



# CERTIFICATE

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**HELMAN FACHRI**

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The Global Advanced Research Conference on Management and Business Studies  
"Pursuing Pentahelix Industry Collaboration: An ASEAN Regional Integration Challenge"

Grand Inna Bali Beach Hotel, Bali  
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Dean

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Universitas Padjadjaran

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3<sup>rd</sup> GARCOMBS 2015

Erie Febrian, SE, MBA, M.Comm, Ph.D

# THE EFFECTS OF PERCEIVED QUALITY OF SERVICE, RELATIONSHIP QUALITY AND DELIVERY PROCESS OF SILK SYSTEM SERVICE ON SERVICE VALUE AND ITS IMPLICATIONS ON INSTITUTIONAL IMAGE SILK IN INDONESIA

Dwi Suryatini dan Helman Fachri

e-mail : dwidon@yahoo.com, helmanump@gmail.com

Doctorate Program in Management Faculty of Economics and Business University of Padjadjaran

## ABSTRACT

The poor image of SILK (information system for logging legality) institution in Indonesia is allegedly caused by perceived quality of service, relationship quality, service delivery process and service value which are still low.

The purpose of this research is to find out and analyze the effects of perceived quality of service, relationship quality and service delivery process both partially and jointly on the service value. To find out and analyze the effects of perceived quality of service, relationship quality, service delivery process and service value both partially and jointly on institutional image. The population in this research were business customers (companies) SILK system users.

The research method employed in this research is descriptive survey method and explanatory survey with sample size of 300 respondents, and the data analysis method employed is SEM (Structural Equation Modeling).

Based on the research results, the research findings are as follows: the perceived quality of service does not affect the service value. The relationship quality has positive and significant effects on the service value. The service delivery process has positive and significant effect on the service value. The perceived quality of service, the relationship quality and the service delivery process jointly have positive and significant effect on the service value. Partially, the service delivery process has the most dominant effect on the service value. The perceived quality of service has positive and significant effect on the institutional image. Relationship quality does not affect the institutional image. Service delivery process does not affect the institutional image. Service value has positive and significant effects on the institutional image. The perceived quality of service, relationship quality, service delivery process and service value jointly have positive and significant effects on the institutional image. Partially service value has the most dominant effects on the institutional image.

**Key Words :** Perceived Quality of Service, Relationship Quality, Service Delivery Process, Service Value, Institutional image, SILK

## INTRODUCTION

Indonesia is one of the countries that has the potential of forestry resources the largest in the world (Syamsu Nature and Hajawa, 2007: 56-68), Indonesia forest having advantage which is not possessed by many other countries, namely the light of the sun available throughout the year accompanied rainfall is relatively high be upon variations of geography, topography and the geologic history of the environment so as to form a formation of a forest that diverse and in the end produce biodiversity the plants which high. Indonesia forest kelebihan-kelebihan over another country making the world admitted that Indonesia forest biodiversity having herbs largest in the world (Suganda et al., 2008).

Rattan products this also has improved main export revenue in addition to oil and gas the earth and would be identical to the reception main export other agricultural like coffee, rubber and palm oil. Besides, rattan industry has also meet the requirements of the development of oil and gas export not because: (a) tap the resources of interior (b) to zoom in added value, (c) be able to compete in the world market, (d) able to absorb labor (Muhandi, 2008). But rattan eksport Indonesia is experiencing fluctuations. In 2005, the rattan industry is to weaken it. Exports falling by 347 million from us \$ to only us \$ 138 million (Suhendra, 2011). This condition is worsened again when the Indonesian rattan furniture unable to compete with the Indonesian rattan furniture rivals such as china, cambodia and thailand.

## Research Objectives

1. To find out and analyze the perceived service quality influence on the service values.
2. To find out and analyze the relationship quality influence on the service values.
3. To find out and analyze the service delivery process influence on the service values.
4. To find out and analyze the influence of perceived service quality, relationship quality, and service delivery process altogether on the service values.
5. To find out and analyze the perceived service quality influence on the institution's image.
6. To find out and analyze the relationship quality influence on the institution's image.
7. To find out and analyze the service delivery process influence on the institution's image.
8. To find out and analyze the service values influence on the institution's image.
9. To find out and analyze the influence of perceived service quality, relationship quality, and service delivery process altogether on the institution's image.

## Research Methodology

The variables of operational definition are meant to clarify the variables to be researched, where the main problems of the research are:

1. Perceived Service Quality ( $\xi_1$ ) as a free variable.
2. Relationship Quality ( $\xi_2$ ) as a free variable.
3. Service Delivery Process ( $\xi_3$ ) as a free variable.
4. Service Value ( $\eta_1$ ) as an immediate variable
5. Institution's Image ( $\eta_2$ ) as a restricted variable.

## Discussion

Table 1. Size of Model Fit

GOF Indicator	Expected Size	Estimated Result	Conclusion
<b>Absolute Fit Size</b>			
GFI	GFI > 0,90	0,88	Marginal Fit
RMSEA	RMSEA < 0,08	0,059	Good Fit
<b>Incremental Fit Size</b>			
NNFI	NNFI > 0,90	0,94	Good Fit
NFI	NFI > 0,90	0,91	Good Fit
AGFI	AGFI > 0,90	0,85	Marginal Fit
RFI	RFI > 0,90	0,89	Marginal Fit
IFI	IFI > 0,90	0,95	Good Fit
CFI	CFI > 0,90	0,95	Good Fit

Source: Calculation Result by LISREL 8.30

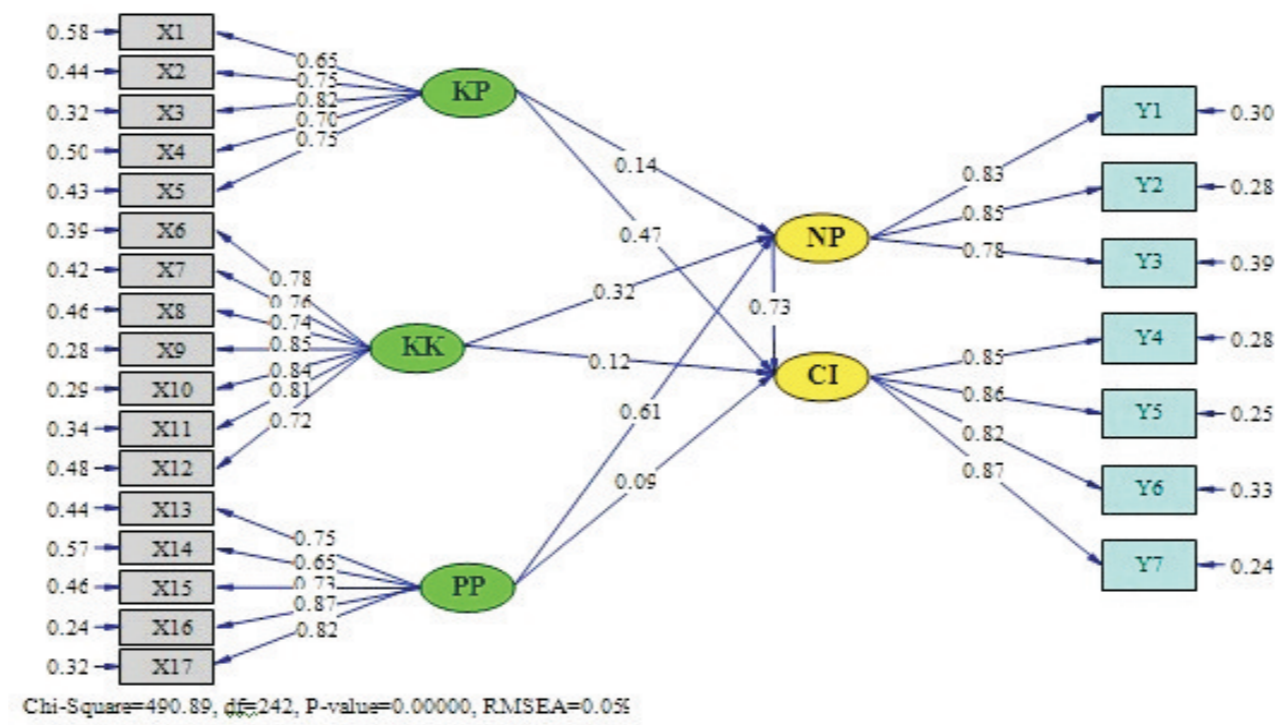


Figure 2. SEM Calculation Result (Standardized Model)

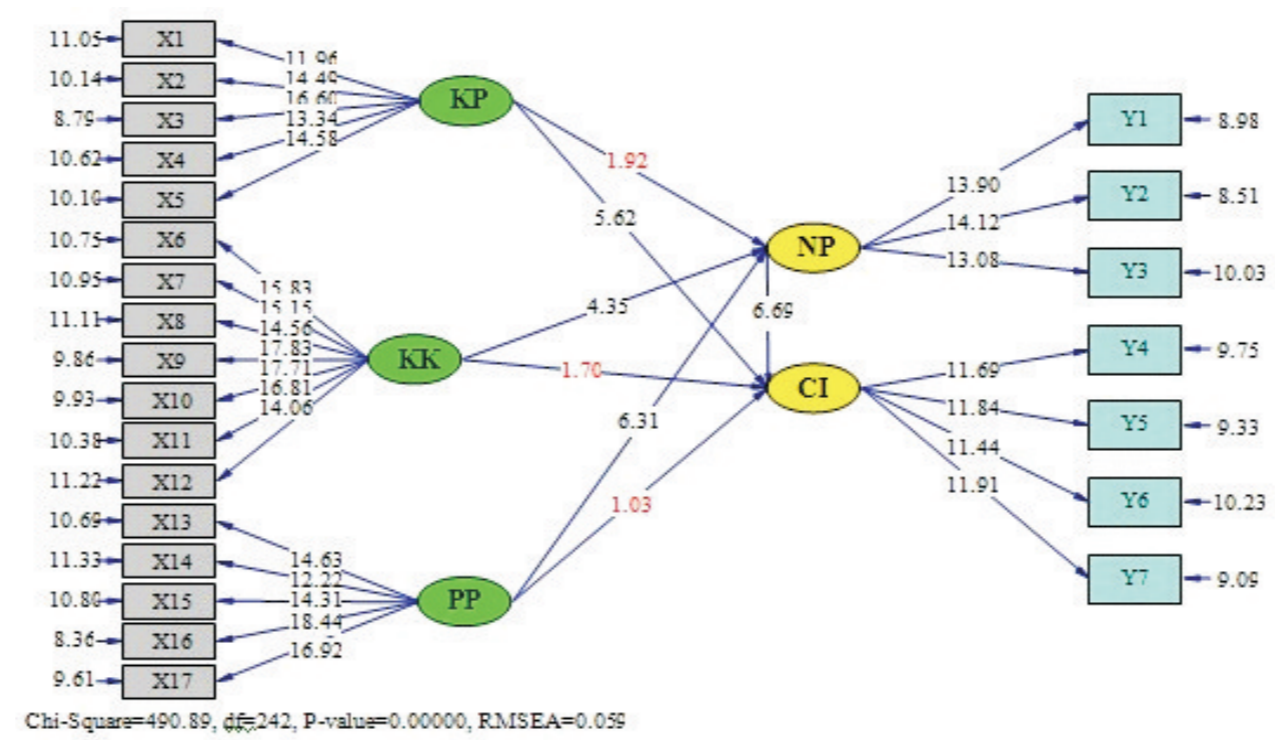


Figure 3. SEM Calculation Result (t-value Model)

Where:

- KP = Perceived service quality
- KK = Relationship quality
- PP = Service delivery process
- NP = Service value
- CI = Institution's Image

Table 2. Fit Test Variable of Structural Model

Structural Equation	Latent Endogenous Variable	Latent Exogenous Variable	Path Coefficient (Standardized)	Standard Error (SE)	Value $t_{calculation}/F_{calculation}$	Test result
Service value (NP)	Perceived service quality (KP)	Relationship quality (KK)	0.14	0.074	1.92	Not significant
		Service delivery process (PP)	0.32	0.074	4.35	Significant
		Perceived service quality (KP), Relationship quality (KK), and Service delivery process (PP)	0.61	0.097	6.31	Significant
		Perceived service quality (KP), Relationship quality (KK), and Service delivery process (PP)	0.77	0.019	21.11	Significant
Institution's Image (CI)	Perceived service quality (KP)	Relationship quality (KK)	0.47	0.083	5.62	Significant
		Service delivery process (PP)	0.12	0.068	1.70	Not significant
		Service delivery process (PP)	0.09	0.091	1.03	Not significant
		Service value (NP)	0.73	0.11	6.69	Significant
		Buyers (KP), Relationship quality (KK), Service delivery process (PP), and Service value (NP)	0.87	0.008	30.61	Significant

Source : Calculation result of LISREL 8.30

Notes :  $t_{calculation}$  and  $F_{calculation}$  criteria are (Hair, Andersen, Tatham, and Black, 2006 : 636):

- a. Partial Test Criteria, if  $t_{calculation} > 1.96$  with  $\alpha=5\%$  then  $H_0$  is rejected or  $H_a$  is received.
- b. Joint Test Criteria, if  $F_{calculation} > 3.84$  with  $\alpha=5\%$  then  $H_0$  is rejected or  $H_a$  is received.

Table 3. Structural Equation Model

NP = 0.14*KP + 0.32*KK + 0.61*PP, Errorvar.= 0.40, R <sup>2</sup> = 0.60	..... (1)
(0.074) (0.074) (0.097) (0.091)	(0.019)
1.92 4.35 6.31 21.11	
CI = 0.73*NP + 0.47*KP + 0.12*KK + 0.094*PP, Errorvar.= 0.24, R <sup>2</sup> = 0.76	..... (2)
(0.11) (0.083) (0.068) (0.091)	(0.008)
6.69 5.62 1.70 1.03	30.61

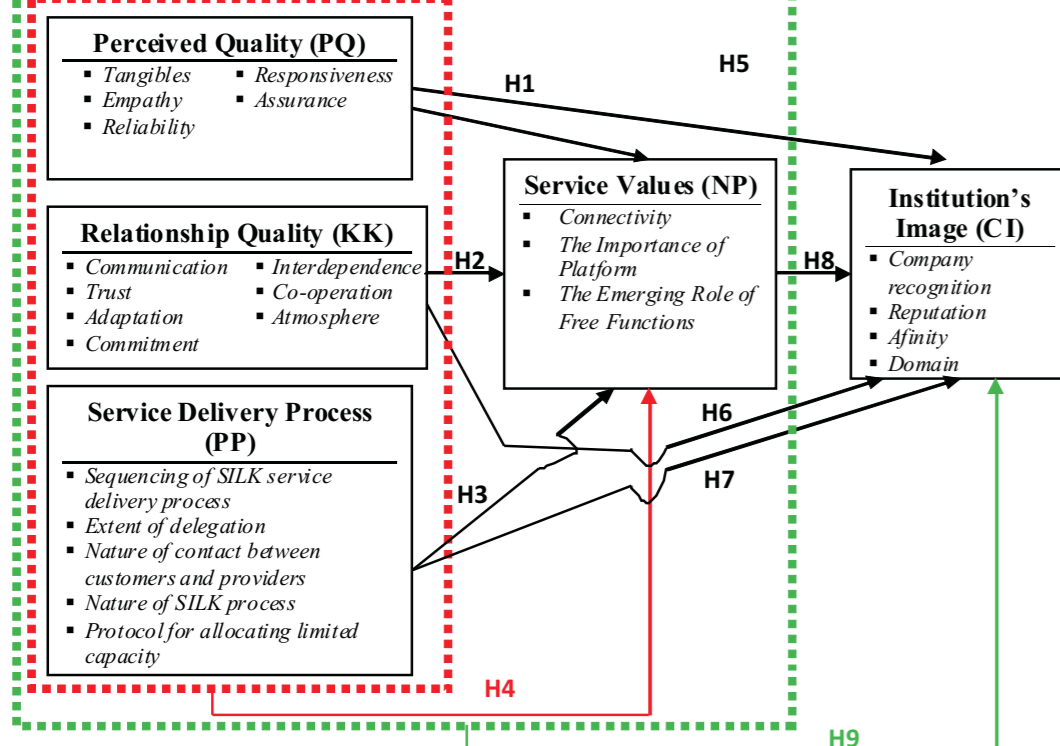
(Source : Attachment of LISREL 8.30 output)

## Conclusions

1. Perceived service quality is not proven to influence the service values positively and significantly, as can be seen in Table 2.
2. Relationship quality is proven to influence the service values positively and significantly, with a direct influence of 0.32, as can be seen in Table 2.
3. Service delivery process is proven to influence the service values positively and significantly, with a direct influence of 0.61, as can be seen in Table 2.
4. Perceived service quality, Relationship quality, and Service delivery process are jointly proven to influence service value with the influential contribution of 60%. However, if seen partially, the service delivery process is the most dominant in influencing the service value, as can be seen in Table 2.
5. Perceived service quality is proven to influence the institution's image positively and significantly with a direct influence of 0.47, as can be seen in Table 2.
6. Relationship quality is not proven to influence the institution's image positively and significantly, as can be seen in Table 2.
7. Service delivery process is not proven to influence the institution's image positively and significantly, as can be seen in Table 2.
8. Service value is proven to influence the institution's image positively and significantly, with a direct influence of 0.73, as can be seen in Table 2.
9. Perceived service quality, relationship quality, service delivery process, and service value are jointly proven to influence the institution's image positively and significantly with the contribution of 76%, but if seen partially, then the service value is the most dominant to influence the institution's image, as can be seen in Table 2.

## Framework of Thinking

Figure 1. Framework of Thinking and Research Hypothesis



## Research Hypothesis

- H1: There is perceived service quality influence on service values
- H2: There is relationship quality influence on service values
- H3: There is service delivery process influence on service values
- H4: There is influence of perceived service quality, relationship quality, and service delivery process altogether on service values.
- H5: There is perceived service quality influence on the institution's image.
- H6: There is relationship quality influence on the institution's image.
- H7: There is service delivery process influence on the institution's image.
- H8: There is service value influence on the institution's image.
- H9: There is influence of perceived service quality, relationship quality, and service delivery process altogether on the institution's image.

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**Program Conference and ABSTRACT**

**Pursuing Pentahelix Industry Collaboration:  
An ASEAN Regional Integration Challenge**

**October 14<sup>th</sup> – 15<sup>th</sup> 2015  
Bali, Indonesia**

**The Global Advanced Research Conference on  
Management and Business Studies  
(GARCOMBS)**

**Hosted by:**



ISSN 2303 0003



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## PREFACE

The Global Advanced Research Conference on Management and Business Studies (GARCOMBS) is the academic forum for the presentation of new advances and research results in the fields of Management and Business.

The GARCOMBS 2015 will be held on October 14-15, 2015 in Bali, which is now a major heart of tourist place of Indonesia. The Conference venue will be held in Inna Grand Bali Beach Hotel, Indonesia.

The GARCOMBS 2015 conference will bring together leading international researchers, practitioners, and scientists in universities and industries.

Considering the needs for responding the complex and dynamics environment, the second international joint conference will be focused on: Pursuing Pentahelix Industry Collaboration: An ASEAN Regional Integration Challenge.

Theoretical and empirical papers are also invited for submission to six major areas.

- A. Organizational Behavior, Leadership and Human Resources Management
- B. Innovation, Operations and Supply Chain Management
- C. Marketing Management
- D. Financial Management and Accounting
- E. Strategic Management, Entrepreneurship and Contemporary Issues
- F. Green Business



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## REMARKS

### RECTOR OF UNIVERSITAS PADJADJARAN

Assalamu'alaikum wr.wb.,  
Warm greeting!

It is a great pleasure to welcome you all in the Global Advanced Research Conference on Management & Business Studies (GARCOMBS) 2015 in Bali. Selamat Datang!

This international conference is another proof that Universitas Padjadjaran (UNPAD) has strong commitment to pursue its vision, which is being an internationally recognized leading university in 2026. UNPAD is a big university and one of the top five universities in Indonesia.

UNPAD has consistently encouraged all its faculties to speed up their institutional development programs by joining multilateral collaboration. The collaboration, like what we have seen in this joint international conference, enables us not only to access broader stakeholders and networks, but also to realize the program more effectively and efficiently.

That participants are gathered in Bali, with such varied representation, is expressive demonstration to the great interest of practitioners and academicians in Management and Business issues. Hopefully the participants can find new potential academic collaboration involving multi-institutions during this event.

Nevertheless, while you are in Bali, you need to spare your time to enjoy the warm hospitality of the island. Bali is the most wanted tourism destination in the world, and well known as Gods Island. The island offers a lot of interesting places to visit, as well as traditional art performances to watch and art product shops to explore. So, I wish you enjoyable moment in Bali.

Wassalamu'alaikum wr.wb.

Rector, Universitas Padjadjaran  
Prof. Dr. med.Tri Hanggono Ahmad, dr.



## REMARKS

### HEAD OF DOCTORATE PROGRAM IN MANAGEMENT UNIVERSITAS PADJADJARAN

Assalamu'alaikum wr.wb.,

It gives me a great pleasure to welcome all of you in the Global Advanced Research Conference on Management & Business Studies (GARCOMBS) 2015 in Bali. This event is organized by the Doctorate Program in Management (DIM), Faculty of Economics & Business, Universitas Padjadjaran, Bandung.

This event is greatly supported by our valuable partners. Therefore, on behalf of the organizing committee, and DIM UNPAD, I hereby express my gratefulness to 1) PT. Telkom; 2) Bank BJB; 3) Durakij Pundit University Thailand; and 4) KEDGE Business School France;

for their significant support to the conference. Last but not least, I would also like to thank to several partners for their cooperation in this event. They are PT. Biofarma, Bank BNI, Bank BRI Jawa Barat, Telkom Regulatory, PT.PELNI, PT. Perhutani, PT. Kabepe Chakra, PT. Alfamart, STMT Trisakti, PT. Promosindo Medika, Mr. Iwa Kartiwa, Mr Irwan Lubis, and Mr Sigit Rahardjo. May our synergy last long.

Participants in this conference come from seven countries, including Indonesia, France, Thailand, Sudan, Malaysia, Sweden, and India. From almost 300 papers submitted in this conference, only the best 30 papers will get published in one of the following affiliated international journals: a) International Journal of Business & Globalisation; b) Academy of Strategic Management Journal; c) Academy of Marketing Studies Journal; d) Academy of Entrepreneurship Journal; and e) Academy of Accounting & Financial Studies Journal.

Meanwhile, as you are here in Bali, in one of the best tourism spot in the world, you may want to relax your tension little while after the conference. There are so many well-known destinations in this Island to explore. I wish all participants a great academic and leisure time here. Thank you for coming. Enjoy the beauty of Bali!

Wassalamu'alaikum wr.wb.

Bali 14 October 2015

Head, Doctorate Program in Management UNPAD  
**Prof. Dr. Ernie Tisnawati Sule**



WELCOMING SPEECH FROM

**THE PRESIDENT OF GARCOMBS 2015 COMMITTEE**

Warm greeting!

Dear participants,

On behalf of the organizing committee, we would like to welcome you to Bali and to GARCOMBS 2015 in Inna Grand Bali Beach, Sanur.

This conference has three main objectives, i.e., to help participants get inputs for their research improvement, expand their academic networks, and enjoy the beauty of Bali. GARCOMBS2015 organizing committee kindly re-introduces the academic-tourism concept, in which academic event is designed to provide economic impacts on tourism industry. By consistently doing this, we expect to broaden the impact of our academic event in the near future, particularly on tourism business development.

We hope you can enjoy academic atmosphere during the conference as well as leisure time in Bali.

Thank you for your participation in GARCOMBS2015.

**3rd GARCOMBS Chairman,**

**Erie Febrian, SE, MBA, M.Comm, PhD**





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2. I Wayan Wina Widyatama
3. Achmad Anshori
4. Luh Ketut Wahyuning
5. Kadek Yoga Aditya
6. I Gusti Ngurah Bagus Adi Mas Putra
7. Luh Putu Savitri Karina Anandasari
8. Made Ayu Oktaviana
9. Ni Made Diah Urmila
10. Ni Luh Made Dwi Indri Mutia Mahayani
11. Putu Adi Surya Lesmana
12. Ni Kadek Dwi Suputri Duryana
13. I Gusti Putu Aditya Saputra
14. Kadek Leny Puspita Dewi
15. I.G.A.A Karishma Maharani Raijaya
16. Eduardo Edwin Ramda
17. Cindy Caroline
18. Nyoman Ayu Oktaviani
19. Haniffa Arista Putri
20. Gita Syeba Lubis



## Map Venue

**INNA**  
GRAND BALI BEACH  
SANUR

# BALI ISLAND NORTH

**Places of Interest**

1. Denpasar - Museum & Art Market	17. Triayun - Village of Bali Aga
2. Sanur - Street Corners	18. Sanur - Temple & Volcano Lake
3. Cangah - Gold & Silver Works	19. Kintamani - Mountain Village
4. Masia - Wood Corners	20. Tengan Kuning - Tirta Empul Springs
5. Ubud - Art Center	21. Mangga - Tengan Area Temple
6. Badung - Elephant Corral (Gasa Gigit)	22. Sivalik Lela - Temple
7. Peking - Center of Early Balinese Dynasties	23. Batu Kaya - Temple
8. Cangah Koral	24. Belong - Mountain Village
9. White Balinese Sanctuary	25. Sanur - Tourist Center
10. Shopping - Coast of ANJASA (Glenarogan)	26. INNA GRAND BALI BEACH
11. Kesehatan - Fishing Village	27. Uluwatu Temple
12. Bali Cars - Road Lovers	28. Gilimanuk - Ferry to Java
13. Padang Bai - Ferry to Lombok	29. Air Sanih - Water Springs
14. Tenganan - Village of Bali Aga	30. Puri - Hindu Temple
15. Tirta Gangga - Old Bathing Palace	31. Nusa Dua - Tourist Center
	32. Lovina Beach - Tourist Center
	33. Cand Dasa - Tourist Center

**INNA GRAND BALI BEACH** Jl. Hang Tuah - Sanur Bali P.O.Box 3275 Denpasar 80032 Bali Indonesia T +62 361 288511 F +62 361 287917  
E sales@grandinnabalibeach.com www.grandinnabalibeach.com Managed and Owned by PT Hotel Indonesia Natour (Persero)

**INNA**  
GRAND BALI BEACH  
SANUR

# Sanur

Bali's original seaside, cover it entirely

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E sales@grandinnabalibeach.com www.grandinnabalibeach.com Managed and Owned by PT Hotel Indonesia Natour (Persero)



## Overview Agenda 3<sup>rd</sup> GARCOMBS 2015

**1st Day-14th October 2015**  
**Grand Inna Bali Beach Hotel Sanur**

Time	Breakdown	Activities	Location
14.00 - 17.30		Registration (Bring Transfer Slip, Paper Code)	Agung Room
17.30 - 19.00		Gala Dinner + Cultural Activities Indonesian Local cultural show	Agung Room
	17.30 - 18.00	Dinner	Agung Room
	18.00 - 18.05	MC Opening	Agung Room
	18.05 - 19.00	Welcoming Dancing + Legong Dance	Agung Room
19.00 - 21.30		Opening Ceremony	Agung Room
	19.00 - 19.05	Indonesia Raya	Agung Room
	19.05 - 19.10	Welcoming Speech: Prof. Dr. Ernie Tisnawati Sule, SE, M.Si	Agung Room
	19.10 - 19.20	Welcoming Speech + Opening; Prof. Dr. med. Tri Hanggono Achmad, dr. (Rector of Padjadjaran University)	Agung Room
	19.20 - 19.25	Praying	Agung Room
	19.25 - 20.00	Key Note Speaker: Prof. Dr. I Gde Pitana (Representation of Ministry of Tourism)	Agung Room
	20.00 - 20.15	Plenary Session 1: Prof. John Paul (Kedge Business School France)	Agung Room
	20.15 - 20.30	Plenary Session 2: Prof. Dr. Ina Primiana, SE, MT (Padjadjaran University Indonesia)	Agung Room
	20.30 - 20.45	Plenary Session 3. Asst. Prof. Dr. Teerasak Khanchanapong (Dhurakij Pundit University Thailand)	Agung Room
	20.45 - 21.00	Plenary Session 4. Ir. Moh. Awaluddin, MBA (PT.Telkom)	Agung Room
	21.00 - 21.30	Question and Answer	Agung Room
21.30 - 21.45		Closing + Announcement + Photo Session	Agung Room



## 2nd Day-15th October 2015

Time	Breakdown	Activities	Location
07.30 - 09.30		Class Session I	Classroom
09.30 - 09.45		Coffee Break + Poster Presentation	Agung Room
09.45 - 11.45		Class Session II	Classroom
11.45 - 12.45		Lunch Break + Poster Presentation	Agung Room
12.45 - 14.45		Class Session III	Classroom
14.45 - 15.00		Trip Preparation	Hotel Lobby
15.00 - 16.00		Journey to Tanah Lot	Bus
16.00 - 16.30		Photo Session	Warung Mandala Tanah Lot
16.30 - 18.30		Sight viewing Tanah Lot + Free Time	Tanah Lot
18.30 - 19.30		Kecak Dance	Tanah Lot
19.30 - 19.40		Move to Restaurant	Warung Mandala Tanah Lot
19.40 - 21.00		Gala Dinner + Closing	Warung Mandala Tanah Lot
21.00 -		Return to Hotel	Bus



## RUNDOWN ORAL PRESENTATION

### HUMAN RESOURCE MANAGEMENT ISSUES

October 15<sup>th</sup>, 2015, Legong Room, Second Floor

Time	Paper Code	Paper Title & Presenter	Session Chair & PIC
07.30-09.30	G010	Leadership For Public Leaders In Indonesia <b>Muhtosim Arief</b>	<b>Dharma Deo Sharma</b>
	G014	Group Emotional Intelligence On Effectiveness Total Rewards <b>Prima Vandayani</b>	
	G015	The Role Of Personal Values, Behavior, In The Cross-Cultural Interaction Through The Organization's Environment In Banten Province - Indonesia <b>Rusman Frenдика</b>	
	G028	Efforts In Performing Multilevel Modelling To Improve Learning Organization Research <b>Rina Anindita</b>	
	G040	The Influence Of Organizational Climate And Employee Commitment To Employee Performance Regional Secretariat Ngawi Regent <b>Ifada Rahmayanti</b>	
	G063	The Readiness Of Organization To Adapt The Future <b>Ratri Wahyuningtyas</b>	
	G145	The Model Of Strategic Planning, Human Capital Competence, And Corporate Governance In Increasing The Competitiveness And Its Effect On The Corporate Performance (Survey On Finance Sector Of The State Owned Governance In Indonesia) <b>Harry Soeratin</b>	
G192	Career Planning As A Strategy To Increase Educators Performance Through The Work Attitude And The Meaning Of Working ( A Study In Private Colleges In West Java) <b>Ifada Rahmayanti</b>		
09.30-09.45	<b>Coffee Break</b>		OC & LO
09.45-11.45	G097	Human Capital Training Model To Develop Work Opportunity For Local People At Geothermal Project Cibuni West Java <b>Joeliaty Sufwana</b>	<b>Prerapha Taweasuk</b>
	G114	The Influence of Strategic Human Resources Management on Employee Engagement <b>Christanto Triwibisono</b>	
	G073	Job Insecurity As Moderation Effect A Commitment Employees Of Intention To Quit In The Banking Sector Bandung <b>Deddy Rusyandi</b>	



	G174	Work Status, Satisfaction And Organizational Citizenship Behavior (Ocb): A Case Study Of Syariah Bank In Bangka, Province Of Bangka Belitung <b>Hamsani</b>	
	G175	Neoclassical Growth Model :Application To The Analysis Of Human Capital For Regional Development <b>Aulia A. Abdhy</b>	
	G177	Understanding And Leading Generation Of Various Groups In The Workplace <b>Rita Yuni Mulyanti</b>	
	G092	Quality Management Systems And Performance Organization <b>Koernia Purwihartuti</b>	
	G196	Spirituality And Leadership: A Case Study Of A Business Leader In Indonesia <b>Marwansyah</b>	
11.45-12.45	<b>Lunch Break</b>		OC&LO
12.45-14.45	G218	Designing Training And Development Model Based On Social Preneurship To Create Sustainable Competitiveness For Employee <b>Penta Sukmawati</b>	Che Maznah Mat Isa
	G230	Human Resources Planning (The Strategy Of Successful Organization) <b>Yudhi Dien</b>	
	G239	The Influence Of Merit Pay Towards The Achievement Motivation <b>Febi Inas Anisah</b>	
	G249	Spirituality In The Workplace To Create A Professional Resource <b>Rolland Fanggaldae</b>	
	G250	Talent Management, Quality Management, And Good University Governance: Conceptual Framework From Human Resource Management Perspective <b>Donni Juni Priansa</b>	
	G262	The Organizational Culture And Transformational Leadership, The Influence To The Performance Of Study Program By Learning Organization <b>Agus Fauzi</b>	



## RUNDOWN ORAL PRESENTATION

### OPERATION AND MARKETING MANAGEMENT ISSUES

**October 15<sup>th</sup>, 2015, Pended Room, Second Floor**

Time	Paper Code	Paper Title & Presenter	Session Chair & PIC
07.30-09.30	G111	A Case Study Of Analytic Hierarchy Process Modeling For Research & Development Project Selection <b>Johnny</b>	<b>Aditya M.Salya</b>
	G044	Effect Of Supply Chain Management Practices, Supply Chain Strategy And Environmental Uncertainty Of Competitive Advantage And Impact To Business Performance <b>Satria Yunas</b>	
	G045	Current Findings Of Performance Management Practices Of State Own Energy Company In Indonesia (Case Of PT XYZ) <b>Muhammad Tresnadi Hikmat</b>	
	G062	Inventory Planning Policy Using P Model (Periodic Review) Inventory Management For Starter Pack (Case Study: Telecommunication Company In Indonesia) <b>AV. Rahajeng Widyarsih</b>	
	G119	How To Build Sustainable Innovation Capability In Supply Chain Management <b>Paul John, Zhou Yanhua</b>	
	G261	Predictive Modeling For Entry Timing Decisions Of Malaysian Construction Firms In International Markets <b>Che Maznah Mat Isa</b>	
	G002	Influence Of Supply Chain Integration On Company Performance In Indonesian Pharmaceutical Industry <b>Efrata Denny Saputra Yunus</b>	
09.30-09.45	<b>Coffee Break</b>		OC & LO
09.45-11.45	G001	The Feasibility Of Implementing E-Commerce In Sudan <b>Hayder A. A. Mohammed</b>	<b>Johannes</b>
	G006	Market Orientation, Buyer-Supplier Relationship And Firm Performance With Dynamic Capabilities As An Intervening Variable: A Research Model <b>Moh Farid Najib</b>	
	G007	Hedonic Motivation, Intention And The Demand For Luxury Brand Counterfeit Product <b>Musnaini, Syahmardi Yacob</b>	
	G016	Bilding The Tourist Trust Based On Integrated Marketing Communication And Tourist Experience (A Survey To The Culture And Marine Tour Object At Tour Destination Of Ambon Island) <b>Dian Utami Sutiksno</b>	





	G018	Do Indonesian Consumers Have Intention To Purchase Low Price Cars? <b>Edhie Budi Setiawan</b>	
	G019	The Influence Of Collaborative Communication And Franchisee Trust On Franchisee Intention To Remain In Franchise System In Aceh Provice <b>Erlinda</b>	
	G033	Marketing Agility (Study On Export Manufacturing Smes In East Java Indonesia) <b>A. Yahya Surya Winata</b>	
11.45-12.45		<b>Lunch Break</b>	OC&LO
12.45-14.45	G035	Consumers` Trust As The Mediating Factor Of Insurance Buying Intention In Indonesia <b>Hasyim</b>	Pherapa
	G037	Effect Of Market Orientation On Marketing Performance Through Innovation In Small Industrial Melayu Woven Fabrics Riau Province <b>Rosmayani Thamrin</b>	
	G042	The Effect Of Core Quality, Relational Quality, Perceived Value, Customer Satisfaction And Service Switching Towards Custome Loyalty At Beauty Clinic <b>Lusi Suwandari, Nur Chairul Afif</b>	
	G047	Perception Toward Service Quality Of Police: A Comparison Between Police Family Members And Non-Family Members <b>Zulnaidi Yaacob</b>	
	G052	Understanding Of Customer Loyalty At Islamic Banks In Indonesia : A Qualitative Study <b>Resanti Lestari</b>	
	G051	The Development Of Integrated Marketing Communication (IMC) Concept <b>Arfendo Propheto</b>	
	G060	The Emergent Of Brand Image And Industry Attractiveness On Competitive Strategy And Hotel Business Performance: A Study In Indonesian Hotel Industry <b>Nila Krisnawati</b>	



## RUNDOWN ORAL PRESENTATION

### MARKETING MANAGEMENT ISSUES

October 15<sup>th</sup>, 2015, Joged Room, Second Floor

Time	Paper Code	Paper Title & Presenter	Session Chair
07.30-9.30	G075	Factor Analysis Experiential Marketing Student Which Study At STIE Ekuitas Bandung <b>Deni Hamdani</b>	<b>Hayder A. A. Mohammed</b>
	G079	A Study On Employee Perception Of Retention Strategies With Reference To Software Industry In India <b>K. Maran</b>	
	G081	The Role Of Green Innovation Adoption In Determining Organizational Performance: An Empirical Evidence From Hospitality Industry In Pangandaran <b>Edy Suroso</b>	
	G083	The Models Of Tourism Sector Development Of Bandung Regency And Jember Regency In Relating With Own-Source Revenue <b>Elizabeth Tiur Manurung</b>	
	G078	Impact Of Foreign Direct Investment On Automobile Sector: An Empirical Study With Reference To India <b>K. Maran</b>	
	G090	Spirituality As One Dimensional Concept In Market Orientation <b>Jajang Burhanuddin</b>	
	G115	Coherent Strategy Life Science Company To Achieve Competitive Advantage In The Global Marketplace <b>Evi Sylvia</b>	
	G091	The Analysis Of Household Involvement Toward Prepaid Electricity Usage At Jambi City <b>Johannes And Jhoni Pasaribu</b>	
09.30-09.45	<b>Coffee Break</b>		OC&LO
09.45-11.45	G126	The Using Marketing Metrics To Measure Customer Value <b>Nanang Suryadi</b>	<b>Aditya M.Salya</b>
	G127	Market Reaction Around Ex-Dividend Dates: Empirical Study Using The Agriculture Firms In Indonesia Stock Exchange <b>Bram Hadiano</b>	
	G128	The Attractiveness Of Differentiation Marketing In Korean Restaurant At Cihampelas Walk Bandung Using Discriminant Analysis (Study At Korean Mujigae Resto And Yoogane) <b>Aldina Shiratina</b>	
	G129	Study On Health Service Management Regional Public Hospital Raden Mataher <b>Zulfina Adriani</b>	



	G141	Company Reputation And Customer Relation Management Influence To Competitive Advantage And Its Influence On Purchasing Decision (The Research On Indonesian Sphygmomanometers Global Business Customers) <b>Gagan Sugandi</b>	
	G142	Improve Marketing Performance Telecommunication Industry In Indonesia <b>Dewi Mustikaningsih, Joko Rizkie Widokarti, and Dwi Heryanto</b>	
11.45-12.45	<b>Lunch Break</b>		OC&LO
12.45-14.45	G191	Entrepreneurial Marketing To Innovation And Its Impact On Business Performance On Small Industries Of Wearing Apparel <b>Sambudi Hamali</b>	<b>Hayder A. A. Mohammed</b>
	G202	Mapping The Development (Trend) Of Researches In The Field Of Marketing Management For Company Type Of Cooperative <b>Rizal Ramdan Padmakusumah</b>	
	G207	Indonesia Performance On Global Competitiveness Market In Asean <b>Teuku Abdullah Sanny</b>	
	G214	Influence Of Experiential Marketing, And Customer Satisfaction Of Customer Loyalty To The 3 Star Hotel 5 In Bandung And Surrounding. <b>Henny Utarsih</b>	
	G162	A Study Of Political Choice Among Political Parties In Legislative Election 2014:The Case Of Jawa Barat I Electoral District <b>Agus Aribowo</b>	



## RUNDOWN ORAL PRESENTATION

### MARKETING AND FINANCIAL MANAGEMENT ISSUES

October 15<sup>th</sup>, 2015, Kecak Room, Second Floor

Time	Paper Code	Paper Title & Presenter	Session Chair
07.30-09.30	G223	Opinions On Marketing Mix Strategy Of Organic Vegetable And Fruit Entrepreneurs In Thailand <b>Prerapha Taweasuk, Teerasak Khangchanpong</b>	<b>Prerapha Taweasuk</b>
	G226	The Relationship Of Entrepreneurial, Market Orientation, Marketing Mix Strategy, And Business Performance <b>Cecep Hidayat</b>	
	G234	The Influence Of Service Quality, Product Quality, Price And Switching Cost On The Customer Satisfaction And It's Implication On Customer Loyalty (Study On Prepaid Card User IM3 In Lampung) <b>Rahmat Simon Gultom</b>	
	G232	Branding Strategy Development Based On Innovative Behavior <b>Popy Rufaidah</b>	
	G243	Influence The Marketing Mix And Business Customer Buying Behavior On Customer Loyalty At PT Sapta Larna Muda <b>Chree Dasri</b>	
	G268	Green Consumer Behavior: Concept, Dimension And Proposition <b>Julina &amp; Popy Rufaidah</b>	
	G270	Strategy Formulation For Penetrating Market: A Case Study Of Abdul-Aziz Kindergarten <b>Aldio Pramudya Gunadi</b>	
09.30-09.45	<b>Coffee Break</b>		OC&LO
09.45-11.45	G272	Service Devlivery And Corporate Performance: Case In Indonesia Port Business <b>Miskul Firdaus</b>	<b>Budi Harsanto</b>
	G274	The Relationship Between Market Orientation On Performance Marketing: A Research Model <b>Rizki Zulfikar</b>	
	G247	Customer Value, Customer Relationship And Its Effect On Reputation Of Courses In Jakarta <b>Miguna Astuti</b>	
	G011	The Influence of GCG on Earning Management <b>Mardiani Tanjung</b>	
	G012	Week Of The Month On The Monday Effect: Evidence From The Indonesian Stock Exchange <b>Ika Pratiwi Simbolon</b>	



