources and exclusive unique product . Creative industry has many opportunity to create a national economic competitions in the market. A development of creative industry started from small and medium enterprises (SMEs) in domestic scale. One of the reason that becoming an obstacle by SMEs on improving their bussiness, caused by the low skill of human resources on managing the bussiness, especially marketing. Therefore, to improve their compatibility on global market, SMEs should has a collaboration marketing technique; How to create those collaboration with larger enterprises (LEs) to accommodate their bargaining power? This paper try to explain a significance of collaboration between a SME and a LE on aiming successful marketing. The result of this research, shows that collaboration between a SME and a LE can be both mutual. LEs are able to enhance their technology innovation by involving SMEs, as the enrich their potential. Besides, SMEs get various benefits profit from a collaboration with LEs , such as gaining access for technical aspect or even to open a new market .This collaboration with LEs became one of the most effective way to enhance the limitation of SMEs.

**Keywords** : Creative industry, SMEs, LEs, collaboration, market



# PERCEIVED RISK AND TRUST AS MAJOR DETERMINANTS OF ACTUAL PURCHASE, TRANSCENDING THE INFLUENCE OF INTENTION

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## **ABSTRACT**

The purpose of this study is to analyze online purchase behavior in hotel industry using an integrative framework. Analyzing the influence of online purchase intention, perceived risk and trust on actual purchase, to further determine the construct that has the strongest impact. This study also investigated antecedents of those three constructs. Online survey targeting respondents who have made hotel reservation online was used to collect data. The conceptual model was tested using Structural Equation Modeling (SEM). Perceived risk has the strongest impact on actual purchase, followed by trust and online purchase intention. The weak influence of online purchase intention on actual purchase is quite interesting, contrasts with previous research results. The study also found perceived risk perfect mediation on the relationship between website quality and eWOM toward online purchase intention. With this study descriptive nature, there was no manipulation or control of the antecedents of online purchase behavior as it would be in experimental design, so conclusions on the relationship between constructs require further and repeated study. Hotels need to reduce perceived risk in order to raise online reservation, by improving website quality and encourage positive review posted online. This study developed an integrative approach analyzing online purchase behavior with three determinants of consumer decision making simultaneously as mentioned in consumer decision model.

**Keywords:** Perceived risk, actual purchase, online purchase intention, trust, website quality, eWOM, online visibility

# IS INNOVATION ALWAYS BENEFICIAL? A STUDY OF DIFFERENT DIMENSIONS OF PRODUCTS INNOVATIVENESS

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## **ABSTRACT**

This study is the continuation of research by Stock, RM & Zacharias, N.A. (2013), which used company as the unit of analysis and marketing manager as the respondent. The current study involves 141 consumer respondents from the pharmaceutical industry and 105 respondents from the service industry. The result of confirmatory factor analysis using LISREL 8.8 confirms that the instrument has good reliability and validity. The results of the 4 hypotheses testing using multiple regression show that Product Newness has a positive and significant effect on Customer Loyalty. However, Product Meaningfulness does not significantly affect Customer Loyalty. Moreover, the moderating variable (that is, Brand Association with Innovativeness) has no effect on the relationship between Product Newness and Customer Loyalty-Customer Relationship Management.

**Keywords:** Foreign direct investment mining sector, Export mining sector, Exchange rate, Interest rate

# YOUNG VOTERS' RESPONSES TO EXECUTIONAL FRAMEWORKS AND VISUAL/VERBAL MESSAGE OF POLITICAL ADVERTISING IN TWITTER

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## **ABSTRACT**

The growing adoption of Twitter in Indonesia encourages political actors and parties to take its advantage as one of their channels for their political campaign activities; especially when they target their messages to young voters. This research investigates the persuasive effect of executional frameworks and visual/verbal messages in political advertising posted in Twitter among young voters in Indonesia. It is examined whether political ads in Twitter delivered using visual-verbal message generates more favorable responses among young voters than the one using visual or verbal only. Moreover, it is also tested whether slice-of-life or informational executional framework leads to better impacts. This experimental study involves 250 young voters living in Indonesia as participants. The result suggests that participants responded more favorably when they were exposed to political ads containing visual and verbal message. It is also found that slice-of-life executional framework results more favorable responses than informational executional frameworks. Additionally, political ads using slice-of-life delivered using visual and verbal is the best combination when the political actors or parties want to achieve favorable responses from young voters. Meanwhile, the combination of information executional framework and verbal only message makes the least favorable responses. Managerial implications and limitations are discussed on the last part of the study.

**Keywords:** Social media marketing, political marketing, advertising, consumer behavior

# THE ROLE OF STEREOTYPE CONTENT MODEL (SCM) TO ENHANCE THE EFFECTIVENESS OF GLOBAL BRAND'S CSR : CROSS CULTURE PERSPECTIVE

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## **ABSTRACT**

This study will investigate the efficacy of CSR motives (CSR-m) and Corporate Ability (CA) on Brand Attitude (BA), and in turn Customer Loyalty (CL). Stereotype Content Model (SCM) is proposed as moderating variables that affect the relationship between CSR-m, CA, and BA. SCM is a concept that explains the difference in perception toward a group of people (citizens) from different cultures and countries. This concept will explain the effectiveness of CSR implementation by global brands that represent the country image of the brand. This research will be conducted through a survey in Jakarta as the capital of Indonesia. The objects are two global brands, COCA COLA representing the USA, and TOYOTA representing Japan. Respondents are 200 customers of those two brands who had already known their CSR activities. These two brands were chosen because they represent global brands from developed countries which, according to previous studies, concerning SCM, have different characteristics of Warm and Competence. The hypotheses will be tested using multiple regression. The results are expected to show the variability of CSR effectiveness by both global brands that do CSR activities in developing countries. This study will enrich CSR-cross-cultural research which has not yet included the effects of the country image of the brand origin.