	G022	Analysis Of Good Corporate Governance (Gcg) Quality, Information Technology (It) Cost And Human Resources Development (Hrd) Cost Against Performance Of Indonesian Conventional Banks Listed In Idx Year 2008 To 2013 <b>Apep Mokhammad Komarna Noormansyah</b>	
11.45-12.45	<b>Lunch Break</b>		OC&LO
12.45-14.45	G024	The Impact Of Taxation And Macroeconomic Condition On Bank Capital Structure And Profitability Of Indonesian Banking Sector <b>Yuli Teguh Hidayat</b>	Mery Citra
	G029	Contagion And Systemic Risks : The Case Of Indonesian Banking <b>Alfiana</b>	
	G034	Shareholders' Preferences On Initial Leverage In The Determination Of Firm's Leverage <b>Nurdin</b>	
	G039	Liquidity Adjusted Capital Asset Pricing Model: A Critical Review <b>Erna Garnia</b>	
	G043	Developing Islamic Financial Literacy Index : A Conceptual Paper <b>Taofik Hidajat</b>	
	G053	The Comparative Analysis Of Mixed, Stock, And Fixed Income Portfolios Performance At Bullish And Bearish Market Conditions In Indonesia Capital Market <b>Annisa Hartika</b>	
	G054	Good Corporate Governance Preception And Program Funds Of Corporate Social Responsibility Case Of Corporation In Indonesia <b>Oktovianus Nawa Pau</b>	



## RUNDOWN ORAL PRESENTATION

### MARKETING AND FINANCIAL MANAGEMENT ISSUES

**October 15<sup>th</sup>, 2015, Ball Room #1, First Floor**

Time	Paper Code	Paper Title & Presenter	Session Chair
07.30-09.30	G058	Hybrid-Ann Prediction Method For Stock Indices High-Frequency Trading Around Macroeconomic News Announcements : A Review Of Literature <b>Andy Ismail</b>	<b>Teuku Abdullah Sanny</b>
	G074	The Influence Of Stock Ownership Structure On The Capital Structure And The Firm Performance <b>Dede Hertina</b>	
	G091	The Analysis Of Household Involvement Toward Prepaid Electricity Usage At Jambi City <b>Johannes And Jhoni Pasaribu</b>	
	G116	Sustainability Of Microfinance Services To The Poor : An Intermediation Approach Of Islamic Microfinance In Indonesia <b>Besse Wediawati</b>	
	G131	Firm' Specific Factors, Country' Specific Factors, And Firm' Investment In Indonesia <b>Atong Soekirman</b>	
	G133	The Analysis Of Financial Ratio On Predicting Earning Growth In Selected Mining Company <b>Purwanto</b>	
09.30-09.45	<b>Coffee Break</b>		OC&LO
09.45-11.45	G139	Effect Of Capital Structure Toward Firm Value At Different Levels Of Managerial Ownership <b>Leni Susanti</b>	<b>Nila Krisnawati</b>
	G134	The Influence Of Fundamental Analysis And Systematic Risk Towards Stock Price Of Banks In Indonesia <b>Purwanto And Erynda Bhita Safira</b>	
	G143	The Task Uncertainty Role As Moderator Between Knowledge Management And Quality Budget In Public Sector <b>Muhammad Ishak</b>	
	G159	The Influence Of Value Creation And Competitive Strategy And Business Performance Of Business Units Of Green Tea Product Industry In Indonesia <b>Sukiman</b>	
	G172	The Influence Of Bank Internal Financial Characteristic: Liquidity, Capital Adequacy, Intermediary Function, Market Discipline, And External Banking Conditions To The Bank Performance By Using Seemingly Unrelated Regression (SUR) <b>Ahmad Herlanto Anggono</b>	



	G160	The Influence Of Intern Audit Toward Good Governance At Banten Province <b>Rakhmini Juwita and Galuh Tresna Murti</b>	
11.45-12.45	<b>Lunch</b>		OC&LO
12.45-14.45	G161	Testing Indicators Determinants Of Financial Distress On Manufacturing Companies In Indonesia <b>Eka Bertuah</b>	<b>Dharma Deo Sharma</b>
	G170	The Influence Of Company Resources And Partnership Strategy On Competitive Strategy And The Implication On Company Performance Of Banking Industry In Indonesia <b>Tri Wintarto</b>	
	G171	The Influence Of Value Creation And Competitive Strategy On The Performance Of Go Public Banking Companies In Indonesia <b>Verry</b>	
	G181	Analysis Of Capital Market Reaction To Oil Price Change <b>Aldrin Herwany</b>	
	G185	Analysis Of Macro Economy On Stock Price Indexes <b>Eka Sutisna</b>	
	G186	Fundamental Analysis And It's Impact To Price Earning Ratio Of The Banking Stock In Bursa Efek Indonesia <b>M. Chaldun</b>	



## RUNDOWN ORAL PRESENTATION

### FINANCIAL AND STRATEGIC MANAGEMENT ISSUES

**October 15<sup>th</sup>, 2015, Ball Room #2, First Floor**

Time	Paper Code	Paper Title & Presenter	Session Chair
07.30-09.30	G197	Banking Financial Performance Model In Indonesia Before And After Implementation Of PBI No.13/1 / Pbi / 2011: Regional Development Bank 2009-2014 <b>Lis Sintha</b>	<b>Che Maznah Mat Isa</b>
	G194	The Effect Of The Foreign Bank Penetration To The Bank Concentration And The Impact On The Banking Profitability: The Case Of Conventional Bank In Indonesia <b>Raya Panjaitan</b>	
	G198	Financial Literacy And Islamic Financial System: A Literature Study <b>Rike Setiawati</b>	
	G204	Investment Competitive Strategy Analysis: Case Study Of Bengkulu Province <b>Musriyadi Nabiu</b>	
	G206	The Impact Of Financial Conglomeration On Risk And Return Performance In Indonesia Banking Industry <b>Taufiq Hidayat</b>	
09.30-09.45	<b>Coffee Break</b>		OC&LO
	G225	Society assistance financial report based on financial accounting standard of entities without public accountability standard in encouraging Small and middle enterprises development <b>Galuh Tresna Murti</b>	<b>Zhou Yanhua</b>
	G235	Credit Risk Management To Reduce Of Non-Performing Loans To Banks In Indonesia <b>Ramli</b>	
	G236	Securities And Its Impact On Banking Performance <b>Sri Mulyantini</b>	
	G242	Agency Cost And Investment To Dividend And Implications On Leverage In The Context Of Changes In Capital Structure.( Study Foreign Investor And Domestic Investor In Indonesia) <b>Yofy Syarkani</b>	
	G227	How Do Strategic Capabilities And Niche Marketing Strategy Affect The Effectiveness Of Value Co Creation? <b>Diaz Pranita</b>	
	G276	Good Corporate Governance Perception And Program Funds Of Corporate Social Responsibility Case Of Corporation In Indonesia <b>Naz'aina</b>	





	G121	Customer Retention Created By Customer Characteristics, Customer Satisfaction, Performance Of Service Delivery, Brand And Switching Barrier (A Study Of Customers Domestic Scheduled Flight Service) <b>Juliater Simamarta</b>	
11.45-12.45	<b>Lunch</b>		OC&LO
12.45-14.45	G009	Business Strategy In Optimizing The Realization Performance Of Food And Energy Security Credit (FESC) <b>Kristina Lestariningsih</b>	K.Maran
	G013	Effect Created By The Power Of Competition In Digital Creative Industry And Value Creation Toward Competitive Strategy And Implications To Business Performance (A Survey In Digital Creative Industry In Indonesia) <b>Muhammad Awaluddin</b>	
		Business-Level Strategy On The Banking Industry In Dealing With The Similarity In Industry (Isomorphism) <b>Ferry Novindra Idroes</b>	
	G023	Efficiency And Innovation In Pharmaceutical Industry In Indonesia <b>Ratna Komara</b>	
	G032	Implementation Of Six Sigma Methods In Micro Small And Medium Intreprises(SMEs) <b>Merita Bernik</b>	
	G036	Achieving Competitive Advantage Through Developing Green Corporate Image <b>Sri Widyastuti</b>	



## RUNDOWN ORAL PRESENTATION

### STRATEGIC MANAGEMENT ISSUES

October 15<sup>th</sup>, 2015, Ball Room #3, First Floor

Time	Paper Code	Paper Title & Presenter	Session Chair
07.30-09.30	G055	The Influence Of Value Creation And Business Strategy On The Internet Service Provider In Indonesia <b>Henry Christiadi</b>	<b>Nila Krisnawati</b>
	G064	Finding The Strategic Solutions Towards The Implementation Of Space Technology Program In Indonesia <b>Brian Pratistha</b>	
	G069	The Concept Of Core Competencies In Business Organization <b>Hamdi Harmen</b>	
	G072	The Formation Of Dynamic Capability On Indonesian Credit Co-Operatives <b>Muhtosim Arief</b>	
	G038	The Influence Of Entrepreneurial Orientation And Dynamic Capabilities Towards Business Strategy Implementation Effectiveness And Its Role To Build Sustainable Competitive Advantage Of E-Commerce Based Sme In Indonesia <b>John Sihotang</b>	
	G050	The Influence Of Partnering In TQM Practices, Innovation, And Its Impact On Project Performance In Residential And Non Residential Building In Jakarta And Bandung <b>Firdaus Basbeth</b>	
09.30-09.45	<b>Coffee Break</b>		<b>OC&amp;LO</b>
09.45-11.45	G082	Strategy Implementation As An Intervining For Company's Resources And Regulations In Order To Form Business Performance <b>Elfien Goentoro</b>	<b>Dharma Deo Sharma</b>
	G088	The Influences Of Partnership Strategy And Competitive Strategy On Business Performance Of Minimarket Chain In Indonesia <b>Hans Harischandra Tanurahrarjo</b>	
	G105	Effect Of Capabilities Resources To Cross Functionals Coordination In The Micro Footwear Industry In West Java <b>Utangjujur</b>	
	G107	The Development Model Of Value Creation For Competitive Advantage <b>Yenny Maya Dora</b>	
	G108	The Influence Of Distinctive Capability And Functional Strategy On The Business Performance ( Survey On Shipyards Industry In Indonesia) <b>Wahyuddin Bagenda</b>	



11.45-12.45	Lunch		OC&LO
12.45-14.45	G253	The Influences Of Company Resources And Value Creation On Business Performance (A Research On Rural Bank Owned City District Government Of West Java And Banten) <b>Iwa Kartiwa</b>	<b>Zhou Yanhua</b>
	G021	Business-Level Strategy On The Banking Industry In Dealing With The Similarity In Industry (Isomorphism) <b>Ferry Novindra Idroes</b>	
	G132	Innovation And R&D Partnership It's Impact On Competitiveness And Implication To Pharmaceutical Companies Performances <b>Mas Rahman Roestan</b>	
	G140	Business Transformation And Business Performance PT Len Industri (1991 - 2014) <b>Abraham Mose And Syaifuddin</b>	



## RUNDOWN ORAL PRESENTATION

### STRATEGIC MANAGEMENT , ENTREPRENEURSHIP AND SMALL MEDIUM ENTERPRISES, AND CORPORATE SOCIAL RESPONSIBILITY ISSUES October 15<sup>th</sup>, 2015, Laksamana Room#1, First Floor

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07.30-09.30	G260	Diversification Strategic Option In Indonesia Shippingindustry With Specific Reference To PT. Lautan Nusantara <b>Nano Aryono</b>	<b>Budi Harsanto</b>
	G164	Effectiveness In Implementation Of Corporate Strategy <b>Eri Novari</b>	
	G165	The Influence Of Value Creation And Competitiveness Strategy On Business Performance (A Survey On Non-Machine Woven Industry In West Java) <b>Ade Sulchi</b>	
	G211	Effect Of Business Strategies, Regulatory Support, Leadership, And Work Culture On Business Performance And Impact On Competitiveness Of Bank Of Jabar And Banten (BJB) <b>Ahmad Irfan</b>	
	G087	Analysis Of The Effect Of Export Sme Owner Competencies On Export Smes Performance Of Bandung City <b>Wa Ode Zusnita Muizu, Yusuf Pankesit</b>	
09.30-09.45	<b>Coffee Break</b>		OC&LO
09.45-11.45	G031	The Influence Of Entrepreneurship Characteristic And Market Orientation On The Competitive Advantage And Its Effect Towards Business Performance (Case Study At Sentra Rajut Binong Jati Bandung) <b>Dwi Wulandari</b>	<b>Mery Citra</b>
	G056	Networking And Entrepreneurial Orientation In Increasing Innovation And The Impact On Business Performance For Women Entrepreneur In Jakarta Province <b>Aryanti Puspokusumo</b>	
	G216	The Application Of Multi-Criteria Decision Making For Strategy Formulation To Develop Organic Agriculture In Bengkulu Province <b>Teguh Adiprasetyo</b>	
	G094	The Influence Of Entrepreneurial Mindset Toward Competitive Advantage Of Young Entrepreneurs In West Java New Entrepreneur Program <b>Meriza Hendri</b>	
	G120	Capabilities, Business Strategy And Performance : A Case In Internet Service Provider In Indonesia <b>Nurul Hermina</b>	



11.45-12.45	LUNCH		OC & LO
12.45-14.45	G104	Entrepreneurial Leadership roles in promoting entrepreneurship, Team Creativity, and New Venture Performance in Indonesian's SME Start-Ups <b>Urip Sedyowidodo</b>	Wardana
	G184	The Adoption Knowledge Management In Small And Medium-Sized Enterprises On Competitive Environment <b>Nizar Alam Hamdani</b>	
	G155	The Influence Of CSR Program Towards Company's Reputation And Customers Loyalty In Formulating The Policy Of Company's For Company Performance Improvement <b>Nur Hassim Rusdi</b>	
	G059	Application Of Lean Manufacturing In Reducing Chrome Waste On Sukaregang Tannery Industry <b>Muhamad Dzikron</b>	
	G159	The Influence Of Value Creation And Competitive Strategy And Business Performance Of Business Units Of Green Tea Product Industry In Indonesia <b>Sukiman</b>	
G158	The Impact Of Foreign Franchise Characteristics And Entrepreneurial Orientation On Competitive Response And Local Franchise Performance : Evidence From Indonesia <b>Rambat Lupiyoadi</b>		



## RUNDOWN ORAL PRESENTATION

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October 15<sup>th</sup>, 2015, Laksamana Room #2, First Floor

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	G066	The Moderating Role Of Organizational Culture On The Relationship Between Leadership And Project Performance In Residential And Non Residential Construction Building In Jakarta <b>Firdaus Basbeth</b>	<b>Mery Citra</b>
	G222	Increasing Organizational Commitment: The Role Of Leadership Style <b>Christanto Triwibisono</b>	
	G224	The Effect Of The Big Five Personality Traits On The Performance Of Pt.Century 21 Liberty Employees <b>Refi Endo</b>	
	G269	Sustainability Of Indonesian Mining Companies Through Implementation Assessment Of Principles Of International Council On Mining And Metal <b>Dede Abdul Hasyir</b>	
	G008	Profile Of Syari'a Banking Marketers in Surah Al-Mudatsir Ayat 1-7 Perspective <b>Afif Zaerofi</b>	
09.30-09.45		<b>Coffee Break</b>	<b>OC&amp;LO</b>
09.45-11.45	G085	The Determinants And Consequences Of E-Retail Service Quality <b>Fitroh Adhilla</b>	<b>K. Maran</b>
	G117	Market Strategy And Market Orientation And Its Effect On Uniqueness Resources Through Marketing Performance Empirical Studies On: Small Industries Product Processing Seaweed In South Sulawesi <b>Mohammad Risal</b>	
	G121	Customer Retention Created By Customer Characteristics, Customer Satisfaction, Performance Of Service Delivery, Brand And Switching Barrier (A Study Of Customers Domestic Scheduled Flight Service) <b>Juliater Simamarta</b>	
	G199	The Influence Of Social Media On Moslem Consumer Behaviour <b>Shinta Rahmani</b>	
	G203	The Creation Of Value In The Political Marketing On Political Parties In The City Pekanbaru <b>Gatot Wijayanto</b>	
	G220	Overall Advertising Involvement Effect On Brand Attitude And Its Impact On Consumer Behavior <b>Dwinto Martri Aji Buana</b>	



	G227	How Do Strategic Capabilities And Niche Marketing Strategy Affect The Effectiveness Of Value Co Creation? <b>Diaz Pranita</b>	
11.45-12.45		<b>Lunch</b>	OC&LO
12.45-14.45	G241	The Impact Of Customer Relationship Marketing Strategy Toward Loyalty At Small Medium Enterprises, <b>Aditya M.Salya, Christophe Benahvent</b>	Johannes
	G264	Marketing Strategy Of Words-In-Mouth Deliver Customer Value In Consumer Products In Indonesia <b>Handry Sudiarta Athar</b>	
	G265	Promotion And Designan Analysis To Corporate Image PT. De Bale Property Lombok <b>Handry Sudiarta Athar</b>	
	G003	The Impact Of Automated Teller Machine Toward Cost Efficiency Of The Banks In Indonesia <b>Tofik Hidayat</b>	
	G100	Analysis Of Earning Management And Underperformance In Companies Which Pursue Policies Ipo (Case Study In Companies That Go Public In Indonesia Stock Exchange Indonesia 2012-2013) <b>Rr.Yoppy Palupi Purbaningsih</b>	
	G136	The Influence Of Firm Characteristics On Capital Structure And Firm Value (Empirical Study Of Indonesia Insurance Companies) <b>Didy Handoko</b>	
	G178	Analysis On The Factors Causing The Bankruptcy Of Domestic Airline Companies In Indonesia <b>Suharto Abdul Majid</b>	



## RUNDOWN ORAL PRESENTATION

### GENERAL MANAGEMENT ISSUES

October 15<sup>th</sup>, 2015, Wibisana Room, First Floor

Time	Paper Code	Paper Title & Presenter	Session Chair
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	G205	Is Financial Literacy Adequate To Discipline Financial Institutions In West Java? <b>Wardhana</b>	
	G254	he Effect Of The Implementation Of Government Internal Control System (Gics) On The Quality Of Financial Reporting Of The Local Government And Its Impact on the Principles of Good Governance: A Research in District,City, and Provincial Government in South Sumatera <b>Peny Cahaya Azwari</b>	
	G005	Designing Performance Management System Using The Balanced Scorecard Method In Non-Profit Organization (Study Case: United In Diversity) <b>Dara Maisarah</b>	
	G017	Key Performance Indicator (KPI) Validation Methodology To Assess Performance Management System Effectiveness In Oil And Gas Company <b>Amalia Wine Prasetya</b>	
	G278	Dividend Policy On State Owned Enterprises <b>Sulaeman Rahman Nidar</b>	
	G030	The Influence Of Product Innovation And Process Innovation Toward Business Performance At Online Business Ziviti Projects <b>Gheassani Filma Izani</b>	
	G276	Good Corporate Governance Perception And Program Funds Of Corporate Social Responcibility Case Of Corporation In Indonesia <b>Naz'aina</b>	
09.30-09.45	<b>Coffee Break</b>		OC&LO
09.45-11.45	G179	Market-Based Strategy To Bring The Competitive Advantage Into Reality In The Indonesian Aviation Business (A Bibliographical Study) <b>Suharto Abdul Majid</b>	
	G156	Analysis Of Sovereign Rating Indicators <b>Ahmad Hamdi</b>	
	G271	The Effect Of Dynamic Capability To Technology Adoption And Its Determinant Factors For Improving Firm's Performance; Toward A Conceptual Model <b>Zainal Arifin</b>	





	G103	Analysis Of The Entrepreneurs Characteristics Of Mses Tempe In Bogor, West Java <b>Tita Nursiah</b>	
	G144	Product Clustering By Enterpreneurial Students In Medan City <b>Ani Murwani Muhar</b>	
	G195	Could Creative Economics Be A Sustainable Competitive Advantage In Indonesia ? A Study Of Business Model Development On The Indonesian Creative Industries <b>Siti Wulansari</b>	
	G256	The Impact Of Cooperative Entrepreneurs' Commitment, Creativity And Innovativeness Toward Competitive Advantage And It's Implication To Sustainable Competitiveness Of Women'S Cooperatives In West Java <b>Sri Djatnika</b>	
	G275	Effect Of Work Meaning On Work Performance Among Javanese And Non Javanese Entrepreneurs In Indonesia <b>Eddy Soeryanto Soegoto</b>	
	G067	The Influence Of Corporate Governance On Csr And Its Impacts On Performance In Top 100 Listed Companies In Indonesia <b>Taridi Kasbi Ridho</b>	
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3	G093	Henny Setyo Lestari	The Effect of Intellectual Capital on Insurance Company Performance in Indonesia	Poster
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5	G099	R. Suyudi Muriawan	The Impact Of Competency On The Performance Of Village Facilitator (A Survey On The National Community Empowerment Program Independently Urban PNPM-MP In Bandung Regency)	Poster
6	G101	Silvy Sondari Gadzali	The Influence Of Principal Vocational High School (SMK) Competences on The Quality Of Education Services In Subang District	Poster
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11	G149	Rojuaniah	Conceptual Model Intrapreneurship Behaviour And The Implication In Construction Company	Poster
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3	G106	Wien Dyahrini	Application Of Total Quality Management (TQM) On Oparating Performance In Creating Competetive Advantage Corporate Services Transportation (Bus) In West Java	Poster
4	G153	Diana Damey	The Influence Of Brand Image And Competitiveness On Company Performance Of Textile Industry In Indonesia	Poster
5	G240	Ferikawita M. Sembiring	Analysis Of Beta Value Based On The Fowler And Rorke Method And Dual Beta Method	Poster



G001

## THE FEASIBILITY OF IMPLEMENTING E-COMMERCE IN SUDAN

**Hayder Alhadey Ahmad Mohammed**

Doctor of Management Business (DMB) Program,

Faculty of Economics and Business, Universitas Padjadjaran, Indonesia

hayderalhadey@gmail.com

### ABSTRACT

This paper is entitled "The Feasibility of Implementing E-Commerce in Sudan". The objective of this study is to determine the feasibility of e-commerce in Sudan by recognizing the advantages and the disadvantages of e-commerce and by conducting an environmental scanning through the SWOT analysis. The nature of e-commerce as a form of development in the globalization and the fundamental constraints that limited the role of e-commerce in Sudan can be identified in order to be addressed and to be followed up. The result is briefly described through its strengths, weaknesses, opportunity, and threats. It shows that the adoption and implementation of e-commerce in Sudan which will lead to promote and increase the economic growth requires concerted all efforts at both the public and private sectors. From the data analysis, it is then concluded that to develop e-commerce, Sudan needs to find a well-developed infrastructure for communications and maintains a good system.

**Keywords:** E-Commerce, Sudan, SWOT analysis



G002

## THE INFLUENCE OF SUPPLY CHAIN INTEGRATION ON COMPANY PERFORMANCE IN INDONESIAN PHARMACEUTICAL INDUSTRY

**Efrata Denny S. Yunus\***, Ina Primiana, Umi Kaltum, and Martha Fani Cahyandito

Doctoral Program in Business Management, Faculty of Economic and Business,  
Padjadjaran University

E-mail: [efratadenny@gmail.com](mailto:efratadenny@gmail.com)

\*Corresponding author

### ABSTRACT

The purpose of this study is to find resolutions for problems associated to the Company Performance when related with Supply Chain Integration. This study is a theoretical review, especially about the effect of Supply Chain Integration on Company Performance. The unit analysis in this study is Indonesian Pharmaceutical Industry. It can be concluded that Supply Chain Integration has a significant effect on Company Performance. Furthermore, this paper discovers that Supply Chain Integration has implication on Company Performance.

**Keywords:** Supply Chain, Supply Chain Integration, Company Performance, Pharmaceutical Industry



G005

## DESIGNING PERFORMANCE MANAGEMENT SYSTEM USING THE BALANCED SCORECARD METHOD IN NON-PROFIT ORGANIZATION (Study Case: United in Diversity)

**Dara Maisarah**  
**Dermawan Wibisono**

*Master of Business Administration, Bandung Institute of Technology, Indonesia*  
*dara.maisarah@sbm-itb.ac.id*  
*dwibisono@sbm-itb.ac.id*

### ABSTRACT

The purpose of this paper is to propose design performance management system using the Balanced Scorecard framework that suits non-profit organization (study case: United in Diversity). Non-profit organization is important to improve welfare of the community through educational programs, the environment, agriculture, health, and finance. However, there are many non-profit organizations that have not yet realized the importance of controlling their performance using performance management system.

This study involves process of designing performance management system until division level using framework by Kaplan & Norton in premium execution book (2008). The process begins with clarifying vision and mission statement of the organization, then develop the strategies using TOWS matrix, and describe the strategy in the strategy map. The strategy can be defined in more detail into Key Performance Indicator (KPI), which aims to quantify the performance of the UID and also the division.

The strategy map framework of organization and each division. There are 12 strategic objectives with 25 KPI and 125 strategic initiatives for each division, i.e., a). Learning: 8 strategic objectives, 21 KPIs and 58 strategic initiatives; b). Community Learning Center: 10 strategic objectives, 21 KPIs and 59 strategic initiatives; c). Finance: 9 strategic objectives, 17 KPIs and 22 strategic initiatives; d). General Admin: 9 strategic objectives, 24 KPIs and 51 strategic initiatives; e). Funding and Program Development: 9 strategic objectives, 16 KPIs, and 26 strategic initiatives; f). Waste Management: 6 strategic objectives, 16 KPIs, 27 strategic initiatives.

There have been many studies in the development of performance management system in business sector with final output in financial aspect, but not many studies pay attention on the situation in which a country is composed of three major sectors that must be interconnected to achieve the prosperity of the country. One of the sector is a non-profit organization of the civil society sector, which would produce the final output that is different from the business sector.

**Keywords** Performance Management System, The Balanced Scorecard, Non-Profit Organization



G006

## MARKET ORIENTATION, BUYER-SUPPLIER RELATIONSHIP AND FIRM PERFORMANCE WITH DYNAMIC CAPABILITIES AS AN INTERVENING VARIABLE: A RESEARCH MODEL

**Moh Farid Najib**

Business Management Department, Bandung State Polytechnic, Indonesia

[mohfaridnajib.polban@gmail.com](mailto:mohfaridnajib.polban@gmail.com)

Corresponding Author

**Dwi Kartini, Yuyus Suryana and Diana Sari**

Economic and Business Faculty, Padjadjaran University, Indonesia

### ABSTRACT

Most studies have proven that market orientation has a positive effect on firm performance. It is important to know the mediation effect of market orientation on business performance. The perspective of buyer-supplier relationship and dynamic capabilities is described in this paper. The purpose of this study is to give an understanding of the conceptual advances. With the conceptual model developed, the author shows how market orientation and buyers-suppliers relationship can turn into dynamic capabilities and competitive value argument that market orientation and buyer-supplier relationship positively mediate the dynamic capability. Finally, some research hypothesis for research related to market orientation, buyer-supplier relationship to firm performance with the dynamic capabilities as an intervening variable in the future are discussed.

Key words: market orientation, buyer-supplier relationship, dynamic capabilities and firm performance.





G007

## EFFECT OF HEDONIC VALUE AND CONSUMER KNOWLEDGE ON BUYING INTENTION FOR LUXURY BRAND COUNTEREIT PRODUCTS

**Musnaini, Sri Wahyuni Astuti , Badri Munir Sukoco , \*Syahmardi Yacob**

Doctorate of Economic Science Program, Faculty of Economics and Business, University of Airlangga, Surabaya, Indonesia and Doctorate of Management Science Program, Faculty of Economics and Business, University of Padjadjaran, Bandung, Indonesia

Email: [Musnain@gmail.com](mailto:Musnain@gmail.com)

Email: [swa\\_feu1@yahoo.com](mailto:swa_feu1@yahoo.com)

Email: [badrriunair@gmail.com](mailto:badrriunair@gmail.com)

Email: [dedy\\_yacob@yahoo.com](mailto:dedy_yacob@yahoo.com)

\*Corresponding Author

### ABSTARCT

The aim of this article is twofold, i.e., (1) to achieve a better understanding of the emotional determinant of the demand for luxury brand counterfeit products through exploring the effect of hedonism motivation and intention to buy; and (2) to extend the factors that drive consumers to purchase counterfeits of luxury brand products. The study was conducted in Surabaya. The sample used in the study is determined by randomly assigning to 2 experiments. The results of the empirical analysis suggest that participations with highly hedonic motivation positively affect their intentions of purchasing such luxury brand counterfeit products. It also found the high demand for luxury brand counterfeit products in the market.

**Keywords:** *Motivation, Hedonic Value, Intention, Luxury Brand Counterfeit*

**Reference** to this paper should be made as follows: Musnaini., Astuti, W.S.,Sukoco, B.M., and Yacob, S. (2015) 'Effect of hedonic value and consumer knowledge on buying intention for luxury brand counterfeit products'.



G008

## PROFILE OF SYARIAH BANKING MARKETERS IN SURAH AL-MUDATSIR AYAT 1-7 PERSPECTIVE

**Afif Zaerofi**

Senior Lecturer, STEI Tazkia Bogor

PhD Student, Management Science, Padjadjaran University Bandung

**Muhammad Idris**

Bank Pembangunan Daerah Nusa Tenggara Barat

### ABSTRACT

Compared to that of conventional banking, the growth of Syariah banking has been far from expectation. In terms of market share, for example, until the second quarter of 2015, the syariah banking has reached only 4,63% of market share. Not only in market share, the syariah financing is also decreasing by 20,97%, from IDR 24,84 Trillions in 2014 to IDR 19,63 Trillions in 2015. This fact leads to a question on the role of syariah banking marketers. To be more specific, do syariah banking marketers have syariah marketer attributes? This paper is aimed at answering the question.

To answer the question, the author employs the qualitative approach, that is, by studying the references in relation with the topic. The author will compare the tafsir of some verses of al-Quran with the modern concept of marketing.

The verses of Al-Quran that guideline the syariah banking marketers include surah al-Mudatsir 1-7. Concept of syariah marketers contain in Surah al-Mudatsir is the combination of 'aqidah (faith), akhlak (ethics) and muamalah. Verses 3 and 7 emphasize on 'aqidah, verses 4 and 5 emphasize on akhlak, while verses 1,2 and 6 emphasize on mu'amalah.

Keywords: market share, syaria' banking marketers, al-mudatsir



G009

## **BUSINESS STRATEGY TO OPTIMIZE THE PERFORMANCES OF FOOD AND ENERGY SECURITY LOANS**

### **Empirical Study in XYZ Bank**

**Kristina Lestariningsih**

Doctoral Program,

Faculty of Economics and Business. Padjadjaran University

Bandung

### **ABSTRACT**

The efforts to achieve food and energy security for national self-sufficiency is not an easy task that can be accomplished in a short time. It needs a business strategy, involving a long process of careful strategic planning, hard work heartily, as well as the synergy of all stakeholders to make it successfully happened. Implementing loan management strategies in order to improve the loan performance of food and energy security must be done by optimizing strategic roles of stakeholders, building the capacity of farmers, and utilizing the dynamic capabilities of bank. Executing the dynamic capabilities in improving the performance of food and energy security loan can make a positive contribution to the bank's competitive advantage. The business strategy approach is through the strategic management domains based on how a food and energy security loan program should be able to create value for all stakeholders. This paper aims at examining different aspects of the strategic roles of stakeholders, the level of farmers' capacity, as well as the dynamic capabilities of the banks as factors that affect the loan performance.

#### **Keywords:**

Food and energy security, business strategy, strategic roles of stakeholders, farmers' capacity, dynamic capabilities, competitive advantage, loan performances.

#### **Reference to this paper:**

Lestariningsih, Kristina (2015) 'Business Strategy to Optimize the Performances of Food and Energy Security Loan: Empirical Study in XYZ Bank', The Global Advanced Research Conference on Management and Business Studies (GARCOMBS). Bali, Indonesia



G010

## LEADERSHIP FOR PUBLIC LEADERS IN INDONESIA

**Muhtosim Arief\***, D Judah S., Mustoha  
Iskandar, Dasih Irma

Email : [muhtosim.arief@gmail.com](mailto:muhtosim.arief@gmail.com)

Email : [daniel.sumbayak@gmail.com](mailto:daniel.sumbayak@gmail.com)

Email : [driskandar2008@yahoo.com](mailto:driskandar2008@yahoo.com)

Email : [dasihirma@stie-kusumanegara.ac.id](mailto:dasihirma@stie-kusumanegara.ac.id)

\* Corresponding author

### ABSTRACT

This research paper aims to discover correlation between Indonesian leaders with his/her competence, communication skills, crisis handling, and how its aspects will determine his leadership, and national performance, or organizational performance in nation-state context. This research paper will also aim to discover how selection can be done objectively and could factor in differences in national leadership and national performance, as then the leadership processes in this country may not only be attributed and be the responsibility of the leaders, but also the responsibility of the selection process and its assorted people involved in the selection process.

**Key words:** leadership, public leader, performance, competence



G011

## THE INFLUENCE OF GOOD CORPORATE GOVERNANCE ON EARNING MANAGEMENT

**Mardiani Tanjung**

Faculty Of Economics, Padjadjaran University

E-mail: [mardianitj@gmail.com](mailto:mardianitj@gmail.com)

### ABSTARCT

The purpose of this study is to analyze the effect of Good Corporate Governance (GCG) through Institutional ownership, independent commissioner, and executive compensation on earning management. The Information gap between the manager and the principal (shareholders) has made managers tend to be the more superior in mastering this kind of information. The gap encourages the manager to behave opportunistically in disclosing information about the company. Jensen and Meckling (1976) found that the agency relation arises when one person or more (principal) employs another person (the agent) to provide a service and then delegate decision-making authority to the agent. According to the National Committee on Governance Corporate Policy (KNKCG), empirically the background of the need for good corporate governance (GCG) originated from the declining performance of the company due to the monetary crisis which attacked Indonesia in 1997-1999 that was allegedly still poor corporate governance in Indonesia.

This study used sample of 55 Manufacturing companies that had been listed on the Indonesia Stock Exchange (BEI) since 2008-2013. This study employed purposive sampling method based on several criteria of 140 manufacturing companies. Various tests like - multiple regression, t-test and F-test had been performed using E-views 8 Statistics software to investigate the impact of earning management on the value of firm by using secondary and cross-sectional data. The object of this study includes financial statements and annual reports of manufacturing companies in Indonesian Stock Exchange. Based on those financial statements, the analysis was conducted in order to obtain information about the phenomenon of earning management, good corporate governance (GCG), represented by Institutional ownership, independent commissioner and executive compensation on manufacturing companies since 2008-2013. Earning management was measured by discretionary accruals using Jones's cross-sectional modification (1991).

The results show that mechanism of GCG can significantly affect on earning management. The final conclusion of the study reveals that earning management action can be controlled by institutional ownership and independent directors in particular. These results are supported by research which conducted by previous researchers that the more members of the independent directors, they will ensure more transparency and the disclosure of financial statements so they can reduce earning management.

**Keyword: Corporate Governance, Institutional Ownership Structure, Independent Commissioners, Executive Compensation, Earning Management.**



G012

## WEEK OF THE MONTH ON THE MONDAY EFFECT: EVIDENCE FROM THE INDONESIAN STOCK EXCHANGE

**Ika Pratiwi Simbolon**

Doctorate Program, Faculty of Economics and Business

Padjadjaran University

Jl. Dipati Ukur No. 46

Bandung, 40132, Indonesia

Email: pratiwika\_s@yahoo.com

### ABSTRACT

This paper examines the Monday effect on stock market returns sorted by week of the month and using the unconditional method and the conditional method. This paper uses daily closing prices of firms listed in the LQ-45 Index Indonesian Stock Exchange from January 2006 to December 2013. One sample t-test is applied to examine the significance of week of the month on the Monday effect. Results support the existence of week of the month on the Monday effect by using the unconditional method. The mean returns on Monday for the 1st, 2nd and 3rd weeks are negative but not significant, while the mean returns on Monday for the 4th and 5th weeks are negative significant. However, the test was run using conditional method, both in up and down market, the results do not support the existence of week of the month on the Monday effect. This paper presents new evidences and supplements the finance literature on the Monday effect for the case in Indonesian Stock Exchange. It also helps investors develop a good investment strategy. Investors could buy stocks that have abnormally low returns on Monday on both sub-periods by using the conditional method. But when using the unconditional method, investors could buy stocks that have abnormally low returns on Monday for only in the fourth and fifth weeks.

**Keywords:** Monday effect, Week of the Month, the Unconditional method, the Conditional Method, Return of stock

**Biographical notes:** Ika Pratiwi Simbolon is a full student at University of Padjadjaran (Bandung, Indonesia), Doctorate Program, Faculty of Economics and Business. Current research interests focus on capital market.



G013

## THE INFLUENCE OF DIGITAL CREATIVE INDUSTRY COMPETITIVE FORCES AND VALUE CREATION ON COMPETITIVE STRATEGY AND THE IMPLICATION ON SUSTAINABLE BUSINESS PERFORMANCE OF DIGITAL CREATIVE INDUSTRY IN INDONESIA

**Muhammad Awaluddin**  
*Padjadjaran University,  
 Bandung, Indonesia*

### ABSTRACT

Currently, creative industry that grows rapidly is digital technology based creative industry, Digital Creative Industry (DCI). Technology has very important role to DCI. It stimulates the development of new products and services, distribution channels, business models, and even the possibility of expansion into new market.

The growth of DCI's business profit in Indonesia has not been in line with expectations; as business performance tends to be fluctuating. The decline of business performance is allegedly because the company has not been able to formulate and implement competitive strategies. Phenomenon indicator is that the value provided to customers is smaller when compared with the value given by its competitors (inferior customer value), thereby weakening the competitive position of the company. The power of competition in industry is still low. It is shaped by the power of new entrances, the power of distributors and consumers, the power of substitute products, the power of supplier, power of competitor and government intervention. This research aims to assess the effect created by digital creative industry competitive forces and value creation toward competitive strategy, simultaneously and partially and the implication to DCI's sustainable business performance in Indonesia. This research employs Mix Method Research (MMR) with Sequential Explanatory approach and suggests "Connecting the DOT" as model to achieve sustainable business performance in the digital creative industry.

**Keyword:** Sustainable Business Performance; Competitive Strategy; Digital Creative Industry;  
 Competitive Forces; Value Creation



G014

## GROUP EMOTIONAL INTELLIGENCE ON EFFECTIVENESS OF TOTAL REWARDS

**Prima Vandayani\***

Student of Doctoral of Management Science,  
 Faculty Of Economics and Business, Universitas Padjadjaran,  
 Jl.Dipati Ukur No.46 Building A,  
 Bandung 40132, Indonesia

And Lecturer at Business Administration Faculty, Polytechnic LP3I Bandung, Jl.  
 Pahlawan No.59

Bandung 40123, Indonesia

E-mail : [scootie.vanda@gmail.com](mailto:scootie.vanda@gmail.com)

\*corresponding author

**Hilmiana, and Yudi Azis**

Lecturer at Doctoral Program in Business Management  
 Faculty Of Economics and Business, Universitas Padjadjaran,  
 Jl.Dipati Ukur No.46 Building A,  
 Bandung 40132, Indonesia

E-mail : [hilmiana@fe.unpad.ac.id](mailto:hilmiana@fe.unpad.ac.id)

E-mail : [yudi.azis@fe.unpad.ac.id](mailto:yudi.azis@fe.unpad.ac.id)

### ABSTRACT

This study is a theoretical review using secondary source of data from a number of relevant literature on group total rewards and emotional intelligence. The total rewards can be understood as an exchange for the contribution workers to the company for everything that employees value in the employment relationship related to task, people and organizations. These are based on the financial or non-financial form, the transactional or relational nature directly and indirectly, and the psychological extrinsic or intrinsic value, in order to motivate workers and assist companies in managing the allocation of its workforce. Workers satisfaction of total rewards is one of the workers attitude that can generate valuable additional information for measure effectiveness of total rewards, particularly in unionized workplace. A variety of their attitudes towards their rewards encourage this paper into account their emotional intelligence abilities as collective ability. Group emotional intelligence can be understood as a process group to develop ability to building of relationships within group through establishment and socialization of norms, and developed ability to building of group emotional through collective awareness and emotional management to understand the purpose within group and its influence on the wider system. Based on review of a number of previous empirical research, indicates support influence emotional intelligence on effectiveness total rewards. But, have not found among those who investigate that causality in group-level, particularly for unionized workforce. Therefore, this paper intended to propose influence group emotional intelligence on effectiveness total rewards in unionized workplace with





workers who are members of labor unions as analysis unit. The results of this theoretical review indicate that there is a positive significant causal relationship between group emotional intelligence of unionized workers and effectiveness total rewards in unionized workplace. This study gains significance as the results can assist the human resource manager in formulating total rewards to be more effective applied in unionized workforce.

**Keywords:** Group Emotional Intelligence, Total Rewards, Unionized Workforce



G015

## THE ROLE OF PERSONAL VALUES, BEHAVIOR, IN THE CROSS-CULTURAL INTERACTION THROUGH THE ORGANIZATION'S ENVIRONMENT IN BANTEN PROVINCE - INDONESIA

**Rusman Frendika**

Sekolah Tinggi Ilmu Ekonomi AI - Khairiyah Cilegon

Doctoral student of Management Sciences Program, Faculty of Economics and Business, Padjadjaran University Bandung Indonesia

*rusman@stiealkhairiyah.ac.id*

### ABSTRACT

This paper explores the role of personal values and intends to provide more effective measures to judge and influence the tendency of individuals to the environment in a cross-cultural context. Canaka's personal value framework is integrated with the organization's environment based on behavior. This study investigates how self-direction values, enjoyment value, and achievement value make a concerted effort to form personal values. Then, Hofstede's cultural framework is integrated to theorize cross-cultural differences in these processes. Finally, through a survey conducted in Banten Province - Indonesia, the theoretical analysis is confirmed. The results showed that personal values and behaviors have an important role in cross-cultural interaction through the organization's environment. Indonesians tend to adhere to their group and avoid foreigners. Koreans and Japanese tend to be more individualistic; Japanese tend to conform with the opinion of the team and tend to support the existing conditions as a means to achieve a harmonious relationship, while Koreans engage in direct interaction activities because self-worth is viewed as the manifestation of their individual determinations.

Keyword : Personal value, Behavior, Organization environment, self value, self enjoyment value, self achievement value.



G016

## **BUILDING THE TOURIST TRUST BASED ON INTEGRATED MARKETING COMMUNICATION AND TOURIST EXPERIENCE**

(A Survey to the Culture and Marine Tour Object at Tour Destination of Ambon Island)

**Dian Utami Sutiksno<sup>a</sup>, Sammy Saptanno<sup>b</sup>, Meiske Tangnga<sup>c</sup>, and Aldina Shiratina<sup>d</sup>**

University of Padjadjaran (dian2375@yahoo.com)<sup>a</sup>, Polytechnic of Ambon State (sammy.saptanno@yahoo.com)<sup>b</sup>, Polytechnic of Ambon State (meiske.amtor@yahoo.com)<sup>c</sup>, University of Padjadjaran (aldina.shiratina@yahoo.com)<sup>d</sup>

### **ABSTRACT**

The purpose of this research is to analyse the influence of integrated marketing communication and tourist experience on the tourist trust at the culture and marine tour object in Ambon island. This research investigated the magnitude of tourist satisfaction on the attraction of the culture and marine tour object in Ambon island. This research is descriptive and conducts verification through survey. This research was done at the culture and marine tour object in Ambon island. This research used 210 sample based on Yamane formula with accidental techniques. Path analysis was used for data analysis dan hyphothesis testing. The result of this research and hyphothesis testing showed that integrated marketing communication and tourist experience influence the tourist trust.

**Keywords :** Integrated Marketing Communication, Tourist Experience, and Tourist Trust



G017

## KEY PERFORMANCE INDICATOR (KPI) VALIDATION METHODOLOGY TO ASSESS PERFORMANCE MANAGEMENT SYSTEM EFFECTIVENESS IN OIL AND GAS COMPANY

**Amalia Winie Prasetya and Muhammad Hanafi**

Master of Business and Administration

Bandung Institute of Technology, Indonesia

[amalia.winie@sbm-itb.ac.id](mailto:amalia.winie@sbm-itb.ac.id)

[muh.hanafi@sbm-itb.ac.id](mailto:muh.hanafi@sbm-itb.ac.id)

### ABSTRACT

To achieve its vision of becoming a world-class company, PT. XYZ needs to base their management process that always maintains its validity and based on the approach that has been proven logically and practiced by best practice companies throughout the world. Therefore, it is necessary to validate KPI in 2014 by applying systematic, comprehensive, and accurate methodology, as well as to know the degree of validity PT. XYZ's 2014 KPI achievement.

This research methodology consists of several steps, starting from determining problem identification, research question and objective, conducting literature review for further design of a new methodology that will be used for solving the problem. Furthermore, the data is analyzed using a *control charts* and *non-control charts* analysis. *Non-control charts* are divided into three tests, i.e., trend test, deviation test, and realization >115% test. In the final stage we conduct the questionnaire survey and in-depth interview.

The result shows that degree of validity KPI achievement 2014 is 50.37%, is strongly influenced by the monitoring of the achievement that has not been carried out properly, and results of the questionnaire survey show that the lowest score is the implementation and evaluation of KPI, i.e., 2.93 of a scale of 4. The highest score is recorded by the achievement and monitoring of KPI. After all analyses conducted, PT. XYZ needs to make improvement in terms of: develop KPI online system in order to monitor the achievement of KPI centrally. KPI-owner needs a reminder tools to do the monitoring, and initiates training on understanding of prevailing cascading system.

**Key Words :** performance management system, stratified random sampling, statistical process control, trend test, cronbach alpha.



G018

## HOW DO INDONESIAN CONSUMERS HAVE INTENTION TO PURCHASE LOW PRICE CARS?

**Edhie Budi Setiawan\***

(edhie.budi@gmail.com)

**Sandriana Marina**

(sandrianamarina@yahoo.co.id)

**Dwi Kartini**

(dwi.kartiniy@gmail.com)

\*Corresponding author

### ABSTRACT

This paper aims to explore consumer's intention to purchase low price cars. When consumers want to buy, they think and feel that the price is (un)fair. They will compare whether the price is reasonable, acceptable, and justifiable or not. In this paper, we propose three dimensions for price fairness, i.e., choice of comparison party, consumer knowledge, buyer-seller relationship. This study investigates the influence of price fairness on the purchase intention and helps to design an appropriate price strategy that meets the consumer's want and need.

**Keyword:** Price fairness; choice of comparison party; consumer knowledge; buyer-seller relationship; purchase intention.



G019

## THE INFLUENCE OF COLLABORATIVE COMMUNICATION AND TRUST ON FRANCHISEE INTENTION TO REMAIN IN FRANCHISE SYSTEM

### **Erlinda \***

Doctoral Student, Faculty of Economic and Business, Padjadjaran University Bandung

Lecturer at Economic Faculty Muhamadiyah University Aceh

[erlinda.ass@gmail.com](mailto:erlinda.ass@gmail.com)

### **Yuyus Suryana**

Lecturer at Faculty of Economic and Business, Padjadjaran University Bandung

[yuyus.suryana@fe.unpad.ac.id](mailto:yuyus.suryana@fe.unpad.ac.id)

### **Faisal Afiff**

Lecturer at Faculty of Economic and Business, Padjadjaran University Bandung

[afiff.upm@gmail.com](mailto:afiff.upm@gmail.com)

### **Arief Helmi**

Lecturer at Faculty of Economic and Business, Padjadjaran University Bandung

[arief.helmi@fe.unpad.ac.id](mailto:arief.helmi@fe.unpad.ac.id)

### ABSTRACT

Franchisee intention to remain in franchise system denotes one of important indicators in franchising, because most of franchise outlets managed and operated by franchisees. This study aims to examine the effect of collaborative communication and franchisee trust on franchisee intention to remain in Franchise System in Aceh Province, Indonesia. This study applies causality-explanatory approach, with primary data in the form of perception of 52 franchisees as individual research object from 22 brands. The method of data collection is survey. This study employs path analysis. The partial test indicates that franchisee trust has significant effect on franchisee intention to remain in franchise system. Whereas collaborative communication has no significant effect. Path analysis test shows that collaborative communication and franchisee trust give simultaneous influence to franchisee intention to remain in franchise system.

**Keywords:** Collaborative Communication, Franchisee Trust, Franchisee Intention to Remain in Franchise System



G020

## CORE COMPETENCE ON REAL ESTATE INDUSTRY IN GLOBALIZATION PHENOMENON

**Hastjarjo**

*Padjadjaran University, Bandung , Indonesia*

### ABSTRACT

This paper is Conceptual paper that aims to review and integrate the strategic management and empirical literature on contemporary management, contemporary strategy analysis, core competence, and real estate industry practices in order to pave the road for dissertation research. The article integrates the insights from strategic management perspective. Strategic management literatures and empirical studies are collected and reviewed. The findings from these studies are phenomenon and research problem, theoretical foundations, literature map of the research/state of the arts, the model and hypotheses, and mixed methods research design to build core competence on real estate industry theory. The paper provides the new model for building core competence on real estate industry in globalization phenomenon. It generates insights that may help firms to establish a strategic real estate development process and it may help to develop a more mature body of research on core competence.

**Keywords:** *Environment Risk, Core Competence, Competitive Strategy, Competitive Advantage, Organizational Performance, Real Estate Industry.*



G021

## **BUSINESS-LEVEL STRATEGY ON THE BANKING INDUSTRY IN DEALING WITH THE SIMILARITY IN INDUSTRY (ISOMORPHISM)**

**Ferry Novindra Idroes**

### **ABSTRACT**

This study focused on observation of the competition between the Commercial Bank branch offices Top 10 of the assets located in Jakarta today. The study was conducted to obtain answers to how the business strategy undertaken by the branch offices Top 10 Commercial Banks in terms of Assets in Jakarta in the face of pressure isomorphism to achieve superior performance.

The method used in this research is the method of mixed methods. This combination was chosen to answer the research questions were not fully answered with a qualitative approach or qualitative. Problems in this study removed through qualitative and quantitative approaches in accordance with the purpose of expansion (expansion), the combined method can increase the scope and coverage of the study.

The unit of analysis in this study is that business level bank branch offices. Informants in the study branch leaders responsible for the management of the business and the achievement of the performance of the branch. The scope of the research is a branch office Top 10 Commercial Banks in terms of assets in the Jakarta area. Total population by the end of June 2015 was 1 953 branches. In the study in the first sampling technique used was stratified random sampling.





G022

## **THE ROLE OF GOOD CORPORATE GOVERNANCE QUALITY, INFORMATION TECHNOLOGY EXPENDITURES AND HUMAN RESOURCES DEVELOPMENT COST TOWARD THE PERFORMANCE OF LISTED COMMERCIAL BANKS**

**APEP MK NOORMANSYAH**

Doctoral Program in Business Management Padjadjaran University

Jalan Dipati Ukur 35 Bandung Indonesia 40132

Email : apepmkn@gmail.com

### **ABSTRACT**

The Role of Good Corporate Governance Quality, Information Technology Expenditures and Human Resources Development Cost Toward the Performance of Listed Commercial Banks Year 2010 to 2014. The research was conducted to find the effect of GCG Quality, IT Expenditure and HRD Cost against performance of Conventional Banks listed in Indonesia Stock Exchange (IDX) year 2010 to 2014. The object of the research would be limited to Conventional Banks listed in IDX per December 2014, which amounted to 37 Conventional Banks. The period of the research would be limited to 5 years from 2008 to 2014. This time period was selected to fulfill the requirements of data analysis and to fully represent the selected data samples. The variables to be used in this research comprise the score of GCG quality, IT Expenditure, HRD cost, and performance of Conventional Banks which would be represented by the Return on Asset (ROA) ratio. The method of the research is Regression Analysis with Classical Assumptions test of the Regression Model. The data analysis would be started by Descriptive Statistics Analysis, and followed by conducting Regression Analysis which comprise Significance Test Methods; t-Statistic Test for testing the significance of each variable, F-test to test the overall model, and  $R^2$  test to test the coefficient of determination. The result of the research is expected to prove the hypothesis that increasing the GCG Quality, IT Expenditure, and HRD Cost would have significant positive effect to the performance (ROA) of Conventional Banks listed in IDX.

Keywords: GCG Quality, IT Expenditure, HRD Cost, Bank, Performance and ROA.

Reference to this paper should be made as follows: Noormansyah MK . A. (2015) 'The Role of Good Corporate Governance Quality, Information Technology Expenditures and Human Resources Development Cost Toward the Performance of Listed Commercial Banks Year 2010 to 2014'



G024

## THE IMPACT OF TAXATION CHANGES AND MACROECONOMIC CONDITION TOWARD PROFITABILITY OF INDONESIAN BANKING SECTOR THROUGH CAPITAL STRUCTURE POLICY

**Yuli Teguh Hidayat , Sucherly, Winwin Yadiati , Nury Effendi**

Doctoral Student at Faculty of Economics University Padjadjaran Bandung.

Corresponding author: [saham\\_yth@yahoo.co.id](mailto:saham_yth@yahoo.co.id).

### ABSTRACT

This research aims to analyse whether the combination of tax rate change and macroeconomic condition will effect the bank capital structure and profitability in Indonesia.

The result is expected to be able to develop alternative models that can be used as a reference for further research in increased profitability of banks. Investigation on the effect of taxation on company policy in non-financial institutions has been rare in the literature. This study uses econometric models that aims to examine the effect of changes in tax rules against banking behavior associated with the company's capital structure decisions and ultimately reflected the ability of the company generates profitability. The interaction between changes in tax rules and variable macroeconomic conditions are simultaneous testing to test the effect of two variables on the profitability of banks.

Keywords: Fiscal policy, Macroeconomic Condition, financial sector policy.



G025

## MACROECONOMIC INFLUENCES AND EQUITY MARKET RETURNS IN INDONESIA

**Jacinta Winarto**

Student of Doctoral Program in Management, Padjadjaran University, Indonesia

[winarto.jacinta@gmail.com](mailto:winarto.jacinta@gmail.com)

### ABSTRACT

The aim of this study is to compare the original model of Elton and the modified model of Elton. In his original model, Elton uses five variables while in the modified Elton model, I use four variables. This study uses quarterly data within the period of March 2009 and up to December 2013 of twenty five liquid shares which are registered at the Indonesian Stock Exchange. The data is obtained from Bank Indonesia and Indonesian Capital Market Directory. The result obtained from the model of Elton does not show any significant variables, while in the modified model of Elton only inflation and exchange rate have a negative significant effect on price change of stock return. The results help explain the best model that may be suitable for Indonesia.

Keywords: Macroeconomic, liquid shares, modified, inflation, exchange rate.



G026

## TRANSIENT COMPETITIVE ADVANTAGE READINESS: FINDINGS FROM HOTELS, CAFÉS, AND FASHION RETAILS IN BANDUNG, INDONESIA

**Agung Wahyu Handaru**

Faculty of Economics, Universitas Negeri Jakarta  
Faculty of Economics and Business, Padjadjaran University  
Email: agung\_1178@yahoo.com

**Agus Kaharuddin**

Faculty of Economics and Business, Padjadjaran University  
Email: addin0007@gmail.com

### ABSTRACT

This paper is the first to investigate and measured the transient competitive advantage readiness among hotels, cafes, and fashion retail industry in Bandung, Indonesia. From total sixty managers of hotels, cafes, and fashion retails in Bandung, this study found that the transient competitive advantage readiness among three different businesses is identical and all acquired low score. The result from the Levene's test for equality of variances and the Kruskal-Wallis measurement together with descriptive analysis supported previous observation that most of managers of hotels, cafes, and fashion retails in Bandung do not have enough readiness and proper strategy to create the transient competitive advantage.

Keywords: Transient Competitive Advantage; Sustainable Competitive Advantage; Customer Value; Business Strategy.



G028

## EFFORTS IN PERFORMING MULTILEVEL MODELLING TO IMPROVE LEARNING ORGANIZATION AT PRIVATE UNIVERSITIES

Rina Anindita\* and Ina Primiana

Faculty of Economics and Bussiness, Padjadjaran University, Bandung

anindita.rina@gmail.com

\*Corresponding Author

### ABSTRACT

This research aims to observe relationship between Learning Organization multilevel modeling. Furthermore, this research intends to prove that Learning Organization is in different level from individual performance. Furthermore, the aim of this research is to observe whether there is relationship between private university as a learning organization and improvement of lecturer performance in that university. Most studies in relationship between Learning Organization and other variables use 1 level OLS Regression. Meanwhile, Learning Organization is conceptually a part of Organizational Behavior study that learns about individuals and groups in an organization (Schemerhon, 1995; Steer&Black, 1994). For this multilevel research about organization, Heck and Thomas (2010) state that ordinary OLS regression estimation is not strong and sufficient, particularly in specification error related to the levels of data which are arranged hierarchically. Therefore, Multi Level Modelling (MLM) is needed since its result and value will be detailed based on the levels of the sample. Besides, in studies of organizational behavior, a researcher needs to adjust between the level of measurement and analysis based on its theoretical level (Kozlowski & Klein, 2000; Hox, 2002; Ehrhart, 2004). This assumption becomes the basis of performing multilevel modeling to Learning Organization research.

**Keywords :** Learning Organization, MultilevelModeling, Lecturer Performance, Private Universities



## CONTAGION AND SYSTEMIC RISKS : THE CASE OF INDONESIAN BANKING

**Alfiana** 1)  
alfiana.dra@widyatama.ac.id

### ABSTRACT

Contagion is a core of systemic risk (Djikman 2010), that is, correlation should be positive between contagion and systemic risk, which is in accordance with studies by Poghosyan and Cikak (2009), Oet, Bianco, Gramlich and Ong (2013). However, the results of some studies found negative correlation between them in Indonesian Banking 2007-2014. To date, no single definition of the term is widely accepted (Billio, Getsmansky, Lo, dan Pellizon, 2012). Thus, it causes a lot of systemic risk proxy. In connection with study by Alfiana et al (2015) about proxy systemic risk, some previous studies used proxy of (1) Credit reduction; (2) Asset reduction; (3) credit growth, (4) asset growth ; (5) Ratio of credit to asset reduction; (6) Ratio of slowdown in credit to asset growth. The strength and authenticity of this study was to determine contagion influence on systemic risk through 6 proxies.

This study is aimed at determining contagion impact on systemic risk and direction relationship in Indonesian banking industry. The object of this study is systemic risk derived from contagion effect in Indonesian banking industry. This research utilizes bank data from 2007 to 2014. This study applies Explorative Research and employs secondary data. After applying some proxy systemic risk, in the present of/ absence of one month lag, contagion significantly and positively influences on systemic risks using proxy of (1) slowdown in credit growth (2) ratio of credit to asset reduction (3) ratio of slowdown in credit to asset growths, with  $\alpha = 10\%$ . Contagion significantly and negatively influences on systemic risks using proxy of (1) credit reduction ( $\alpha = 1\%$ ) (2) credit reduction ( $\alpha = 1\%$  with one month lag) (3) asset reduction ( $\alpha = 5\%$  with one month lag) In conclusion, contagion have an influence on systemic risk by 10,641% with negative relationship until positive relationship 4,389% in Indonesia banking industry during 2007-2014, while other variables influence the rest. The paper is expected to contribute to bankers in Indonesian banks and central bank in managing contagion in order to reduce systemic risk, because Indonesia does not have the regulation of financial system safety net to anticipate banking crisis with systemic impact.

**Keywords :** Systemic risk, contagion, financial system , endogenous risk of financial market, interbank Liabilities

1) Lecturer at Widyatama University



G030

## **THE INFLUENCE OF PRODUCT AND PROCESS INNOVATION ON BUSINESS PERFORMANCE: THE CASE OF ZIVITI ONLINE PROJECTS**

Gheassani Filma Izani

### **ABSTRACT**

The author intends to conduct a study to investigate performance of an online business, namely Ziviti Projects. This study elaborates the performance in terms of product innovation, process innovation, and business performance of Ziviti Projects. This study also investigates the impact of the first two variables on the business performance. This study is expected to provide more insights on entrepreneurship management, particularly in terms of the impact of product innovation and process innovation on online business performance. The results are expected to contribute to the path of further research.

Keywords: product innovation, process innovation, business performance



G032

## IMPLEMENTATION OF SIX SIGMA METHODS IN MICRO SMALL AND MEDIUM ENTERPRISES (SMEs) (CASE STUDY ON CV. BERKAH ABADI)

M Abdillah Rorke Ilyasa - abdillah.rorke@gmail.com  
Merita Bernik-meritabernik26@gmail.com  
Budi Harsanto-budi.harsanto@gmail.com  
Faculty of Economic and Business Padjadjaran University, Bandung

### ABSTRACT

The increasing of economic growth in Indonesia encourages the growth of SMEs (Micro Small and Medium Enterprises). This condition induces more stringent competition among similar SMEs. Intense competition has pushed companies to always produce quality products in order to meet customer satisfaction. One of the methods to control the quality is by using six sigma. Six sigma is a vision of improving the quality towards the target of 3.4 failures per million opportunities for each production of goods and services. According to the phase, six sigma was divided into two, i.e., DMAIC (Define, Measure, Analyze, Improve, Control) and DMADV (Define, Measure, Analyze, Design, Verify).

This study was conducted to determine the application of six sigma quality control method in an SME, namely CV. Berkah Abadi. This company produces Docmart-inspired shoes with brand of BnA. This study applies the DMAIC phase. By using six sigma, it can be seen that the value of sigma on CV Berkah Abadi production process is 3,274 with the possibility of error products contained is 38758.87 in a million occasion. In the application of six sigma in this study, there are six causes of defective products, including sole glue that does not applied neatly (41.7%), gross / blackspot (23.8%), squiggle pattern (11.9%), stitches that are not neat (10, 4%), wrinkles (8.9%) and torn materials (2.9%).

Keywords: Quality Control, Six Sigma, DMAIC, SMEs





G033

## MARKETING AGILITY (A STUDY ON EXPORT MANUFACTURING SMEs IN EAST JAVA INDONESIA)

A. Yahya Surya Winata<sup>1</sup>, Yuyus Suryana<sup>2</sup>, Faisal Afiff<sup>3</sup>, R. Arief Helmi<sup>4</sup>

<sup>1</sup>Student of Doctoral Program in Management Science, Faculty of Economic & Business, Padjadjaran University, Jl. Dipati Ukur No. 35, Bandung

e-mail: yahyasuryawinata@gmail.com

<sup>2</sup> Professor & Promotor of Doctoral Program in Management Science, Faculty of Economic & Business, Padjadjaran University, Jl. Dipati Ukur No. 35, Bandung

<sup>3</sup> Professor Emeritus & Co-promotor of Doctoral Program in Management Science, Faculty of Economic & Business, Padjadjaran University, Jl. Dipati Ukur No. 35, Bandung

<sup>4</sup> Assistant Professor & Co-promotor of Doctoral Program in Management Science, Faculty of Economic & Business, Padjadjaran University, Jl. Dipati Ukur No. 35, Bandung

### ABSTRACT

Business environment can change suddenly without warning, and induce weakening performance or even business closure. Some researchers suggested the concept of marketing agility to deal with rapid business environment change. However number of studies in this area is still scarce.

This study aims to describe the implementation of export marketing agility in East Java manufacturing SMEs by developing the construct of indicators based on previous research studies in various fields of management. The study utilizes sample of 200 SMEs manufacturing in East Java province which have exported their products to several countries at least for three consecutive years until the research is done. The data was collected by developing closed-end questionnaire based on a Likert scale that has been tested for validity and reliability. In-depth interviews with some of the owners or managers of SMEs were also conducted to obtain more comprehensive information for supporting the results of the survey.

The investigation was based on three dimensions, namely: robustness; adaptability; and responsiveness. It showed that the marketing agility is at the level of 77.3% according to five Sturges criteria. It indicated that the marketing agility of East Java manufacturing SMEs generally are in good criteria. Hypothesis test using descriptive statistical analysis also support that result and could explain the phenomenon of overall manufacturing SMEs in East Java.

Keywords: marketing agility, robustness, adaptability, responsiveness, SMEs



G034

## SHAREHOLDERS' PREFERENCES ON INITIAL LEVERAGE IN THE DETERMINATION OF FIRM'S LEVERAGE

**Nurdin**

### ABSTRACT

The persistence of capital structure still puzzles. One of the arguments why persistence occurs is due to the adjustment to the optimal level of leverage of slow done or not done in full, due to the significant costs associated with such adjustments. However, some facts indicate that the process of adjustment to the optimal leverage level remains slow even though the company has a cheap way to make adjustments.

This study proposes an alternative answer, i.e., the possibility of the existence of shareholders' preferences on initial leverage in the determination of the firm's leverage. This possibility was tested by developing a model of partial adjustment to the optimal level of leverage set at the beginning of the establishment of the company. This study concludes that the persistence of capital structure is partly due to the preferences of the shareholders on initial leverage in the determination of firm's leverage.

**Keywords:** shareholders, preferences, leverage, persistence, adjustment.



## CONSUMERS` TRUST AS THE MEDIATING FACTOR OF INSURANCE BUYING INTENTION IN INDONESIA

Hasyim

hasyimahmad.1212@gmail.com

The University of Padjadjaran

Arief Helmy

ariefhelmi17@yahoo.com

The University of Padjadjaran

### ABSTRACT

This study aims to identify the effect of Perceived of usefulness and Company reputation to Purchase Intention, mediated by Consumer Trust in an insurance environment. This research uses survey method to collect data from consumers who potentially buying an insurance. This study also tests the mediating effect of Consumer Trust between Perceived of Usefulness, Company Reputation, and Purchase Intention. Path analysis and multiple regression methods are used to test the causal model. Survey is conducted to 100 middle-income residents in the areas of Jakarta, Indonesia.

The results of our study demonstrates that company image has no significant effect to the Purchase intention while the perceived of usefulness influences the purchase intention through consumer trust. These finding has meaning that first, the intention to buy insurance products is affected by customers` positive perspective factors towards insurance products offered in the market, this may bring implication towards the company which provides insurance service that in order to increase customer`s purchase intention insurance service provider must do campaign and promotion that may grow the understanding about the products offered. Second, the usefulness of insurance program in terms of protection and precautionary motive need to be grown in customers` mind through effective promotion strategy, because strong understanding towards the usefulness of insurance products will trigger the growth of customer trust which in the end of the day will cause purchase intention. Third, Company image does not have direct significant influence towards the intention to purchase insurance product, it gives implication that company strategy to increase the selling should be focused on the improvement of customers` trust towards insurance by improving the efforts to increase customers` understanding about the usefulness of insurance products. Fourth, the results of our study also indicate that although most respondents are aware of the advantages of buying insurance products but it is also found that there is limitation in doing so.

*Keywords: Perceived of usefulness, company image, consumer trust, purchase intention*



G036

## ACHIEVING THE COMPETITIVE EXCELLENCE THROUGH GREEN CORPORATE IMAGE DEVELOPMENT

**Sri Widyastuti, Trisnani Indriati, Bayu Retno W.**

Department of Management, Faculty of Economic and Business, University of Pancasila  
Jl. Srengseng Sawah - Jagakarsa - Jakarta Selatan

### ABSTRACT

Preserving the environment is a necessity that can not be postponed anymore. Every human must have an effort to save the environment around them in accordance with their respective capacities. For companies competitive achievement advantage is done through the establishment of green corporate image. But alleged environmental leadership element which is considered a symbol of the identity of the organization with respect to environmental issues has not been formed, because it is a dynamic process in which a leader of the organization will affect the interpretation of environmental issues. The other side of the green marketing approach in the area of product, price, distribution and promotion of allegedly unable to increase the integration of environmental issues in all aspects of corporate activity. Marketers need to look at this approach as the one thing that has potential as a business opportunity. This study aims to identify and disclose the fact of organizational culture environmentally friendly, green marketing strategy, corporate green image and competitive green advantage of the 281 employees working in 6 companies as research samples. The main purpose of this research is to achieve a competitive advantage through the development of green corporate image. The results showed that competitive advantage can be achieved through green corporate image formed from the organizational culture and marketing mix strategy applied by the company.

Keywords: corporate culture, green marketing, corporate image, green competitive advantage.



G037

## AN INFLUENCE OF MARKET ORIENTED TO THE INNOVATION-BASED MARKETING PERFORMANCE IN SMALL INDUSTRY OF MALAY WOVEN TEXTILE IN RIAU PROVINCE

Rosmayani, Yuyus Suryana, Surachman Suwawihardja and R. Arief Helmi

### ABSTRACT

Small industry plays significant role in economic development, thus it must be managed and developed to achieve sustainable achievement. Small industry faces any impediments including low quality of human resource, business management, shortage access on business finance, and low information and technology. The small industry must be developed appropriately by, among others, increasing its innovation capability. Marketing issues are also obstacle in the development of small industries as well as the development of small woven fabric industries in Riau. Market orientation is required for the development of the small industry, which consists of customer orientation, competitor orientation and coordination between functions. Although small industries are the largest in number, they face problems in establishing a technology innovation as inadequate mastery. Companies that successfully develop innovations will be able to drive the market in an effort to improve the performance of its marketing. Market orientation has not been fully implemented by small industries. They already start to implement innovation, but not all businesses can innovate woven fabric products in Riau.

The study, firstly, intends to conduct a study on market orientation and performance of marketing innovation on a small industrial woven fabric wilt in Riau. Secondly, it is to study the influence of market orientation on performance marketing through innovation in small industrial woven fabric in Riau.

This research is to describe and verify the relationship among the observed variables. The unit of analysis in this study is small industrial woven fabric wither in Riau, while the unit of observation is the business of small industry of woven fabric wilt in Riau, amounting to 263 businesses. Verification of the relationship among variables is done through Structural Equation Modeling (SEM) by using of Lisrel program.

The analysis showed that the market orientation affects the marketing performance through innovations in small industrial woven fabric wilt in Riau province.

Keywords: market orientation, innovation, performance marketing, small industry.



## ENVIRONMENTAL TURBULENCE, ENTREPRENEURIAL ORIENTATION AND BUSINESS UNIT PERFORMANCE: STUDY OF ONLINE STORE BUSINESS IN WEST JAVA, INDONESIA

Sihotang, John

University of Padjadjaran, Indonesia. jhotank@yahoo.com

Kartini, Dwi, Hj, Prof. Dr., Spec.Lic.

University of Padjadjaran, Indonesia, dwik\_46@yahoo.co.id

Rufaidah, Popy, SE.,MBA.,Ph.D.

University of Padjadjaran, Indonesia, popy.rufaidah@gmail.com

Sutisna. SE.,M.Si. Dr., H

University of Padjadjaran, Indonesia, sutisna\_mmunpad@yahoo.com

### ABSTRACT

Many parties argued that e-commerce in Indonesia is lately growing rapidly and the future will be more promising. E-commerce business in Indonesia is increasingly promising due to the rising numbers of cellular telephone and broadband Internet users that grows at a rate of 20% annually (APJI, 2013), the changes in the lifestyles of the people who are attracted more and more to shop online, and the support of some B2B2C e-commerce platform providers who offer free facilities of selling online to SMEs. Even though e-commerce Indonesia is growing rapidly, its contribution to the total retail revenues was still relatively low, i.e., 0.1-0.2%. This figure is far below retail revenue of China, i.e., 8% (UBS, 2014). This indicates that the online store in Indonesia has not had a capability and superior resources to run a business in ecommerce.

Furthermore, according to the profile data online shops in West Java kept by www.xyz.com (company name asked not to be published), only 6 % of the online shops enjoying some significant increases in total order and their business scale has risen from small scale to middle scale. Of the rest, around 9 % are developing slowly, 36% fluctuating, 31% constant, and 18% initially developing but then closed. In the e-commerce domain, a firm has to integrate two kinds of activities –one that is embedded in the physical value chain and the other created in virtual chain (Bhatt and Emdad, 2001). Creation of value both from a physical and virtual value chain requires tremendous resources. Previous studies have shown that the role of dynamic capabilities and strategic alliances very significantly to help firm build sustainable competitive advantage by having a valuable, scarce, hard-to-imitate, and non-substitutable resource and capability. Dynamic capability has a role to renew capabilities due to the business environmental changes by integrating and reconfiguring internal and external resources, where strategic alliance can help firm to gain a new competencies, share risks, or quick move into the market and so on.

However, many research also showed that the dynamic capabilities and strategic alliance failed to achieve their objectives. This research explores the influence of environmental turbulence, previous period of business performance and entrepreneurial orientation towards dynamic



capabilities and strategic alliance formation and its role to build sustainable competitive advantage of online store in West Java, Indonesia.

**Keywords :** Environmental turbulence, Entrepreneurial orientation, Business unit performance, Dynamic capability, Strategic alliance formation, Sustainability Competitive Advantage, e-Commerce, Online Store.



G039

## LIQUIDITY ADJUSTED CAPITAL ASSET PRICING MODEL (LCAPM): A CRITICAL REVIEW

**Erna Garnia\*, Rachmat Sudarsono, Dian Masyita, and  
Ina Primiana**

Department of Economics and Business,  
Padjadjaran University,  
Jalan Dipatiukur 35, Bandung, 40132, Indonesia

Email: [ernagarnia@gmail.com](mailto:ernagarnia@gmail.com)

Email: [rachmat.sudarsono@fe.unpad.ac.id](mailto:rachmat.sudarsono@fe.unpad.ac.id)

Email: [diah.masyita@fe.unpad.ac.id](mailto:diah.masyita@fe.unpad.ac.id)

Email: [ina.primiana@fe.unpad.ac.id](mailto:ina.primiana@fe.unpad.ac.id)

\*Corresponding author

### ABSTRACT

This paper shows that the liquidity adjusted capital asset pricing model (LCAPM) is simply an extension of standard capital asset pricing model (SCAPM) by taking into account the amortized transaction cost. This paper also shows that the use of amortized risk premium is very critical in order to obtain a correct result. Various fallacies in many publications are shown in this paper. A simple static equilibrium that relating the investor income and expenditure, is used to explain the basic concept of LCAPM and the appropriate liquidity proxy. As the actual transaction cost is usually unknown, this paper proposes two methods to estimate transaction cost. Bid-ask spread and daily price changes are proposed as the proxy of transaction cost. Validity of the proposed concept is theoretically and empirically verified.

**Keywords:** CAPM, liquidity, amortized transaction cost





G040

**FAIRY TALES FROM VILLAGE:  
ORGANIZATIONAL CLIMATE AND EMPLOYEE COMMITMENT TO  
EMPLOYEE  
PERFORMANCE NGAWI DISTRICT SECRETARIAT**

Wildan Ardita, Ifada Rahmayanti\*

E-mail: [ifadha.rahmayanti@gmail.com](mailto:ifadha.rahmayanti@gmail.com)

**ABSTRACT**

Humans are the planners, perpetrators and operational determinant of government agencies. The emergence of the phenomenon of absenteeism and low productivity reflects the low level of employee commitment to organization. Hence, the decline of employee commitment to organization needs to be revealed. The aim of this study is to analyze the effect of climate on employee performance secretariat organization district Ngawi and analyze the effect of employee commitment to employee performance ngawi district secretariat. .In this study, the authors will examine the influence of organizational climate and employee commitment to performance and as an object of research is the Secretariat of Ngawi who perform tasks improves performance by providing the best service. In this study, using primary and secondary data to determine the influence of independent variables on the dependent variable using analysis techniques. Data analysis techniques using tends Structural Equation Model consisting of Measurement models or casual confirmatory factor analysis and model / structural models.

Furthermore from this analysis it can be seen and concluded that the effect of the reactor organisation climate secretariat employee performance Ngawi. This is evident from organizational climate factor positive influence on employee performance is acceptable, while the effect on employees' commitment to employee performance Secretariat Ngawi. This is evident from employees' commitment factors positively affects employee performance is acceptable.

**Keywords** : employee commitment, organizational climate, employee performance



G041

## THE INFLUENCE OF DESTINATION PERSONALITY DAN PERCEIVED VALUE ON DESTINATION IMAGE IN NATIONAL PARK BUNAKEN AND WAKATOBI

Nursaban Rommy<sup>1)</sup>

Sucherly<sup>2)</sup>

Popy Rufaidah<sup>3)</sup>

Rina Novianti Ariawaty<sup>4)</sup>

Faculty of Economic & Business, University of Padjadjaran, Indonesia

[nursabansuleman@gmail.com](mailto:nursabansuleman@gmail.com)

### ABSTRACT

The aim of this study is to test the concept of destination personality, perceived value, and the destination image in the national park Bunaken and Wakatobi. Specifically, this study aims to determine the magnitude of influence on the destination of personality and perceived value of the destination image on marine tourism in Bunaken and Wakatobi National Park.

This type of research is descriptive and verification. The survey was conducted by questionnaire to 223 respondents (tourists) who was and never traveled in Bunaken and Wakatobi especially scuba diving activities. By using a SEM (structural equation model) with AMOS program.

Descriptive research results indicate that the destination personality, perceived value, and destination image owned marine tourism in the national park Bunaken and Wakatobi has been running very well, with the exception of the destination image are quite good. While the research results secura partial verification that destination personality affect destination image with the effect of 0.46 standard deviations or (46%). While the perceived value affect the destination image with the influence of 0,30 standard deviation (30%). Then destination personality and perceived value the simultaneous effect of 39% to the destination image.

**Keyword:** *destination personality, perceived value, destination imege*



G042

## DETERMINANTS OF PERCEIVED VALUE AND ITS IMPACT TO CUSTOMER LOYALTY WITH SATISFACTION AS THE INTERVENING

Lusi Suwandari, Nur Choirul Afif, Deky Firmansyah, Nugroho Hardiyanto  
Padjadjaran University (UNPAD), Bandung, Indonesia, [lusi.unsoed@gmail.com](mailto:lusi.unsoed@gmail.com)

### ABSTRACT

For people who belong to the high income class, they have a need for self-actualization. One need this self-actualization is to keep up the appearance. Therefore, annually, beauty center service in Indonesia is relatively in a high growth. This makes the consumers select a beauty center which fulfills their expectation. The expected value of customers on beauty care service becomes determinant of satisfaction and loyalty. This study is aimed at examining the determinants of perceived value on customer loyalty and satisfaction as the intervening variable. The analysis tool in this research is Structural Equation Modeling (SEM). 200 customers of beauty centers in the city Purwokerto, Indonesia were taken as respondents.

**Key words:** Customer Value, Customer Satisfaction, Customer Loyalty



G043

## DEVELOPING ISLAMIC FINANCIAL LITERACY INDEX: A CONCEPTUAL PAPER

**Taofik Hidajat\* and Muliawan Hamdani**

Padjadjaran University (UNPAD), Bandung, Indonesia

Email: inidotcom@yahoo.com

STIE Bank BPD Jateng, Semarang, Indonesia

Email: [hamdaniasyik@gmail.com](mailto:hamdaniasyik@gmail.com)

\*Corresponding author

### ABSTRACT

Some tools to measure the level of financial literacy are already done. However, until the present there is no tool to measure the level of financial literacy on financial service products from Islamic points of view. The absence of such measuring instruments causes difficulties to measure a person's level of shariate financial literacy.

The purpose of this research is to propose a concept of Islamic financial literacy measurement tools from two perspectives, experts and practitioners. Expert's opinion is used to obtain data onto knowledge. Meanwhile practitioner's opinion is utilized to obtain data on the ability onto use.

The detailed analysis presented in this paper offers literature review and methodology to measure the Islamic financial literacy that industry and academic scope could use it as a guide to measure Islamic financial literacy.

Keywords: Islamic financial literacy, Islamic financial literacy index, shariate financial literacy, financial literacy measurement, financial literacy, financial service products



G044

**EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES, SUPPLY CHAIN STRATEGY AND ENVIRONMENTAL UNCERTAINTY OF COMPETITIVE ADVANTAGE AND IMPACT TO BUSINESS PERFORMANCE  
(Case: Indonesian Cacao Industry Manufacturing)**

Satria Yunas\* ,Prof. Dr. Ina Primiana, SE., MT.  
Dr. Umi Kaltum, SE., MS., Dr. Martha Fani Cahyandito, SE., MSc.  
Management Science Program Doctorate, Faculty of Economics and Business,  
University Padjadjaran, Bandung.  
Email : satria\_dubai@yahoo.com  
\*Corresponding Author

**ABSTRACT**

Main reason of this study is the complex phenomenon of cocoa industry in Indonesia. The phenomenon deals with problems along its supply chain from upstream to downstream, which influence the industry competitive advantage. This study discusses concept of supply chain management, strategy and environmental uncertainty. There is a limited research on supply chain, strategy and environment of uncertainty, particularly in cocoa industry. This paper aims to introduce the study of Supply Chain Management Practices (SCMP), Supply Chain Strategy (SCS) and environmental uncertainty (EU) in the context of competitive advantage and performance of Indonesian Cacao Industry Manufacturing. The main purpose of the study is to build and to validate an instrument to measure the effect of SCM practices, strategy and environment uncertainty of competitive advantage and impact on business performance perception among Indonesian cacao companies. Data will be collected through a survey by using a questionnaire with the Likert scale. The sample for this survey consists of 50 big national and international companies in Indonesia cocoa. The study employs SEM PLS and follows the procedure of Mix Method Research (MMR) analysis to test the hypothesis.

**Keywords:** Supply Chain Management Practices (SCMP), Strategy, Environmental Uncertainty, Competitive Advantage, Performance, Indonesian Cocoa Industry



G045

## CURRENT FINDINGS OF PERFORMANCE MANAGEMENT PRACTICES OF STATE OWN ENERGY COMPANY IN INDONESIA (Case of PT XYZ)

Muhammad Tresnadi Hikmat<sup>a</sup>  
mtresnadihikmat@gmail.com

Ina Primiana<sup>b</sup>

<sup>a</sup>Universitas Padjadjaran, Jl Dipati Ukur No.46 Bandung 40132, Indonesia

<sup>b</sup>Universitas Padjadjaran, Jl Dipati Ukur No.46 Bandung 40132, Indonesia

### ABSTRACT

Performance management implementation has been a crucial issue for state own companies in Indonesia. There are several variables that are potentially related to the success of implementation of a performance management system in these companies.

This purpose of this paper is to discuss the theoretical backgrounds and current research in the field of performance management. It also discusses the details and technical data supporting the arguments regarding the findings and actual challenges discovered and compare it to theoretical good practices of performance management.

This study involves survey and interview before statistical analysis. Qualitative research was also conducted to abstract the thoughts and reactions of employees in PT XYZ, a State Owned Enterprise on the implementation and daily process of performance management.

The findings of the study are that in a large State Owned Enterprise (SOE) PT XYZ, there are challenges faced when implementing certain aspects of corporate performance management in the performance management cycle in the company. For example results show that the implementation and evaluation proses has lower score that design or monitoring phase.

Limitations of this study are that it is based on a case on one company but predominantly large contributor for SOE revenue in its classification in Indonesia.

This study will give contribution to the field of performance management and practical solutions on overcoming the challenges when implementing PMS in SOE (BUMN) companies in Indonesia and have pave opportunity to develop an effective PMS model for state own companies in Indonesia.

**Keywords:** performance management systems (PMS), PMS implementation, state owned enterprise (SOE).



G047

## PERCEPTION TOWARD SERVICE QUALITY OF POLICE: A COMPARISON BETWEEN POLICE FAMILY MEMBERS AND NON-FAMILY MEMBERS

Zulnaidi Yaacob  
School of Distance Education  
Universiti Sains Malaysia  
[zulnaidi@usm.my](mailto:zulnaidi@usm.my)

### ABSTRACT

The objective of this study is to compare the perception on service quality of police from two groups of respondents, namely police family members and non-police family members. Data were gathered from 88 respondents. A total of 37 respondents had a family member working as a police officer, while the remaining 48 respondents did not have any family members serving in the police force. Based on the T-test, the results were insignificant thus suggesting that there is no significant difference in the perception toward service quality of the police between these two groups. The implication of this study is that the background of respondents does not have any influence on how they perceive the service quality of the police. However, limitations associated with this study have to be taken into account before any further research implications can be made.

**Keywords:** Service quality, police



G049

## THE INFLUENCE OF RETAILING MIX AND RETAIL IMAGE ON CUSTOMER LOYALTY : SURVEY ON RETAIL MINIMARKET CUSTOMER IN BANDUNG, INDONESIA

Ryan Kurniawan\*, Sucherly, Surachman, Asep Mulyana

Business and Management Faculty, Widyatama University\*

Jl. Cikutra 204A, Bandung Indonesia

Economic and Business Faculty, Padjadjaran University

Jl. Dipatiukur No 46, Bandung Indonesia

\*Corresponding author

### ABSTRACT

Retail business has grown so rapidly this decade, especially in the big cities. In Indonesia the biggest growth is in category of Minimarket and hypermarkets. Competition of these two categories is very tight, especially the category of minimarket. Competition in this category is highly visible. This study observes minimarket Indomaret retail customers in Bandung. The study applies Path analysis. The result of the study shows significant influence between retailing mix towards retail image and its impact on customer loyalty.

**Keywords:** Retailing Mix; Retail Image; Customer Loyalty





G050

## THE INFLUENCE OF PARTNERING IN TQM PRACTICES, INNOVATION, AND ITS IMPACT ON PROJECT PERFORMANCE IN RESIDENTIAL AND NON RESIDENTIAL BUILDING IN JAKARTA

**Firdaus, Basbeth, Ina Primiana, Umi Kaltum**

University of Padjadjaran

46 Dipati Ukur Bandung West Java, Indonesia

Doctor of Management Business Program

[Firdaus.Basbeth@capdrill.com](mailto:Firdaus.Basbeth@capdrill.com)

### ABSTRACT

Partnering and its principles have increasingly been introduced to the construction industry to improve the efficiency of project delivery. However, little research outlines the relationship between characteristic of Partnering, TQM, Innovation and Project Performance. This paper presents the framework and methodology that will be conducted to develop and test a partnering model that reveals the relationships between characteristics of partnering and mediating effect of TQM practice and Innovation and demonstrates their importance to construction industry.