**Keyword :** Corporate Social Responsibility Motives, Company Ability, Brand Attitude, Loyalty, Stereotype Content Model, Global Brand

# IDEALISM, RELATIVISM, MATERIALISM, AND CONSUMER ETHICS: AN EXPLORATORY STUDY IN VIETNAM

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## ABSTRACT

Unethical consumption behavior results in significant damage to business profits and market morale (Steenhaut and Kenhove, 2006; Liu et al., 2009). Although there have been many studies of the ethical judgment of consumers in the United States and other industrialized countries, consumer ethics in Asian-market settings have seldom been explored. Asia has transformed itself to become a global hub of commerce but at the same time has faced serious consumers' unethical issues such as software pirating, shoplifting and the rampant supply of counterfeit products. The purpose of this study is to examine the factors that influence Vietnamese consumers' ethical beliefs. Particularly, this study investigates the impact of idealism, relativism, and materialism as personality characteristics on the ethical beliefs of consumers in Vietnam, which consist of attitudes toward actively benefiting from illegal actions, passively benefiting at the expense of the seller, actively benefiting from questionable but legal actions, and no harm, no foul actions. This exploratory study of 390 Vietnamese has results in many significant findings. First of all, idealism and materialism significantly impacted the attitude towards actively benefiting from illegal actions. Second, materialism significantly impacted the attitude towards passively benefiting at the expense of the seller while idealism partially impacted this attitude. Third, idealism significantly impacted the attitude towards actively benefiting from questionable but legal actions while materialism partially impacted this attitude. Finally, idealism and relativism significantly impacted the attitude towards no harm, no foul actions. In this study, literature on consumer ethics, idealism, relativism and materialism as well as the introduction of Vietnam, are presented along with implications and recommendations for academic scholars, practitioners and the like.

**Key words:** Consumer ethics, ethical judgments, idealism, materialism, relativism, Vietnam

# FOSTERING THE CITY BRANDING EFFECTIVENESS TO BOOST THE ECONOMIC GROWTH IN INDONESIA

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## **ABSTRACT**

The goal of the study is to analyze the effectiveness of both city branding and city image in resulting one of strategy to improve the economic growth in Samarinda reflected in the Gross Domestic Product (GDP). GDP is such a clear reflection of the economic growth in any area. In Samarinda, particularly, the growth level in both service and trade sectors are provide significant contribution to its PDRB. Those sectors could reach this level since the ability of local government in creating conducive condition reflected in city branding that in the end will have a significant effect on city image. The effectiveness of city branding is very essential since its ability to counter the increasing competition in obtaining resources, investments and tourisms. Methodologies used in the study are Structural Equation Modeling Partial Least Square (SEM-PLS) and *t-test*. Data was collected using accidental sampling technique by giving a questionnaire to 100 visitors of Mesra International Hotel Samarinda. The findings shown that perception of those respondents on the effectiveness of city branding is significantly affecting the city image. Studied indicators have not showing the effectiveness of city branding, yet those respondents states that as a business city, Samarinda is attractive and has a great potential in economy.

**Keyword:** City Branding, City image, Gross Regional Domestic Product (GRDP).

# **STRATEGIC MANAGEMENT**

# **ECO-PRENEURSHIP CHANCES BIRTH AND YOUNG ENTREPRENEUR AND ROLE IN IMPROVING THE CREATIVE INDUSTRY IN INDONESIA**

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## **ABSTRACT**

Resilience of a country's economy will withstand the shocks of economic disaster if at least 2% of the population living as entrepreneurs. Childbirth is indeed an entrepreneur takes a change of mindset. Especially in Indonesia, which has long been established mindset that it is better to make money by working as a clerk? Almost all Indonesian parents always provide a target for their children to immediately apply for a job in a particular company. The fact that it is in accordance with the state of Indonesia which collapsed during the economic crisis that occurred in 2008. Increasing competition among college graduates make much entrepreneurship scholars in many ogled. An imbalance in the number of job seekers with available jobs that make entrepreneurs used as an alternative in getting money. Being an entrepreneur can be considered a promising success. However, being an entrepreneur is not actually much easier when compared to being an employee of a company. Creative and innovative side is absolutely indispensable if you want to become an entrepreneur. An entrepreneur should always be able to create something new and capable creation of something that already exists into something that seemed to be new. Thinking out the box should always be embedded in any entrepreneurial mindset. Competition in the area of self-employment is also very unusual. Opportunities that can be exploited by the entrepreneurs are also very diverse, but the necessary foresight in capturing these opportunities. The entrepreneur must be able to see things from the eyes of an unusual glass. Tenacity is also needed if you want to become an entrepreneur. In essence, every entrepreneur should have an entrepreneurial spirit. So many opportunities that can be exploited by entrepreneurs, including in terms of raw materials and processing. Entrepreneurship is a creative industry that requires the perpetrator to be able to think in an extraordinary way. Being able to turn something ordinary into the extraordinary.