This study conducted survey to 120 managers of Indonesia's Construction firms in DKI Jakarta and Bandung. The paper shows the strategy is related to residential and non residential sector in construction and limited by sample size and geography of the survey. This study find that specific implementation of business strategy tend to be associated TQM practice, and innovation.. This suggest that company might gain better outcomes by creating partnering to support TQM practice and innovation as their organization strive for specifics competitive goals. This paper seeks to help managers and decision makers to assess the relationship between Partnering, TQM Practice, Innovation and Project Performance. This paper provides an important step in looking at the impact of partnering to the performance of the business.

**Keyword** – Partnering, TQM Practice, Innovation, Project Performance, Construction



G051

## THE DEVELOPMENT OF INTEGRATED MARKETING COMMUNICATION (IMC) CONCEPT

Arfendo Propehto\*, MTS. Arief, Dyah  
Budiastuti, Andri Arfan  
Email : odnefra@yahoo.com  
Email : marief@binus.edu  
Email : dbudiastuti@binus.edu  
Email : andriarfan@stie-kusumanegara.ac.id  
\* Corresponding author

### ABSTRACT

Integrated marketing communication has become an essential marketing strategy. However, some scholars argue that Integrated Marketing communication is a managerial fad and lack of established definition. This article aims to provide the clarity of integrated marketing Communication concept by analyzing and comparing the existing concepts or definitions from books, articles, journals and other sources. The implication of the finding that integrated marketing communication is a concept that integrates variety of communication disciplines, approaches and company resources to maximize the impact on customer that leads to maximum profit and low cost. The original contribution of this paper is to redefine the concept of integrated marketing communication.

**Key words:** Integrated marketing communication, promotional mix, brand



## CUSTOMERS LOYALTY MODEL FOR MUSHARAKA AND MUDHARABA SERVICES ON ISLAMIC BANK IN INDONESIA

Resanti Lestari <sup>1)</sup>

PhD student in Management Science at Padjadjaran University Bandung, Lecturer of Piksi Ganesha Polytechnic Bandung

Dwi Kartini <sup>2)</sup>; Yevis Marthy Oesman<sup>3)</sup>; Dian Masyita<sup>4)</sup>

Lecturer at Faculty of Economic and Business, Padjadjaran University Bandung.

Corresponding author : [resanti.lestari@gmail.com](mailto:resanti.lestari@gmail.com)

### ABSTRACT

Islamic Banking in Indonesia has potential growth, although it faces multi challenges. One of the problems is low market penetration compared to that of conventional banks. Many studies have been conducted to explore the issue with varied finding, including: lack of public understanding about the difference between Islamic and conventional banking systems.

This study was conducted to build the role model of customer loyalty in Musharaka and Mudharaba Service at Sharia Banks in Indonesia and test models of customer loyalty Islamic bank in Indonesia is using empirical data. This study was conducted in Bandung and using Quantitative research design. This study is a pre-test to the perception of respondents towards their loyalty to Islamic banking. This study conducted questionnaire survey on a sample of 40 Owner Business Enterprise in Bandung. The participants were chosen based on time horizon using Musharaka and Mudharaba services, business owner with the medium scale enterprise.

The data was collected by using Questionnaire. Data analysis has been used Partial Least Square. This study finds that customer loyalty model for Musharaka and Mudharaba Services on Islamic Bank in Indonesia is formed by performance of marketing communications and corporate image. The second conclusion is that the performance of integrated marketing communications influences the image of the company. Then the image of the company influences customer loyalty. There exists indirect effect between the performance of integrated marketing communications and customer loyalty Islamic banks. Of the three hypothesis, it is evident that  $H_0$  was rejected, because  $t_{\text{statistic}}$  greater than  $t_{\text{critical}}$ .

**Keywords :** Islamic banking, Customer Loyalty, Integrated Marketing Communication, Corporate Image



G053

## THE COMPARATIVE ANALYSIS OF MIXED, STOCK, AND FIXED INCOME PORTFOLIOS PERFORMANCE AT BULLISH AND BEARISH MARKET CONDITIONS IN INDONESIA CAPITAL MARKET

Annisa Hartika, Layyinaturobbaniyah\*, and Erman Sumirat

Email: callista\_first@yahoo.com

Email: hartikaannisa@gmail.com

Email: erman.sumirat@gmail.com

Department of Management and Business

Economics and Business Faculty, Universitas Padjadjaran

Bandung, Indonesia

\*corresponding author

### ABSTRACT

This study aims to determine the composition of the assets on the formation of a mixed, stock, and fixed income portfolios using the calculation method applying the Markowitz efficient frontier in bullish and bearish market conditions and perform a comparative analysis of portfolio performance to determine the best performance between a mixed, stock, and fixed income portfolios when the market is in bullish and bearish conditions in Indonesia Capital Market. The data used in this study include historical data LQ-45 stock price, yield bond index composite, and Certificate of Bank Indonesia during 2010-2014. The method used in this research is verification method with a comparative approach, namely verification to test hypothesis of research with the result that hypothesis is rejected or accepted. In this case, hypothesis being tested is the performances of the portfolio mix, stock, and fixed income in two states of market which are bullish and bearish is calculated using Sharpe and Jensen index. The results showed that in the bullish market condition, stock portfolio's performance is greater than the performances of the mixed and fixed income portfolio's, furthermore the performance of the mixed portfolio is greater than the fixed income portfolio's. However, in bearish market condition, the performance of the fixed income portfolio is greater compared to stocks and mixed portfolios, furthermore mixed portfolio's performance is greater compared to stock portfolio's performance.

**Keywords:** Portfolio, Markowitz Model, Bullish Market, Bearish Market, Portfolio Performance



G054

## GOOD CORPORATE GOVERNANCE PERCEPTION AND PROGRAM FUNDS OF CORPORATE SOCIAL RESPONSIBILITY CASE OF CORPORATION IN INDONESIA

Oktovianus N Pau\*, Dwi Kartini, M. Fani Cahyandito, and Yudi Azis

Department of Business Administration, Nusa Cendana University of Kupang Indonesia,  
Jl. Adisucipto Fenfui Kupang NTT Indonesia 85000

\*Email: nadapi@yahoo.com \*Email: oktovianusnawapau@gmail.com \*Corresponding author

### ABSTRACT

This study aims to prove that if there is an arising in the program funding of corporate social responsibility as an increasing in good corporate governance index of corporations in Indonesia. This study is a survey of a sample of 19 corporations that have implemented good governance and implement such program of corporate social responsibility. We used fixed effect multivariate regression analysis to examine the dependent variables influences the independent variables. The result of the study show that corporation which an increasing good corporate governance perception index have an arise in the program funds to cost the corporate social responsibility which used to run the community and environment development programs. This is consistent research that the implementation of good corporate governance is tend to increase the long-term corporate reputation of social and environment responsibility. It means that Good corporate governance can explain it relationship to corporate social responsibility. Model as a whole is significant explaining variation in dependent variable which only the residual is explaining by external variables out of the model.

**Keywords:** Good Corporate Governance, Corporate social responsibility, program fund, cost.



G056

## “ENTREPRENEURIAL ORIENTATION AND NETWORKING TO INNOVATION AND THE IMPACT ON BUSINESS PERFORMANCE WOMEN ENTREPRENEUR IN JAKARTA PROVINCE”

R.A. Aryanti Wardaya Puspokusumo\*, Erni Tisnawati Sule \*\*, Faisal Afif \*\*\*, Umi Kaltum \*\*\*

\*Student of Doctorate Program, School of Business Management Program, Faculty of Economic & Business, University of Padjadjaran, Bandung, Indonesia.

and Lecturer at School of Business Management, Bina Nusantara University, Jakarta, Indonesia. Email: rpuspokusumo@binus.edu

\*\* Head of Program and Faculty in the Doctorate Program at the School Business Management, Padjadjaran University, Bandung-Indonesia

Email: [ernie.tisnawati@fe.unpad.ac.id](mailto:ernie.tisnawati@fe.unpad.ac.id)

\*\*\* Faculty in the Doctorate Program at the School Business Management, Padjadjaran University, Bandung-Indonesia

Email: [faisal.afif@fe.unpad.ac.id](mailto:faisal.afif@fe.unpad.ac.id)

\*\*\*\*Faculty in the Doctorate Program at the School Business Management, Padjadjaran University, Bandung-Indonesia

### ABSTRACT

The purpose of this paper is to examine the concept of entrepreneurial orientation, networking, innovation, and to propose a conceptual model of entrepreneurial orientation and networking in innovation and it's impact on business performance for women entrepreneur in Jakarta Province. This paper applies a dimensional approach, i.e., conducting an assessment of the dimensions of the variables contained in entrepreneurial orientation, networking and innovation. The study would be about a conceptual model of the entrepreneurial orientation and networking created to increase innovations, and it's impact on business performance.

The Academic implications of this paper is to explore the concept of entrepreneurial orientation and networking in increasing innovation and the impact on business performance for women entrepreneur in Jakarta Province. The practical implication will give some ideas and the practical suggestions in the decision to implementation its entrepreneurial orientation, networking and innovation.

As of the original contribution of this paper, the establishment of a conceptual model of the dimensions of entrepreneurial orientation and, networking can increase innovation, and can be applicable in increasing business performance for women entrepreneur in Jakarta Province.

**Keywords:** Entrepreneurial orientation, Networking, Innovation, Business performance, Women Entrepreneur.



**PERSONALITY AND ORGANIZATIONAL POLITICS ON EMPLOYEES PERFORMANCE: STUDIES AT LOCAL GOVERNMENT ENTERPRISES OF PEOPLE CREDIT BANK IN WEST JAVA REGION III  
KARTONO<sup>1</sup>\*, HILMIANA<sup>2</sup>, WA ODE ZUSNITA MUIZU<sup>3</sup>)**

1) Doctoral Student at Management Science Program of Padjadjaran University Bandung

Lecturer at the Economics Faculty Swadaya Gunung Jati University Cirebon

2), 3) Lecturer at Economic & Business Faculty of Padjadjaran University, Bandung

email 1) : [kartonorizha@yahoo.co.id](mailto:kartonorizha@yahoo.co.id)

email 2) : [hilmiana@fe.unpad.ac.id](mailto:hilmiana@fe.unpad.ac.id)

email 3) : [waodezusnita@fe.unpad.ac.id](mailto:waodezusnita@fe.unpad.ac.id)

\*Corresponding author

### ABSTRACT

This study aims to explain personality, organizational politics, and employee performance and to analyze the influence of personality and political organizations on employee performance. The method used is descriptive and verification and the population are all employees of Local Government Enterprises of People Credit Bank (known as Perusahaan Daerah Bank Perkreditan Rakyat -PD BPR) in West Java Region III that include Cirebon City, Cirebon, Indramayu, Majalengka and Kuningan Regency (Ciayumajakuning). The total sample included 115 employees and it applied stratified random sampling. In addition, this study used path analysis.

The study found that personality, organizational politics, and employee performance in PD BPRs in West Java Region III are as follows: the results of correlation testing between personality and organizational politics suggested that these two variables significantly correlated. In addition, personality (X1) has a significant direct effect on employee performance (Y) and the political organization (X2) has a significant direct effect on employee performance.

**Keywords:** personality, organizational politics, and employee performance

**Reference** to this paper should be made as follows: Kartono, Hilmiana and Zusnita (2015) "Personality and Organizational Politics on Employees Performance: Studies at Local Government Enterprises of People Credit Bank in West Java Region III"



G058

## HYBRID-ANN PREDICTION METHOD FOR STOCK INDICES HIGH-FREQUENCY TRADING AROUND MACROECONOMIC NEWS ANNOUNCEMENTS: A REVIEW OF LITERATURE

Andy Ismail

Doctoral Student of Management Science Research Field in Finance,  
Padjadjaran University

Email: [ismail.andy@gmail.com](mailto:ismail.andy@gmail.com)

### ABSTRACT

This paper is a literature review that tries to determine which method is more efficient and accurate in providing predictions to buy or sell a particular stock index around the world in intra-day trading (high frequency) and to focus when there is scheduled macroeconomic news announcements intra-day as seasonal factors (Intraday Seasonality). Although, some earlier studies suggested that the impact of macroeconomic variables on the return on equity is hard to quantify, there are other studies that establish the macro economy becomes a better variable when it's applied in measuring market risk due to changes in macroeconomic simultaneously affect the company's cash flow and can touch the level of returns. This report concentrates on the securities market assumptions in the absence of efficient that it can anticipate possible future price using several methods that combine the depth psychology of time series and neural networks or artificial neural net, likewise known as hybrid-ANN that can offer better accuracy in giving predictions buy or sell, especially when there is an Intraday Seasonality. The outcomes of a literature review demonstrate the possible development of Hybrid-ANN method in the hereafter.

Keywords: Hybrid Artificial Neural Network, Intraday Seasonality, stock Index, economic news, prediction





## APPLICATION OF LEAN MANUFACTURING FOR REDUCING CHROME WASTE IN SUKAREGANG TANNERY INDUSTRY

**Muhamad Dzikron**

Student of Doctorate Program in Management Science, Faculty of Economics and Business Universitas Padjadjaran

[mdzikron@gmail.com](mailto:mdzikron@gmail.com)

### ABSTRACT

The process of tanning in the leather industry using chrome material (Chromosal-B) harms the environment. During the process, the leather tanning in Sukaregang-Garut disposes liquid waste into the river. In order to reduce the impact of environmental pollution, the study aims to apply the principles of lean manufacturing in the leather tanning industry. The study begins with an analysis of the working system so that the resulting of liquid waste recycling system. Furthermore, the design of a prototype tested by experiment retrieval chromium compounds (chrome recovery) to be reused in the tanning process. The experiment was conducted in Leather Industry Sukaregang, which processes raw sheep skin becomes tanned leather for leather jackets. This Study tested some scenarios for waste reduction through chrome recovery. Lean manufacturing principle is applied through the scenario chrome formula include percent recycled content (% Cr) and the duration of process in the tanning drums. The Experiment consisted of four scenarios to test the recycling of chrome waste in order to meet the Indonesian national standard SNI 06-4593-1998. The results showed that recycled waste can be reprocessed to produce leather that meets the SNI standard.

Keywords: lean, waste, chrome, industrial leather



G060

## THE EMERGENT OF BRAND IMAGE IN HOTEL INDUSTRY - DOES IT INFLUENCE COMPANY PERFORMANCE? : A LITERATURE REVIEW

Nila Krisnawati, Padjadjaran University  
Ernie Tisnawati Sule, Padjadjaran University  
Erie Febrian, Padjadjaran University  
Meydia Hassan, Padjadjaran University

### ABSTRACT

The positive impact of brand image on business performance at service industries have been proven in different research context. However, a current knowledge of brand image in national hotel brand that effect business performance as a whole, remain uncertain. Based on the brand image theories, this study reviewed extant studies about the impact of brand image of national hotel (brand attributes, benefits, marketing communication campaigns, packaging, slogans, company logo) on business performance (financial and non- financial perspective), directly and indirectly.

**Keywords:** national brand image, business performance, hotel industry.



G062

## INVENTORY PLANNING POLICY USING P MODEL (PERIODIC REVIEW) INVENTORY MANAGEMENT FOR STARTER PACK (CASE STUDY: TELECOMMUNICATION COMPANY IN INDONESIA)

Efrata Denny S. Yunus<sup>1</sup>, AV Rahajeng Widyarsih<sup>2</sup>

<sup>1,2</sup>Doctorate Program in Business Management, Faculty of Economic and Business,  
 Padjadjaran University

E-mail: <sup>1</sup>efratadenny@gmail.com, <sup>2</sup>avira\_wd@yahoo.com

### ABSTRACT

PT XYZ is the largest cellular telecommunications company in Indonesia. One of their products are starter pack. Starter pack is a package that designed to serve the start of a service, it contains many items that have been predetermined to be used according to the rules. Starter pack can be considered as the initial identity before performing communication. Starter pack contains a SIM card that will be used by the mobile phone user with bonus of phone credit, some basic rules such as how to reload your phone credit and checking the credit.

In fulfilling the needs of its customers, PT XYZ divides the distribution of starter packs into 10 regions, namely Sumbagut, Sumbagsel, Sumbagteg, Jabotabek, West Java, Central Java, East Java, Balinusra, Borneo and Sulmarija. Therefore, PT XYZ must be required a good inventory starter pack, to be able to fulfill the customer needs from 10 regions. In order to fulfill the demand of starter pack, PT XYZ has a problem in inventory at regional Jabotabek, there are inventory stock that not approach the sales, which causes too much inventory in the warehouse. The amounts of starter packs are available in the warehouse always exceeds the number of sales, resulted in a buildup of inventory in the warehouse.

Excess inventory occurs because the determination of the amount of inventory is not good because in determining the amount of inventory, PT XYZ just do a prediction by looking at the amount of current inventory, demand planning and seeing the demand pattern of earlier periods. In order a starter pack to the central warehouse, PT XYZ, regional Jabotabek order the starter pack in every Monday. This excess inventory can caused companies must spend a considerable cost. Based on these problems, a starter pack inventory management becomes one of the things, that is important for companies to be able to minimize inventory costs that must be spent by the company. In order to improve inventory policy of Starter pack, PT XYZ needs to be optimized in several ways, including the period of time between ordering (tb), and the amount of the maximum and minimum stock inventory in order to minimize the total cost of inventory. Inventory planning policy in this study use the P model (periodic review) to minimize the total inventory cost.

Using P model (periodic review) method can minimize total inventory cost of stater pack as 32% or Rp.158.375.229 from existing condition. In proposed condition order cost is more expensive than the existing condition as Rp. 122.537. Carrying cost have saving Rp 158.497.769



or 24% from existing condition without shortage cost because in proposed condition does not experience a shortage inventory.

**Keyword:** Inventory Management; P Model; Periodic Review; Inventory Planning Policy; Telecommunication Company in Indonesia



G063

## THE READINESS OF ORGANIZATION TO ADAPT THE FUTURE

Ratri Wahyuningtyas<sup>1,2</sup>, Ernie Tisnawati Sule<sup>1</sup>

<sup>1</sup>Doctoral Program in Business Management, Faculty of Economics and Business, Universitas Padjadjaran Bandung, Indonesia.

<sup>2</sup>Business Management of Telecommunication and Informatics, Faculty of Economics and Business, Telkom University, Indonesia.

Email: [syafaq\\_ratri@yahoo.com](mailto:syafaq_ratri@yahoo.com)

Email: [erniesule@yahoo.com](mailto:erniesule@yahoo.com)

### ABSTRACT

The current rapidly changing environment has forced every organization to be able to adapt the future. The ability of organization to adapt the changes environment will determine whether organization can survive in the increasingly fierce competition. Therefore, the organization should be able to know the current condition and how to maximize its potential to earn future opportunities. The purpose of this research is to measure how the members see the organization currently and what should organization do to prepare their employee for the challenges of the future. Research method is descriptive research with the 7 model as the basis of instrument. This instrument establishes from seven key areas of concentration that an organization should have handle in order to be successful. These categories are strategy, structure, systems, staff, style, shared values and skills. 235 respondents are used in this study, which consist of 53 respondents from top level management, 61 respondents from middle level management and 121 respondents from low level management. The result shows that the organizational readiness to adapt the future in DEF and its subsidiaries, amounting to five subsidiaries are in "I" Category. It is mean that the organization has initiated plans of action and goals related with strategy, systems, staffing, style, skill and shared values. Employee recognize that the organization is on its way for doing something regarding to those areas. In this cases, actual activities need to be undertaken and evident to maintain momentum and employee support. Meanwhile for structure, the company is still in "S Category", that is mean the organization has begun speaking about the structure.

**Keywords:** Strategy, Structure, Systems, Staff, Style, Shared Values And Skills



G064

## FINDING THE STRATEGIC SOLUTIONS TOWARDS THE IMPLEMENTATION OF SPACE TECHNOLOGY PROGRAM IN INDONESIA

Brian Pratistha, Padjajaran University

### ABSTRACT

The legalisation of the 2013 Space Law No. 21 becomes a reference for Indonesia in developing national space activities. It paves the way for various national policies. They are expected to produce exceptional public policies - in terms of formulation, implementation and evaluation - that will make Indonesia an advanced nation in the global competition. The objective of this research is to finding the strategic solutions for space programs implementation in Indonesia. The method in this research will use descriptive analysis. The fact that Indonesia is a developing country becomes very dilemmatic, where space technology development is certainly not a priority. Apart from that, the strategic environment factor and its changes also influence the progress of national space technology development. If this continues, the space technology development in Indonesia will become stagnant. Therefore, the Researcher recommends a hexahelix scheme as a strategic solution towards the implementation of space technology program in Indonesia.

**Key Words:** Space Programs, Strategic Environment, Strategic Solution, Hexahelix



G065

## THE IMPACT OF MANUFACTURING CAPABILITIES AND MARKET ORIENTATION ON MANUFACTURING PERFORMANCE

(Case Study at Industrial Park)

Sri Sarjana<sup>1</sup>, Moh. Riza Sutjipto<sup>2</sup>

<sup>1</sup> Doctoral Student in Management & Business, Padjadjaran University Indonesia  
[srisarjana@gmail.com](mailto:srisarjana@gmail.com)

<sup>2</sup> Doctoral Student in Management & Business, Padjadjaran University Indonesia  
[riza14maret@gmail.com](mailto:riza14maret@gmail.com)

### ABSTRACT

The aim of this study to investigate of influence manufacturing capability and market orientation on manufacturing performance in industrial park. In manufacturing industries, using appropriate manufacturing capabilities to gain efficiency is of crucial concern. The effectiveness in implementation industrial park market orientation is also very important in manufacturing performance. The case studies are expected to reveal the influence of manufacturing capabilities and market orientation as an effort to improve efficiency and effectiveness in the manufacturing industry in order to increase the performance. This research applied a random sampling method to collect responses and increase the generalizability obtained number of respondents in industrial park. Expectation to provide manufacture with valuable suggestions for management practices to increase manufacturing performance.

**Keywords** : Manufacturing Capability, Market Orientation, Manufacturing Performance

**Reference** to this paper should be made as follows: Sarjana, S., and Sutjipto, M. R. 2015, 'The Impact of Manufacturing Capabilities and Market Orientation on Manufacturing Performance', Global Advance Research Conference on Management and Business Studies.



G069

## THE CONCEPT OF CORE COMPETENCY IN BUSINESS ORGANIZATION

Hamdi Harmen, Nur Choirul Afif

### ABSTRACT

The primary purpose of this study is to explore literature about the relationship between core competence, competitive advantage and organizational performance in paint industry. This study was conducted in paint industry firms in emirate which is especially well suited for studying core competence matters due to their diverse product. In summary, multiple definitions of core competencies exist. Researchers have proposed that core competencies include knowledge of disciplines, technologies, and specific phenomena; specific skills; and general organizational abilities in strategic thinking and innovation. Some researchers suggest that these bodies of expertise must be integrated by the competence and even that the competence must include some knowledge specific to particular customers. This study will focus on particular core competencies: shared vision, cooperation, and empowerment as well as two important competitive advantage dimensions: flexibility and responsiveness.

**Keyword:** Core competency, Competitive Advantage and Organizational Performance.





G070

## LEADERSHIP ON KNOWLEDGE SHARING ACTIVITIES

Dian Alfia Purwandari<sup>1</sup>, Yuyus Suryana<sup>2</sup>, Maman Kusman<sup>3</sup>, Yunizar<sup>4</sup>

1. Post graduate program student at Padjadjaran university.  
[dian.alfia@gmail.com](mailto:dian.alfia@gmail.com) (coresponding Outhor)
2. Lecturer of padjadjaran University
3. Lecturer of padjadjaran University
4. Lecturer of padjadjaran University

### ABSTRACT

The purpose of this paper is to build the conceptual model about the relationship between resonant leadership styles and knowledge sharing. The conceptual model resonant leadership styles create by various reviews from experts on leadership, which based on the conceptual point of view and empirical facts.

This paper based on thematic reading of resonant leadership and psychological field. Focus of the review in on resonant leadership and knowledge sharing definition, Conceptual model development in process, component of resonant leadership and knowledge sharing.

According to the results of this study, leadership style can motivated or disturb the knowledge sharing activities. It depends on the leader approach to their employee. A leader need to drawing near with their employee so he can bring a positive atmosphere in the environment. A good leader needs to encourage the good attitude among his employee beside an excellent job performance. In order to provide the success of such approach, leader needs to develop hope, compassion and mindfulness trough mind, body, heart and spirit. Hence, the purpose of resonant leadership is bringing a resonance at work and mobilizing positive attitudes around the leader

Keyword: Resonant leadership, leadership style, knowledge sharing.



G071

## THE INFLUENCE OF PRIVATE LABEL TOWARD BRAND AWARENESS AND BRAND IMAGE OF HYPERMARKET CONSUMERS (Case Study on Carrefour, Giant and Hypermart in Bandung-West Java)

R.A. Aisah Asnawi

Universitas Pattimura

E-mail: [cheasnawi@yahoo.com](mailto:cheasnawi@yahoo.com)

### ABSTRACT

Private label brand is a product that can only be found in the retailer. The presence of private label is now well known and has a high achievement in some developed countries. As for Asia Pacific, especially Indonesia, private label still has not become the primary choice when shopping for consumers. Private label products to compete hard with the brand manufacturer. This research was conducted to determine customer perceptions of private label, brand awareness and brand image and analyze the influence of large private label brand awareness and brand image are partial. Kind of research is descriptive and research methods verifikative with descriptive and explanatory survey. The data obtained through questionnaires, interviews, and observations in the field. The results of data collection with the primary data source obtained from the sample of 115 respondents. The method of analysis used is Structural Equation Modeling (SEM). Review of each indicator, the results show that respect to each indicator, the results show that the assessment of the private label, brand awareness and brand image falls into both categories. From the results of statistical tests in mind that private label has a significant influence on brand awareness and brand image are partial. For the highest impact found in the hypermarket Carrefour and the last impact found in the Hypermart.

**Keyword:** Private Label, Brand Awareness, Brand Image



G072

## THE FORMATION OF DYNAMIC CAPABILITY ON INDONESIAN CREDIT CO-OPERATIVES

Muhtosim Arief\*, Anna Astrid Susanti,  
Henry Purnomo, Arfendo Propetho  
Email : [muhtosim.arief@gmail.com](mailto:muhtosim.arief@gmail.com)  
Email : [aasusanti@yahoo.co.id](mailto:aasusanti@yahoo.co.id)  
Email : [henryp@stie-kusumanegara.ac.id](mailto:henryp@stie-kusumanegara.ac.id)  
Email : [odnefra@yahoo.com](mailto:odnefra@yahoo.com)  
\* Corresponding author

### ABSTRACT

Co-operative is a unique enterprise with a unique Character. It is a combination of the economic and social perspectives. It is expected to improve people's welfare and at the same time supporting SMEs. As enterprises, co-operatives are not immune to environmental changes. They should have dynamic capability to be able to adapt with the changes in globalization era. This research is an attempt to find out how the formation of dynamic capabilities in co-operatives. Based on the data analyzed using Structural Equation Model, the finding shows that dynamic capability can be formed in Indonesian co-operative if it has entrepreneurial leadership supported by participatory and committed membership. In the future, co-operative should be able to strengthen itself through the application of the co-operative culture consistently and continuously.

**Keywords:** co-operatives, organizational culture, leadership, membership, environmental pressure, dynamic capability



G073

## JOB INSECURITY AS MODERATION EFFECT A COMMITMENT EMPLOYEES OF INTENTION TO QUIT IN THE BANKING SECTOR BANDUNG

**Dedidy Rusyandi;**

derusy@gmail.com;

deddy.rusyandi@ekuitas.ac.id

### ABSTRACT

This study aims to determine whether the impact of employee commitment on the intention to quit are moderated by job insecurity on employees frontline bank in Bandung City. The method used is a method of verification with non-probability sampling technique sampling, with a total sample of 270 employees frontline government bank in Bandung City which consists of teller and customer service. The findings from this study is that the commitment of the employees is a significant negative effect amounted to 41.42% against the intention to quit, while the variable job insecurity proven commitment to moderate significantly.. The conclusion from this study is that the commitment of the employees to give significant influence on the intention to quit and job insecurity variables are variables moderation.

Keywords: commitment; Job insecurity, Intention to quit; frontliner; banking sectors; Bandung



G074

## THE INFLUENCE OF STOCK OWNERSHIP STRUCTURE ON THE CAPITAL STRUCTURE AND THE FIRM PERFORMANCE

(Survey On The Financial Public Companies Listed at The Indonesian Stock Exchange)

Dede Hertina\_Padadjaran University Bandung-Indonesia

[dede\\_hertina@yahoo.co.id](mailto:dede_hertina@yahoo.co.id)

### ABSTRACT

Management decision about financing sources through the capital market, that is debt or equity choices, will influence on the change on the firm's capital structure. This causes the management has the consider it carefully, because it will influence the firm value, capital return and risk level of debt composition and equity. Further more, the financing activity can generate a conflict between the management and the stockholder or creditor as a consequence of the opportunist management behavior.

These behaviors also influence on the firm performance. For that reason, stockholders require to make the effective control on a management decision in the selection of the firm's financing sources and operational process. The effectiveness control will push the management to choose the source of the correct fund to manage the firm to achieve the good performance. The effectiveness of this control is determined by other groups owning firm stock, which is the stock ownership structure. On the basis of these problems, is very crucial to investigate the phenomenon of the influence of the stock ownership structures on management in determining the selection of firm's financing sources and these influence on the firm performance in the creation of the Economic Value Added (EVA).

The aim of this reseach is to find the influence of (1) the stock ownership structure in the capital structure (2) the stock ownership structure and the capital structure on the firm performance on the framework of the agency theory.

This research used census on 193 of non financial public companies listed at the Indonesian Stock Exchange for during the period research. This study used analysis tool of the two stages Least Square Equation Models (2SLS) used to test (1) the first model, the influence of stock ownership structure, asset growth of the firm, and asset structure of the firm on the capital structure, (2) the second model, the influence of the stock ownership structure, capital structure, firm size, and risk of stock return on the firm performance.

Based on the analysis of 2SLS models, two conclusions could be drawn. First, the ownership structure, the asset growth and asset structure have an effect on the capital structure. Second, the stock ownership structure, capital structure, firm size and risk of stock return have also an effect on the firm performance.

Keyword : Agency Theory, Stock Ownership Structure, Capital Structure and Firm Performance



G075

## FACTORS ANALIYS OF EXPERIENTIAL MARKETING STUDENT AT STIE EKUITAS BANDUNG WEST JAVA

Deni Hamdani

School of business Ekuitas, Bandung West Java Indonesia

Email : [dnhamdani34@gmail.com](mailto:dnhamdani34@gmail.com)

### ABSTRACT

Competition in high education service has been quite tight recently. In Bandung, number of private higher education institution is 121. Such institution should provide good facilities for to attract new students. This applies to STIE Ekuitas. STIE Ekuitas must provide supporting facilities ease knowledge transfer so that their student can have good study experience.

This research is aimed at finding factors influencing experiential marketing. The study employs questionnaire to gain primary data from the customers. The data was processed using discriminant analysis. Probability sampling technique was chosen for reasonably large population. This research found factors influencing experiential marketing in relation to target achievement of new student in STIE Ekuitas.

Keywords : *Experiential marketing, loyalty*



G077

## THE INFLUENCE OF COMPANY REPUTATION AND BUSINESS STRATEGY TO COMPANY PERFORMANCE ON GENERAL INSURANCE COMPANY IN INDONESIA

By : Dian C. Anggara

### ABSTRACT

General insurance in Indonesia experienced negative growth in real terms, in which the value of premiums nominally decreased since 2010. That means that the growth of the value of premiums of general insurance in Indonesia is negative and certainly lower than the rate of inflation. It points out that the general insurance performance is not optimum. The condition presumably caused by weaknesses in competitive strategy and company reputation. The research objective is to examine the company reputation and competitive strategy and their influence on the performance of the general insurance company in Indonesia. This research is descriptive and verification. The unit of analysis in this study is the general insurance companies in Indonesia with a sample of 50 respondents. Time horizon is cross section / one shot, in which the information or data obtained from the results of research conducted at one particular time. Data collected from a questionnaire to the company. Data were analyzed descriptively and verification. The hypothesis is tested through PLS (Partial Least Square) models. The findings showed that the company reputation and competitive strategy in an effort to improve the performance of general insurance company in Indonesia has not been quite good.

The study concludes that company reputation and competitive strategy simultaneously and partially affect company performance, competitive strategy has a greater influence to company performance rather than company reputation.

Keywords: Company Reputation, Competitive Strategy, Company Performance



G078

## IMPACT OF FOREIGN DIRECT INVESTMENT ON AUTOMOBILE SECTOR: AN EMPIRICAL STUDY WITH REFERENCE TO INDIA

**Dr. K. Maran**  
**L.Sujataha\***

*Sri Sai Ram Institute of Management Studies, Chennai,, Indi,*

*e-mail Id: [maran\\_mba65@gmail.com](mailto:maran_mba65@gmail.com)*

*\*Valliammai Engineering College, Chennai, India*

*Email Id: [sujathavec30@gmail.com](mailto:sujathavec30@gmail.com)*

*\*corresponding author*

### ABSTRACT

The Indian economy suffered from low per capita income, chronic unemployment, low capital formation, increased trade deficit, low standard of living, low growth in GDP, low infrastructural development etc. In view of the economic crisis and the shortage of capital, the Government of India realized the importance of foreign capital for the development of the country. The developing countries started opening their economy, out of the compulsion, to achieve faster rate of economic growth and development. Even a communist country like China adopted liberalization policy as a strategy for accelerated economic growth during 1979. India also joined the race by 1991. FDI inflows to automobile sector have started pouring in since 2000. Since then, the inflows to this sector have picked up in absolute sense and it has just managed to rank itself among the toppers although important initiatives have been taken by the Indian government to drive FDI inflows. The study is based on secondary data which is published sources of data collected from various sources. The growth of FDI in the industry is forecasted for future period from 2010 to 2015. The inflow of FDI into automobile industry is increasing in position due to huge demand in this sector.

**Key words:** FDI, Economy, Automobile industry, GDP, Crisis factor





G079

## A STUDY ON EMPLOYEE PERCEPTION OF RETENTION STRATEGIES WITH REFERENCE TO SOFTWARE INDUSTRY IN INDIA

**Dr. K. Maran**  
**Manisha Sura Mardhini\***  
**Praveen kumar.T\***

*Sri Sai Ram Institute of Management Studies, Chennai,, Indi,*  
*e-mail Id: [maran\\_mba65@gmail.com](mailto:maran_mba65@gmail.com)*

*\*Research scholar,vels university, Chennai, India*

*\*Faculty, Department of management studies, SIMS, Chennai, India*

*\*corresponding author*

### ABSTRACT

The Indian software industry has been a remarkable success story. The software industry epitomizes all that market forces and liberalization can bring to a rather insulated economy. Expanding market opportunities, exponential growth prospects, access to the latest technology, increased income levels, better corporate governance etc have been some of the key benefits that this industry has witnessed over the years .Past two decades the movement of software engineers from one industry to another industry is keep on increases around 45% in the Indian software market hence the software industry has adopt many strategies to retain the talent employees for betterment of the organization. In the critical situation this research has a focused on retention of software employees in India and to find out the various factors influence like package, promotion, level of stress, career development etc to retain the talent software engineers in the competitive market, the sampling technique used in this study is convenience sampling. By using this technique, Data collected through well structured questionnaires from the 500 employees of selected software companies in India. The structural Equation modeling technique was used to propose a model that may be followed by software companies to know the factors which determine their retention rate.

**Keyword:** Retention, Software companies, package, career development, SEM, Strategies



G080

## THE EFFECTS OF PERCEIVED QUALITY OF SERVICE, RELATIONSHIP QUALITY AND DELIVERY PROCESS OF SILK SYSTEM SERVICE ON SERVICE VALUE AND ITS IMPLICATIONS ON INSTITUTIONAL IMAGE SILK IN INDONESIA

Dwi Suryatini dan Helman Fachri

### ABSTRACT

The poor Image of SILK (information system for logging legality) institution in Indonesia is allegedly caused by perceived quality of service, relationship quality, service delivery process and service value which are still low.

The purpose of this research is to find out and analyze the effects of perceived quality of service, relationship quality and service delivery process both partially and jointly on the service value. To find out and analyze the effects of perceived quality of service, relationship quality, service delivery process and service value both partially and jointly on institutional image. The population in this research were business customers (companies) SILK system users. The research method employed in this research is descriptive survey method and explanatory survey with sample size of 300 respondents, and the data analysis method employed is SEM (Structural Equation Modeling).

Based on the research results, the research findings are as follows: the perceived quality of service does not affect the service value. The relationship quality has positive and significant effects on the service value. The service delivery process has positive and significant effect on the service value. The perceived quality of service, the relationship quality and the service delivery process jointly have positive and significant effect on the service value. Partially, the service delivery process has the most dominant effect on the service value. The perceived quality of service has positive and significant effect on the institutional image. Relationship quality does not affect the institutional image. Service delivery process does not affect the institutional image. Service value has positive and significant effects on the institutional image. The perceived quality of service, relationship quality, service delivery process and service value jointly have positive and significant effects on the institutional image. Partially service value has the most dominant effects on the institutional image.

**Keywords :** Perceived Quality of Service, Relationship Quality, Service Delivery Process, Service Value, Institutional image, SILK



G081

## THE ROLE OF GREEN INNOVATION ADOPTION IN DETERMINING ORGANIZATIONAL PERFORMANCE: AN EMPIRICAL EVIDENCE FROM HOSPITALITY INDUSTRY IN PANGANDARAN

Edy Suroso

[edysuroso@unsil.ac.id](mailto:edysuroso@unsil.ac.id)

Doctoral student of Management Sciences Program, Faculty of Economics and Business, Padjadjaran University, Bandung, Indonesia. / Lecturer of Management Program, Faculty of Economics, Siliwangi University, Tasikmalaya, Indonesia.

### ABSTRACT

The tourism has become one of the fastest growing sectors of the global economy. The widespread and rapid tourism growth raises a question about its negative environmental impacts. As a key sector in tourism, hotels have several key environmental impacts. The main purposes of this paper are to propose a conceptual framework of analysis factors influencing the adoption of green innovations (technological factors, organizational factors and environmental factors) and relationship between green innovations (green product innovation and green process innovation) and organization performance. The survey of this study will be conducted on top level managers of 120 hotels in Pangandaran West Java Indonesia.

**Key words:** innovation, green, environment, performance, hospitality industry.



G082

## **STRATEGY IMPLEMENTATION AS AN INTERVING FOR COMPANY'S RESOURCES AND REGULATIONS IN ORDER TO FORM BUSINESS PERFORMANCE: A STUDY IN UNIT BUSINESSES OF PT PERTAMINA**

Elfien Goentoro  
Departement of Business Management  
Padjadjaran University,  
Raya Bandung Sumedang Street, Jatinangor, Jawa Barat, Indonesia  
Email: [elfien.1@gmail.com](mailto:elfien.1@gmail.com)

### **ABSTRACT**

Many concepts and research carried out on the implementation of strategy, but they have not been able to describe the integrative effectiveness of strategy implementation as from Programme, Budget and Procedures of the Business Performance generated. This study intends to fill the literature gap to produce a concept / model of a more integrative linking Company's Resources, Regulatory, Strategy Implementation (Program, Budget, and Procedures) more effectively that can generate good business performance.

Keywords: implementation of strategy, Company's Resources



G083

**THE MODELS OF TOURISM SECTOR DEVELOPMENT OF BANDUNG  
REGENCY AND JEMBER REGENCY IN RELATING WITH OWN-SOURCE  
REVENUE\***  
**(COMPARATIVE STUDY OF BANDUNG AND JEMBER REGENCY)**

Elizabeth Tiur Manurung\* and Arthur Purboyo  
Department of Accounting, Economics Faculty of  
Parahyangan Catholic University, Bandung - Indonesia.  
e-mail: [eliz@unpar.ac.id](mailto:eliz@unpar.ac.id) ; [Arthur\\_purboyo@yahoo.com](mailto:Arthur_purboyo@yahoo.com)  
\*Corresponding author

**ABSTRACT**

This research was conducted to understand more deeply how the tourism sector can contribute to improving District Own Source Revenue/ Local Income (Pendapatan Asli Daerah or PAD) in Bandung Regency and Jember Regency.

Through the use of descriptive analytical method and using data about PAD Bandung and Jember Regency for the period of 2003-2013 as well as the result of interview with 180 tourists, The Directorate general Tourism, Local Revenue Offices, and the related parties, then the result of discussion and the data processing can be summarized as follows.

Conclusions indicate that the local Income of Bandung and Jember Regency during the period has been a significant increase of 10 times in Bandung and 15 time in Jember Regency. While the effect of income from tourism industry on Local Income is equal to 16.34% ( $p = 0.002$ ) and 17.64% ( $p = 0.000$ ), respectively for Bandung and Jember Regency. With Correlation (Pearson) are 77% and 95.9%.

The influence of the tourism sector revenue on Local Income both Bandung and Jember Regency is very significant, it become a trigger for more focus on developing the tourism sector. And based on the processing of SWOT about tourism, factors that become a strategy to develop the tourism sector including for Bandung regency: local's advantage based tourism such as nature-based tourism, culinary, arts & culture, shopping and become an extension of Bandung City's tourism. For Jember Regency: generate more attractive tourism program such as Jember Fashion Carnival which creative and innovative because it has to compete with Rio de Janeiro's carnival.

Keywords: Tourism sector, Local Income, Strength-weaknesses Analysis, policies about tourism.



G084

## **NETWORKS, INNOVATION ADOPTION, AND FARM PRODUCTIVITY OF SMALL-SCALE AND LARGE-SCALE FARMERS IN WEST JAVA, INDONESIA**

### **ABSTRACT**

The development of modern market channels stimulate farmers to search for possible innovations to improve farm performance by engaging in networks. We investigate the nature of networks and the effect of networks on innovation adoption and farm productivity for small-scale and large-scale farmers. This paper highlights three aspects of networks: network types, tie content (business and technology ties), and network heterogeneity. Data were gathered with a survey of 262 vegetable farmers in West Java in 2012. OLS regressions show that business ties and technology ties improve innovation adoption for small-scale and large-scale farmers. Network heterogeneity improves farm productivity only for small-scale farmers.

Keywords: business ties, technology ties, network heterogeneity, farm performance, vegetable farmers.



G085

## THE IMPACT OF MOTIVATION AND DISCIPLINE ON THE PRODUCTIVITY OF EMPLOYEES PRODUCTIVITY AT PT. TELEKOMUNIKASI, FLEKSI HANDLING UNIT, WEST JAKARTA TELECOMMUNICATION SERVICE AREA

**Gairah Sinulingga**

Doctoral Student of Management Departement, Faculty of Economics & Business, Padjadjaran University, Bandung, Indonesia, [gslingga12@gmail.com](mailto:gslingga12@gmail.com)

### ABSTRACT

The analysis of the impact of motivation and discipline on the productivity of employee performances at PT. Telekomunikasi, Fleksi handling unit, West Jakarta telecommunication service area is conducted based on current problems. The aims of the study are specifically as followed: as a mean to improve the development of employee productivity at PT. Telekomunikasi, Fleksi handling unit, West Jakarta telecommunication service area. To analyze to what extent the impact of motivation on employee productivity at PT. Telekomunikasi, Fleksi handling unit, West Jakarta telecommunication service area.

Telekomunikasi, Fleksi handling unit, West Jakarta telecommunication service area, are: 1. inappropriate employee placement by manager, 2. poor of employee discipline, 3. Less motivation for employees from the manager, 4. Disorganized employee mutation, 5. Inadequate for employees, 6. Unjust employee office position, 7. Stringent manager's supervision. The researcher tries to figure out the possible relationship between the placement and employee discipline variables toward employee productivity, by applying descriptive analysis method. The study discusses the study which was taken placed at PT. Telekomunikasi, Fleksi handling unit, West Jakarta telecommunication service area. Sample of the study is 30 employees which are taken randomly, and the data are collected by using closed-questionnaire for employee placement, discipline and productivity variables. Statistic tests are applied for processing the data, it concludes that: 1) there are simultaneous significant impacts between motivation and discipline variables on the productivity of 0,787 or 78,7% coefficient determination and the rest is 21,3% is influenced by placement, job promotion, , mutation and manager supervision; 2) there are partial significant impacts between motivation to employees productivity of 0,787 or 78,7% coefficient determination and the rest is 21,3% in influenced by placement, discipline, job promotion, reward, mutation and manager supervision; 3) there are partial significant impact between discipline and employees productivity of 0,724 or 72% coefficient determination and the rest is 27,6% is influenced by placement, motivation, job promotion, , mutation and manager supervision. Looking at the finding and the discussion of the study, it can be concluded that motivation and discipline toward productivity at PT. Telekomunikasi, Fleksi handling unit, West Jakarta telecommunication service area is effective and efficient as well as it can improve employee productivity. The result is generally applied for the employees at PT. Telekomunikasi, Fleksi handling unit, West Jakarta telecommunication service area.

**Keywords: Motivation, Discipline, Work Productivity**



G087

## ANALYSIS OF THE EFFECT OF EXPORT SMEs COMPETENCES ON EXPORT SMEs' PERFORMANCE IN BANDUNG

Wa Ode Zusnita Muizu

[waode.zusnita@fe.unpad.ac.id](mailto:waode.zusnita@fe.unpad.ac.id)

Yusuf Parikesit

[yusufparikesit@yahoo.com](mailto:yusufparikesit@yahoo.com)

### ABSTRACT

Bandung City has gave birth to many actors of Small and Medium Entrepriise (SMEs) with creative products that have been known throughout the country. It proved by the number of SMEs, at least 4.425 existed in Bandung. Regardless of the export value growth of SMEs in Indonesia which was growing very well, the development on the export industry of Bandung City, especially the volume of exports has to be at the lowest points in the range of 2009 - 2012, after a dramatic increase in 2006, which increases again in 2013. While the exports value, tend to be more stable but this export values can not sustain its growth for more than 4 years, before finally turning to a decline in the 5th year. Based on these facts it can be said that the performances of export industry in Bandung City is still unstable. The export performance needs to be improved while maintaining the export growth from year to year growing steadily, considering to preparation of AFTA 2015. The purpose of this research was to determine and analyze how is the competencies of export SMEs, performance of export SMEs in Bandung and how do the competencies of export SME owners give impact to the performance of export SMEs in Bandung.

This research uses descriptive and verification methods. Data collected by spreading questionnaires to 36 correspondents who are the owner of export SMEs in Bandung City as the samples. The data obtained were analyzed using statistical formulas, by using simple regression analysis that the process carried out with SPSS version 23.

The results from this study were obtained as follows: (i) The competences possessed by export SMEs in Bandung which consist of language skills, the ability to use the internet, and technical capabilities related to product quality, overall in in the level that still need improvements, (ii) international performance of export SME is still need for improvement, especially from the financial perspective, given the financial performance is still considered weak in implementation. Coupled with international performance indicators which are still weak, is was the introduction of products to the consumers from a marketing perspective, it would require strategies to improve these aspects. (iii) SMEs' competencies gave a significant impact in the amount of 50% on the international performance. That is, the better (higher) competencies possessed by entrepreneurs will be followed by an increase in international performance of export SME in Bandung City.

**Keywords: Entrepreneurs Competences, International Performance**





## THE INFLUENCES OF PARTNERSHIP STRATEGY AND COMPETITIVE STRATEGY ON BUSINESS PERFORMANCE OF MINIMARKET CHAIN IN INDONESIA

**Hans Harischandra Tanuraharjo**

Faculty of Economics and Business

Padjadjaran University, Bandung, Indonesia

Email: [hans.hchandra@gmail.com](mailto:hans.hchandra@gmail.com)

### ABSTRACT

The potential growth of the retail industry in Indonesia is still large despite the fact that the national retail sales growth in 2014 only reached +/-10%. According to Nielsen (2015), minimarket format has grown significantly within the last three years (2012-2014) where in 2012 minimarket sales contribution only accounted for 15.3% yet it continued to increase and reached 19.4% at the end of 2014. This minimarket sales growth has in a way eroded the traditional stores which sales growth was 76.5% in 2012 but went down to 71.9% at the end of 2014 while the sales growth of supermarkets and hypermarkets remain stable at +/-8% per year. The market share of minimarket chains in Indonesia is currently dominated by Indomaret and Alfamart with each institution owns more than 43% of the market share.

According to Wheelen and Hunger (2012:332), business performance can be measured from the sales, market share and business profitability. The sales growth of minimarket chain is allegedly resulted from the expansion of the new outlets opening; however, its business performance and sales per-outlet has been decreased simultaneously with the increasing of the competition level existed around the outlets. The decreasing of this business performance is presumably caused by the management of minimarket chains ineffectiveness in designing the partnership strategy as well as the competitive strategy.

The objectives of this study are to assess the influences of partnership strategy and competitive strategy and their implications on business performance of minimarket chain in Indonesia. The methods used were descriptive and explanatory survey. The unit of analysis was the minimarket chains in Indonesia which have a business brand and a specific segmentation, target market, and positioning of its own with distribution outlets located in various areas in Indonesia and a centralized management at its headquarter and branch offices in various cities/districts or provinces in Indonesia as the representative of the headquarter. The time horizon was cross-sectional, where the study was conducted simultaneously over a period of time. The data was analyzed descriptively and quantitatively. Hypothesis testing used the PLS model (Partial Least Square).

The findings show that partnership strategy and competitive strategy have a significant influence either partially or simultaneously on business performance in which the influence of competitive strategy is greater than the partnership strategy.

**Keywords:** Partnership Strategy, Competitive Strategy, Business Performance



G090

## SPIRITUALITY AS ONE DIMENSIONAL CONCEPT IN MARKET ORIENTATION

**Jajang Burhanuddin**

Doctoral Student in Management Science

Universitas Padjadjaran

### ABSTRACT

The purpose of this paper adds a dimension of spirituality as a market orientation (MO) which is different from the previous dimension through the study of literature during the period 1990-2014. Formulation of the problem of this paper is how spirituality became a dimension MO. The approach used in this paper to compare the concept of MO and spirituality of some experts that have been tested in the study. The implication of this research is the dimension MO more consumer-oriented than the discussion of organizational culture on consumers. Where one of the important elements contained therein consumer spirituality. Original contributions of this paper adds to the construct of the concept of the previous MO.

Keywords: Spirituality, market orientation



G091

## THE ANALYSIS OF HOUSEHOLD INVOLVEMENT TOWARD PREPAID ELECTRICITY USAGE

Johannes\* and Jhoni Pasaribu

Program Magister Management Department  
 Srisudewi, Campus of Telanaipura, University of Jambi

e-mail: [Simatupangsbr@yahoo.com](mailto:Simatupangsbr@yahoo.com)

e-mail: [jojo\\_psb@yahoo.co.id](mailto:jojo_psb@yahoo.co.id)

\*Corresponding author

### ABSTRACT

Prepaid Electricity Cost program (PEC) that introduced by State Electricity Company (SEC) has many purposes, i.e., for consumer, citizen, and SEC itself. At the macro level the purpose is to reduce electricity usage as well as to reduce energy that increases efficiencies. Otherwise, at the micro level, the purpose is to provide an opportunity to manage electricity usage that creates some benefits. This purpose is determined by household involvement on managing PEC devices and households value adopted. Research purposes here is to reveal and explain household involvement to manage several PEC function that moderating by value adopted by household. Hence, research is expected to contribute on household involvement that used prepaid electricity. Research used survey on three rayon of Jambi City. Data gathering used structured questionnaire that based on probability sampling technique.

Meanwhile, qualitative approach was implemented to reveal the macro descriptions, progress, coordination, and institution involvement on PEC program and related policy at the local government level. Statistical analysis used is SEM (*Structural Equation Model*) that could explain model purposed and reveal the relationship pattern. Research result shows that psychology of PEC attribute has significant correlation with value, but functional has no significant relation. Furthermore, value adopted has relation with household involvement; Value has a significant role to empower household involvement. The higher the value adopted the higher the household involvement. Hence, to establish the goal of PEC usage, SEC should give some incentives through marketing massive campaign.

**Keywords:** *Smart Electricity Cost, KwH, Self-custom, Convenient goods, Jambi City, and Rayon*



G092

## QUALITY MANAGEMENT SYSTEMS AND ORGANISATIONAL PERFORMANCE

**Koernia Purwihartuti, Hilmiana and Wa Ode Zusnita**

E mail: purwihartuti@yahoo.com

### Biografi Note:

Koernia Purwihartuti is a lecturer Polytechnic Bandug (POLBAN) one country Polytechnic in Indonesia who are studying management science doctoral program in University of Padjadjaran (UNPAD) since 2012 until now. He once wrote an international journal in MJSS journal will be published in September 2012,

Hilmiana and Wa Ode Zusnita is a doctor who is a lecturer in management science in management science doctoral program at the University of Padjadjaran. He wrote a single group with Koernia in 2012.

### ABSTRACT

**Determination of the quality** of service is not easy but requires a management system that can assure that the company's products and services at good quality. There are various quality management systems include six sigma, benchmarking, ISO 9001-2008, total quality management (TQM), Keizen, Malcolm Baldrige. Companies need to choose which system best suits the needs of the company.

**Purpose of this article** is to make construct research by analyzing the theoretical concepts that has been studied by previous researcher associated with the quality management system and organisational performance.

**Method** used is literature review. The reason for choosing the method of literature review due to be adjusted with the aim of research, to make constructs according to the research that the phenomenon in the form of case studies listed in the journal associated with the study variables. **Data collected** by searching the journal through proquest, emerald or Google using the keyword quality management system and organisational performance for journal publication. Journals Collected disaggregated by type of quality management systems used and the studied company shall henceforth be read, analyzed, studied, synthesized constructs back into research. **Results** various quality management system basically has the same dimensions that only use different terms. The construct of the system of leadership, focus on customers, focus on human resources, focus on operations, measurement, data analysis and information, improved results



while the dimensions of organisational performance such as the achievement of financial performance targets and finance is profitability, cost efficiency, effectiveness of the service system and increased sales.

**The conclusion** from this study is that the dimensions of the quality management system in the form of leadership, focus on customers, focus on human resources, focus on operations, measurement, data analysis and information, improved results while the dimensions of organisational performance such as the achievement of financial performance targets and finance is profitability, cost efficiency, the effectiveness of the service system and increased sales.

Determination of the quality management system within a company need to be tailored to the needs of the company. Companies that require more innovation and tacit knowledge need to review the selection of quality management system ISO 9001-2008, especially in the procedures of ISO and six sigma structure is different because it will inhibit innovation by companies more dominant explicit knowledge. Quality management systems affect the organization's performance.

**Keywords:** ISO 9001-2008, Malcolm Baldrige, TQM, organisational performance



G093

## THE EFFECT OF INTELLECTUAL CAPITAL ON INSURANCE COMPANY PERFORMANCE IN INDONESIA

Henny Setyo Lestari

Email : [henny.sudradjad@gmail.com](mailto:henny.sudradjad@gmail.com)

### ABSTRACT

The purpose of this paper is to analyze the role of intellectual capital (IC) and its relationship with financial performance of Indonesian Insurance during the period 2003-2012. In total, 11 insurance companies were selected as the sample. Regression model (partial least squares) has been applied to examine the relationship between IC and companies return on assets ratio (ROA). The results of the research revealed that Value added capital coefficient (VACA) have a significantly negative effect and value added human capital (VAHU) has a positive significant effect on the performance of the company (ROA), while the value added of structural capital (SCVA), firm size and financial leverage does not have a significant effect on company performance (ROA). Value added human capital (VAHU) and financial leverage has a positive significant effect on the performance of the company (ROE), while the Value Added Capital Coefficient (VACA), Value Added Structural Capital (SCVA) and firm size has no significant effect on company performance (ROE)

Keywords : Insurance Companies, Value added, Intellectual Capital, Financial Performance



G094

## THE INFLUENCE OF ENTREPRENEURIAL MINDSET TOWARD COMPETITIVE ADVANTAGE OF WEST JAVA NEW ENTREPRENEUR PROGRAM

**Meriza Hendri,**

Prof Dr. Yuyus Suryana, SE, MS,

Prof Dr. Yuyun Wirasasmita, M.SC,

Diana Sari, SE, M.Mgt, Phd

[merizahendri@yahoo.com](mailto:merizahendri@yahoo.com)

### ABSTRACT

West Java Province had been running a program to create 100.000 new entrepreneurs until 2018. Dinas Koperasi, Usaha Mikro, Kecil dan Menengah has been being running program and 300 new entrepreneurs had joined in 2014.

This research is descriptive and verificative with descriptive survey and explanatory with get 75 entrepreneurs as sample based on simple random sampling. Data collection technique is library data, observation and questioner. Analysis data technique used is path analysis.

Result shows entrepreneurial mindset on passionately seeking new opportunities, pursuing opportunities with enormous discipline aspect, pursuing only the very best opportunities, focusing on execution and engaging everyone's energy. Respondents see value is better compares to competitor but less in product diversity, monetary, time cost and energy cost. Entrepreneurial mindset influences competitive advantage simultaneously. The dimension of pursuing opportunities with enormous discipline aspect has influence toward competitive advantage as well as pursuing only the very best opportunity.

Keywords: Entrepreneurial mindset, competitive advantage



G095

## HOW THE PATTERN OF STRATEGY AND ORGANISATION STRUCTURE AFFECTING THE CORPORATE GOVERNANCE OF BANK IN INDONESIA

**Muhammad Akbar**

Doctoral Program in Business Management

Faculty of Economy and Business

Padjajaran University, Bandung, Indonesia

Email : makb1234@yahoo.com

### ABSTRACT

After the Asian Financial Crisis, all the Asian countries have embarked on reform of corporate governance and many industrial players ask whether a universal corporate governance system is either necessary or desirable. The increasingly recognized premium for good corporate governance is considered in the context of a globalizing economy, especially in service organisations, such as banks. This paper investigates the influences of pattern of strategy and organisation structure to the Corporate Governance using Indonesian banking data. There is a distinct lack of research into the relationship between pattern of strategy and organisation structure and its impact to corporate governance. So this kind of missing an appropriate strategy and organisation structure can be combined together to have a good awareness and understanding about corporate governance to improve bank performance, protect stakeholders' interests and increase compliance to prevailing regulations and general code of conduct in the banking industry.

**Keywords:** Corporate Governance; CG; corporate strategy; organisation structure; patterns of strategy; bank; Indonesia





G096

## HOW TO BUILD A RELATIONSHIP OF ORGANIZATIONAL COMMITMENT TO QUALITY SERVICE ON SECONDARY EDUCATION SERVICES ?

### ABSTRACT

The teacher's commitment in order to providing education services began to shift from services sourced on normative commitment on the basic functions of education into a commitment based on the acquisition value. That commitments transformation is a common phenomenon on the teacher to carry out its function as educators. Education services quality can be obtained from the schools which optimizing the role of the teacher in driving its functions including teachers who develop a critical awareness of the reality. The aim of this study is to find effect of commitment to quality education services. The quality of education services will be sustained by the awareness of teachers on their role in carrying out their functions both as a facilitator of knowledge, behavioral counselors and role models for students. The critical awareness affects commitment to education. Grow of commitment is a commitment based on a critical awareness about social transformation, systems and structures of education for all. Awareness of teachers about learners and to serve quality education to make more equitable.

Keywords: commitment, teachers, critical awareness, service quality



G099

## THE IMPACT OF COMPETENCY ON THE PERFORMANCE OF VILLAGE FACILITATOR (A SURVEY ON THE NATIONAL COMMUNITY EMPOWERMENT PROGRAM INDEPENDENTLY URBAN PNPM-MP IN BANDUNG REGENCY)

**R. Suyudi Muriawan**

Nasional Pasim University

suyudi.m@gmail.com

### ABSTRACT

The aims of this research was to determine : how is the competence and performance of village facilitator and the impact of competency on the performance of village facilitator (a survey on the national community empowerment program independently urban PNPM-MP in Bandung regency).

This study used a survey method which includes a descriptive analysis research and analysis Verivikatif. In this study, using primary data source. The unit of analysis is the PNPM (MP) assistants facilitator village in Bandung regency, with the sample amounted to 77 people, sampling technique used by simple random sampling method. Time Horizon in this study was cross-sectional and analytical methods used are the Spearman rank correlation analysis, determination coefficient and hypothesis test using SPSS applications 19:00 for windows.

Research findings showed that the competence of villages facilitator of 30.25% have an impact on the performance of village facilitator in PNPM (MP) in Bandung. the remaining 69.75% is explained by other variables that are not used in the study, and statistical hypothesis testing results prove that  $t\text{-count} > t\text{-table}$  ( $6,828 > 1,992$ ) hence  $H_0$  refused and  $H_1$  accepted,. So it means that the impact on the competence of the village facilitator performance, significant

Keywords: competence, performance facilitator village



G101

## THE INFLUENCE OF PRINCIPAL VOCATIONAL HIGH SCHOOL (SMK) COMPETENCES ON THE QUALITY OF EDUCATION SERVICES IN SUBANG DISTRICT

**Silvy Sondari Gadzali**

A Student of Doctor of Science Management Program, Faculty of Economic & Business, Padjadjaran University

Email : [octopus\\_silvyjan@yahoo.com](mailto:octopus_silvyjan@yahoo.com)

Email : [octopussilvyson@gmail.com](mailto:octopussilvyson@gmail.com)

\*Corresponding author

**Biographical notes:** Silvy Sondari Gadzali is a Ph.D student at Doctor of Science Management Program, Universitas Padjadjaran Faculty of Economic & Business Bandung-Indonesia.

### ABSTRACT

The purpose of this research is to determine the influence of principal vocational high school (SMK) competences on the quality of education services in Subang district. The basic theory of in this research based on two aspects, the first is managerial competence vocational high school principals and the second is provides services quality to students of vocational high schools. This research used by a quantitative approach with descriptive methods and associative. All of the respondent is Student from all SMK in Subang District. The research instrument used which include validity, reliability, correlation analysis, and regression analysis. Based on this research, the effect of managerial competence to service quality, characterized by the managerial competence of principals significantly influence the quality of education services

Keywords: Managerial Competence, Quality of Education Service



G102

**FACTOR ANALYSIS OF FUNDAMENTAL, REPUTATION MANAGEMENT,  
OWNERSHIP MANAGEMENT AND CONDITIONS OF MACRO  
CONDITIONS IN PREDICTING FINANCIAL DISTRESS  
(CASE IN MANUFACTURING IN INDONESIA)**

Sri Marti Pramudena  
Padjadjaran University, Bandung Indonesia  
Jalan Dipati Ukur No.35 Bandung 40132, Indonesia  
dena\_pramu@yahoo.com

**ABSTRACT**

In predicting the financial condition distress many researchers use a variety of variables, both internally in the form of micro-companies that consisted of a review of financial and nonfinancial companies such as macro variables or conditions of use of the business cycle, tingkat interest rates and exchange rates, inflation to financial distress. Variables in the study of micro and macro financial or nonfinancial is in use for them selves, with varying results.

In this paper will be analyzed to obtain results more precise accuracy in predict financial distress by using internal and external variables in simulltan and integrated. So it will be found that factors affect the company's financial fundamentals of the financial distress, reputation affects the financial distress management, management share ownership affect the financial distress, inflation affects the financial distress.

As for the operational hypothesis in this study for the company's financial fundamentals as follows: Liquidity negative effect on financial distress, Activity negative effect on financial distress, Solvency Ratio positive effect on financial distress, Profitability negative effect on financial distress. Operational hypothesis for the effect on the reputation of financial distress management, management education background negative effect on financial distress, the background of the management work experience a negative effect on financial distress. Operational hypothesis for the Management of ownership affect the financial distress. Management share ownership a positive effect on financial distress. Inflation positive effect on financial distress



G104

## ROLES OF LEADERS IN PROMOTING ENTREPRENEURSHIP IN INDONESIA'S SME

*Urip Sedyowidodo*

Doctoral Students, DMB, no. 120130130034, Universitas Padjadjaran

September, 2015

[urip.sedyowidodo@bakrie.ac.id](mailto:urip.sedyowidodo@bakrie.ac.id)

### ABSTRACT

In OECD economies SMEs account for over 99% of firms, 97% of employment, 55% of GDP and generate the lion's share of new jobs. In developing countries, more than 90% of all firms outside the agricultural sector are SMEs and microenterprises, generating a significant portion of its GDP. Informal sectors make large contributions to nations' economies, in both human and financial terms. But being "invisible" to government agencies and formal sector companies, they cannot be easily reached with capacity building improvement schemes, but they have entrepreneurship behavioral for survival. It could be viewed entrepreneurship as a process comprising different phases, from intending to start, to just starting, to running new or established enterprises and even discontinuing a business. This is where a leader shows the role in promoting entrepreneurship.

The sole entrepreneur can be more easily failure than entrepreneurial teams in new venture creation. Most successful new ventures are found to be started by teams. Entrepreneurial leaders and their venture teams are important elements to high potential new ventures. Entrepreneurial teams have high impacts on success of new ventures, however, it is difficult to maintain the relationships on team members and to release team members' creativity in order to increase venture performance.

Keywords: entrepreneurial leadership role, team creativity, new venture performance



G105

## EFFECT OF CAPABILITIES RESOURCES TO CROSS FUNCTIONALS COORDINATION IN THE MICRO FOOTWEAR INDUSTRY IN WEST JAVA

Utang Jujur  
Padjadjaran University  
Doctorate Managemen and Business  
Email : utangjujur@yahoo.co.id

### ABSTRACT

This study aims to identify and analyze the capabilities of resources and cross-functional integration of micro-enterprises Footwear industry in West Java as well as to determine the effect of resource capability to cross-functional integration of micro-enterprises Footwear industry in West Java. This research is descriptive and verification is carried out through field data collection, the research method used is descriptive survey method and verification method that aims to determine the degree of correlation of different variables in the population and determine how large the contribution of independent variables on the dependent variable and the magnitude of the direction of the relationship. This study is a descriptive-verification. The results showed Capability Resources and cross-functional integration in the category good enough. Capability Resources consisting of raw material supply leather, synthetic raw materials, finance, human resources, knowledge management, and information and technology affect the mix of Cross Functional Micro Footwear Industry In West Java. Resource Capability aspects that influence the mix of Cross Functional Micro Footwear Industry In West Java is the supply of raw materials leather, financial supply, and supply of human resources, while aspects of synthetic raw materials, knowledge management, and information and technology had no significant effect.

Keywords: Resource Capability, Cross Functional combination, SME, Footwear



G106

## THE INFLUENCE OF APPLICATION OF TOTAL QUALITY MANAGEMENT (TQM) OPERATING PERFORMANCE OF BUS TRANSPORTATION PUBLIC SERVICE COMPANY IN WEST JAVA

**Wien Dyahrini**

Student Doctoral Program in Business Management Padjadjaran University  
Faculty of Business & Management Widyatama University

**Prof. Dr. Ina Primiana**

Faculty of Economic & Business Padjadjaran University

**Dr. Hilmiana**

Faculty of Economic & Business Padjadjaran University

**Yunizar, SE.,MSc.Ad. Ph.D**

Faculty of Economic & Business Padjadjaran University

### ABSTRACT

This study aims to determine the influence of the application of Total Quality Management (TQM) in public bus transportation services company which includes: focus on the customer, continuous improvement, and of the overall operational performance of the company in creating a competitive advantage. Research carried out this application to the company's public bus transportation services in West Java. The data was taken by using surveys and questionnaires. As for the total sample of 54 respondents with a simple random sampling method. Respondents were drawn is the operations manager, marketing manager, finance manager and several others which include: staff marketing, operations, and finance department. For data analysis and hypothesis testing used path analysis models with SPSS. From the calculation, that there is the effect of the application of Total Quality Management (TQM), which includes a focus on the customer, continuous improvement, and involvement as a whole, either partially or collectively have a significant positive effect on operating performance in creating a competitive advantage Public bus transportation services company in West Java.

**Keywords:** Total Quality Management, The Company's Operating Performance, General Buses.



G108

## THE INFLUENCE OF UNIQUE CAPABILITY, FUNCTIONAL STRATEGY ON COMPANY PERFORMANCE OF SHIPPING INDUSTRY IN INDONESIA

Wahyuddin Bagenda

### ABSTRACT

The high market potential shipping industry provides a great opportunity for the growth of the industry in Indonesia. Besides the domestic market, the international market also provides opportunities for the shipping company in Indonesia to partake in some international markets. However, the international market share can be achieved by the Indonesian shipping industry tend not high which indicates that the business performance of this sector is still low. This is allegedly due to problems related to functional strategies and capabilities unique in the industry.

The research objective was to investigate the effects of unique capabilities and functional strategies on company performance in the Indonesian shipping industry. This research is descriptive and verification with the type of investigation is causality. The unit of analysis is the shipbuilding industry in Indonesia with the observation unit is the management company of shipping companies in Indonesia with a sample size of 50. Time horizon is a cross section/ ne shot, where research is done in a certain time. Data were analyzed descriptively and verification. Testing the hypothesis verification is done through models PLS (Partial Least Square).

The findings show that the capability of the shipbuilding industry in Indonesia is not unique, functional strategies that run not right. Unique capabilities and functional strategies affect either simultaneously or partially on company performance sartially, functional strategies provide more dominant influence than unique capabilities in influencing company performance.

To improve the company performance in the shipbuilding industry, required the implementation of functional strategies better.

**Keywords :**Unique Capability, Functional Strategy, Company Performance





G110

## KNOWLEDGE MANAGEMENT AND INTELLECTUAL CAPITAL: A THEORETICAL PERSPECTIVE OF HUMAN RESOURCE STRATEGIES AND PRACTICES

Isniar Budiarti\*

A Student of Doctoral Program, Department of Management, Universitas  
Padjadjaran

Jl. Dipati Ukur No. 35, Bandung, West Java, Indonesia

[isniarbudiarti@gmail.com](mailto:isniarbudiarti@gmail.com)

\* Corresponding author

### ABSTRACT

Significant debates on the role of human resources have been shifted from organizational assets to initiator of innovation and competitive advantages. A current research has investigated suggestive roles of intellectual capital (IC) in strategic human resource management (SHRM) process and human resource management (HRM) practices. Conversely, others have shown that the successful management of IC has related to implementation of knowledge management (KM). In turn, those perspectives suggest the implementation and usage of KM ensure the growth of IC, and the innovative IC may become an effective human resources strategies and practices to acquire innovation and competitive advantages. Through a comprehensive analysis of the latest journals on those concepts, this study argues that human resource strategies and practices involving KM and management of IC give potential opportunities to gain innovation and competitive advantages. Besides, this theoretical perspective suggests organizational culture and leadership style are interrelated to the process.

**Keywords:** intellectual capital, knowledge management, Human resource strategies, Human resource practices



G111

## AN ANALYTIC HIERARCHY PROCESS MODELLING FOR RESEARCH AND DEVELOPMENT PROJECT SELECTION: A CASE STUDY

Johnny Riduan\*, Yos Sunitiyoso

### ABSTRACT

Global competition pressure has changed the nature of economy, causing changes in operation methods in many industries. In this case study, a research and development company is also facing same challenges. To create competitive advantage in the marketplace, the company has developed and determined rational framework modelling of decision making for project selection using Analytic Hierarchy Process (AHP) to make different strategy of decision to select the most promising project for ensuring the continuation of organisation operations.

Two scenarios are developed by using individual and collaborative judgment. First scenario evaluate criteria against alternative, gives a consistency ratio of 6.8% for criteria. Second scenario gives a consistency ratio of 5.0% and geometric consistency index of 0.18, all are in accepted level of critical limit, 10.0% and 0.37, respectively. The priority project for both scenarios is product development & support and the highest criteria to be focused on is organisation capability.

**Keywords:** Analytic Hierarchy Process, Consistency Ratio, Geometric Consistency Index, Organisation Capability, Product Development



G112

## **MARKET STRATEGY AND MARKET ORIENTATION ITS EFFECT ON UNIQUENESS RESOURCES THROUGH MARKETING PERFORMANCE**

Empirical Studies on: Small Industries Product Processing Seaweed in South Sulawesi

M. Risal1)

mrisal23@gmail.com

1)Students S3 Doctor of Management, University of Padjadjaran

### **ABSTRACT**

The purpose of this paper is to examine the marketing concept of Market Strategy and Market Orientation Resources influence on uniqueness through Marketing performance, an empirical study was conducted at the Small Industries Product Processing Seaweed in South Sulawesi province. The approach in this study is a dimensional approach, with a review of the dimensions of the variables contained in market strategy and market orientation which influence to the uniqueness of the resource through marketing performance on a small industrial products seaweed processing in the province of South Sulawesi with a conceptual model approach.

Academic implications of this paper explores the concept of strategic marketing approach to market strategy and market orientation of the uniqueness of the resource through marketing performance. The practical implications will give some ideas and suggestions in the decision to implement market strategies and market orientation that has a unique influence through performance marketing resources on a small industrial processing of seaweed products in South Sulawesi province.

The original contribution of this paper is the establishment of a conceptual model of the dimensions of market strategy and market orientation that has an influence on the uniqueness of the resource through marketing performance in small industry in South Sulawesi Province.

Keywords: Market Strategy, Market Orientation, Uniqueness Resources, and Marketing Performance



G113

## THE ANALYSIS OF AGENCY THEORY AND ITS INFLUENCE ON CORPORATE GOVERNANCE

**Desmiza**

Padjadjaran University, Doctoral Student in Science Management  
Pasim National University Bandung

### ABSTRACT

The agency theory sets up the contract relationship between the shareholders/owners and their managers. According to this theory, the relationship between the owners and their managers is, basically, hard to build due to the existence of conflict of interests, which then cause the agency problem. Besides, disagreement can be happened between the majority of shareholders and the minority as well as the shareholders and the lenders/investors. These obstacles can be considered as the barrier in the company management practices. Nowadays, the idea of Good Corporate Governance is a concept, which needs to be implemented in Indonesian company. This is to build the harmony in terms of working relationship, division of authorities, duties, and responsibilities, either internally or externally. Further, this is aimed at enhancing the value of company especially related to stakeholders' interests.

**Keywords:** Agency Theory, Agency Cost, Corporate Governance, Conflict of Interest



G114

## THE INFLUENCE OF STRATEGIC HUMAN RESOURCE MANAGEMENT ON EMPLOYEE ENGAGEMENT

Christanto Triwibisono<sup>1)</sup>, Ernie Tisnawati Sule<sup>2)</sup>,  
Nury Effendi<sup>2)</sup>, and Yunizar<sup>2)</sup>

<sup>1)</sup>School of Industrial Engineering, Telkom University

<sup>2)</sup>Faculty of Economics and Business Universitas Padjadjaran

### ABSTRACT

There has been much research about employee engagement. However, no one has discussed the influence of strategic human resource management to employee engagement in telecommunication companies in Indonesia. This study aims to explore the influence of strategic human resource management to the employee engagement, so that it can contribute in the implementation of strategic human resource management in Indonesia to improve employee engagement. This research uses survey method. The result of this study shows a significant influence of strategic human resource management on employee engagement.

**Keywords:** Strategic Human Resource Management; Employee Engagement; Telecommunication; Indonesia.



G115

## COHERENT STRATEGY LIFE SCIENCE COMPANY TO ACHIEVE COMPETITIVE ADVANTAGE IN THE GLOBAL MARKETPLACE

Evi Sylvia Nurrajsid  
Faculty Of Economics and Business  
Universitas Padjadjaran  
Email : [evi.sylvia692@gmail.com](mailto:evi.sylvia692@gmail.com)

\*Corresponding author

### ABSTRACT

The rapid development in today's global economy pushed Life Science company to be able to excel in the global market competition. With a highly competitive market, apart from the factor that determines the quality, the ability of a pharmaceutical industry strategy win the competition to expand the global market being a determinant factor . This encourages the company to strategize to fulfill the real and the future demand, one of them with the coherent strategy approach.

The purpose of this study was to identify the strategies of pharmaceutical industry through coherent strategy where collaboration Pentahelix elements become part of this strategy as a case study and gain competitiveness in winning solutions to achieve increased performance of the company. The methodology used in this study by observation, interview and study of the data and the procedures that apply in the company. Observations and interviews were conducted to examine major issues and root cause analysis. The value of this research is to improve the global competitiveness so as to enhance the company's performance in winning the global competition.

Researching the achievement of the implementation of a coherent strategy towards the demands of the achievement the vision to become a world class company Life Science in the competitive global market. Companies that will be addressed is the company Bio Farma as Life Science and pharmaceutical companies alike.

**Keywords :** Management, Corporate Strategy, Coherent Strategy , Indonesia Pharmaceutical Industry



G118

## ORGANISATIONAL EFFECTIVENESS AS IMPACT OF STRATEGIC MANAGEMENT, CORPORATE GOVERNANCE AND LAW DISCRETION: CASE STUDY ON BANKING IN INDONESIA

Tongam Lumban Tobing  
Doctoral Student at Faculty of Economics  
University Padjadajaran Bandung

### ABSTRACT

Current phenomenon that occurs in several organisations in Indonesia, where they become ineffective due to legal problems, lack of implementation of good corporate governance as well as wrong in the selection and implementation of strategic management. This study aims to determine how much influence the strategic management, good corporate governance and legal discretion of the organisational effectiveness of the banking in Indonesia. Banking which is the lifeblood of the Indonesian economy which is currently supervised by the Indonesia Financial Services Authority, has a very important role in maintaining the stability of the economy and economic growth. It is important for author to examine how to make the banking organisation to be an effective organisation that can sustain economy stability. This research is qualitative and the design of this research is descriptive and verification. The object of research is banking in Indonesia and the respondent is a director in the banking industry. There are dome 118 commercial banks Indonesia as the object of this research. Hypothesis in this research namely: 1) Strategic Management affect the organisational effectiveness; 2) Good Corporate Governance affect the organisational effectiveness; 3) legal discretion affect the organisational effectiveness; 4) Strategic Management, good corporate governance and legal discretion affect the organisational effectiveness together. Results of this research will be used by banks to allocate greater resources to the variables that have the greatest influence on the effectiveness of the organisation.

**Keywords:** organisational effectiveness; management; banking in Indonesia.



G120

## CAPABILITIES, BUSINESS STRATEGY AND PERFORMANCE: A CASE STUDY OF INTERNET SERVICE PROVIDERS IN INDONESIA

Nurul Hermina\*, Yuyus Suryana, Setyanto.P.Santosa, and Martha Fani Cahyandito

Department of Economic Management  
University of Padjadjaran  
Email : hermina\_nurul@gmail.com

\*Corresponding author

### ABSTRACT

The business performance within the Internet industry in Indonesia needs to be upgraded. The main objective of this study was to analyze the influence of capability and business strategy on business performance within the Internet industry in Indonesia. This study used a sample of 70 Internet service providers (ISPs) with a sampling technique via a web survey. The collected data is analyzed using partial least squares path modeling. We used XLSTAT 2015 software to estimate the model. The analysis showed that variables such as capabilities and business strategies indeed have significant positive impact on business performance, with capabilities provide greater influence.

**Keyword:** Capabilities, Business Strategy, Performance, Internet Service Providers





G121

## **CUSTOMER RETENTION CREATED BY CUSTOMER TRUST, CUSTOMER SATISFACTION, BRAND, PERFORMANCE OF SERVICE DELIVERY AND SWITCHING BARRIERS. (A STUDY OF CUSTOMERS DOMESTIC SCHEDULED FLIGHT SERVICE IN INDONESIA)**

### **Juliater Simarmata**

Doctoral Student of Management Department, Faculty of Economics & Business, Padjadjaran University, Bandung, Indonesia. [juliaters@gmail.com](mailto:juliaters@gmail.com)

### **Erie Febrian**

Doctoral Lecturer of Management Department, Faculty of Economics & Business, Padjadjaran University, Bandung, Indonesia. [erie\\_febrian@fe.unpad.ac.id](mailto:erie_febrian@fe.unpad.ac.id)

### **ABSTRACT**

The increasing social class population and the need for rapid transportation have led to increased competition in the airline industry in Indonesia. Competitors in the airlines industry are changing their strategies with the new ones, such as intensive marketing, advertising and promotion, as well as Low Cost Carriers strategy to get more passengers. The airline companies that can attract and retain customers in this highly competitive and increasingly saturated market stand poised to make considerable gains, and thus customer retention is an important field of study in this mature market.

The objective of this research is to examine the direct relationship of Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier on Customer Retention in Indonesia airline companies. A survey was conducted on domestic airline passengers and analyzed by OLS Method. This research confirms the significant relationship of Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier with Customer Retention in Indonesian Airlines.

Keywords: Customer Retention, Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier, Airlines, Low Cost Carriers.



G123

## THE INFLUENCE OF STRATEGIC ORIENTATION AND COMPANY REPUTATION TOWARD THE PERFORMANCE OF REGIONAL WATER COMPANY (PDAM) IN INDONESIA

Shohibul Imam, Se, Mak, Ca, Cpa.  
Doctorate In Management Science Program  
University Of Padjadjaran

### ABSTRACT

Water is a vital requirement for human beings and so far the task of providing clean water is responsible by the Regional Water Company (PDAM). Currently, based on several resources, the performance of PDAM is far from expectation. Therefore, to improve the performance of Regional Water Company (PDAM) is also vital. Based on several research on strategic management, there are several factors that might effect the business performance, such as company resources, partnerships and strategic orientation. The purpose of this study is to analyze and verify the influence of strategic orientation and company reputation towards the performance of PDAM. The data collected will be analyzed by using Partial Least Square (PLS) and hopefully the conclusion to this research may be used as a guidance to formulate strategic orientation for PDAM to improve the performance based on their strategic orientation and company reputation. Based on this research, PDAM will continue to give contribution on developing the strategic management in the future.

Keywords: Strategic Orientation, Company Reputation, Company Performance



## MARKET STRATEGY AND MARKETING MIX STRATEGY IN BRAND EQUITY BUILDING AND CREATING COMPETITIVE ADVANTAGE, AND ITS IMPLICATION TOWARD MARKETING PERFORMANCE

Sudarmo Soewartini

Ph.D Student in Doctoral Program in Management, Padjadjaran University

Jl. Dipati Ukur No.46, DIM Building, Bandung 40132, Indonesia.

Email: [ip\\_sudarmo@yahoo.com](mailto:ip_sudarmo@yahoo.com)

### ABSTRACT

Business environment always changes rapidly and the competition level is getting competitive in the market either its quantity or quality competition, it makes a company must have appropriate marketing strategy and to support the company to be able to compete, to anticipate and win the competition, as well as to work on existing market. To be able to achieve performance success in target market so strategic decision is needed which is arranged in a market strategy planning based on portfolio analysis which is stemmed from marketing strategy which consists of market strategy and marketing mix strategy, brand equity, competitive advantage, and marketing performance. The implementation marketing strategy on this paper is paper topic which is related to market strategy that consists of STP (*Segmentation, Targeting, Positioning*), marketing mix strategy consists of 4P (*Product, Price, Place, Promotion*), brand equity, competitive advantage, and marketing performance. The aim of this paper is to figure out the market strategy and marketing mix strategy in brand equity building and creating competitive advantage, and its implication toward marketing performance. The paper is expected to give description about market strategy and marketing strategy, brand equity, competitive advantage, and marketing performance, the relationship of market strategy and marketing mix strategy toward brand equity, the relationship of market strategy and marketing mix strategy toward competitive advantage, as well as the relationship of market strategy and marketing mix strategy, and competitive advantage toward marketing performance.

**Keywords:** Marketing Strategy, Market Strategy, Marketing Mix Strategy, Brand Equity, Competitive Advantage, Marketing Performance.



G125

## DO CEO QUALITY AND CORRUPTION HAVE IMPACT ON FINANCIAL DISTRESS? EMPIRICAL STUDY IN PROPERTY COMPANIES IN INDONESIA

Farida Titik Kristanti\*, Nury Effendi, Aldrin Herwany and Erie Febrian

Department of Accounting, Faculty of Economics & Business, Telkom University, Bandung, Indonesia

Email: [faridatk@telkomuiversity.ac.id](mailto:faridatk@telkomuiversity.ac.id), [farida\\_titik@yahoo.com](mailto:farida_titik@yahoo.com)

Department of Management & Business, Faculty of Economics & Business, Universitas Padjadjaran, Indonesia

Email: [nury.effendi@unpad.ac.id](mailto:nury.effendi@unpad.ac.id)

Email: [aldrin.herwany@unpad.ac.id](mailto:aldrin.herwany@unpad.ac.id)

Email: [erie\\_febrian@fe.unpad.ac.id](mailto:erie_febrian@fe.unpad.ac.id)

\*)Corresponding author

### ABSTRACT

There have been many studies conducted to explain variables that contribute to Financial distress. Nevertheless, there have been limited studies done to assess the contribution of CEO quality, and corruption to financial distress. Moreover, financial distress studies using data of property industry have been rare, despite the industry's high sensitivity to any economic shock.

This study aims to empirically investigate of CEO quality, and corruption, along with control variables like profitability, liquidity, leverage and market stock price, to financial distress. We utilized Logistic regression and sample of 47 public property companies during the 2010-2014 period, which were selected through purposive random sampling. Our results indicate that good quality of CEO, low corruption index and high return on sales help property companies get away from distress.

**Keywords:** CEO quality, Corruption Perception Index, Financial Ratio, Financial Distress



G126

## THE USING OF MARKETING METRICS TO MEASURE CUSTOMER VALUE

**Nanang Suryadi\***

Management Sciences Program in The Faculty of Economics and Business at  
Padjadjaran University in Bandung & Management Department in The Faculty of  
Economics and Business Faculty at Brawijaya University in Malang

[nanangs@ub.ac.id](mailto:nanangs@ub.ac.id)

[nanangsuryadi@yahoo.com](mailto:nanangsuryadi@yahoo.com)

### ABSTRACT

The purpose of this paper is to discuss the use of marketing metrics to measure customer value. The discussion is done by studying the development of the concept published in journals indexed since 2009-2015 and literature books. Formulation of the problem in this paper: how the use marketing metrics to measure customer value. The approach used is a literature review. Academic implications are revealed in this paper is the clarity of the development of the use of marketing metrics to measure customer value. Original contribution of this paper is to make clear the development of the concept of the marketing metrics to measure customer value.