# **THE EFFECT OF INDIVIDUAL SPIRITUALITY, ORGANIZATIONAL CULTURE, LEADER-MEMBER RELATIONSHIP AND EXTERNAL PRESSURE ON READINESS FOR CHANGE AND ORGANIZATIONAL MISBEHAVIOR**

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## **ABSTRACT**

This paper discusses the determinants of employee readiness for change and the relationship between readiness for change and employee misbehavior in an organizational setting. These determinants are an individual's attribute (spirituality) and contextual attributes (leader-member exchange or LMX, organizational culture, and external forces). They are essentially derived from Soetjipto and Uno's study that took place in state-owned plantation company. This study aims at examining the effect of readiness for change on misbehavior. Additionally, this study explores the individual and contextual determinants for readiness for change. In this study, individual determinants are represented by employee's spirituality ( as inner self) and the quality of employee relationship with their respective boss, while contextual determinants are represented by organizational culture and external pressures.

# THE IMPACT OF ECONOMIC RECESSION AND RESOURCE CONSTRAINTS ON CORPORATE ENTREPRENEURSHIP

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## **ABSTRACT**

This paper will address how the 2008 economic downturn and its continuance influenced, and continue to influence, the role of corporate entrepreneurship within the corporation. The objectives of the research include, Identifying the potential financial impact of corporate entrepreneurship on the firm, Identifying attitudes, practices, and beliefs about corporate entrepreneurship and how these have changed over the past five years, Identifying the level of corporate entrepreneurship currently being undertaken and how this compares to the previous levels, and Integrating this information in order to understand how the 2008 financial crisis has influenced corporate entrepreneurship within the firm. The research will help clarify the value of specific modes of CE by demonstrating how P&G has used CE to adapt to the global economic crisis.

**Keywords:** Corporate Entrepreneurship, Financial Crisis, Innovation, Multinational Firms, Economic Indicators.

# DOES COMPETITIVENESS INFLUENCE FDI IN SPECIAL ECONOMIC ZONE? COMPARISON OF MALAYSIA, THAILAND, CHINA AND INDONESIA

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## **ABSTRACT**

This paper is trying to investigate the impact of country competitiveness toward the inflow of FDI in four Asian Countries: China, Malaysia, and Thailand. This study is using qualitative approach by interviewing policy makers, SEZ stakeholders and foreign investors in these four countries. While China has the most established SEZ program, Malaysia and Thailand also have highly-regarded SEZs and investment incentives. Those neighboring countries have developed SEZs in significant quantities but the greatest returns have come from a subsection of large-scale zones with favorable locations, good planning and access to resources. Result of this study also indicated that Thailand has a smaller number of Zones, but a higher rate of successful zones such as automobile cluster which became the anchor of automotive production in Asia. China and Malaysia have developed SEZs in significant quantities but the greatest returns have to come from a subsection of large-scale zones with favorable locations, good planning and access to resources.

**Keywords:** Special Economic zone, FDI, benchmarking, competitiveness, China, Malaysia, Thailand.

# THE EFFECT OF SOCIAL ENTERPRISE AND SOCIAL ENTREPRENEUR CREDIBILITY ON CONSUMER ATTITUDE AND SUPPORT INTENTION TOWARD SOCIAL ENTERPRISE IN INDONESIA

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## **ABSTRACT**

The study set out to examine the impact of social entrepreneur personal credibility (SEPC) and social enterprise organizational credibility (SEOC) on customer attitude and intention to support social enterprises in Indonesia. Ads portraying leaders of the six largest Indonesian social enterprises were shown to their customers. Responses to the ads were then measured in terms of customers' perception of SEPC and SEOC, as well as customer attitude towards the ad and social enterprise brand, and their intention to continue supporting it in the future. Results of structural equation modeling indicate that SEOC has a direct influence on customer support intention while the influence of SEPC on support intention is mediated by brand attitude. Additionally, while brand attitude is a significant determinant of support intention, that attitude is not affected by advertising effectiveness. The research suggests the importance of establishing credible organization as the study shows that social enterprise organization credibility directly influences the attitude toward the ad, attitude toward the brand and customers' intention to support SEs. The study also stresses the importance of the corporate brand to social enterprise as the attitude toward the brand has direct influence on the intended variable of "customers' intention" To date, there is a dearth of empirical study in social entrepreneurship literature. Thus the current study provides more empirical examination to social entrepreneurship phenomenon.

**Keywords:** Social Entrepreneurship, Credibility, Customer Attitude, Customer Support Intention, Indonesia

# MODERATING ROLE OF ENTREPRENEURSHIP EDUCATION ON THE RELATIONSHIP BETWEEN ENTREPRENEURIAL ATTITUDE, SOCIAL SUPPORT, OPENNESS TO EXPERIENCE AND STUDENTS' ENTREPRENEURIAL INTENTIONS

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## **ABSTRACT**

Currently, some higher education attempt to stimulate their students to enhance their entrepreneurial spirit and intention. The attempt is relevant with the effort by the Indonesian government to reduce the unemployment rate in Indonesia. Regardless the concern for having entrepreneurial education deserves appreciation, it is still unexplored whether the existence of such education can strengthen the students' motivation to be entrepreneurs or at least their entrepreneurial spirit. This research involves 108 vocational students (undergraduates) majoring in business who were undertaking Entrepreneurships subject. This research investigates whether entrepreneurial education moderates the relationships between entrepreneurial attitudes, social support, openness to experience and student's entrepreneurial intention. Findings of study suggest that entrepreneurial attitudes, social support, openness to experience influence student's entrepreneurial intention. Meanwhile, entrepreneurial education does not moderate the relationships between entrepreneurial attitudes, social support, openness to experience and student's entrepreneurial intention. Some explanations regarding the possibilities of the respondents having a misperception of the entrepreneurial education they received or their personal background that may influence the results are discussed. This study fills the gap in the literature by particularly testing the moderating effect of entrepreneurial education between entrepreneurial attitudes, social support, openness to experience and entrepreneurial intention.