Keywords: Value, Perceived Value, Customer Value, Marketing Metrics, Measurement



G127

## MARKET REACTION AROUND EX-DIVIDEND DATE: EMPIRICAL STUDY USING THE AGRICULTURE FIRMS IN INDONESIA STOCK EXCHANGE

Bram Hadiano  
 Economics Faculty, Management Department  
 Maranatha Christian University, Bandung

### ABSTRACT

The aim of this study is to test the information content theory of dividend and semi-strong form of efficient market theory around ex-dividend date using the agriculture public listed firms in Indonesia Stock Exchange. The samples are taken from the population using simple random sampling. This research uses event study procedure to test those two theories. Market reaction is measured by abnormal return around ex-dividend dates in window period. One sample t-test is used as method of data analysis. Furthermore, available firms are classified into two groups. The first group consists of the firms having the increase in dividend per share. The second group consists of the firms having the decrease in dividend per share. In the first group, the researcher finds the negative market reaction on ex-dividend date and positive market reaction on the fourth day after ex-dividend date. This evidence confirms the informational content theory of dividend. In the second group, the researcher finds the positive market reaction on the fourth day before ex-dividend date. This evidence confirms the plausible explanation of Brealey, Myers, and Allen (2006)

Keywords: market reaction, ex-dividend date, agriculture stocks



## THE ATTRACTIVENESS OF MARKETING DIFFERENTIATION IN KOREAN RESTAURANT AT CIHAMPELAS WALK BANDUNG USING DISCRIMINANT ANALYSIS

(Study at Korean Mujigae Resto and Yoogane)

Aldina Shiratina<sup>a</sup>, Deru R Indika<sup>b</sup>, Fauziyyah Shabrina<sup>c</sup>

<sup>a</sup> Student of Doctor of Science Management Program, Faculty of Economic & Business, Padjadjaran University

E-mail address: [aldina.shiratina@gmail.com](mailto:aldina.shiratina@gmail.com)

<sup>b</sup> Faculty Of Economic & Business, Padjadjaran University

E-mail address: [derurindika@gmail.com](mailto:derurindika@gmail.com)

<sup>c</sup> Faculty Of Economic & Business, Padjadjaran University ,

E-mail address: [fisnashabrina@yahoo.com](mailto:fisnashabrina@yahoo.com)

**Biographical notes:** Aldina Shiratina is a Ph.D student at Doctor of Science Management Program, Universitas Padjadjaran Faculty of Economic & Business Bandung-Indonesia.

Deru R Indika is a Lecturer at Universitas Padjadjaran, Faculty of Economic & Business Bandung-Indonesia since 2014.

Fauziyyah Sabrina is a student at Diploma III Faculty of Economic & Business Universitas Padjadjaran Bandung-Indonesia.

### ABSTRACT

Culinary business is currently growing along with the Korean Wave happening in Indonesia. The number of Korean restaurant also grows. As examples, there are now Mujigae Resto and Yoogane restaurant located at Cihampelas Walk Mall. Both restaurants have similar concept, that is Korean-style restaurant. With their marketing strategies, Mujigae Resto and Yoogane are competing especially by implementing marketing differentiation to attract consumers. The purpose of this research is to analyze the attractiveness of the implementation of marketing differentiation namely product differentiation, service differentiation, and the image of Korean-style restaurant (between Mujigae and Yoogane) at Cihampelas Walk Mall. The hypothesis testing was conducted to find the difference between those two restaurants. The method of this research was descriptive analysis. This research analyzed the application of marketing differentiation at Mujigae Korean Resto and Yoogane using discriminant analysis. Samples were 200 respondents who had visited Mujigae Resto and Yoogane, taken by using proportional sample technique. Based on the analysis, we found that there are specific differences between the two restaurants in terms of variety of drink menus, the corresponding portion of the menu, the atmosphere of the room, and logo. This research result showed that at one mall, there are two restaurants which have the same concept but each has different and unique characteristics to attract consumers.

**Keywords:** *Differentiation Marketing, Product Differentiation, Service Differentiation, Image*



G129

## STUDY ON HEALTH SERVICE MANAGEMENT at RADEN MATAHER REGIONAL PUBLIC HOSPITAL

BY :

ZULFINA ADRIANI

(student at Doctoral Program in Science Management, Padjajaran University)

### ABSTRACT

These research goals are to determine perception of health service users and the level of customer satisfaction in hospital Raden Mataher Jambi. Based on the analysis with 182 respondents, 87% respondents fall in dissatisfied and 95% can be categorized as quite satisfied. The correlation between independent variables and the level of patient satisfaction as dependent variable through statistical test shows that between **the quality of primary care, treatment class, educational, and kind of employment, have** significant correlation to the level of satisfaction of patients treated in hospital Raden Mattaher, but variables age, gender, and length of treatment, have no significant correlation.

Key words: Perception, quality of health service, health service management, level of satisfactory.





G130

## LECTURER RESEARCH PRODUCTIVITY AT THE FACULTY OF ECONOMICS, UNIVERSITY OF RIAU AND FACTORS AFFECTING

**Sri Indarti**

Management Lecturer Faculty of Economics, University of Riau

**Raden Lestari Garnasih**

Management Lecturer Faculty of Economics, University of Riau , this time also as Student Doctoral Program Management Science Faculty of Economics and Business, University of Padjadjaran, Bandung

### ABSTRACT

This research reports the results of a survey lecturer research productivity. The aim of this study was to analyze the influence of competence , motivation research, work environment , leadership characteristics and lecturer research productivity at the Faculty of Economics, University of Riau .

This study investigated 100 of 141 lecturers from the existing population . The distribution of questionnaires carried out on samples representing each department that is the Management, Accounting and Economics .

Results of this study showed that leadership, research motivation and working environment affect research productivity lectures of economic faculty Riau University. While the research competence not affect the faculty research productivity. Discussion, conclusions and suggestions are also described in this paper.

**Keywords:** Competence, Leadership Characteristic, Research Motivation, Research Productivity, Work Environment



G131

## FIRM' SPECIFIC FACTORS, COUNTRY' SPECIFIC FACTORS, AND FIRM' INVESTMENT IN INDONESIA

Atong Soekirman  
Padjadjaran University  
Doctoral Program of Management  
e-mail: [a.soekirman@gmail.com](mailto:a.soekirman@gmail.com)

### ABSTRACT

This study examine the relation between debt maturity, leverage, growth opportunity, cash flow, GDP Growth, level of corruption, dan inflation rate on firm' investment sample of 98 non-financial firms listed on Indonesian stock exchange for 2004-2013. This study applied panel data dan used fixed effect to estimate model's parameter as a result of chow test and hausman test. The results found that debt maturity, leverage, growth opportunity, cash flow, GDP Growth, and inflation rate have a significant effect on firm' investment. Whereas level of corruption does not has a significant effect on firm' investment. This study highlighted that cash flow and GDP growth have a different direction between an estimated value and an expected value and they were significant.

Key words: Firm' Investment, Inflation Rate, Leverage, Cash flow



G132

## INNOVATION AND R&D COOPERATION TO INCREASE PHARMACEUTICAL COMPANIES COMPETITIVENESS

**Mas Rahman Roestan**

Doctoral Program in Management Science Faculty of Economic and Business  
Universitas Padjadjaran

### ABSTRACT

Indonesia as the fourth biggest population country in the world, urge a high growth of pharmaceutical market. Refer to IMS Health data 2009 - 2014 showed the increasing of Indonesian pharmaceutical market CAGR in range of 14 - 17%, which is higher than Global pharmaceutical market CAGR increased in range of 5 - 8% . Pharmaceutical Market growth is influenced by new inovative product or patent product. Therefore, prioritizing new product development and invention is important to increase the competitive advantage. National pharmaceutical companies should implement innovation strategy in terms of product, process and marketing innovations. Innovation ratio of Indonesia compare to others in ASEAN is relatively lower. It is shown in Patent Registration data in ASEAN countries 2013 (*Global Competitive Report, 2013 - World Economic Forum*). In the other way, National pharmaceutical companies must collaborate with research institutes, universities, and health communities through joint research, joint development and technology transfer.

Study is conducted based on literature and data provided in pharmaceutical companies. Competitive advantage is measured by indicators in three dimensions ; quality, cost and time to market. Companies performances is measured using Wheelen and Hunger (2010) indicators in three dimensions ; profitability, market growth, and market share. The objective from the measurement of all variabels is to form the strategy and plan of action to increase the competitiveness of pharmaceutical companies.

**Keywords** : Pharmaceutical company, Pharmaceutical market, Innovation, Research& Development, Cooperation, Competitiveness



G134

## THE INFLUENCE OF FUNDAMENTAL ANALYSIS AND SYSTEMATIC RISK TOWARDS STOCK PRICE OF BANKS IN INDONESIA

Purwanto<sup>1</sup>, Erynda Bhita Safira<sup>2</sup>

<sup>1</sup>Faculty of Economic and Business, Padjajaran University, Bandung, Indonesia

<sup>2</sup>Faculty of Business, President University, Bekasi, Indonesia

### ABSTRACT

This research aims to identify and gives the empirical proven of significant influences in partial and simultaneously of four independent variables towards stock price. In addition, this research chooses the population in banking industry listed on LQ45 index during the period of 2011-2014. Through purposive sampling and pooling data, this research has got 96 observations from six companies in four years with quarter basis which fulfill the criteria. Based on the result, there are debt to equity ratio, earnings-per-share, and return on equity which having significant influences towards stock price. On the other hand, systematic risk has no significant influences towards the stock price. Simultaneously, those four independent variables provide 69.7% influences to dependent variable. The rest, the 30.3%, is influenced by other factors outside this research. Moreover, earnings-per-share is chosen as the most significant factor that influences stock price.

**Keywords:** Debt to equity ratio, earnings per share, return on equity, systematic risk, stock price



G136a

## THE INFLUENCE OF FIRM CHARACTERISTICS ON CAPITAL STRUCTURE AND FIRM VALUE (Empirical Study of Indonesia Insurance Companies)

**Didy Handoko**

Doctoral Student of Management Departement, Faculty of Economics & Business, Padjadjaran University, Bandung, Indonesia ,didy.handoko@gmail.com

### ABSTRACT

*The purpose of this research was to determine the effect of variables dominant characteristics of the company, namely the size of the company, growth opportunities, profitability, liquidity, and tangibility to capital structure and to determine the effect on the capital structure of a company's value as well as to determine the trade-off theory or pecking order theory can be more precise in predicting changes in the different leverage between public insurance companies listed on the Indonesia Stock Exchange.*

This research used a sample of 10 insurance companies (non-life insurance) during the years 2008-2013. The analytical method used is panel data analysis method that uses a combination of data time series and cross section with technical applications panel random effect model and fixed effect models and data used are secondary data.

This research indicate that the dominant variable characteristics that affect the company's capital structure is firm size and growth, while positive effect on the liquidity variable negative effect. Further positive effect on the capital structure of the company and the value of the trade-off theory can explain and more appropriate for the case of a public insurance company listed on the Indonesian stock exchange. This research result capital structure model for insurance companies. Therefore, researchers suggest to the management of insurance companies to conduct research on the optimal composition of the debt ratio that would set as a target so as to optimize the value of the company and the share price is concerned by lowering the cost of capital.

**Keywords :** characteristics of the company, capital structure, company size, growth, liquidity, *trade off theory, cost of capital.*



G136b

## GREEN CONSUMER BEHAVIOUR: CONCEPT, DIMENSION AND PROPOSITION

**Julina Julina\***, Popy Rufaidah

Faculty of Economic and Social Science

State Islamic University of Sultan Syarif Kasim Riau

Jl. H.R. Soebrantas No. 155 KM 15

Pekanbaru, 28293, Riau, Indonesia

Department of Management & Business, Faculty of Economics & Business,  
Universitas Padjadjaran, Jl. Dipati Ukur No. 35, Bandung 40132, West Java,  
Indonesia

Email: julina@uin-suska.ac.id

Email: popy.rufaidah@gmail.com

\*Corresponding author

### ABSTRACT

In the rising issues of global warming, green consumer behaviour becomes one of the solutions to overcome those problems. The main purposes of this paper are (1) to investigate different terms and methods used in the measurement of green consumer behaviour and (2) to develop propositions regarding factors that affecting green consumer behaviour, especially green purchase behaviour. Current studies has shown that green consumer behaviour has several types of activity and dimension. This research may be considered as a part of measurement scale development to understand more deeply about green purchase behaviour. In addition, this paper will also put forward propositions about factors affecting green purchase behaviour, and how green purchase behaviour affecting life satisfaction. Based on the discussion of some of the articles, there are still limited studies on the conceptual definition of green purchase behaviour. The original contribution of this paper is the emergence of developing new models of various green purchase behaviour predictor variables and the impact of green purchase behaviour towards life satisfaction. At the end of this paper, several propositions are put forward to be tested empirically in future studies.

**Keyword:** Green consumer behaviour, green purchase behaviour, concept, dimension, proposition.



G137

**“THE INFLUENCE OF LEADERSHIP AND ORGANIZATIONAL CULTURE TO  
EMPLOYEE PERFORMANCE OF PT JASA ANGKASA SEMESTA (JAS)  
SOEKARNO- HATTA AIRPORT IN 2014”**

Aswanti Setyawati NIM 120130120023 and Lira Agusinta NIM 01320120031  
DIM University Padjadjaran Bandung  
e-mail: [stmt@indosat.net.id](mailto:stmt@indosat.net.id)

**ABSTRACT**

This study is conducted on Ground Handling Company at international flight service of PT Jasa Angkasa Semesta (JAS) Soekarno Hatta with the aims at figuring out the influence of leadership, organizational culture to employee performance. Sample of this study is 60 employees of PT JAS. Descriptive and causal with Spearman-rank correlation analysis by undertaking validity and reliability test is used as method for this study. The result of validity and reliability test variables X1, X2 and Y are valid and reliable by using SPSS ver. 19. The result shows leadership, organizational culture, and performance is in very good category with the range of weight value of 210-250. It can be concluded that there is leadership and organizational culture toward employee performance of PT JAS at Soeta Jakarta International Airport Service. The result of multiple linear regressions R is 0.636 show that between dependent variable (performance) and two independent variables (leadership and organizational culture) are quite strong. Then, the R square value is 0.405 or 40.5% means that the variation on dependent variable that is employee performance which can be explained by independent variables those are leadership and organizational culture is 40.5% and the rest is 59.5% is explained by other factors.

Keywords: Leadership, organizational culture, performance



G138

## THE INFLUENCE OF COMPETITIVE STRATEGY AND BUSINESS PARTNERSHIP ON BUSINESS PERFORMANCE OF TEXTILE INDUSTRY IN INDONESIA

R. Agung Nugroho

### ABSTRACT

The textile industry has a strategic position in the Indonesian economy, the export value of textiles Indonesia within the last 5 years tend to be relatively lower. In addition, sales growth, profitability, and return on equity (ROE) is still low. This indicates that business performance of the textile industry sector tends not optimal. It was thought to be caused by yet precisely competitive strategy and business partnerships run by the manufacturer. Therefore, this study aims to examine the influence of competitive strategy and business partnerships on business performance of textile products industry in Indonesia. This study is verification. The unit of analysis and observation in this study is the management of a company belonging to the textile industry in Indonesia. The population in this study is go public - textile company in Indonesia totaling 22 companies. This study uses the entire observation unit in the population to be analyzed, so that the sampling technique is census. Observations using the time horizon that is cross section/one shoot. Hypothesis is tested through the (Partial Least Square) model PLS. The findings indicate that competitive strategy and business partnerships affect business performance, which competitive strategy has a greater influence than business partnerships in influencing business performance. So the companies are advised to increase their competitive strategy development.

**Keywords :** Competitive Strategy, Business Partnership, Business Performance





G139

## EFFECT OF CAPITAL STRUCTURE TOWARD FIRM VALUE AT DIFFERENT LEVELS OF MANAGERIAL OWNERSHIP

Leni Susanti\*, Yuyus Suryana Sudarma, Sulaeman Rahman Nidar, and Asep Mulyana

Doctoral Program in Management (DIM), Departement of Management and Business, Faculty of Economics and Business, Padjadjaran University

Email: [leni\\_dwisusanti@yahoo.com](mailto:leni_dwisusanti@yahoo.com)

Email: [yuyus.suryana@fe.unpad.ac.id](mailto:yuyus.suryana@fe.unpad.ac.id)

Email: [sulaeman.rachman@fe.unpad.ac.id](mailto:sulaeman.rachman@fe.unpad.ac.id)

Email: [asep.mulyana@fe.unpad.ac.id](mailto:asep.mulyana@fe.unpad.ac.id)

\*Corresponding author

### ABSTRACT

This study aimed to investigate whether the managerial ownership become moderator variable for the capital structure in affecting the firm value, and test the difference of influence in capital structure toward the firm value on the condition of low and high managerial ownership in manufacturing companies listed in Indonesia Stock Exchange. Secondary data is used and collected based on time series and cross section from 2010 until 2013, among 90 public companies as unit observation. This study uses data panel regression analysis techniques with Generalized Least Square (GLS). Chow test and Hausman test shows that the model used as a fixed effect estimation techniques. The results showed that a debt to equity ratio is significant positive effect toward Tobin's q. Managerial ownership is a moderating variable of capital structure and firm value, there is a positif interaction between capital structure and managerial ownership in influencing the firm value. The higher managerial ownership, then getting higher the effect of capital structure toward firm value. Furthermore, there are differences in the effect of the debt to equity ratio toward Tobin's q in low and high ownership when the managerial ownership is high; the effect of debt to equity ratio is greater. Debt to equity ratio will be sensitive to Tobin's q if high managerial ownership.

**Keywords:** capital structure; debt to equity ratio; managerial ownership; firm value; Tobin's q.



G140

## BUSINESS TRANSFORMATION AND BUSINESS PERFORMANCE PT LEN INDUSTRI (1991 - 2014)

Abraham Mose <sup>1</sup>, Syaifuddin<sup>2</sup>

<sup>1</sup> Doctoral Program in Business Management of Universitas Padjadjaran

<sup>2</sup> Magister Manajemen, Pascasarjana STIE Sebelas April Sumedang

<sup>1</sup> [abraham@len.co.id](mailto:abraham@len.co.id), <sup>2</sup> [syaifuddin.sebelas@gmail.com](mailto:syaifuddin.sebelas@gmail.com)

### ABSTRACT

PT Len Industri (Persero) was established in 1991 namely LEN LIPI and transformed to business institution. Research objectives are to describe business transformation, business performance, obstacles in business transformation of PT Len Industri (Persero) and how management solved these problems. This research uses descriptive method. Unit analysis is management of PT Len Industri (Persero). The data collection technique is library data, observation and interview.

Transformation strategy consists of four stages. The first is focused on the fundamental changes 1991-2000. The second is survived by developing consumer goods in 2000 - 2002. The third is stability to growth in 2002-2007. The last is accelerated from 2007 until now. Business performance is sales and asset has increased from 2010 to 2014. Unfortunately, profit is fluctuating. Constraints are from internal and external. Management overcomes the obstacles by strengthening corporate culture and human capital, apply quality standards, implementing good corporate governance and business strategy.

Key words: business transformation, business performance



**COMPANY REPUTATION AND CUSTOMER RELATION MANAGEMENT TO BUILD COMPETITIVE ADVANTAGE AND ITS IMPLICATION ON PURCHASING DECISION (A Research on Indonesian Sphygmomanometers Global Business Customers)**

**Author : Gagan Sugandi 1)**

Student of Business Management Department,  
 Management Studies Doctorate Program, Faculty of Economics & Business, Padjadjaran State University, Bandung, Indonesia, [gagan\\_824@yahoo.com](mailto:gagan_824@yahoo.com)

**Tezza Adriansyah Anwar 2)**

Student of Business Management Department,  
 Management Studies Doctorate Program, Faculty of Economics & Business, Padjadjaran State University, Bandung, Indonesia, [tezza\\_anwar@yahoo.com](mailto:tezza_anwar@yahoo.com)

**Arief Muhamad Tasrief 3)**

Doctor of Business Management, Business Practitioner  
 Bandung, Indonesia, [arief\\_mt@yahoo.com](mailto:arief_mt@yahoo.com)

**ABSTRACT**

The export performance of Indonesian Sphygmomanometers manufacturers has decreased slightly every year since 2009 to 2013. This performance is always lower than target level of customer business share caused by the Sphygmomanometer manufacture is still hard to create customers' purchase decision, and also they're still have average level of competitive advantage. On the supply side, manufacturers still face many problems in developing a superior company reputation and excellent customer relations. This research is designed to find out how company reputation and customer relation management influence the competitive advantage and its implication to the customer's purchasing decisions.

This research is using explanatory survey method. Four Sphygmomanometer manufacturers in Indonesia were used as analysis unit. Fifty four international customers were sampled through census method and were used as the observation unit. Time horizon is *cross section/one shoot*. Data analyzed through descriptive and causality method; and hypothesis tested using PLS.

The research found that company reputation and customer relation management simultaneously affect competitive advantage significantly. Company reputation is shown to have the highest contribution to competitive advantage rather than customer relation management. A Company's credibility has a significant impact on a company reputation and helps them gain competitive advantage. In turn, Competitive advantage greatly influences the customer's purchasing decision. Competitive pricing and export cost efficiency and are part of competitive advantages that effect the business customer's purchasing decision.

**Keywords :** *Company Reputation, Customer Relation Management, Competitive Advantage , Purchasing Decision*



G142

## IMPROVE MARKETING PERFORMANCE TELECOMMUNICATION INDUSTRY IN INDONESIA

Dewi Mustikaningsih, Joko Rizkie Widokarti, and Dwi Heryanto

e-mail : dewimustika1004@yahoo.com, jokorwut@gmail.com, wihb2000@gmail.com

Doctorate Program in Management Faculty of Economics and Bussines University  
Of Padjadjaran, Bandung, Jawa Barat, Indonesia

### ABSTRACT

The purpose of this research is to determine and analyze the influence of buyers relationship, suppliers relationship, and company resources partially or simultaneously on competitive advantage. To determine and analyze the influence of buyers relationship, suppliers relationship, company resources, and competitive advantage partially or simultaneously on marketing performance. The method used in this research was a descriptive survey method and explanatory survey with a sample size of 285 respondents , and the data analysis methods used are SEM (Structural Equation Modeling) Based on the research results, the following findings obtained buyers relationship, suppliers relationship, and company resources jointly provided partially or simultaneously positive and significant influence on competitive advantage. Buyers relationship partially dominant effect on competitive advantage. Buyers relationship, suppliers relationship, company resources and competitive advantage proved partially or simultaneously positive and significant effect on the performance of marketing. Company resource partially dominant effect on marketing performance .

**Keywords :** *Buyers Relationship, Suppliers Relationship, Company Resources, Competitive Advantage, Marketing Performance*



## THE ROLE OF TASK UNCERTAINTY IN RELATIONSHIP BETWEEN KNOWLEDGE MANAGEMENT AND BUDGET QUALITY ON GOVERNMENTS OF MEDAN

Muhammad Ishak  
 Dedy Husrizal Syah

### ABSTRACT

Although we have had various sets of governing rules on financial governance in state or regions level, but still now, both the state and regional budget is very prone to be manipulated that the potential financial harm state. Audit Reports Auditor BPK-RI, it can be concluded that a variety of potential loss is more due to the weakness of the apparatus skills and knowledge in managing the public finances. Thus, we need a modeling knowledge within government agencies, including the Government of Medan City. In addition, lack of knowledge of the apparatus to realize a quality budget where the budget is marked on the fulfillment of some of the characteristics of a quality budget includes budget participation, budget goal clarity, the adequacy of the budget, and feedback budget, which simultaneously in addition to the presence of uncertainty assignment. Thus, in addition, the problem of task uncertainty also remains a serious problem in developing quality budget. Based on the above conditions, the study aims to provide a contribution of thought on the relationship between aspects of budgeting, task clarity, and knowledge management and to realize the modeling of knowledge management as a step added in the context of budgeting in the city government of Medan. At the end of the study, expected to modeling knowledge management will be implemented not only in the budgetary domain, but also in other domains through a work unit manager of knowledge built in the city government of Medan. Thus, this study will be very useful for Medan City government to perform its functions and its role as an agent of development institutions.

The scope of the study includes a survey of patterns of knowledge management, budgeting, and uncertainties duty in the city government of Medan. Population and respondents of this study is the apparatus echelon II and III that are involved in the preparation of the budget in the neighborhood of Medan City Government. Source of data used in the form of primary data collected through questionnaires. Technical analysis of the data obtained will be carried out by using regression analysis. Modeling domain knowledge to budgeting will be done in the next year (year 2), so diahrapkan later in year 2 has appeared a model of knowledge according to the needs of Medan City Government.

**Keywords:** knowledge management, quality budget characteristics, and task uncertainty



G146

## THE ROLE OF INTELLECTUAL CAPITAL IN MEDIATING KNOWLEDGE MANAGEMENT INFLUENCE ON PERFORMANCE BUMN BANK BRANCH OFFICES IN JAWA BARAT

**Hady Siti Hadijah**

Student of Doctoral Science Management UNPAD

Lecturer of Office Management Departement Indonesia University of Education

Email : hady.sch@gmail.com

### *ABSTRACT*

AEC implementation plan in 2020 will push the national banking competition with foreign banking. The biggest challenge for national banking is a matter of competitiveness. National banks will face competition with banks in ASEAN region especially Singaporean and Malaysian banks. Those banks have the power of capital, IT skills, products, services, human resources, and superior efficiency compared with Indonesian banks. The challenge is big because the national banks, especially BUMN banks have limited time and resources. BUMN banks as a tool of the government in prospering its people should be able to face the big challenge.

The policy delegation on the authority to the branch manager can be tried to recover the bank intermediation function globally oriented as branch manager have a better understanding on the local potential and the dynamics of the real sector in the work area. BUMN bank branch offices must have attention to their resources. Furthermore BUMN bank branch offices should know how these resources interact with other resources to achieve organizational goals.

The goals of this paper are (1) to determine and analyze whether the knowledge management affects the intellectual capital, (2) to identify and analyze whether the intellectual capital can mediate (strengthen) the effect of knowledge management on the performance of BUMN bank branch offices in Jawa Barat. The method used in the study is a literature review connected with studied variables.

The case study is focused on BUMN bank branch offices located in Jawa Barat because the contribution of industry to GDP in the region is relatively larger compared to other provinces, so that the function of banks as a tool of intermediation is more needed. The study of literature produces variable construct studied and its dimensions, also reveals that the knowledge management variable is an antecedent construct for intellectual capital variable. Furthermore revealed that the intellectual capital variable as an intervening variable will promote knowledge management variable role in promoting the performance variable in the long term. In other words, knowledge management role will have a bigger influence in promoting performance if the knowledge management role could create or add intellectual capital value.

It is clear that the success or failure of knowledge management in promoting intellectual capital is the key in promoting the performance BUMN bank branch offices. The conclusions are that (1) the knowledge management affects the intellectual capital and (2) Intellectual capital could mediate (strengthen) the effect of knowledge management on the performance of BUMN bank branch offices in Jawa Barat.

**Keyword :** Knowledge Management, Intellectual Capital, Bank Performance



G147

## EVENT MARKETING AND EXPERIENTIAL MARKETING TO INCREASE NET MARKETING CONTRIBUTION MARGIN (NMCM) THROUGH CUSTOMER VALUE

Khusnul Khotimah, [teteh\\_78@yahoo.com](mailto:teteh_78@yahoo.com)

Sucherly, [sucherly@yahoo.com](mailto:sucherly@yahoo.com)

Diana Sari, [diana.sari@fe.unpad.ac.id](mailto:diana.sari@fe.unpad.ac.id)

Umi Kaltum, [umi.kaltum@yahoo.com](mailto:umi.kaltum@yahoo.com)

### ABSTRACT

A good marketing strategy is very helpful in achieving the goal of companies profits, which was used for the sustainability of the Organization (sustainable competitive advantage). The magnitude of the sales that companies obtained from any marketing activities in the form of an event and experiential marketing affects the formation of Net Marketing Contribution Margin (NMCM). The proceeds obtained by the companies depend on the success or whether a marketing strategy, for it requires the existence of a judgement either directly or indirectly from the consumer (customer value). The problem is, still have not seen a connection link between these variable, especially customer value as an intervening variable. Because it is still in the process of research, then the method used in the form of a literature review and results are expected may prove the existence of a relationship between the variables.

**Key Word:** Customer Value, Event Marketing, Experiential Marketing, NMCM



G148

## MACROECONOMIC EFFECT ON STOCK RETURN OF BANKING SECTOR IN INDONESIA STOCK EXCHANGE

Paulina Yuritha Amtiran<sup>1)</sup>

<sup>1)</sup>(Student of Doctoral Management Science - Padjadjaran University)

### ABSTRACT

Indonesia's economic slowdown in 2014 had an impact on bank profitability. Where a decline in profitability and slow bank lending. Macroeconomic be a factor of the economic slowdown in Indonesia. This study was done to see the impact of macroeconomic, namely GDP, Inflation, Interest Rate and Exchange with the stock return of the banking sector. The method used in this paper is an explanatory method. Technical analysis of the data is a panel data regression is a combination of time series and cross-section from 2010-2014. Sampling technique used was purposive sampling of the banks listed on the Indonesia Stock Exchange. From the results of data analysis known simultaneous four macroeconomic variables affect the stock return of the banking sector. Inflation 0.0151 and exchange rate 0.0446 had a positive relationship with stock returns while the banking sector GDP -0.7221 and interest rate -0.3648 has a negative correlation with the stock returns banking sector.

Keyword : GDP, Inflation, Interest Rate, Exchange Rate, Stock Return





## CONCEPTUAL MODEL INTRAPRENEURSHIP BEHAVIOUR AND THE IMPLICATION IN CONSTRUCTION COMPANY

Rojuaniah

Dr. Hj. Joeliaty, SE., M.Si

Dr. H. Sutisna, SE., M.Si

### ABSTRACT

**Purpose** - This study aims to develop a conceptual model of intrapreneurship behavior by discussing the concepts and phenomena that occur in the construction company. The proposed model is intended to describe the phenomenon of the main factors intrapreneurship behavior in the organization and the factors that influence and impact on the development of the construction company.

**Design / methodology / approach** - The identify and describe the phenomenon and the result of intrapreneurship behavior within the organization based on the study of literature as a basis for analysis and develop an appropriate model of intrapreneurship behavior. This study is a conceptual paper to provide support to the proposed model of scientific work

**Findings** - The intrapreneur is a person who focuses on innovation and creativity and who transforms a dream or an idea into a profitable business within the corporate environment. Intrapreneur spirited employees willing to take the risk and responsibility for their own decisions. This paper presents a model of the intrapreneurship behavior in the construction company where Internal factors are sourced from within the organization and external factors based outside the organization or environment and the affect of intrapreneurship behaviour to organizational performance. This paper provides a comprehensive analysis of existing models to develop a systematic approach to the process of formation intrapreneurship behavior in organization. The proposed model is a combination study of various scientific papers that explore the extension of intrapreneurship behavior in organizations, especially in the construction company. The model can be a framework that can help organizations to identify potential strategies that could help intrapreneurial activity extension as intrapreneurship as a spur to improve organizational performance.

**Originality / value** - Based on this exploration, is the new insights about the development of intrapreneurship behavior. The practical implications of intrapreneurship behavior more systematically and effectively presented and the opportunity for further research identified.

**Keywords** : Organization, Internal Factor, External Factors, intrapreneur, Intrapreneurship behaviour,. **Paper type** - Conceptual paper



G151

## LITERATURE BASED RESEARCH : HOW ISLAMIC WORK ETHICS AFFECT SHAREHOLDER VALUE IN ISLAMIC BUSINESS

<sup>1</sup>Evi Susanti

Doctoral Student at UNPAD

Email : [evi\\_5u54nt1@yahoo.co.id](mailto:evi_5u54nt1@yahoo.co.id)

<sup>2</sup>Hilmiana, ; <sup>3</sup> Sutisna

Lecturer of Management Sciences Doctoral Program UNPAD

### ABSTRACT

Trend business today led to the foundation of a good religious education, banking, hotels and others.. Now this is the business concern and appeal, both for consumers and producers. Exposure in this article can be applied to businesses that use the teachings of Islam as the foundation guidelines. This study develops the role of Islamic Work Ethics along with service quality increase shareholder value. Service quality consisting of internal and external service quality. Internal service quality highlights the role of human resources as the most decisive factor of business success. External service quality is viewed from the side of business users. The dimensions of shareholder value consists of three dimensions that benefit, customer satisfaction and employee loyalty. Shareholders a key element in Islamic business has relevance for all stakeholders to integrate Islamic Work Ethic into the basic goals and objectives of business strategy. The study develops how Islamic Work Ethics along with service quality increase shareholder value.

This article is conceptual and qualitative. The discussion derived from previous studies, a second source comes from experts and agencies to discuss the economic and Islamic business and third source of Islamic business users. The third sources are important in developing a conceptual Islamic work ethic integrated with the service quality.

The results of this study indicate that the Islamic Work Ethic, Service Quality has a great potential on shareholder value. Companies who view human resources as a human capital will give attention and meet their needs this can improve their ability to provide services to external customer.

This research is expected to contribute positively and fill business opportunities and create business practice according to the principles of Islamic religious teachings, facilitating the needs of the the community on the required product as well as creating shareholder value. The findings show that business and the public in particular shareholders get value or benefit of Islamic business. This value is obtained from the role of Islamic work ethic along with service quality. Islamic work ethic, internal service quality, external service quality, shareholder



## THE IMPLICATIONS OF LEADERSHIP AND ORGANIZATIONAL CULTURE ON KNOWLEDGE MANAGEMENT

Sri Sundari  
Dr. Hj. Joeliaty, S.E.,MSi  
Dr.R. RinaNovianty, SE.,M.Si

### ABSTRACT

Knowledge management is the development of knowledge assets through a collaborative and integrated approach to create, comprehend, organize, access and use of intellectual assets both tacit and explicit knowledge in order to develop the capacity of the organization. Role of the leader is very important in the success of the implementation of knowledge management. It is because a leader is essentially control an organization and determine how it is driven. In addition, organizational culture is an important factor in building and strengthening knowledge management within the organization. A leader must be able to create the environmental conditions, character and values needed to create and facilitate the implementation of knowledge management. Thus it can be said that the behavior of leaders will determine how the subordinates behave and leadership will be very instrumental in building the organizational culture that the leader can determine and facilitate knowledge management.

This research aimed at researching the implications of leadership and organizational culture on knowledge management at polytechnic courses in East Java, which was conducted on 34 programs of study consisted of 170 respondents, consists of lecturers, technicians, administration staff, and student by using descriptive analysis with frequency distribution tables and Analysis of Partial Least Square (PLS) approach verification.

The results showed that (1) generally the leadership of study program is effective, high organizational culture, and good knowledge management (2) simultaneously leadership and organizational culture have positive and significant impact on the knowledge management, and leadership partially have positive and significant impact on knowledge management, while organizational culture partially also have positive and significant effect on knowledge management.

In general, this research revealed that knowledge management can be achieved when the leadership and organizational culture play a dominant role in meet all aspects of knowledge management. At the same time when knowledge management is able to be formed by leadership, lecturers, technicians, administration staff, and student tend to leave the decision to the leadership of the study program in believing cultural values.

**Keywords:** Leadership, Organizational Culture, Knowledge Management



G153

## THE INFLUENCE OF COMPANY IMAGE AND BUSINESS VALUE ON COMPANY PERFORMANCE OF TEXTILE INDUSTRY IN WEST JAVA

Diana Damey

### ABSTRACT

The company performance of the textile industry in West Java tends less favorable as indicated by ROE companies that tend to decrease every year. It was thought to be caused by continued weakness in business value and image of the textile company at this time. The research objective was to study the effect of company image and business value on the performance of the textile companies in West Java.

This study is verification. The unit of analysis in this research is industrial textile companies in West Java with the observation unit is the management of the company. The population in this study is textile company in West Java, amounting to 22 companies. This study uses the entire observation unit in the population to be analyzed, so that the sampling technique used is the census method. Observations using the time horizon is cross section / one shoot. Data were analyzed verification. The hypothesis is tested through PLS (Partial Least Square) model. The findings showed that company image and business value affect company performance. Business Value has a greater influence than company image in influencing company performance.

Keywords : Business Value, Company image, Company performance, Textile industry.



## AN IMPACT STUDY OF RURAL CREDIT BANK EXISTENCE TOWARDS MICRO AND SMALL BUSINESSES IN PADANG CITY

<sup>1</sup>Hendra Yuharmain. H,

### ABSTRACT

Rural credit bank is finance institution declared to serve the banking service requirement for low public economic in micro and small businesses in Indonesia. This research is aimed to know about impact of Rural credit bank existence towards small and micro business in Padang City, and to see how a prospect of rural banks in future in order to develop micro and small business in Padang City.

A problematic came up in the paper research verily, first how far is an impact of rural credit bank existence towards micro and small business in Padang city? Second, How a prospect of rural credit bank as to promote business doers of micro and small business in Padang city.

Respondents in the research were 30 doers of individual business in the sector of micro and small enterprises located in simpang haru market, alai market, and raya market of Padang city. Whereas, the premier data used in this research were gotten the research questioner instruments and conducted some interviews with directors of rural banks operated in Padang city.

Results of the study, firstly, there has positive impact of productions, purchases and incomes sectors consistently. Generally, the average increase incomes in business relating to credit ability around 25% to 40%, secondly, the credit lent by rural credit bank displays successful in aiding the business existence of micro and small business, thirdly, a credit program given to micro and small business in Padang city has succeeded to support a great number of poor people moving on the poor public rate, fourthly, the strength ability displayed by micro and small business in economic crisis era and national and regional government support policies has developed drastically.

The research gives a recommendation that existence impact of rural credit bank could be positive impact for all public levels. So, it is very expected that first, rural banks behaves the positive respond about client/customers requirements. Second, increase continually efficient organizer. Third, low Porto folio credit as well as make flexible every requirements.

An original contribution for the research paper could add the new perspective about practicing principle for micro finance institution

Keyword : rural banks, credit, micro and small business



## THE EFFECT OF CSR PROGRAM TO THE COMPANY REPUTATION AND CUSTOMER LOYALTY IN FORMULATING THE POLICY FOR IMPROVED TELKOM PERFORMANCE

**Nur Hassim Rusdi**

Student of Doctor of Management Program, Faculty of Economic & Business, Padjadjaran University E-mail addresses: [nunuhassim@gmail.com](mailto:nunuhassim@gmail.com) worked in PT TELKOM, Tbk Indonesia as Senior General Manager Telkom Community Development Center

### ABSTRACT

The turbulence change in the business environment in the telecommunications sector, requires PT. TELKOM Tbk to find out its own advantages in order to take over the domestic and regional markets which has been increasingly competitive. Corporate Social Responsibility (CSR) is one of the most important programs for a Company, because it can be used as an advantage factor. It has been proved that many people choose a product or brand of a company, because of its CSR program (Millbrown Consumer research in 2013). Based on the results of the survey conducted by TELKOM, people who are not aware of CSR activities carried by Telkom, mostly give negative opinions, while the people who are aware of Telkom CSR activities, mostly give positive opinions (Telkom opinion survey in 2014). It is necessary to conduct a test to find out that CSR activities give a direct benefit to the Company, especially in improving customer loyalty. If the customer loyalty increases, the company performance will growth. As a public company, Telkom performance will also be measured by the Company's ability to increase its market capitalization through CSR programs in influencing "the Investor psychology". The positive effect on the investors will bring positive value to the Telkom's stock. The effectiveness of CSR can not be separated from the effect of deciding the right policies that is the support of CSR-oriented program towards community development sustainability. There are several factors affecting CSR Customer Loyalty: Philanthropic Responsibility, Ethical, Legal, Environmental and Consumer protection (Chung, Yu, Choi, Shin, 2012). The aim of this study is to determine the influence each CSR activity on customer loyalty and the reputation of the company as well as in influencing the psychology of investors as a consideration in formulating a more appropriate company policy. This research was conducted at the Community Development Center Unit PT. TELKOM Tbk. Questionnaire, documentation, and interviews are used as data collection technique, and structural equation modeling (SEM) is used as data analysis technique.

**Keywords:** Corporate Social Responsibility (CSR), Customer Loyalty, Reputation, Corporate Policy



G158

**THE IMPACTS OF FOREIGN FRANCHISE CHARACTERISTICS AND  
ENTREPRENEURIAL ORIENTATION ON COMPETITIVE RESPONSES AND  
LOCAL FRANCHISE PERFORMANCE:  
A RESEARCH AGENDA**

Rambat Lupiyoadi\*

Yuyus Suryana\*\*

Yuyun Wirasasmita\*\*

Asep Mulyana\*\*

**ABSTRACT**

This study aims to examine the impacts of foreign franchises on local franchise performance in Indonesia. Using Different in Different (DiD) technique, this study is enriched by examining the role of local franchises' competitive responses and entrepreneurial orientation in dealing with the advantages of foreign franchises, known to have a global brand image, quality products/services, and local marketing. The effect of these three main variables is assessed using structural equation modelling (SEM) and multiple regressions. This study classifies the operational strategy of local restaurant franchises into strategic competitive response group using cluster analysis based on factors which have been obtained previously, and then assess their performance based on that cluster. Field survey on a number of local restaurant franchises in Jakarta is done. Findings from this research are expected to answer the pros and cons of the impacts of foreign franchises and mapping entrepreneurial orientation and local franchise competitive responses.

Keywords: Franchising, Entrepreneurial Orientation, Competitive Response, Local Franchises' Performace



G159

## THE INFLUENCE OF VALUE CREATION AND COMPETITIVE STRATEGY ON THE BUSINESS PERFORMANCE OF UNITS BUSINESS GREEN TEA PRODUCTS INDUSTRY IN INDONESIA

Sukiman

[sukiman@chakratea.com](mailto:sukiman@chakratea.com)

*Doctare Program in Management*

*Faculty of Economics and Business*

*University of Padjadjaran*

### ABSTRACT

In general, the business units of green tea products industry in Indonesia, it is still difficult to achieve sales targets, achievement of the target in general within the last five years is difficult to reach 90%. In addition, the Return On Asset (ROA) and Return On Equity (ROE), is also still below the standard that is less than 10%. It shows that the business performance of the business unit the green is still low. It was thought to be caused by deficiencies in the implementation of competitive strategy and value creation in the company. The research objective was to test the influence of value creation and competitive strategy on the business performance of units business green tea products industry in Indonesia

This study is verification. The unit of analysis in this study are business units of green tea products of industrial producers in Indonesia, both public and private. Based on the results of the study are known documentation contained 50 units of green tea products industry businesses owned by the government and the private sector, so it is used census method. Observations using the time horizon is cross section/one shoot, meaning information or data collected directly at the scene empirically at a particular time data were analyzed descriptively and verification. Testing the hypothesis through the model PLS (Partial Least Square).