**Keywords:** Entrepreneurial attitudes, self-efficacy, social support, openness to experience, entrepreneurial intention, entrepreneur education, vocational student.

# DOES LABOR FACTORS AND COUNTRY COMPETITIVENESS INFLUENCE COUNTRY ATTRACTIVENESS? A STUDY IN INDONESIAN AND JORDAN TEXTILE INDUSTRIES

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## **ABSTRACT**

The purpose of this study is to critically compare labor factors and country competitiveness of Jordan and Indonesia that affecting its country attractiveness in the textile industry. This study also discuss how Indonesia could improve its textile industry and become more productive than others. This research is a mix between qualitative quantitative approaches. The data were collected from the published materials of Better Work data, BAPPENAS, and in depth – interview with certified social compliance auditors, factory managers, and some workers to earn more information on textile industry in Indonesia and Jordan. The result of this study indicated that there are several labor factors that could boost up the Indonesian's performance in Textile industry, for example working hours, occupational safety and health, compensation and benefits, and also discrimination.

**Keywords:** Indonesian textile industry, working condition, country competitiveness.

# CSR ACTIVITIES IN KOREA

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## **ABSTRACT**

This survey paper explains how the CSR (Corporate Social Responsibility) activities go in Korea, following some literature review and historical development of Korean economy. As globalization continues with economic transparency, Korean companies tend to enhance the CSR activities, CSV activities with promotional purpose in addition to with Confucius culture.

# **EFFECT OF ORGANIZATION CULTURE ON ABSORPTIVE CAPACITY, INNOVATION PERFORMANCE AND COMPETITIVE ADVANTAGE : INDONESIA BANKING CASE**

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## **ABSTRACT**

The positive impact of absorptive capacity (ACAP) on innovation and the positive impact of innovation on Competitive Advantage have been proven in different research contexts. However, current knowledge on organization culture that affects ACAP, innovation and Competitive Advantage as a whole, remains unclear. This article proposes a model to examine how organization culture (developmental culture and rational culture) affects ACAP, innovation and Competitive Advantage, directly and indirectly as well. Survey data (in Indonesia's Banking Industry) shows that both of organization culture have a direct impact on ACAP. Only developmental culture has a direct impact on innovation. There is no culture type affects competitive advantage directly. In here, culture affects Competitive Advantage through ACAP and innovation.

**Keywords:** absorptive capacity (ACAP), innovation, Competitive Advantage, developmental culture, rational culture, banks, Indonesia.



**FINANCE**

# **FINANCIAL CAPACITY AND AWARENESS OF FINANCIAL PRODUCTS : SURVEY OF LOW LEVEL INCOME HOUSEHOLDS IN GREATER JAKARTA AND SURABAYA, INDONESIA**

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## **ABSTRACT**

This study aims to examine relationship between financial capacity and awareness of financial products of low level income households in Greater Jakarta and Surabaya by conducting survey to 1,520 household respondents. The results show that saving account and consumer's loan for vehicle ownership are two financial products that respondents the most familiar with. Furthermore, a cross tabulation and Chi Square analysis, also found that Greater Jakarta respondents who are in below average income and expenditure tend to be less aware of saving account and vehicle loan products; reflected as do not know, do not own and do not use those products. In Surabaya, there are significant difference between respondents who are using and not using financial products. Consistent with the Jakartans, most respondents in Surabaya who are not using saving account and vehicle loan products are those who are in below average income/expenditure category. These results indicate that weak financial capacity is followed by less awareness of financial products.

**Keywords:** Financial inclusions, financial capacity, awareness of financial products, Indonesia.

# FACTORS AFFECTING THE PHILIPPINE STOCK MARKET

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## **ABSTRACT**

While the Philippine Stock Exchange is one of the oldest stock exchanges in the region, it is, by far, relatively smaller in terms of market capitalization and trading volume than other stock exchanges from neighboring countries like Hong Kong, China, Singapore, Malaysia, South Korea, Japan & Thailand, making it more prone to be affected also by macroeconomic factors. In addition, greater economic integration amongst the ASEAN and other nearby countries is believed by many to have caused greater co-movements among their stock markets. Using OLS, VECM, Granger causality tests and the Johansen cointegration test on panel as well as pooled data, the paper provides evidence for increasing cointegration and rising granger causality among the markets covered by the study.

# TRANSACTION BEHAVIOR, INFORMATION ADVANTAGE, AND PERFORMANCE OF VARIOUS SUBGROUPS IN INDONESIAN MARKET

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## ABSTRACT

Using a unique Indonesian market data set consisting of daily aggregate transactions, we examine the herding behavior, information advantage, and performance of 14 investor subgroups under both foreign and domestic categories. To enrich extant literature, the investigation covers both 'Bull' (February 1, 2012-August 19, 2013) and 'Bear' (August 20, 2013-September 30, 2013) market periods. Throughout Bull and Bear periods, we find that Mutual Fund Foreign (MFF) exhibits the highest within subgroup herding behavior, while Individual Domestic (IDD) shows the lowest within subgroup herding behavior. We also discover that net investment flow of Securities Companies Domestic (SCD) is positively correlated with net investment flows of other domestic subgroups only during Bull period. Hence, SCD and other domestic subgroups tend to herd each other only during Bull period. In contrast, negative and weak correlations are observed between net investment flow of Securities Companies Foreign (SCF) and other foreign investor subgroups in both periods. We only observe strong positive correlation between SCF and Investment Bank Foreign (IBF) during Bear period. Marginal information advantage is only displayed by Investment Bank Foreign (IBF) over other subgroups during Bull period. During Bear period, no investor subgroup exhibits information advantage over other subgroups. During Bull period, the top three performers are Investment Bank Foreign (IBF), Others Foreign (OTF), and Corporation Domestic (CPD). While, the bottom three performers are Insurance Domestic (ISD), Securities Company Foreign (SCF), and Individual Domestic (IDD). During Bear period, the top three performers are Individual Domestic (IDD), Insurance Domestic (ISD), and Mutual Fund Domestic (MFD). Meanwhile, the bottom three performers are Others Foreign (OTF), Investment Bank Foreign (IBF), and Corporation Foreign (CPF).

**Keywords:** Herding, Indonesia, Information Advantage, Investor Subgroups, Net Investment Flow

# ESTIMATION OF BANK'S MARKET ASSETS VALUE - A DYNAMIC PANEL DATA APPROACH

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## **ABSTRACT**

Option pricing model is the most widely used approach for risk-based estimation of the value of deposit insurance. This model requires two major variables in the estimation, namely market value bank assets, and variance of their returns. The value of these two variables can not be directly observed, and generally are approximated using data available in the capital market. Since only a small fraction of banks whose shares are already listed on the stock market, it is necessary to have a model that can be used to estimate the market value of bank assets using information available to the public. Example of such data would be bank's financial statements which are periodically submitted to the central bank. Same limitation also lead to the need for alternative methods that can be used to determine the volatility of bank asset returns. The goal of this study is two fold. First, it aimed to build a cash flow model which is based on financial statement data, and can be used to estimate the market value and volatility of the return of the bank's assets. Since volatility correlates to risk, this research also tries to describe variation in volatility of asset returns among banks.

# YIELD SPREAD AND INTEREST RATE VOLATILITY: INFORMATION CONTENT FOR PREDICTING ECONOMIC GROWTH IN MALAYSIA

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## **ABSTRACT**

The predictive ability of the yield spread and its expectations-related (ER) and term premium (TP) components for economic activity in Malaysia is examined. In addition, the explanatory power of the yield spread for economic activity in the presence of interest rate volatility is also assessed. We define the yield spread as the interest differential of a 10-year Malaysian Government Security and 3-month Malaysian Government Treasury Bill (MTB), and derive interest rate volatility from the 3-month MTB yields using a GARCH(1,1) conditional variance model. This study finds that the yield spread is an empirically important predictor of economic activity, and this relationship is robust and stable across forecast horizons. The results show that adding interest rate volatility to an ordinary least squares regression which involves the ER and TP components of the yield spread has relevance for the yield spread's predictive ability in economic growth forecasts. The ER term is consistently solely significant in explaining variations in economic activity.

**Keywords:** Economic growth, government security, treasury bond, volatility, yield spread

# **CRISIS MANAGEMENT AND BUSINESS CONTINUITY OF RIZAL COMMERCIAL BANKING CORPORATION**

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## **ABSTRACT**

Institutions in the Philippines face the high risk of being affected by natural and man-made disasters. The country's geography makes it vulnerable to extreme natural events. It is in this context that RCBC has developed its business continuity initiatives 2012 using the BS25999:2007 model to protect the stakeholders.

# MERGERS AND ACQUISITION DECISION IN INDONESIA MINING SECTOR

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## **ABSTRACT**

Mergers and acquisitions transactions (M&A) in Indonesia have been increasing during the last ten years. The number of M&A in 2003 is below 200, reaches its peak in 2010 with more than 600 transactions, but declines from 2012 to 2013. Value of M&A is 5 billion USD (2003) and reaches the highest point in 2012 at 22 billion USD ([www.imaa-institute.org](http://www.imaa-institute.org), 2014). This research attempts to uncover major motives behind the firm's M&A decision in Indonesia mining sector. We presume that the firm's decision to M&A or not is a choice to increase the value of the firm. Following Huyghebaert and Luypaert (2009), we indicate many factors that might motivate the M&A. The samples for this research are mining (public) firms in Indonesia during the period 2008 – 2013. Using logistic regression model, we expect that the easy access to internal financial resources, synergies and firm prior growth, and firm's track-record on M&A have positive impact on the probability of M&A, while monitoring financial constraints will decrease the probability of M&A. The results show that only managerial motives (long term debt ratio) and prior M&A experiences will enhance the probability of M&A.

**Keywords:** Mergers and Acquisitions, Motives, Logistic Regression



# CONVERGENCE OF INTEREST AND ENTRANCHMENT HYPOTHESIS ON INTERNAL INSTITUTIONAL OWNERSHIP, TENURE, AGE AND CORPORATE PERFORMANCE

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## **ABSTRACT**

This research is intended to know the occurrence of a phenomena of convergence of interest and entrenchment observed from the influences of internal institutional ownership, tenure and age to corporate performance occurring at a company listing in Indonesia. This research applies the data of non-financial companies listing at the Indonesian Stock Exchange within the periode of 10 years, namely from 2001 till 2010. Based on fulfilment of population criteria, there are 52 companies becoming the subject of this research. Influence of internal institutional ownership to corporate performance indicates the presence of a non-linear form at the level up to 58,11% of the internal institutional ownership. Here, there is a negative influences, so that a phenomena of entrenchment occurs. Influence of tenure to the corporate performance also takes a non-linear form. A tenure of less than 8,26 years produces positive corporate performance, so that convergence of interest occurs. Then, the tenures of 8 to 21,86 years produce negative corporate performance, so that an entrenchment takes place. Finally, a convergence of interest occurs at the tenure of above 21,86 years. Age indicates positive and linear influence to the corporate performance and this gives evidence on the occurrence of convergence of interest.