The findings suggest that the creation of value and competitive strategy effect on business performance, competitive strategy has a greater influence than value creation influencing business performance.

Keywords: Value Creation, Competitive Strategy, Business performance,  
Green Tea





G160

## THE INFLUENCE OF INTERN AUDIT TOWARD GOOD GOVERNANCE AT BANTEN PROVINCE

Rakhmini Juwita, Galuh Tresna Murti

<sup>1</sup>Faculty of Economic, Open University, UPBJJ UT Serang, Raya Jakarta Street 7<sup>th</sup> Km, PO Box 42124 Serang, Indonesia, email: [rakhminijuwita@gmail.com](mailto:rakhminijuwita@gmail.com)

<sup>2</sup> Doctoral students of Accountancy Department, Faculty of Economic and Business, Padjadjaran University, Dipati Ukur Street PO Box. 40132 Bandung Indonesia, Accounting Study Program, Politechnic LP3I Bandung, Pahlawan Street 59 PO Box 40123, Bandung Indonesia , email: [galuh.tresna@yahoo.com](mailto:galuh.tresna@yahoo.com)

### ABSTRACT

The purpose of this research is to know the influence of implementation internal audit to good governance in Banten Province. The result of this research shows that internal audit implementation rendered a moderate positive influence 23.1% on good governance. Although have a very weak effect but the implementation of internal audit has a positive influence on the application of the principles of good governance, it indicates there is a tendency that the implementation of internal audit is better able to encourage good governance better.

**Keyword:** Internal Audit and good governance



G161

## TESTING INDICATORS DETERMINANTS OF FINANCIAL DISTRESS ON MANUFACTURING COMPANIES IN INDONESIA

**Eka Bertuah**

**Student of Management Science Doctoral, Padjadjaran University,  
[eka.bertuah@esaunggul.ac.id](mailto:eka.bertuah@esaunggul.ac.id), Bandung, Indonesia**

**Prof. Dr. Rina Indriastuti, SE, MSIE**

**Dr. Sulaeman Rahman Nidar, SE, MBA**

**Aldrin Herwany, SE, MM, Ph.D**

### ABSTRACT

The financial distress condition happen before bankruptcy. There is abundant researches describing prediction models of firm's bankruptcy, but only few researches have sought to predict firm's financial distress. Several researchers found the financial distress can be an indicator of the company would be insolvent. On the other side, some researchers also found that the company which have fulfilling their financial commitments does not always lead to bankruptcy.

The purpose of this research is to examine the factors that affect financial distress condition of a firm. The tested factors on this research are liquidity variable, activity variable, financing variable, profitability variable and ownership variable. The factors are adjusted by the ratio of relatively industry. Based on the selected indicators were then designed a model to predict the Financial Distress as Early Warning Tools bankruptcy. The sample of this research consist of manufacturing companies from 2005 through 2014. Moreover, it is chosen by purposive sampling. This research using discriminant analysis to find indicators which distinguishes financial distress condition and did not financial distress condition.

The results show that company policy in making investment over the assets and liquidity factor can be indicators the condition financial distress. When the factors are adjusted by the ratio of relatively industry, can be seen that funding policy, dividend policy and ownership can be determiner the condition of financial distress.

This study also findings that the financial ratio of the company feature prediction financial distress more precise than relatively the financial industry.

**Keywords :** financial distress, liquidity, activity, financing, profitability, dividend payout ratio, ownership, industry relatif ratio.



## A STUDY OF VOTE DECISION AMONG POLITICAL PARTIES IN LEGISLATIVE ELECTION 2014 : THE CASE OF JAWA BARAT I ELECTORAL DISTRICT

**Agus Aribowo\***, **Sucherly\*\***, **Yuyus Suryana\*\***, **Nury Effedy\*\***

Faculty of Economics,

Maranatha Christian University (MCU)

Jl. Surya Sumantri No 65 Bandung 40164

E-mail : aribowoagus@yahoo.com

\*Corresponding author

### ABSTRACT

This research aims to assess the causality between demographic factors and the decision to choose political party representatives. The demographic factors considered are include age, gender, occupation, income, education and religion. This research takes 928 respondents and the sampling method used is multistage random sampling for Bandung City and simple random sampling Cimahi City, with data analysis techniques used Pearson Chi Square.

The results showed that there is no relationship between the voters' gender and the vote decision, there is a relationship between the age of voters and the vote decision, there is a relationship between the occupation of the voters and the vote decision, there is no relationship between income of the voters and the vote decision, there is a relationship between education of the voters and the vote decision, there is no relationship between religion of the voters and the vote decision in the legislative elections in the electoral district Jawa Barat I city of Bandung and Cimahi.

Based on the characteristics of the respondents in this study, it appears that the majority of respondents tend to be lower middle class level. This indicates that voters tend to make a decision driven by emotional factors, and thus needs to be done an in-depth study and research to encourage people to become a rational voter, and should be given adequate attention in making a decision to choose in order to become a better voter.

**Keywords:** demographic factors, voting behaviour, vote decision.



G163

## DO REALLY COMPETITIVE STRATEGY AND STRATEGIC ALLIANCES EFFECT ON RETAIL BUSINESS PERFORMANCE? EVIDENCE FROM THE MINI MARKET RETAIL IN JAKARTA AND BANDUNG CITY.

**Syahmardi Yacob\*, Sucherly, Diana Sari, Asep Mulyana**

Doctorate of Management Science Program, Faculty of Economics and Business,  
University of Padjadjaran, Bandung, Indonesia

Email: dedy\_yacob@yahoo.com

Email: sucherly@yahoo.com

Email: diana.sari@fe.unpad.ac.id

Email: asep.mulyana@fe.unpad.ac.id

\*Corresponding Author

### ABSTRACT

This study aims to reveal the effect of competitive strategy and strategic alliances towards the mini market retail business performance. This research is expected to provide additional information in theory and strengthen the concept of knowledge strategy management in relation to the competitive strategy and strategic alliance as well as retail business performance format mini market. This study is able to contribute to the mini market retail, regulators, and stakeholders. The research method will use a mixed method research approach concurrent embedded strategy. The analysis will use to test the hypothesis and the relationship among variables used tools of analysis Partial Least Squares (PLS). The location study is planned in the city of Jakarta and Bandung with mini market retail analysis unit and observation unit is the middle management such as store manager, supervisor or owner

**Keywords:** Competitive strategy, Strategic alliances, Retail business performance, Mini market retail.



## THE INFLUENCE OF VALUE CREATION AND COMPETITIVENESS STRATEGY ON BUSINESS PERFORMANCE OF NON-MACHINE WOVEN INDUSTRY IN WEST JAVA

**M.Ade Sulchi**

### ABSTRACT

The Non-Machine Woven Industry has a big opportunity in its market, but the performance of that industry is still less optimal compared to the existing opportunities and market demands. The low business performance of the industry is allegedly caused by the competitiveness strategy undertaken by industry players is still relatively inappropriate and value creation that is still weak in the eyes of stakeholders.

This objective of the research is to study about value creation and competitiveness strategy and their influence on business performance of Non-Machine Woven Industry in West Java.

The nature of the study are descriptive and causality. The unit of analysis and observation in this study is the company's management team of the Non-Machine Woven Industry in West Java, which sample size of 50, that using stratified random sampling methods. The observation uses time horizon that is cross section / one shoot, meaning that information or data collected directly at a particular time. Data is analyzed descriptively and verification. The hypothesis testing uses *Structural Equation Modeling*.

The findings reveal that value creation and competitiveness strategy of Non-Machine Woven Industry in West Java have not been quite good. Value creation and competitiveness strategy influence on business performance, which is competitiveness strategy has a greater influence than value creation in affecting business performance.

**Key Word: Value Creation, Competitiveness Strategy, Business Performance**



G166

## BUYING BEHAVIOR FACTORS AND HOUSING ENVIRONMENT ON BUYING DECISION MAKING PROCESS OF PROPERTY PRODUCTS

**Ade Dikdik Isnandar**

A Student of Doctor of Business Management Program, Faculty of Economic & Business,

Padjadjaran University

Email: [disnan\\_02@yahoo.com](mailto:disnan_02@yahoo.com)

Email: [dikdikisnandar02@gmail.com](mailto:dikdikisnandar02@gmail.com)

**Biographical notes:** Ade Dikdik Isnandar is a Ph.D student at Doctor of Business Management Program, Padjadjaran University, Faculty of Economic & Business Bandung-Indonesia. He is also President Director of Perusahaan Daerah Jasa dan Kepariwisataaan, the West Java Province owned company which run a property and tourism business.

### ABSTRACT

A New Concept of Home. A changing population will require a new thinking about where and what residence to build. The population of Indonesia is projected to increase to 271.1 million in 2020 and will increase to 305.6 million in 2035 (Bappenas, 2014). This results in the dependency ratio fall from 50.5 percent in 2010 to 47.3 percent in 2035. In essence, the population of productive labor force increases, including young women workforce. For sure, the New Concept of Housing of this generation needs to be known and anticipated by business people. The Purpose of this research is to determine the Factors of Consumer Buying Behavior and Housing Environment in Purchasing Decision Process of Property Products. The conceptual frameworks used are (1) Analysis of Factor of Consumer Buying Behavior (Culture, government, marketing activities, reference groups, perception, attitudes, learning, motivations, emotions, self-concept and lifestyle) (2) Analysis of Housing Environment (mobility, community facility, community social capital) and (3) Analysis of the Buying Decision Process and finally (4) Analysis of the relationship between variables. Quantitative research method is based on the type of verification research with the method of explanatory survey.

**Keywords:** Consumer Buying Behavior, Housing Environment, Buying Decision Process



G168

## THE INFLUENCE OF DISTINCTIVE CAPABILITIES AND COMPETITIVE STRATEGY ON MARKETING PERFORMANCE OF FURNITURE PRODUCTS INDUSTRY IN WEST JAVA

Ayu Kurnia Putri\*

### ABSTRACT

Low marketing performance of furniture products companies is indicated with the achievement of sales targets which is still hard, the low level of profits, and low growth in the number of customers. It is presumably because competitive strategy that has not been appropriate as well as weaknesses in the ownership of a distinctive capabilities in the industry. The research objectives is to assess the influence of distinctive capabilities and competitive strategy on marketing performance of furniture products industry in West Java. The nature of the study is causalities. The unit of analysis is furniture industry and the observation unit is the merchant of furniture products businesses in West Java. Based on data owned by the Ministry of Industry 2014 known the number of furniture businesses/entrepreneurs either from wood or rattan totaled 392, the sample taken is 245 respondents. The observation time using the coverage time (time horizon) that is cross section/one shoot means that information or data is collected directly and empirically at one particular time. Data is analyzed descriptively and causality. The hypothesis is tested through the Structural Equation Modeling (SEM). The findings reveals that Distinctive capabilities and competitive strategy influence on marketing performance, which is competitive strategy has a greater influence than distinctive capabilities in affecting marketing performance.

**Keyword:** Competitive Strategy, Distinctive Capabilities, Marketing Performance



G169

## THE INFLUENCE OF BUSINESS PARTNERSHIP AND COMPETITIVE STRATEGY ON BUSINESS PERFORMANCE OF RECREATION PARK SERVICES INDUSTRY IN WEST JAVA

**Kurniawan**

Doctorate In Management Science Program  
University Of Padjadjaran

### ABSTRACT

Recreational parks services industry in West Java have problems due to poor business performance caused by the implementation of business partnerships and competitive strategy that have been right. The research objective is to obtain a study on the influence of business partnerships and competitive strategy on business performance in recreation park service industries in West Java. Research conducted using an explanatory survey. In this study, the target population is a company incorporated in the tourism service industry in West Java. Time horizon is a cross-sectional, which research is done in one time simultaneously. The data analyzed through verification. Hypothesis is tested using partial least square (PLS). The research findings reveal that there is a simultaneous and partial influence of business partnerships and competitive strategy on business performance. The influence of competitive strategy is more dominant than business partnership in improving business performance.

**Keyword :** Business Partnership, Competitive Strategy, Business Performance; Recreational Park, West Java.





G170

## THE INFLUENCE OF COMPANY RESOURCES AND PARTNERSHIP STRATEGY ON COMPETITIVE STRATEGY AND THE IMPLICATION TO COMPANY PERFORMANCE OF BANKING INDUSTRY IN INDONESIA

Tri Wintarto

### ABSTRACT

Banking Performance in Indonesia in recent years has not shown a significant growth, that the third party funds grew insignificant, and ROA tend to fluctuate. It is allegedly caused by competitive strategy has not been conducted precisely, besides any weaknesses in implementing partnership strategy and company resources. The purpose of this study is to examine the company resources and partnership strategy, the influence on competitive strategy and the implication to company performance of banking industry in Indonesia. The unit of analysis is the banking industry in Indonesia while observation unit are the management of the national banks, either the state-owned, private and foreign ownership. The time horizon is cross section / one shot, which is the research is conducted at one particular time. Based on secondary data known, there are 34 banks with various types of ownership that have gone public. So based on small population size led to a method of sampling which is uses census. Data were analyzed using descriptive and quantitative. The Hypothesis is tested by using PLS. The results show that company resources and partnership strategy influence competitive strategy and company performance, both simultaneously and partially. But partially, company resources have a more dominant influence than partnership strategy in affecting competitive strategy and company performance. Competitive strategy has a greatest influence in affecting company performance.

**Keyword :** Company Resources; Partnership Strategy; Company Performance; Banking.



G171

## THE INFLUENCE OF VALUE CREATION AND COMPETITIVE STRATEGY ON THE PERFORMANCE OF BANKING COMPANIES IN INDONESIA

**VERRY**

Doctorate In Management Science Program  
University Of Padjadjaran

### ABSTRACT

The performance of companies in the banking industry in Indonesia has grown relatively not stable nowadays, some of them threatened with liquidation. The growth of customer funds tend to fluctuate and growth of credit is higher than the growth of third party funds. This causes profits of the banking industry tends to grow unstable, within the last 5 years. The condition presumably caused by the competitive strategy that has not been appropriate and weaknesses in the development of value creation.

This study aims to uncover value creation and competitive strategy and their influence on the performance of banking companies in Indonesia.

This study uses descriptive and causality survey method. The unit of analysis is the banking industry in Indonesia which is the unit of observation is the management of the national banks, whether state-owned, private and foreign banks that have go public. Today, there are 33 banks with various types of ownership that have go public. So based on small population size then the methods of sampling is using census. The time horizon is cross section / one shot, where the research conducted at one particular time. Data is analyzed using descriptive and quantitative. The Hypothesis is tested by using PLS.

The result reveals that value creation and competitive strategy both simultaneously and partially influence the performance of banking companies in Indonesia. Partially, competitive strategy has a greater influence than value creation in affecting company performance.

**Keyword :** Value Creation, Competitive Strategy, Company Performance



G172

## THE DETERMINANT FACTORS OF ASSET AND LIABILITY MANAGEMENT AND THE BANK PERFORMANCE

(Empirical Study on Foreign Exchange Commercial Banks in Indonesia from 2008 to 2013)

Herlanto Anggono (achmad.herlanto@sbm-itb.ac.id) Faculty of Economy and Business, Doctorate Program Study of Science Management, University Padjadjaran, Bandung, Indonesia

### ABSTRACT

The focus of this study examine the determinants factors of assets and liabilities management (ALM) model and investigate the impact to bank performance, using bank specific internal financial characteristic for banks in Indonesia from January 2008 to December 2013. This research is limited to the Bank Unit Business Activities (BUBA) Level 3 and BUBA level 4 based on core capital in bank statement of financial position as of December 31, 2013.

The bank management should have a model of ALM in order to manage its asset and liability with the target to increase the performance. The strategic decision is taken based on the result analysis of bank past performance. The target achievement of bank performance will be through of managing liquidity, capital, loan, and market discipline in which very sensitive to the changes of the global market.

The study shows that variables in the asset and liability management and performance model confirmed with the result. Market discipline (NIMTEA) shows the highest influence return on equity (ROE) compare to return on asset (ROA) because NIMTEA is the highest elasticity to ROE. Non-performing loan ratio (NPLR) influences to the intermediary function (LDR) shows the highest elasticity to return on equity (ROE) compare to return on asset (ROA) because NIMTEA has high elasticity compared to others determinants variable of ALM.

NPL ratio is significantly influence to bank intermediary function in ALM. Bank intermediary function will distract when NPL increases. As a result, bank might have difficulty in providing new loan and at the same time bank has to increase core capital or converting risky liquid assets to less risky liquid assets in order to maintain liquidity. The result in this study shows that ratio LRLATA is high elasticity in ALM model equation LDR and equation LCR. Therefore, changes in intermediary function that will have impact to bank liquidity and market discipline but LRLATA does not influence to core capital.

**Keywords:** assets and liabilities management, liquidity, core capital, intermediary function, market discipline, bank performance.



G173

## THE EFFECT OF CUSTOMER DEMAND AND SUPPLIER PERFORMANCE IN COMPETITIVE STRATEGY AND BUSINESS PERFORMANCE (Case of Fixed Broadband in Indonesia)

**Rina Djunita Pasaribu**

Padjadjaran University, Telkom University

Dwi Kartini

Padjadjaran University

Yevis Marty Oesman

Padjadjaran University

Septiadi Padmadisastra

Padjadjaran University

### ABSTRACT

Broadband telecommunication is significantly important to support and improve country's competitiveness level. However, Indonesia performance in Indonesia, especially in Fixed Broadband is poor as the penetration rate is very low and far behind from other ASEAN countries. The industry is served by multi operators with one dominant operator. This operator will be studied representing the industry in this study. A qualitative study (Pasaribu et al., 2015), related to this paper, has found that poor fulfillment of Customer Demand and poor Supplier Performance are two dominant external factors that cause the low performance. A model is proposed to frame the work, it is consist of four variables: Customer Demand, Supplier Performance, Competitive Strategy and Business Performance

This study aims is use the model direct to practical business level to identify and analyze the relationships in the model and significance level of each relationship. Knowing the priority levels, the improvement program could more effectively planned and implemented. This research methodology is conducted by quantitative methods using survey technique. The respondents are top management and customers of operator business units. Clustering by regions gave 32 samples from the population of 58 business units. Partial Least Square modelling was used to analyse the datas.

The main result of this study is that, among all relationships, Supplier Performance has the most significant effect to Competitive Strategy. In addition, it is suggested to conduct further research in analyzing indicators of Supplier Performance, particularly Quality Relationship, by which could develop more effective improvement solutions.

Keywords: Customer Demand, Supplier Performance, Competitive Strategy, Business Performance, Fixed Broadband



## WORK STATUS, SATISFACTION AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR (OCB): A CASE STUDY ON BANGKA ISLAMIC BANK, PROVINCE OF BANGKA BELITUNG

**Hamsani<sup>1</sup>, Devi Valeriani<sup>2</sup>**

*Lecturer in the Economic Faculty at Bangka Belitung University<sup>1,2</sup>*

*Doctoral student in the Management Sciences Program in The faculty of Economics and Business at Padjajaran University in Bandung<sup>1</sup>*

Email: [hamsani\\_babel@yahoo.com](mailto:hamsani_babel@yahoo.com)

*Student at Doctoral Program in The Faculty of Economic at Sriwijaya University in Palembang<sup>2</sup>*

Email: [devi.valeriani@yahoo.com](mailto:devi.valeriani@yahoo.com)

### ABSTRACT

Permanent employees and contract employees plays an important role in the company. Therefore, every company must keep and maintain all the employees in order to be able to contribute as expected by the company. Good employees are not only able to do their duties and responsibilities, but willingly able to demonstrate an attitude beyond their duties and responsibilities as a form of sympathy to colleagues and companies. Attitude shown by employees voluntarily, without coercion and not related to salary or reward system, better known as Organizational Citizenship Behavior (OCB).

In the face of increasingly fierce competition, especially the banking sector, which is closely related to the ability of employees serving customers, OCB attitude that employees are needed to win the competition. But not easy to create the attitude of OCB employees. Many factors affect the attitude of OCB, such as work status and level of employee satisfaction.

The purpose of this article to examine whether work status (permanent and contract) have a different level of satisfaction?, is there any difference OCB attitude shown by employees permanent and contract?, whether employee satisfaction has significant positive effect on the attitudes of employees OCB? especially social satisfaction, extrinsic satisfaction, and intrinsic satisfaction.

By using the 49 employees (30 permanent and 19 contract), IslamicBank of Bangka, using descriptive quantitative analysis, the results showed that there was no difference in satisfaction and OCB attitudes among permanents employees and contract. Regression results indicate that social satisfaction and extrinsic satisfaction has a positive relationship to the attitude of OCB employees but not significant because  $p > 0.05$  (respectively 0.075 and 0.07). Intrinsic satisfaction showed a negative and significant relationship to the OCB ( $p < 0.05$  level). However the results of anova test, the all of employees satisfaction (social satisfaction, extrinsic satisfaction, intrinsic satisfaction) has a positive and significant relationship to the OCB,  $p < 0.05$  level (0,029).

**Keywords:** work status, social satisfaction, extrinsic satisfaction, intrinsic satisfaction, OCB



G177

## UNDERSTANDING AND LEADING GENERATIONAL DIFFERENCES IN THE WORKPLACE

Rita Yuni Mulyanti, Maman Kusman, and Hilmiana

Email: ritayuni77@yahoo.co.id

Management Sciences Doctoral Program of Padjadjaran University

### ABSTRACT

Changes in the composition of today's workforce has affected the management of human resources in the world of work. First time in history, the world of work completed by some labor forces that come from generations of veterans groups, baby boomers, X generation and Y generation. Each generation group brings a different character. The interaction of the various groups of that generation carries the potential for conflict and frustration that can degrade the performance of the organization (AARP, 2007). The gap between generations can be triggered by different views of work, mastery of technology, the view of the work and discipline. This diversity issues need to be understood by the leaders of the organization as the responsible party for harmony which has implications for organizational performance.

This article aims to understand the characteristics of a veteran generation, baby boomers, X generation and Y generation in the workplace. This article also examines approaches to leadership in the workplace that have differences due to the diversity of generations. This article was compiled through the study and review of the literature relevant to the differences in generation and leadership style.

Based on the study conducted on a variety of relevant literature, the result shows that leaders need to identify and understand the characteristics of each group of generations in the workplace. Leaders also need to understand that each generation group that has a tendency to prefer one style of leadership. Understanding the similarities and differences of each generation can help leaders to find an effective way to bridge lead employees from different generations. The conclusion from this study is that an understanding of the various character generation is the key factor of effective leadership.

**Keywords:** multi-generation, leadership, work values, workplace



G180

## THE INFLUENCE OF MARKETING RELATIONAL AND MARKETING MIX ON CUSTOMERS TRUST OF THE TELECOMMUNICATIONS MOBILE SERVICES OPERATORS IN INDONESIA

**Nina Kurnia Hikmawati**  
**Prof.Dr.Sucherly, SE., M.SI**  
**Prof. Dr. H. Surachman Sumawihardja**  
**Doddy Rahadi**

### ABSTRACT

Mobile telecommunication business is currently at the level of increasingly fierce competition, especially in a variety of mobile telecommunications products and services that are increasingly diverse. Mobile operators are not only relying on the product and price alone, but also to create positive value which can be enjoyed by customers in accordance with customer wants and needs. Each mobile operator seeks to create creations and innovations of the new features. The number of subscribers of cellular telecommunications services operator continues to experience growth. But the customers trust on mobile operators still not reached the high trust category.

The situation is suspected because of not optimum implementation on marketing relations and marketing mix. Based on this background, this study aims to examine the marketing relations and marketing mix and its effect on customer trust of mobile telecommunications operator services in Indonesia.

This is descriptive and verificative research. The unit of observation is the company's prepaid subscribers of mobile operator services in Java with a sample of 400 respondents. The sampling technique used in this study was Multistage Random Sampling. Data were analyzed descriptively and verificative. Hypothesis testing using the approach of SEM (Structural Equation Modelling).

The findings suggest that the marketing relations and marketing mix in the mobile telecommunications operator is not currently quite good. Marketing relations and marketing mix has significant impact on customer trust. As for the marketing mix contributed to higher than relational marketing in influencing customer trust.

Keywords: Marketing Relational, Marketing Mix, Customer Trust.



G182

## THE INFLUENCE OF INNOVATION MANAGEMENT AND COMPETITIVE STRATEGY ON BUSINESS PERFORMANCE OF CREATIVE INDUSTRY IN THE PROVINCE OF WEST JAVA

**By : Radix Iwan M.S.**

Student at Doctoral Program in Management Science & Business

University of Padjadjaran

Address : Jl. Bambu Ampel 2/D9, Jakarta Selatan 12520

Email : radixiwan@gmail.com

### ABSTRACT

The creative industry is a tenth contributor in the acquisition of Indonesia's GDP 2010-2013. However, the contribution of the creative industries to the GDP (Gross Domestic Product) is still lagging behind some developed countries in the world. Indonesia has lagged more than 5 (five) years compared to developed countries in the management of the national creative industry. It shows that the business performance of the creative industry in Indonesia is still not optimal, as well as in the province of West Java. This is presumably due to the implementation of the competitive strategy that has not been appropriate and weaknesses in the development of innovation management. This study aims to assess the innovation management and competitive strategy and its impact on the business performance of the creative industry in the Province of West Java. The nature of the study is descriptive and verification. The unit of analysis is the creative industry companies in West Java with a sample of 200 respondents drawn through a stratified random sampling method. Time horizon in this study is cross sectional, where the research was conducted at a certain time. Verification analysis is done by using structural equation modeling (SEM). The findings show that innovation management and competitive strategy affect business performance of the creative industries in West Java. Partially competitive strategy is more dominant than innovation management in influencing business performance of creative industry in West Java.

**Keyword:** Innovation Management; Competitive Strategy; Business Performance; Creative Industry; West Java.





G183

## THE DEVELOPMENT POTENTIAL AND CHARACTER OF WOMEN ENTREPRENEURSHIP

Prof. Yuyus Suryana Sudarma, S.E., M.S

[yuyus.sudarma@fe.unpad.ac.id](mailto:yuyus.sudarma@fe.unpad.ac.id)

Dr. Wa Ode Zusnita Muizu, SE.,M.Si

[waode.zusnita@fe.unpad.ac.id](mailto:waode.zusnita@fe.unpad.ac.id)

### ABSTRACT

The Government needs to take serious efforts to solve women unemployment problems with the development on women's potential and entrepreneurship characters with a learning model that is effective and efficient. To perform these efforts were not easy, takes a lot of time and needs tenacity or sufficient expertise as well. But if the women unemployment problems were ignored then it worried will affect on social vulnerability, increasing the number of poverty and an obstacles in other development processes.

This study aims to obtain potential and women's entrepreneurial character development models. Research uses descriptive and verificative methods. The unit of analysis is the women who became entrepreneurs and women who do not have jobs. Determining the location of samples was by cluster random sampling.

Preliminary results of the research in the first year can be explained as follows : (i) Women's potential to be a successful entrepreneur are so potential to be developed, as shown by some of the women were quite successful develop their business, (ii) Women's entrepreneurial characters who have business shows that they have strong and unique characters, such as a high work ethic, do not easily surrender, innovative, creative, dare taking risk and future-oriented

Keywords : Entrepreneurship characters, Entrepreneurial development models, women's entrepreneurial character



## THE ADOPTION KNOWLEDGE MANAGEMENT IN SMALL AND MEDIUM-SIZED ENTERPRISES ON COMPETITIVE ENVIRONMENT

**Nizar Alam Hamdani**

Universitas Garut

nizar\_hamdani@yahoo.com

### ABSTRACT

Knowledge management is an art to managing knowledge assets with the aim of creating effective organizations that have a competitive advantage for the organization. Small Medium-Sized Enterprises possess such a big role as a market maker and a source of innovation and an important player in local economic activity and empowerment. Therefore, the adoption of Knowledge Management is required by the SMEs enterprises in the competitive environment. The purpose of this paper is to identify what we know about the benefits of knowledge management for SMEs. The following research questions were formulated according to this aim (1) Does Knowledge Management can Adoption by small and medium-sized enterprises and (2) What kind of studies have been conducted that focus on benefits of KM within SMEs. We propose an approach of literature review in order to understand knowledge management adoption in SMEs and to know benefit of knowledge management in SMEs. Based on some of the results of this study concluded that the adoption of knowledge management is very beneficial for SMEs. The few studies identified highlight information and communication technology, leadership, processes and activities, innovation, as areas where small and medium-sized enterprises benefit from knowledge management

Keyword: knowledge management, innovation, competitive environment



## MACRO ECONOMIC ANALYSIS OF STOCK PRICE INDEX

**Eka Sutisna**

Doctoral Student in Economics, Financial Management Program Faculty of  
Economics, University of Padjadjaran

E-mail: [ekasutisna5432@yahoo.com](mailto:ekasutisna5432@yahoo.com)

### ABSTRACT

The share price is the price at a certain time that is happening in the stock market where the share price can reflect the value of a company. The aim of this study was to examine the influence of macroeconomic variables, namely: inflation, interest rate certificates of Bank Indonesia, the exchange rate and money supply on JCI. By knowing the macro variables which influence, then the result will be a reference for investors to invest in stock market. Engineering analysis conducted in this study using multiple linear regression method using independent variable inflation, BI rate, money supply and the exchange rate against the independent variable is the price index of shares listed on the Indonesia Stock Exchange. While the results of the hypothesis that the variable inflation and BI rate does not affect the change in the stock price index. The money supply, exchange rates and significant effect on the stock price index. This study only used four macroeconomic variables, so that further research needs to find other macroeconomic variables are supposed to influence the stock prices.

Keyword : macroeconomic, stock prices



G186

## FUNDAMENTAL ANALYSIS AND ITS IMPACT TO PRICE EARNING RATIO OF BANKING STOCKS IN INDONESIA STOCK EXCHANGE

**Muhammad Chaldun**

(Doctoral Student in Management Science, Padjajaran University)

### ABSTRACT

Given the importance of PER, management bank (issuer) must try to make PER controllable by taking into account several factors that are also controllable. Some fundamentals of banking companies that are expected to affect the PER, namely: ROA, OR, LDR, NIM, CAR, Earning Growth, Lending Growth and Funding Growth. In connection with this, empirical research is needed to prove that PER bank shares on the Stock Exchange has a relationship with the factors mentioned above. With proven empirically, it can be concluded that is expected to be useful for investors, issuers, analysts, and academics and researchers in the field of finance.

According the suggestions of the previous investigators, it still needs further research on fundamental banking companies listed in the Jakarta Stock Exchange (JSX) using independent variables more (at least 5 independent variable) and the research period is longer (at least 3 years ) in addition to the need to consider the variables that are external such as interest rates (IDR or USD), the rate of inflation and exchange rate fluctuations (exchange rate) Rupiah against the US Dollar (USD).

In connection with the above, the author wishes to continue and complement previous research on factors that affect PER banking shares in BEI using 8 (eight) independent variables are slightly different, namely: Return on Assets (ROA), Operating Ratio (OR), Loan to Deposit Ratio (LDR), Net Interest Margin (NIM), Capital Adequacy Ratio (CAR), Earning Growth (EG), Lending Growth (LG) and Funding Growth (FG).

The period of the study to be observed includes financial data listed banking company (listed) on the Stock Exchange during the ten (10) years ie from 2005 to 2015. The population in this study is a banking company shares listed on the Stock Exchange since 2005 until 2015. Of the total population of 25 banks have been sampled by purposive sampling technique.

Keywords: Fundamental analysis, bank performance



G187

## THE INFLUENCE OF SERVICE QUALITY, PRODUCT QUALITY, PRICE AND SWITCHING COST TOWARDS SATISFACTION AND ITS IMPACT ON LOYALTY OF IM3 CARD USERS.

(Study of IM3 Pre-Paid Card Users in Lampung)

**Ridho Bramulya Ikhsan\***, Sandriana Marina and Edhie Budi Setiawan

Doctor of Science In Management, Department of Management and Business,  
 Padjajaran University

Email: [guci.ridho@gmail.com](mailto:guci.ridho@gmail.com)

\* Corresponding author

### ABSTRACT

This study investigates the effects of service quality, product quality, price, and switching cost towards satisfaction and its impact on loyalty of IM3 card users. The research is done on IM3 prepaid card users in Lampung Province with a total sample of 130 users. The methods used are descriptive statistical analysis and structural equation model analysis applying Lisrel version 8.70. The calculation result on the influence of service quality on satisfaction shows the value of  $t = 2.62$  and the regression coefficient 0.22 ( $H_1$  accepted); the product quality on satisfaction shows the value of  $t = 3.22$  and the regression coefficient 0.35 ( $H_2$  accepted); the price on satisfaction shows value  $t = -0.10$  and regression coefficient of  $-0.0057$  ( $H_3$  is rejected); the switching cost on customer satisfaction shows value  $t = 3.72$  and the regression coefficient 0.75 ( $H_4$  accepted); service quality on customer loyalty shows the value  $t = 3.25$  and the regression coefficient 0.27 ( $H_5$  accepted), the product quality on customer loyalty shows the value  $t = 1.54$  and the regression coefficients 0.11 ( $H_6$  rejected), the price on customer loyalty shows the value  $t = 2.80$  and the regression coefficients 0.20 ( $H_7$  accepted), the switching cost on customer loyalty shows the value  $t = 1.05$  and regression coefficient 0.18 ( $H_8$  rejected), customer satisfaction on customer loyalty shows the value  $t = 3.76$  and the regression coefficient 0.24 ( $H_9$  accepted).

Keywords: service quality, product quality, price, customer satisfaction, switching cost.



G189

## THE INFLUENCE OF COMPANY PARTNERSHIP AND REPUTATION ON COMPANY PERFORMANCE OF FERRY SERVICES COMPANIES IN INDONESIA

**M. Basuki Wibowo**

### ABSTRACT

In the last 10 years, the performance of ferry services companies in Indonesia had been a transport production growth that is relatively unstable of both passenger and vehicle transportation. This is presumably because the companies still have some weaknesses in the development of the company's reputation and partnership.

The aim of research is to study about company partnership and reputation and its influence on the performance of ferry services companies in Indonesia.

This nature of the study are descriptive and verification. The unit of analysis and observation in this study is the company's management team of the ferry services industry in Indonesia who totaled 37 companies, so that the sampling technique is using census method. Time horizon in this study is cross section / one shoot, meaning that information or data collected directly at a particular time. Data is analyzed descriptively and verification. The hypothesis testing uses *Partial Least Square (PLS)*.

The findings reveal that company partnership and reputation of ferry services companies in Indonesia have not been quite good. Company partnership and reputation influence on company performance, which is company reputation has a greater influence than company partnership in affecting company performance.

Key Word: Company Partnership, Company Reputation, Company Performance



## BUSINESS MODEL CREATION AND DEVELOPMENT: REGIONAL OWNED ENTERPRISES TELEMATIC INDUSTRIAL SECTOR

### Samidi

A Lecturer Of Post Graduate Computer Science Program, Budi Luhur University,  
Jakarta - Indonesia

Email : samidi@budiluhur.ac.id

Email : samidi.indonesia@gmail.com \*

\*Corresponding author

**Biographical notes** : Samidi is a Ph.D student at Doctor of Science Management Program, Faculty Of Economic & Business, Padjajaran University, Bandung - Indonesia.

### ABSTRACT

Business model is a very popular term in business, especially at the commencement of business. Business model is also a blueprint of how to run a business. As business is considered as a system, the business model is an interesting issue, both in system configuration and in the design / redesign. Discovering how to quickly and precisely design a new business model has become an important issue. Creating a business model. This category refers to the transition of a business idea, a manifestation of a business idea into a new business, i.e. getting new business models and running the business. The initial idea of business model is in the mind of an entrepreneur, and it will undergo several modifications before realized in practice. In such situation, there is no previous work practice or relevant standard process repeated. Important process related to future customers, suppliers, partners and competitors, etc., is still only an idea or hypothesis (Harper, 1996) of emerging business model. In addition, at the stage of an idea, an entrepreneur starts from the cognitive maps that are less obvious and faces many obstacles, including the uncertainty and ambiguity in defining a viable business model (Andries and Debackere, 2006), the lack of knowledge about the different challenges in various fields such as law, technology, marketing and finance (which in many cases is very important to start a business), the difficulty in attracting sufficient capital for new businesses (as well as attracting and cultivating human resources needed to support future growth), and the difficulty associated with professionalizing the administrative processes during the early growth. The purpose of this study is to propose a new systematic method for creating a business model at Regional Owned Enterprises (BUMD) providing Telematics Industry services. The conceptual frameworks in exploring business issues are (1) Environmental Analysis (Environmental Scanning) both external and internal with PEST Analysis instrument, SWOT Analysis, Potter 5 Forces Analysis and others. The next is (2) Formulating a Business Model by using the tool Business Model Canvas (BMC) of Osterwalder (2010), The GRS-Generation-Renumeration-Sharing (Development Business Model) of Verstraete (2015), the Business Model Mapping (BMM) of Leschke (2013), and Ten Component Business (TCM) Model of Tsai et al (2011). Eventually compiling an Implementation Plan. Qualitative research method is based on causal mapping, cognitive mapping, core element analysis, and social network analysis.

Keywords: Business Model, Telematics Industry



## *ENTREPRENEURIAL MARKETING TO INNOVATION AND ITS IMPACT ON BUSINESS PERFORMANCE ON SMALL INDUSTRIES OF WEARING APPAREL*

**Sambudi Hamali<sup>1</sup>, Yuyus Suryana<sup>2</sup>, Nury Effendi<sup>3</sup> and Yudi Azis<sup>4</sup>**

<sup>1</sup> Doctoral Student, Faculty of Economic and Business, Padjadjaran University Bandung  
Department of Management, School of Business Management, Bina Nusantara University,  
Jakarta, Indonesia

<sup>2,3,4</sup> Doctoral of Management Science Program, Faculty of Economic & Business, University of  
Padjadjaran, Bandung, Indonesia

Email: [sambudihamali@gmail.com](mailto:sambudihamali@gmail.com)

Email: [yuyus.suryana@fe.unpad.ac.id](mailto:yuyus.suryana@fe.unpad.ac.id)

Email: [nury.effendi@fe.unpad.ac.id](mailto:nury.effendi@fe.unpad.ac.id)

Email: [yudi.azis@fe.unpad.ac.id](mailto:yudi.azis@fe.unpad.ac.id)

### ABSTRACT

The wearing apparel industry, as part of fashion industry, is the leading industry in West Java. The purpose of this paper is to examine the effect of entrepreneurial marketing to innovation and its the impact on business performance of wearing apparel small industries in West Java.. The number of samples are ninety small industry, sampling technique use purposive sampling and survey method is used to analyse the collected data. Data analysis used path analysis. The results suggest that entrepreneurial marketing have an effect to innovation and together with innovation influence to business performance of wearing apparel small industries in West Java. Nevertheless, this study has several limitations such as, the sample size of the study in relation to the actual population and further research the data analysis method can use SEM (Structural Equation Modelling) analysis.

**Keywords :** Entrepreneurial marketing, Innovation, Business performance, Wearing apparel small industries





G193

## The Determinants of Capital Adequacy Ratio for Islamic Banks in Indonesia

Kusiyah\*, Muhtosim Arief Email : usy7879@stie-kusumanegara.ac.id Email : muhtosim.arief@gmail.com \* Corresponding author

### ABSTRACT

The banking industry as other business units need to be managed properly in order to still be able to make a profit and sustain, however, the banking industry still refers to the rules from the regulator one of them is in term of Capital Adequacy Ratio. This rule basically applies to conventional banks and Islamic banks. Because Indonesia is one country with a population that is predominantly Moslem, this research will be conducted on the Islamic bank in Indonesia. Some previous studies on Capital Adequacy Ratio is usually done by analyzing the internal factors that influence it, but in this study will be coupled with macro factors. The dependent variables of this research is Capital Adequacy Ratio while independent variables consist of Internal factors , Profitability/ROA, Deposit Structure/DEP, Aset Quality/ NPF, Liquidity/FDR, and Operational Efficiency/OEOL, Size Bank /SIZE and External Factors (Inflation Rate/IR). The purpose of this conceptual paper is to investigate the factors that influence the CAR, both factors internal, and external micro and what factors are the most dominant influence. Thus it will be utilized for the banking industry and regulators in making decisions.

**Key words :** Capital Adequacy Ratio (CAR), Islamic Bank, profitability, liquidity, Operational efficiency, Internal factors, external factors



G194

## THE EFFECT OF THE FOREIGN BANK PENETRATION ON THE BANK CONCENTRATION AND ITS IMPACT ON THE BANKING PROFITABILITY: THE CASE OF CONVENTIONAL BANK IN INDONESIA

**Raya Panjaitan**

Economic Faculty, University of Padjadjaran, Bandung, Indonesia  
Jl. Dipati Ukur No.35 Bandung 40132, Indonesia  
jaitray@gmail.com

### ABSTRACT

The purpose of this study is to determine the effect of the foreign bank penetration to banking concentration and its impacts to the profitability of conventional banks in Indonesia. The type of this research is descriptive research with quantitative approach. The foreign bank penetration is measured by FBA (asset of foreign bank), FBC (foreign bank lending), and FBTPF (third party funds of foreign bank). The banking concentration is measured by CR3A, CR3C, and CR3TPF. The banking profitability is measured by ROA. The methodology in this research is using multiple linear regression. The finding of the analysis shows that the foreign bank penetration (FBA) has significant effect to the banking concentration (CR3A), the foreign bank penetration (FBC) has significant effect to the banking concentration (CR3C), and the foreign bank penetration (FBTPF) has significant effect to the banking concentration (CR3TPF). Other findings in this study that the penetration of foreign banks (FBA) has a direct effect on bank profitability (ROA), the penetration of foreign banks (FBC) has a direct effect on bank profitability (ROA). Sementara, penetrasi bank asing (FBTPF) tidak terbukti memiliki efek langsung atau tidak langsung terhadap profitabilitas (ROA). This research is appealing to be further examined because there were very few studies that examined the effect of the foreign bank penetration to the banking profitability with banking concentration as an intervening variable.

**Keywords:** Foreign Bank Penetration, Banking Concentration, Banking Profitability



## SPIRITUAL LEADERSHIP OF AN INDONESIAN MUSLIM BUSINESS LEADER: A RELIGIOUS SPIRITUALITY PERSPECTIVE

**Marwansyah**

Department of Business Administration  
Politeknik Negeri Bandung  
Jl. Gegerkalong Hilir, Bandung 40559, Indonesia  
Email: marwansyah@polban.ac.id

### ABSTRACT

The present study aims to examine the phenomenon of spiritual leadership manifested in Indonesian Muslim culture. Employing a qualitative, case study approach, a business leader and ten employees were investigated. The findings suggest that Fry's Spiritual Leadership Theory is generally applicable this culture. In this context, it is more relevant to define spirituality as religious spirituality. Inner life is an essential element in shaping a Muslim to become a spiritual leader. This study confirms that the leadership behaviour of the leader is derived from Islamic spiritual practices that positively influence the development of hope/faith in a transcendent vision and the values of altruistic love, which in turn resulted in the spiritual well-being of the leader and his followers. The research contributes to the related literature by providing examples of the application of spiritual leadership theory in Muslim culture. By providing an understanding of spirituality within the religion-based conception of spirituality, this study enhances knowledge of spiritual leadership model.