**Keywords** : Convergence of interest, entrenchment, internal institutional ownership, tenure, age, and corporate performance.

# THE CROSS-SECTIONAL ANALYSIS OF IDIOSYNCRATIC VOLATILITY AND STOCK RETURNS FROM AN EMERGING MARKET PERSPECTIVE

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## **ABSTRACT**

There are contentious discussions on the pricing of unsystematic risk (firm-specific risk). According to capital asset pricing model (CAPM), firm-specific risk should not be priced because all the markets are efficient and the risk can be eliminated by holding fully diversified portfolio. However, Miller (1977) and Merton (1987) suggest that firm-specific risk should be priced. The former argues based on short-sale constraints market and the latter suggests investor recognition hypothesis. The existing literature show that the confounding relationships were found between firm-specific risk and stock returns, and it is due to omitted variables bias and the methodologies used in the firm-specific risk calculation. This study examine the relationship between firm-specific risk and stock returns in Malaysia market with consideration of spurious regression issue. The study also reports the nexus of these two variables by taking into the consideration of the Asian financial crisis period. This paper also check for the robustness of the results by varying the firm-specific risk calculation.

# THE EFFECT OF INTEREST RATE TO COMMERCIAL BANK'S RISK – TAKING BEHAVIOR IN INDONESIA, 2004-2012

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## **ABSTRACT**

This study aims to analyze and determine whether there is influence of interest rates in Indonesia against the risk taking behavior of commercial banks in Indonesia that are listed on the Indonesia Stock Exchange in the period 2004–2012 taken semiannually. This paper uses approximately 180 annual observations on Indonesia area banks over that period and presents strong empirical evidence that low-interest rates indeed increase bank risk-taking substantially. Risk measurement will be divided into Risk Weighted Asset, Non-Performing Loan, and Z-Score. Where the measurements of interest rates are applied in terms of Short-Term, Long-Term and the Central Bank Rates. Both independent variable and dependent variable are divided to three measurement analyses, whether the three interest rate measurements have a consistent effect to the three different models being investigated. In addition, the model will also be included control variables to determine the effect of the bank's risk-taking behavior, as well as to focus the research models implementation. This research uses Panel Data for Regression. The result of this study primarily examined the effect of the interest rate on risk-taking behavior in Indonesian banks. As seen from the results of these 3 variables: the short-term, long-term, and the central bank rates, these give significant negative effect on a bank's risk-weighted assets, show significant positive effect on bank's non-performing loans, also these variables have significant positive effect on the Z-score on banks. Which means that all the interest rate measurements have consistent direction to the effect on the size or the risk influences. In addition, the control variable ROA has a significant negative effect on the risk-weighted assets, but has a significant positive effect on non-performing loans, and the bank's Z-score. While the variable capitalization, and loan-deposit ratio has a significant influence on risk-weighted assets, non-performing loans and Z-score. On the other hand, the variable size did not significantly influence the risk-weighted assets and non-performing loans of banks in Indonesia.

**Keywords:** Interest Rates, Risk Behavior, JIBOR, BI Rate, Z Score, Government Bonds

# VALUE VERSUS GROWTH IN INDONESIAN STOCK RETURNS: THE IMPLICATIONS FOR THE EQUITY MUTUAL FUND INDUSTRY

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## **ABSTRACT**

We extend the persistence and pervasiveness of the presence of value effect to Indonesian stock returns in the last two decades by utilizing data set that is relatively free of survivor and selection biases. Our result shows that value portfolios have been able to outperform growth portfolios, even after controlling for size and liquidity. Furthermore, the presence of the effect as an asset pricing factor, along with the size effect, can significantly explain the returns of the aggregate equity mutual funds in Indonesia and unveil that the equity mutual fund industry does not provide sufficient risk-adjusted return to cover their trading costs and fund expenses. Our proposition is that the equity mutual fund industry will be better off to apply simpler model shown in this paper to capture the value premium as opposed to the general application of traditional valuation method.

**Keywords:** Indonesian Stock Market; Value effect; Asset pricing models; Mutual fund performance; Mutual fund persistence; Factor Investing

# THE IMPACT OF FOREIGN BANKS PENETRATION ON CREDIT ALLOCATION AND LENDING RATES: EVIDENCE FROM ASEAN COUNTRIES

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## ABSTRACT

Following the wave of deregulation around the world, several countries experience the increase in foreign bank operations in their domestic bank industries. Several scholars have attempted to examine the impact of foreign bank penetration of some aspects, mostly related to efficiency measures. Limited studies discuss other dimensions, such as the impact on risk and market performances. Using six ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam) as the objects, this study tries to fill in the gap by assessing the impact of foreign bank penetration in two important variables: the proportion of loans in different types of borrowers (Small-sized and Medium Enterprises-SMEs; large corporations; and loan in the foreign currencies) and lending rates. We grouped foreign banks according to their mode of entry: greenfield and takeover previously domestic-owned banks. The result implies that greenfield banks have comparative advantages in lending to more opaque borrowers, since they favor to lend to "credit-worthy" or less risk customers like large corporations. From lending rates perspectives, this study shows that foreign banks entry tend to charge lower lending rates than those domestic banks. The implication of our findings suggest that without any specific policy from regulators to fulfill the needs of small business, foreign banks will always tend to benefit only large corporations.

**Keywords** : Bank, foreign ownership, lending portfolio, lending rate, small business

# THE ANALYSIS OF MACROECONOMIC VARIABLES ON INDONESIAN ISLAMIC INDEX (JII), MALAYSIAN ISLAMIC INDEX (DJIM25), AND THEIR IMPACT ON ISLAMIC ASEAN INDEX (DJIM ASEAN)

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## **ABSTRACT**

The purpose of this research is to analyze and identify the correlation between macroeconomic variables namely exchange rate and interest rate on Islamic stock return in Indonesia, Malaysia and ASEAN. Moreover, this study also wants to find which countries have more impact on ASEAN Islamic Index. The data are treated daily (five days per week) from period January 2009 to January 2014. This research use Vector Auto-regression and Granger Causality Analysis method. Jakarta Islamic (JII) and Malaysia Islamic Index (DJIM25) show a similar result on the relationship with macroeconomic variables. The stock indexes have a negative but not significance relationships toward interest rate, positive and significance relationships toward exchange rate. Both JII and DJIM25 show significant impact on ASEAN Islamic Index, however, Malaysia has bigger shock fluctuation towards DJIM ASEAN.

**Keywords:** organizational justice, workplace personal web usage, work productivity, work-life blend

# CATCHING THE DYNAMIC BEHAVIOR OF STOCK MARKET: NUMERICAL APPROACH TO ESTIMATE THE CATALYTIC CHEMICAL MODEL PARAMETERS

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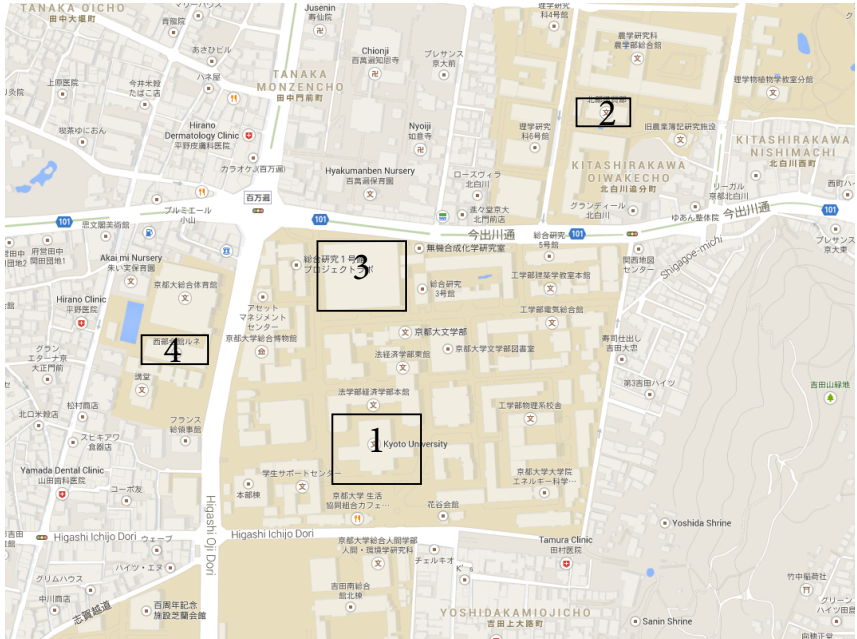
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## **ABSTRACT**

As a part of evaluating the systemic risk in stock market, this research proposes a numerical approach in estimating the trend of dynamic behavior of this market. This approach is applied to a model that is inspired by catalytic chemical model, in terms of differential equations, on four composite indices, *New York Stock Exchange (NYSE)*, *Hong Kong Hang Seng (HSI)*, *Straits Times Index (STI)*, and *Jakarta Stock Exchange (JKSE)*. As suggested by Caetano and Yoneyama (2011), some larger and stronger market tend to influence smaller ones which resembled by reagents with higher concentrations tend to favor their conversion to products. In this research, NYSE, HSI, and STI are assumed to dominate JKSE. To catch the trend, the numerical approach is used to minimize the difference of estimated indices based on the model with respect to the actual data set from NYSE, HSI, STI, and JKSE. The four indices within period January 2010 to September 2013 are used to fit the model parameter. The result shows that the estimation with numerical approach is able to capture the trend of behavior in stock market quite well.

**Keywords:** Systemic risk, Dynamic behavior, Stock market, Numerical approach



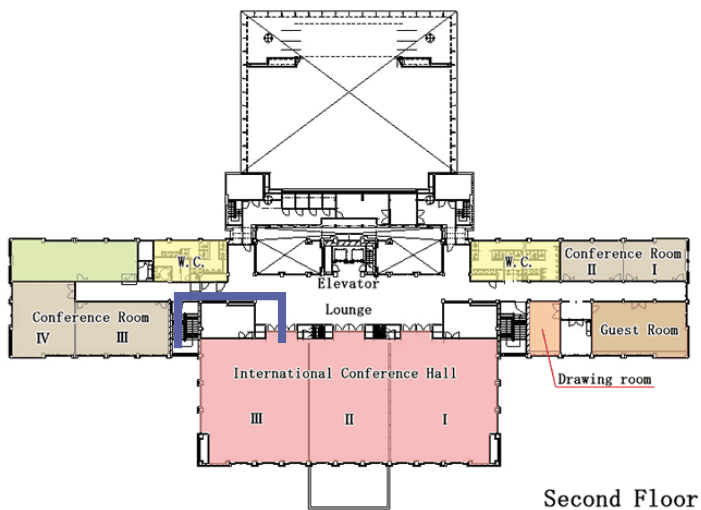
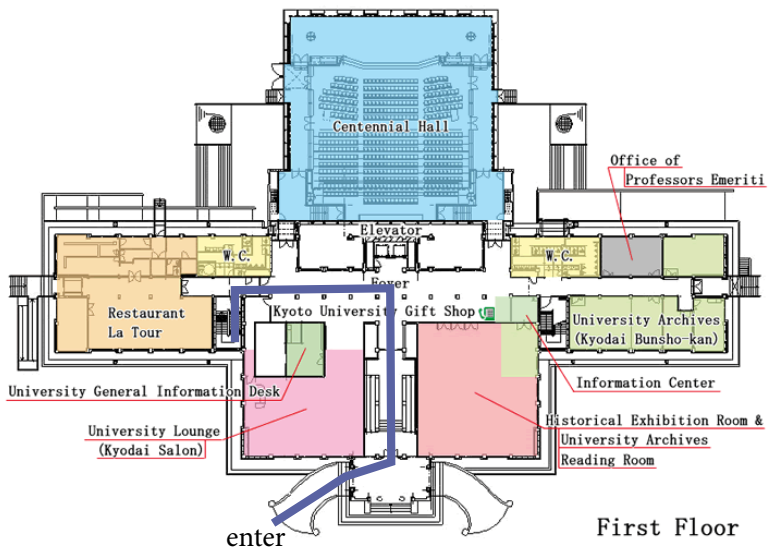
Map of ICBMR 2014  
Kyoto University

Source: <https://www.google.co.id/maps/place/Kyoto+University>

**Note :**

1. Opening ICBMR on Oct. 24 (**International Conference Hall III, Kyoto University Clock Tower Centennial Hall 2nd Fl.**)
2. Main venue for Dinner on Oct. 24 (**KU Coop North Cafeteria 2nd fl. in North Campus**)
3. Main venue for seminar on Oct. 25 (**GSM's Building, Research Building 2**);
  - a. Lecture Hall, 1<sup>st</sup> Fl.
  - b. Lecture Room 1, 1<sup>st</sup> Fl.
  - c. Lecture Room 2, 1<sup>st</sup> Fl.
  - d. Case Study Seminar Room, 3<sup>rd</sup> Fl.
  - e. Large Seminar Room 2, 3<sup>rd</sup> Fl.
  - f. Large Seminar Room 3, B 1
4. Main venue for lunch on Oct. 25 (**KU Coop Cafeteria in West Campus**)





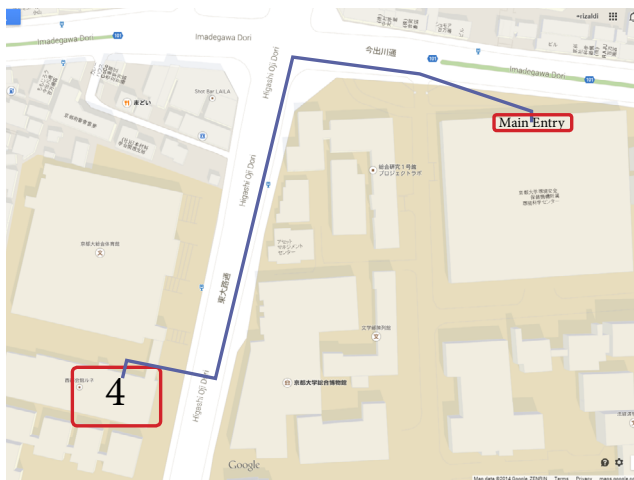
Opening ICBMR on Oct. 24 (International Conference Hall III  
 Kyoto University Clock Tower Centennial Hall 2<sup>nd</sup> Fl.)S

Source: <http://www.icepp.s.u-tokyo.ac.jp/hcp2012/venue.html>



Main venue for Dinner on Oct. 24  
(KU Coop North Cafeteria 2<sup>nd</sup> fl. in North Campus)

Source: <https://www.google.co.id/maps/place/Kyoto+University>

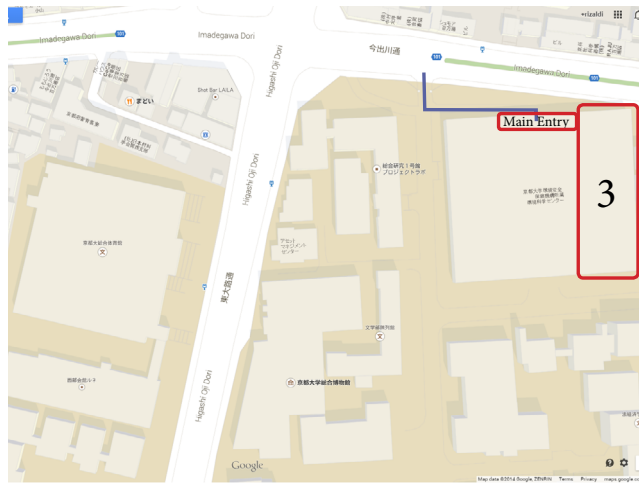


Main venue for Lunch on Oct. 25  
(KU Coop Cafeteria in West Campus)

Source: <https://www.google.co.id/maps/place/Kyoto+University>

Note :

lunch place about 4 minutes' walk from the conference building (400 m)



Main venue for Seminar on Oct. 25 (GSM's Building, Research Building 2)

Source: <https://www.google.co.id/maps/place/Kyoto+University>

Note :

- a. Lecture Hall, 1st Fl.
- b. Lecture Room 1, 1st Fl.
- c. Lecture Room 2, 1st Fl.
- d. Case Study Seminar Room, 3rd Fl.
- e. Large Seminar Room 2, 3rd Fl.
- f. Large Seminar Room 3, B 1

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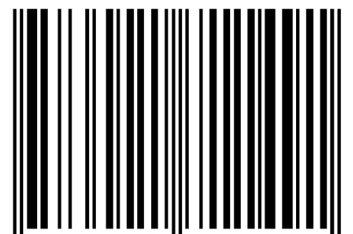
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