**Keywords:** spirituality; spiritual leadership; religious spirituality; Indonesian Muslim; inner life; Islamic spiritual practices; Muslim culture.



G201

## THE PRACTICES OF STRATEGIC MARKETING MANAGEMENT ON COOPERATIVE ENTERPRISE

**Rizal Ramdan Padmakusumah**

Doctorate Student in Science Management

Faculty of Economics and Business

Padjadjaran University

Email : [luarbiasa.rizal@gmail.com](mailto:luarbiasa.rizal@gmail.com)

### ABSTRACT

The purpose of this study was to obtain an overview about the practice of strategic marketing management at the cooperative enterprises. The problem in this research is the least research on the practice of strategic marketing management for the enterprises type of cooperative. The methods used in this research are literatur study and experience exploration method. Implications of the results of this study are to get clear picture of the strategic marketing management practice at cooperative enterprises. Original contribution of this study is obtaining the model and uniqueness of strategic marketing management for cooperative enterprise and it can use latter by researchers and practitioners for their own purposes and also to increase the repertoire of knowledge in the field of both marketing management and strategic management.

**Keywords:** strategic marketing management; cooperative



## THE VALUE CREATION IN POLITICAL MARKETING ON POLITICAL PARTIES IN THE CITY OF PEKANBARU

Gatot Wijayanto <sup>1)</sup>

<sup>1)</sup> Lecturer of the Management Program in the Faculty of Economics, Riau University, Kampus Bina Widya Simpang Baru, Pekanbaru, 28293, Riau Province / Doctoral Student of Management Science Program The Faculty of Economic and Business, Padjadjaran University  
E-mail: gatotwijayanto01@gmail.com

Edyanus Herman Halim <sup>2)</sup>

<sup>2)</sup> Lecturer of the Management Program in the Faculty of Economics, Riau University, Kampus Bina Widya Simpang Baru, Pekanbaru, 28293, Riau Province  
E-mail: [edyanus1963@gmail.com](mailto:edyanus1963@gmail.com)

### ABSTRACT

**Objectives.** This study examines political marketing and how political organizations are creating value to their customers, ie. the voter-citizens, through the means of political and relationship marketing. The focus is from a managerial perspective to help determine how political organizations could better create value to their customers and build long-term beneficial relationships with them in order to become more successful. The empirical research will be based in the Pekanbaru city political field, and therefore the aim of the study is to answer questions on how Pekanbaru's city political parties are creating value to their voter-citizens.

**Methods.** The theoretical framework of the study is based on three main theories; political marketing, value creation, and relationship marketing. For the empirical research, a qualitative study method was chosen, and the study was conducted through six semi-structured interviews. The six interviews were made up of three pairs representing the three biggest political parties in Pekanbaru city, and each pair consisted of a representative of the political organization and an active voter-citizen. The three pairs were first examined separately according to the theoretical framework, then analyzed together thematically providing some managerial implications.

**Results.** All three political organizations under study had adopted the principles of political marketing to some degree, and had lately begun to renew the marketing and communication channels of their organizations to endorse a more relationship focused approach. Still communication was somewhat onesided, and the interaction opportunities of the voter-citizens could be improved on in all organizations to better enable creation of value to the customers.

**Keywords:** political marketing, value creation, relationship marketing, voters, and political organizations



## INVESTMENT COMPETITIVE STRATEGY ANALYSIS: CASE STUDY OF BENGKULU PROVINCE

Syaiful Anwar AB\*, Musriyadi Nabiu\*\*

\*□ Management Department, Faculty of Economics and Business,  
University of Bengkulu

Email : [gahenodi@yahoo.com](mailto:gahenodi@yahoo.com)

\*\* Post Graduate Student at Management Science,  
University of Padjadjaran

Email : [musriyadi@yahoo.com](mailto:musriyadi@yahoo.com)

### ABSTRACT

This study was intended to assess the capability of government of Bengkulu Province in implementing implication of the development of investment marketing strategy of Bengkulu Province. The assessment was based on the investment policy of the government for the period of year 2010 to 2013. Policy analysis was used as analysis method. The results showed that investment development was concentrated in agricultural sector, especially in plantation sub-sector. As current condition situated on aggressive quadrant, investment promotion played a very important role for Government of Bengkulu Province in developing strategy of investment marketing. Furthermore, the government policy on determination of commodity production centers could be implemented in regency/municipality level through integrated management, innovative and responsive to current and future challenges.

**Keyword:** investment development, policy, marketing strategy



G206

## THE IMPACT OF FINANCIAL CONGLOMERATION ON RISK AND RETURN PERFORMANCE IN INDONESIA BANKING INDUSTRY

**Taufiq Hidayat**

STIE Indonesia Banking School  
 Doktor Ilmu Manajemen Unpad

### ABSTRACT

There is a tendency in financial market that occurs in many countries, in which some financial institutions formed to be conglomerate of financial institutions. They are created by combining a variety of financial services including commercial banking, insurance services and securities businesses into one company. The financial conglomerate is driven by the trend of globalization of trade, the development of technology and deregulation that led to the consolidation of cross-sector businesses. Conglomeration of financial institutions also occurred in Indonesia with the holding usually the bank holding company (BHC). According to Financial Services Authority (FSA), currently there are 31 financial institutions conglomerate operating in the Indonesian and control 77% of the financial institutions' total assets. The conglomerate banks have several subsidiaries engaged in Islamic banking sector, securities firms as well as insurance companies with a composition of different investments.

The Indonesian financial conglomerations' performance would be examined by using the TOPSIS method (*Technique For Order Preference By Similarity To An Ideal Solution*), by looking at the differences in term of the TOPSIS Score between financial conglomerate (C) and focus bank companies (F). Based on the TOPSIS models of bank holding performance developed by Hwang, C.L. and K. Yoon (1981), the analysis performance of 29 financial conglomerate and 29 focus bank in Indonesia as emerging financial market would be conducted. The models suggest that financial conglomerates have a better financial performance than the focus bank.

**Keywords:** Financial conglomeration, Bank Holding Company, Single Bank Companies, Performance, Risk and Return

Corresponding author: Indonesia Banking School, Kemang Raya 35 Jakarta Selatan. Phone: +628129843074, email: [taufiq.hidayat@ibs.ac.id](mailto:taufiq.hidayat@ibs.ac.id) or [taufiq\\_hid2004@yahoo.co.uk](mailto:taufiq_hid2004@yahoo.co.uk)



G207

## INDONESIA PERFORMANCE ON GLOBAL COMPETITIVENESS MARKET IN ASEAN

Teuku A. Sanny\*, Dwi Kartini\*\*, Faisal Afiff\*\*, Ina Primiana Syinar\*\*

Faculty of Mining and Petroleum Engineering,  
Institute of Technology Bandung (ITB)

Jl. Ganesha 10 Bandung 40132

E-mail : [sanny@gf.itb.ac.id](mailto:sanny@gf.itb.ac.id)

E-mail : [tasanny.bhtv@gmail.com](mailto:tasanny.bhtv@gmail.com)

\*Corresponding author

### ABSTRACT

The goal of the competitiveness index is to Compare the relative ability of economic growth of regions, countries or cities of the included Attract capital, businesses, talent, and visitors. Measuring of the parameters of competitiveness, however, is not an easy matter and as indicators of national competitiveness have been develop by the World Economic Forum (WEF). Also indicators of national competitiveness cannot be converted to Notions of Gross Domestic Product (GDP) and productivity. The report assessed 10 ASEAN countries using 16 indicators for the country call now. A ranking of countries in the benchmark overalls were selected on the basis of regional Reviews their size and importance. Indicators were under sixteen distinct groups, thematic catagories: Global competitiveness, Basic requirements, Institutions, Insfrastructure, Macroeconomy, Health and Primary Education, Efficiency Enhancers, Higher Education and Training, Good Market Efficiency, Labor Market Efficiency, Financial Market Development, Technology readlines, Market Size, Innovation and sophistic Factor, Business sophistication, and Innovation.

**Keywords** : Competitiveness Index, Global Competitiveness market, ASEAN, Indonesia Performance.





G211

## EFFECT OF BUSINESS STRATEGIES, REGULATORY SUPPORTS, LEADERSHIP, AND WORK CULTURE ON BUSINESS PERFORMANCE AND IMPACT ON COMPETITIVENESS OF BPD (bank bjb)

AHMAD IRFAN

### ABSTRACT

The aim of this study was to determine the effect of business strategies, regulatory support, leadership and work culture on business performance and its impact on the competitiveness of the Regional Development Bank (BPD) in bank **bjb**. The analytical method used is a descriptive method. The results showed that the right business strategy, strong regulatory support, capable leadership patterns, as well as good work culture affects the overall performance at the business and has a major impact on the competitiveness of the Regional Development Bank (BPD), particularly in bank **bjb**.

**Keywords:** business strategy; regulative support; leadership; work culture; business performance; BPD competitiveness; bank bjb.



G212

## THE INFLUENCE OF ISLAMIC PERSPECTIVE ORGANIZATION CULTURE AND ISLAMIC WORK ETHIC TOWARD JOB SATISFACTION AND IT'S IMPACT ON EMPLOYEE'S WORK PERFORMANCE

**RIFQI ALIMUBAROK**

Student of Doctoral of Science Management Program, Faculty Economic and Bussinees, Universitas Padjadaran  
email: [rifqialimubarok@gmail.com](mailto:rifqialimubarok@gmail.com)

### ABSTRACT

The competition among Sharia Monetary Institution is not only to gain the customers but also to get human resources who can fully understand and competent in Sharia Economy. It can cause the movement of some human resources in Syaria Monetary Institution. The employee's commitment is ruined by the massive movement of the employees who resign from his/her company just because of the competitive work salary and incentives.

This employee's job satisfaction phenomena tends to impact on work performance. Job satisfaction and employee's performance tends to be closely related to organization culture which hadn't fully implemented by the employees. The company however, seems to be less maximum in giving the understanding about the Islamic based organization culture. Job satisfaction and employee's performance are also closely related to Islamic work ethis and unfortunately, this hadn't been done by the employees.

The production target can't be fully achieved. Much of the employees couldn't be able to avoid bribery, beneficial economic performances (maisir), un-clear (ghahar), and rate interest (riba) while they're working.

Based on these things, the further research will be conducted on Islamic perspective organization culture, islamic work ethic, job satisfaction, and employee's performance. The research problems include on how the islamic perspective organization culture, islamic work ethic impact on job satisfaction and employee's performance, and how big is the influence of those aspects in partial and simultaneously toward job satisfaction and employee's performance.

The aim and purpose of this research are to describe and analyze islamic perspective organization culture, islamic work ethic, job satisfaction and employee's performance and the influence of those aspect partial and simultaneously toward job satisfaction and employee's performance.

Keyword: Islamic Perspective Organization Culture, Islamic Work Ethic, Job Satisfaction, Employee's Performance



G213

## THE EFFECT OF BIG FIVE PERSONALITY TRAITS ON THE PERFORMANCE OF PT.CENTURY 21 LIBERTY EMPLOYEES BANDUNG

**Lita Wulantika\***

\*1 Doctoral Student of Management Science, Padjadjaran University, Bandung, Indonesia and Lecturer of Economy

Faculty, Indonesian Computer University, Bandung, Indonesia

([litabelva@gmail.com](mailto:litabelva@gmail.com))

**Refi Mayasari Buhari**

<sup>2</sup> Student of Master Program on Education Management, Economics Faculty of open University

([endo.refi@gmail.com](mailto:endo.refi@gmail.com))

### ABSTRACT

Personality is something unique and a relatively stable pattern of behavior, thoughts and emotions which are shown by someone (Baron, 2000). The big five personality traits is one of the theories of personality which is developed by five factors that can reflect specific person's ability to behave better or not.

This study is aimed to describe the big five personality traits of employees and performance of employees in PT Century 21 Liberty. In addition, this study is to determine the influence of big five personality traits to performance of employees in PT Century 21 Liberty. The unit analysis are employees of PT Century 21 Liberty. The population is as many as 150 people. The sampling was done by simple random sampling. The data were collected by questionnaire instrument and test data analysis were using descriptive statistics and statistical inference. The method of analysis which was used in this study was using multiple regression techniques with 17.0 software.

This study was conducted to determine how the employee's personality and the performance PT.Century Bandung. In addition, it is also to determine the influence of the employees' personality to the performance of PT.Century 21 Liberty employees Bandung.

Keywords: The Big Five personality traits, Performance



G215

## INTELLECTUAL INTELLIGENCE, EMOTIONAL INTELLIGENCE AND PERFORMANCE AGAINST OWNER SMALL AND MIDDLE ENTERPRISE IN BANDUNG

**Harun Heri Trismiyanto**

Doctoral Student Of Management Sciences Program, The Faculty Of Economics And  
Business, Padjadjaran University Bandung,

\*Corresponding Author E-mail: *harundnbs@gmail.com*

### ABSTRACT

Emerging industries in Bandung has a very important role and contribute to the economy in the Bandung and Indonesia. For that we need to have a high performance so that it can compete better in the national market as well as in the global market.

This study aims to identify the key internal and external factors that determine the effect of intellectual, emotional intelligence and the performance of small businesses in the craft products in Bandung. Small industry still plagued with various internal and external factors. Internal factors include aspects of human resources and capital, marketing, and design, while external factors include market conditions, the availability of raw materials and government policies.

The type of data is secondary data obtained from a variety of related literature. Sample in this research were 50 businesses.

Small middle entrepreneurs should maintain the implementation of these important factors determinant of the performance of its business, while doing repairs on factors that are still lacking implementation, in order to get better performance.

Keywords: Intellectual and Emotional Intelligence on Performance Small Business Owners in Bandung.



G216

## THE APPLICATION OF MULTI-CRITERIA DECISION MAKING FOR STRATEGY FORMULATION TO DEVELOP ORGANIC AGRICULTURE IN BENGKULU PROVINCE

**Teguh Adiprasetyo\***, Hery Suhartoyo and Arief Firdaus

Agribusiness Graduate Study Program, Faculty of Agriculture,  
University of Bengkulu,  
Jl. WR. Supratman, Bengkulu,  
Indonesia

Email: teguhadi@yahoo.com Email:

hery\_suhartoyo@yahoo.com Email:

[arief.firdaus.m@gmail.com](mailto:arief.firdaus.m@gmail.com)

\*Corresponding author

### ABSTRACT

Strategy formulation was conducted to develop organic agriculture in Bengkulu Province. This research used multi-criteria decision making tools which were analytical hierarchy process (AHP) and strength-weakness-opportunity-threat (SWOT) analysis to generate alternative strategies. Then, fuzzy analytical hierarchy process (fuzzy-AHP) was utilized to choose the best strategy for developing organic agriculture in Bengkulu Province. The results identified 5 strength factors, 16 weakness factors, 8 opportunity factors and 7 threat factors. The evaluation of internal and external factors led to the internal factor value of 2.26 and the external factor value of 2.54. This result placed the current condition of organic agriculture in the position of weakness-opportunity (WO) quadrant.

The fuzzy-AHP analysis ranked the strategy of developing export oriented competitive organic product, supporting the production and marketing, and developing community supported organic agriculture.

Keywords: fuzzy-AHP, strategy, organic agriculture



G217

**THE INFLUENCE OF CSR DISCLOSURE to FIRM'S VALUE  
(Comparison Between SRI-KEHATI Index and Jakarta Islamic Index).**

By : Ahmad Faisol\* and Fiska Huzaimah\*\*

(Student at Doctoral Program in Science Management, Padjajaran University and  
Lecturer at Economic and Business Faculty, Lampung University)

**ABSTRACT**

One of strategic activities to reach company's goals is Corporate Social Responsibility (CSR) program to increase positive image and satisfy market preference about social values to decrease social risk, and to secure sustainable company. Amongst of consumer's preferences about company image are to have attention on natural sustainability, business ethics, and on sharia issue. Sharia issue become important because the majority of Indonesian people are Muslims, and they are the biggest market in Indonesia. Companies who pay attention on sharia issue will have good image on product and company profile, and at the end it will increase product selling, profit, and company's value

This paper discusses the influence of CSR disclosure to company's value in companies are grouped in SRI-KEHATI index and Jakarta Islamic Index (JII) , with purpose to compare company's value between SRI-KEHATI index and JII before and after CSR disclosure, and also to find which has significant influence between them.

The paper is based on a CSR index (CSRI) as independent variable , that used 7 themes and 78 items of CSR disclosure which reported in company's annual report released in 2010 to 2014. Dependent variables are used company's value that counted by Tobin's Q method based on equation between market stock price and debt. While that to test influence between one variable to others is used regression models with significant value 95%, and for analyzed the comparison of company's value before and after CSR disclosure between SRI-KEHATI index and JII, that is used Paired-sample T test.

A few previous researches have been proven, the influence between CSR disclosure to Company's value. But this research will compare influence of CSR disclosure to company's value at SRI-KEHATI Index and Jakarta Islamic Index (JII). It is important because it will show us how market sentiments give response to issues between conventional social issues in SRI-KEHATI index and sharia's issues in JII. At the end, it will give us information how investor's response to company's act.



G219

## NEW PRODUCT DEVELOPMENT INNOVATION MODEL IN PT TELKOM

M. Riza Sutjipto<sup>1</sup>

<sup>1</sup> Doctoral Student in Management & Business, Padjadjaran University Indonesia  
[riza14maret@gmail.com](mailto:riza14maret@gmail.com)

### ABSTRACT

Telkom product development innovation process does not have a good performance. During 2014, Telkom only produce 15 of 709 proposal new innovative products that can be marketed. This is due to the absence of good communication process between creative camp and creative center with a creative capital. In addition, the innovator entrepreneurial character building program does not exist. This study aims to establish a model of innovation in product development Idec Telkom. The method used is qualitatively through observation and interviews to 25 people consisting of SGM, Senior Manager, staff Idec Telkom and innovator in creative camp, creative center, and creative capital.

These results indicate productivity marketable new products is still low. The majority of ideas produced emulate applications or existing products abroad. Innovators are less sensitive to the needs of the market due to not having the framework of product development. In addition, the innovator does not have the characteristics of entrepreneurship so that they do not dare to take risks in developing products, competing fear, and less sensitive in recognizing the needs of the market. The resulting model of product development is in the early stages creativity to commerce (C2C) startup phase model consists of creativity, character, and commerce. Entrepreneurial character formation made during the creative entrepreneurship center through the material, case studies, and discussions with experts.

Keywords: Coherent, Innovation, Entrepreneurship, Telkom



G223

## OPINIONS ON THE MARKETING-MIX STRATEGIES OF ORGANIC VEGETABLE AND FRUIT ENTREPRENEURS IN THAILAND

**Dr. Prerapha Taweasuk**

Lecturer, Master of Business Administration Program  
Panyapiwat Institute of Management (PIM), Thailand

**Assistant Professor Dr. Teerasak Khanchanopong**

Director of M.B.A. Program in ASEAN Business,  
Faculty of Business Administration,  
Dhurakij Pundit University (DPU), Thailand

### ABSTRACT

The purpose of this paper is to investigate whether Thai entrepreneurs in different regions formulate marketing mix strategies for organic vegetable and fruit products differently. The case study method was used in this study. In total, 20 entrepreneurs from 6 regions in Thailand were interviewed. This research contributes to the theory of marketing mix strategy formulation by explaining that Thai entrepreneurs in different regions formulate marketing mix strategies for their products differently.

We found that internal factors (an entrepreneur's attitude toward organic vegetable and fruit products and the experience gained by an entrepreneur) and external factors (the perception of competitive positioning and farm location) affect the entrepreneurs' marketing strategy formulation. As each target group in different regions has a different preference and expectation for each element of the marketing mix—product, price, place, and promotion, entrepreneurs formulate a marketing mix strategy that fulfills the specific needs of their target group in a particular region.

**Keywords:** Marketing Mix Strategy, Entrepreneur, Organic Products, Vegetable, Fruit, Thailand





G225

## SOCIETY ASSISTANCE FINANCIAL REPORT BASED ON FINANCIAL ACCOUNTING STANDARD OF ENTITIES WITHOUT PUBLIC ACCOUNTABILITY STANDARD IN ENCOURAGING SMALL AND MIDDLE ENTERPRISES DEVELOPMENT

### Galuh Tresna Murti

Doctoral students of Accountancy Department, Faculty of Economic and Business, Padjadjaran University, Dipati Ukur Street PO Box. 40132 Bandung Indonesia, Accounting Study Program, Politechnic LP3I Bandung, Pahlawan Street 59 PO Box 40123, Bandung Indonesia , email: [galuh.tresna@yahoo.com](mailto:galuh.tresna@yahoo.com)

### ABSTRACT

The purpose of this research is to describe and to know the effectiveness of the society assistance that establish and develop communities that are economically independent. The society assistance improve their skills in preparing financial reports in accordance with applicable standards in order to apply financial statements for well the best of business development. The method used is qualitative as a means to determine the technical implementation of the activities through interviews, questionnaires, and direct observations. Assistance activities were carried out on two business partners of shirt manufacturer in Surapati Shirt Manufacture Center Bandung of *Sangkuriang Print* and *Eno Collection*. Result obtained is an effective assistance session of preparing financial report based on Financial Accounting Standard of Entities Without Public Accountability Standard.

**Keywords** : Financial Accounting Standard of Entities Without Public Accountability, Micro, Small and Medium Enterprises



G228

## UTILIZATION OF RESOURCES IN COMPETITIVE STRATEGY IMPLEMENTATION TO INCREASE FINANCIAL PERFORMANCE

**Linna Ismawati**

Departement of Economic, Indonesian Computer University,  
Bandung, West Java, Indonesian

Email : [linnaismawati@yahoo.co.id](mailto:linnaismawati@yahoo.co.id)

Email : [linna.ismawati@gmail.com](mailto:linna.ismawati@gmail.com)

\*Corresponding Author

### ABSTRACT

The purpose of this paper is the assessment of competitive strategy design establishment through company resource utilization optimally. Resource utilization on competitive strategy in order to reach competitive advantage. The problem that try to resolve in this paper: there is different argument of the expert about competitive strategy design .the porter said that the company have to choose one of cost strategy or differentiation. Tis paper describe about resource factors which companies have based on Campble-Hunt about competitive strategy policy. The analysis and discussion about the company resource utilization gives positive academic implication which give an understanding the design competitive strategies which appropriate for each resource owned so it can develop a new model in the study or research on competitive strategy through resource Optimization Company so that competitive advantage can be achieved.

The focus of the strategic management topics which predetermined and developed: it has been set developed by adopting of Campbell-Hunt thought (2000) in which a second thought to such experts is based on the premise Porter (1980) on competitive strategy through a strategy of cost and differentiation or a combination of both. Porter's theory underlying the classical theory of management strategies to the latest thinking of experts to achieve competitive advantage.

The original contribution of this paper: produce a new model which combine from various literature studies that related to the development of thinking and the concept of various resources utilization owned by the company to determine the most appropriate competitive strategies in achieving competitive advantage

Key words: competitive strategy, resource of the company



G229

## NETWORK GOVERNANCE MODEL IN VALUE CHAIN (SURVEY ON CAPTURE FISHERIES FISHERMEN IN INDRAMAYU)

**Imas Soemaryani**

(Program Management and Business Studies  
Faculty of Economics and Business UNPAD)

[imas\\_isyani@yahoo.com](mailto:imas_isyani@yahoo.com)

[is.soemaryani@gmail.com](mailto:is.soemaryani@gmail.com)

### ABSTRACT

The phenomenon that appears in the capture fisheries environment in Indramayu is not yet optimal functioning of the institutions or agencies involved in the fisheries industry value chain particularly in terms of coaching, development, and coordination between relevant agencies, start from the stage of the ecosystem, catching, processing up to the stage of the consumer. These conditions resulted in fishermen in Indramayu lack competitive advantage, which in the end was not able to increase the income and welfare of fishermen. This study aims to produce a model of network governance in the value chain in the form of cooperation and coordination between relevant agencies optimally so as to overcome various problems faced by fishermen in increasing their competitiveness and increase prosperity.

The method used is exploratory survey analyzed descriptively through interviews and focus group discussion. The results showed still not functioning of the main tasks and functions of each agency related to the coaching and development of fishermen, still overlapping coaching program, which in turn has not been able to overcome the main problems faced by the fishermen. With the network governance model in the value chain on the capture fisheries fisherman in Indramayu is expected to contribute in optimizing the role of the functions of all relevant agencies so as to improve the welfare of capture fisheries fishermen in Indramayu particularly.

Key Words : Network governance, value chain, and competitive advantage.



G234

## THE INFLUENCE OF SERVICE QUALITY, PRODUCT QUALITY, PRICE AND SWITCHING COST TOWARDS SATISFACTION AND ITS IMPACT ON LOYALTY OF IM3 CARD USERS.

(Study Of Im3 Pre-Paid Card Users In Lampung)

**Ridho Bramulya Ikhsan\*, Sandriana Marina and Edhie Budi Setiawan, Miskul Firdaus.**

Doctor of Science In Management, Department of Management and Business, Padjajaran University

Email: [guci.ridho@gmail.com](mailto:guci.ridho@gmail.com)

\* Corresponding author

### ABSTRACT

This study investigates the effects of service quality, product quality, price, and switching cost towards satisfaction and its impact on loyalty of IM3 card users. The research is done on IM3 prepaid card users in Lampung Province with a total sample of 130 users. The methods used are descriptive statistical analysis and structural equation model analysis applying Lisrel version 8.70. The calculation result on the influence of service quality on satisfaction shows the value of  $t = 2.62$  and the regression coefficient 0.22 ( $H_1$  accepted); the product quality on satisfaction shows the value of  $t = 3.22$  and the regression coefficient 0.35 ( $H_2$  accepted); the price on satisfaction shows value  $t = -0.10$  and regression coefficient of  $-0.0057$  ( $H_3$  is rejected); the switching cost on customer satisfaction shows value  $t = 3.72$  and the regression coefficient 0.75 ( $H_4$  accepted); service quality on customer loyalty shows the value  $t = 3.25$  and the regression coefficient 0.27 ( $H_5$  accepted), the product quality on customer loyalty shows the value  $t = 1.54$  and the regression coefficients 0.11 ( $H_6$  rejected), the price on customer loyalty shows the value  $t = 2.80$  and the regression coefficients 0.20 ( $H_7$  accepted), the switching cost on customer loyalty shows the value  $t = 1.05$  and regression coefficient 0.18 ( $H_8$  rejected), customer satisfaction on customer loyalty shows the value  $t = 3.76$  and the regression coefficient 0.24 ( $H_9$  accepted).

Keywords: service quality, product quality, price, customer satisfaction, switching cost.



G235

## CREDIT RISK MANAGEMENT TO REDUCE CONVENTIONAL BANK'S NONPERFORMING LOAN IN INDONESIA

**Rosmini Ramli**

Doctoral Student, Faculty of Economics and Business Management Universitas of Padjadjaran Bandung-Indonesia Lecturer at Faculty of Economics, University of East Indonesia E-mail: [rosmini\\_emmy@yahoo.com](mailto:rosmini_emmy@yahoo.com)

### ABSTRACT

There have been many studies conducted on bank risk, either with internal risk approach or external risk approach. However, credit risk is still a great issue for banks. This article is aimed at providing alternative solutions to reduce bank credit risk through credit risk management. This study investigates previously published works and provides a conceptual framework for bank development and risk management. From bank management perspective, credit risk can reveal how far a manager has run prudent and equitable management. Limitations of concept are the basis of conventional bank lending is lending pattern that focuses solely on withdrawal of interest regardless of the potential that may occur in the future are coming, so that borrowers may experience difficulty in repayment of principal along with the interest that has been previously set exchange loans. Such patterns make conventional banking experience potential problem loans as if never resolved. This article proposes lending patterns not only focus on the withdrawal of interest, but also requires sharing potential (loss) or the principle of fairness between the debtor and the creditor, so that each party maintains the measures that will reduce the credit quality of the received/disbursed. The application of this pattern in the future is expected to help credit management in the banking sector generally and may reduce the risk of conventional bank loans on especially.

**Keywords:** credit risk management, internal risk, external risk and potential sharing/principles of justice.



G236

## SECURITIZATION AND ITS IMPACT ON BANK PERFORMANCE

**Sri Mulyantini**  
NPM 120130120059

### ABSTRACT

Theory of securitization indicates that its impact on the bank's performance such as increase in funding, credit growth, profitability, liquidity, stability, risk and improving asset quality. In practice securitization cause adverse consequences through a number of indirect channels. Therefore, the impact of securitization on the performance of the banks still ambiguous, especially during a global financial crisis. This study aims to analyze through the development of existing theory and how it will impact on the bank's performance both during the crisis and after the global financial crisis.

Review of the literature shows that the majority of securitization activities have an impact on credit growth and more provide loan commitments, while the impact on the stability of securitization where banks do contain credit risk, reduce exposure to liquidity shocks and increase their capital ratios. The impact on the profitability of most of the research shows that companies that securitization is more profitable than companies that do not conduct securitization.

Keywords: securitization, credit growth, liquidity, stability, profitability



G237

## HUMAN CAPITAL COMPETITIVENESS OF INDONESIAN HUMAN RESOURCES IN FACING ASEAN ECONOMIC COMMUNITY OF 2015

**Hery Winoto**

Email : hery.winoto@ukrida.ac.id

### ABSTRACT

In entering the ASEAN Economic Community (AEC) by 2015, the competition between ASEAN countries in the field of goods and services will increase sharply due to the possibility that an ASEAN country is able to sell its goods and services production to other countries around ASEAN freely. In regard to Indonesia, AEC is able to create opportunities and challenges for Indonesia's readiness in facing AEC which is marked by Indonesia's competitiveness against countries in ASEAN region.

In the report of the competitiveness between countries within the World Economic Forum (2014), Indonesia's position in ASEAN region fell behind Singapore, Malaysia, Brunei Darussalam, and Thailand. One of the determinants of a country's competitiveness is its human resources. The model of neo classical economic growth has provided empirical evidence that human resources determine the economic growth of a country.

The Neo-classical approach of economic growth focuses on the production. As the quality and quantity of investment in human capital particularly in terms of education, health, and research improve, the economic growth and competitiveness of a country will increase. The accumulation of sciences providing essential innovations and benefits for economic growth will be stimulated through education. Meanwhile, education will also contribute to science and knowledge through research and development (R&D) which is highly needed for economic growth. Science and R & D is also the key to compete and win the competition.

By using descriptive cross-section data of 2014 taken from various sources, this paper will investigate the transmission mechanisms of human capital investment within Indonesia's competitiveness against AEC. Based on the observation of the variable data distribution of human capital and the country's competitiveness in AEC, it can be seen that the increasing growth of investment in human capital is positively correlated with the increase in the competitiveness of a country.

**Keywords:** Human capital, new growth theory, competitiveness. MEA



G239

## THE INFLUENCE OF MERIT PAY TOWARDS ACHIEVEMENT MOTIVATION

Febi Inas Anisah<sup>1</sup>, Mery Citra Sondari<sup>2\*</sup>

<sup>1</sup> Bachelor of Management Program Study, Faculty of Economics and Business, Universitas Padjadjaran

<sup>2</sup> Department of Management and Business, Faculty of Economics and Business, Universitas Padjadjaran

\* corresponding author : mery.sondari@fe.unpad.ac.id

### ABSTRACT

Company need to have an excellent management strategic tools that drives employees' motivation to the accomplishment of company's goals, vision, and mission. The most important in work motivation is achievement motivation which can resulting employees' performance that determines the performance of the company. The purpose of this research is to find out to what extent the influence of merit pay implementation, based on perception of employees, towards employees' achievement motivation. Using partial least square (PLS) method, the research reveal that there is two dimensions of merit pay, namely pay differentials and pay adjustment matrices, that have significant influence towards achievement motivation. Forced distribution dimension doesn't have a significant influence towards but still has a positive influence.

**Key words :** Merit pay, Achievement Motivation, Partial Least Square





G240

## ANALYSIS OF BETA VALUE BASED ON THE FOWLER AND RORKE METHOD AND DUAL BETA METHOD

**Ferikawita M. Sembiring**  
[ferikawita@yahoo.com](mailto:ferikawita@yahoo.com)

### ABSTRACT

Beta is a systematic risk indicator that shows how the return of a security or a portfolio is influenced by changes in market return, so it is also known as market risk. Empirically, beta value obtained using OLS model indicated bias due to the problem of thin trading in capital market and also time varying beta. Using of this bias beta will affect to the bias of the return estimation result.

The purpose of this study was to describe the result of empirical findings related to the use of bias beta correction method and the OLS regression model adopted by CAPM. The bias beta correction method used in this research is the Fowler and Rorke method and it will be compared with dual beta method as adopted from the method proposed by PSM (1995) who has separated market in two conditions, up market and down market.

The comparison of two methods including the findings of empirical studies that had been done previously showed that the dual beta method is more capable to explain the return of a stock or a portfolio than the Fowler and Rorke method. The separation market into up market and down market produce beta value as an estimator that can explain return, especially in a down market condition.

**Keywords : bias beta, dual beta, fowler and rorke method**



G242

**THE INFLUENCE OF AGENCY COSTS AND INVESTMENT TOWARDS  
DIVIDEND AND THEIR IMPLICATIONS ON THE LEVERAGE IN THE  
CONTEXT OF CAPITAL STRUCTURE CHANGES  
Study on Domestic and Foreign Capital Investors in Indonesia**

**Yofy Syarkani and Aldrin Herwany**

**ABSTRACT**

This study was aimed at analyzing and evaluating the effect of agency costs and investment to leverage the dividend and its implications in the context of changes in the company's capital structure on foreign direct investment (FDI) and domestic investment companies (DCI) in Indonesia before the crisis and after the crisis of 1998, based on the perspective capital structure theory, the theory of information asymmetry and agency theory by building a model of structural theory and dynamic mix of integrated capital structure proposed.

Companies that become the object of this research was that companies distributing dividends during the period of 1996-2012 years consistently. Based on data it showed that there are 22 foreign investment company (PMA) and 24 domestic investment companies (DCI).

The method used in this research was explanatory research (explanation), while the data used in this research was secondary data which were then analyzed as the data panel, cross-sectional, and time series by using regression panel.

Based on the results of data analysis, Version 7, the results obtained here are that there are differences in aspects of agency costs and investments in domestic and foreign companies in the period pre and post-crisis. This is also true for ownership structure, utilization of assets ratio, free cash flow, profitability, growth, size and risk strengthened by dividend which have a significant impact on the Company's leverage (FDI) before and after the crisis. But those are in the contrary to what happened in the domestic investment company because all that components do not have significant influence upon the leverage before the crisis and only give impact after the crisis period.

Keywords; Agency costs, investments, dividend and Leverage.



G245

***THE EFFECT OF PROTECTIONFACTORS ON THE PROFIT OF THE FUTURE  
BROKERS AT JAKARTA FUTURES EXCHANGE (JFX)  
(NANA PRIHATNA)***

*nanajojo975@gmail.com*

**PADJADJARAN UNIVERSITY**

**ABSTRACT**

At every futures exchange, futures brokers that are members of the clearance are obliged to deposit a margin as a protection factor to avoid any potential loss (from happening). This research is aimed at finding out how (1) initial margin, (2) variation margin, and (3) maintenance margin affect the profit of futures brokers.

The observation unit of this research is futures brokers companies that are members of the clearance Jakarta Futures Exchange (JFX) on which a research using census is conducted. The method of analysis is implemented, descriptively and veryficatively, and the test is done using multy-linear regretion model. The result of the research shows that all of the tree variables (whether initial, variation, or maintenance margins) have a significant effect on the profit of the future brokers, with a coefficient direction that is interely negative.

**Key Words:** initial margin; variation margin; maintenance margin; futures.



G246

## ANALYSIS OF HUMAN RESOURCES MANAGEMENT SYSTEM IN ANTICIPATION OF INDUSTRIAL DISPUTES CASE IN WESTERN JAVA

Karman SE., MH.,  
Doctor Management of Business Program  
Padjadjaran University,  
Madani Regency Village, Jl. Cijambe Bandung City, Western Java, Indonesia  
Email address: [Karmansdm0376@gmail.com](mailto:Karmansdm0376@gmail.com)  
Email address: [Karman.sdm@tirtagemahripah.co.id](mailto:Karman.sdm@tirtagemahripah.co.id)

### ABSTRACT

The condition of industrial relations in Indonesia is very dynamic, unavoidable occurrence of labor disputes, unpleasantness and demonstrations that resulted in material losses and even the soul, as the momentum of the Annual General Increase, as if this conflict can never be completed. therefore there must be an effort to analysis of Human Resources Management system for anticipation of industrial disputes. To keep the atmosphere remains conducive in industrial relations and maintain the momentum of growth and economic stability as well as a conducive investment climate then what good Human Resources management system in order to meet all aspects of harmonious industrial relations. how to change the corporate culture towards the better, but still maintaining the stability of the company.

**Keywords:** Human resources Management system analysis to change the corporate culture



G247

## CUSTOMER VALUE, CUSTOMER RELATIONSHIP AND ITS EFFECT ON REPUTATION OF COURSES IN JAKARTA

Miguna Astuti, SE., MM.<sup>1</sup>,

Prof. Dr. Yuyus Suryana, SE., MS.<sup>2</sup>, Dr. Sutisna, SE., MS<sup>2</sup>, Septiadi Padmadisastra, PhD<sup>2</sup>

<sup>1</sup> DIM Padjadjaran University, Bandung, Indonesia

<sup>2</sup> Padjadjaran University, Bandung, Indonesia.

### ABSTRACT

The fundamental problem that led to this study is the limited empirical knowledge about non-formal education SMBs in Indonesia generally and in Jakarta Province especially, which makes the development of adapted theories and their successful implementation difficult. The non-formal education SMBs more known as 'courses'. The paper addresses three specific problems: reputation of courses and the impact of customer value (CV) and customer relationship (CR) factors on it.

The issued and endorsed General Agreement of Trade in Services (GATS) in 1995, followed by law No. 25 of 2005 issued by the government of Indonesia and the Presidential Degree No. 76 and 76 of 2007 established the non-formal education as one of the business fields open for investment without condition. Combined with the high population density in Jakarta and the 102.6 million people of school age population in Indonesia making courses as a very lucrative business and of high level competition.

The specific goals and contributions of the research include: (1) identifying customers' perception on customer value of courses in Jakarta (2) identifying customers' perception on customer relationship of courses in Jakarta (3) identifying customers' perception on reputation of courses in Jakarta, and (4) analyzing the effect of customer value and customer relationship on reputation of courses in Jakarta.

The research methods used are explanatory and descriptive surveys using simple random sampling technique for pulling sample. The data collecting technique used are literatures studies, observations, and questionnaires. The result of the collected data with the primary data source was received in form of number of sample of 135 respondents, in this case were students of courses in Jakarta.

The findings are: (1) Customer value perceived as average by customer (2) Customer relationship perceived as average by customer, while (3) Reputation perceived as above than average by customer, (4) The path analysis showed that customer value and customer relationship together have an influence on Reputation of courses in Jakarta, while individually, customer value have no significant effect on reputation of courses in Jakarta.

**Keywords:** Customer value, customer relationship, reputation, non-formal education SMBs, courses, Jakarta.



G250

***TALENT MANAGEMENT, QUALITY MANAGEMENT, AND GOOD UNIVERSITY GOVERNANCE: CONCEPTUAL FRAMEWORK FROM HUMAN RESOURCE MANAGEMENT PERSPECTIVE***

**Donni Junipriansa**

Telkom University Lecturer

Telekomunikasi Road Number 02, Buah Batu, Bandung, Indonesia

PhD Student of Padjadjaran University

Dipatiukur Road Number 35, Bandung, Indonesia

Email: donnijunipriansa@tass.telkomuniversity.ac.id

**ABSTRACT**

The concept of talent management today has been recognized as an important study in human resource management. Talent management is seen as a strategic paradigm of human resource management because the concept is able to adapt and conform to the high demands and needed for talented human resources in the increasingly complex competitive environment. Quality management is a dynamic concept, which is closely related to changes in the strategic environment. The concept of quality refers to the interests of the organization and its customers, where the resulting product must be able to meet the needs and desires of the organization and its customers. Along with the concept of talent management and quality management, another important concept that needs to be understood with is good university governance. Good university governance is seen as a solution to improve the competitiveness of higher education and focusing on long-term gains. This study aimed to describe conceptually about talent management, quality management, and good university governance based on human resource management perspective. The important objectives to be realized given the limited research that link the concept of talent management, quality management, and good university governance, particularly based on the perspective of human resource management. Therefore, this research outcomes is able to serve as a reference in future studies.

**Keywords** :HR management; talentmanagement; quality management; good university governance



G251

## POLITICAL CONNECTIONS ON CONGLOMERATES CONTEMPORER

Lela Nurlaela Wati  
Ph.D Student of Economics and Business Faculty  
Padjadjaran University, Bandung, Indonesia  
Email: [lela\\_nwm@yahoo.com](mailto:lela_nwm@yahoo.com)

### ABSTRACT

This study aims to examine the effect between of global crisis and political connection to conglomerates performance listed at Indonesia Stock Exchange. The sample of this research are conglomerates listed on the Indonesia Stock Exchange since 2006 and published financial reports every year and never delisting from the capital market. Based on these criteria, then the total sample of conglomerate in IDX were 77 companies (2007-2014), so that the total observation in this study was 616. We use multiple regression analysis and Wilcoxon signed test to test the research hypothesis. We found that the crisis have negative and significant effect on Tobin's Q but not significant to Return on Assets, the conglomerate performance during non-crisis is greater than at the time of crisis, which means that the crisis affect the conglomerate performance, and the political connections have negative and no significant effect on Tobin's Q, but have positive and significant effect to Return on Assets.

**Keywords** : Conglomerates Performance, Global Crisis, Political Connection.



G252

## THE EFFECT OF MANAJERIAL BEHAVIOUR ON DIVIDEND POLICY AND IMPACT TO STOCK MARKET CAPITALIZATION (Study on LQ 45 Companies Listed in Indonesian Stock Exchange)

**Tita Deitiana**

DIM Student, Padjajaran University, Indonesia [titadeitiana@gmail.com](mailto:titadeitiana@gmail.com)

### ABSTRACT

Conceptually objectives to be achieved in this research is to develop new theoretical approaches, in an effort to resolve the conceptual controversy about the impact of managerial behavior on dividend policy and its implications on the stock market capitalization. Meanwhile, the efforts is a way to include managerial behavior in the perspective of agency theory so that it can be built a grand theoretical model proposed. The potential problem of agency happens in companies where managers are less than 100 percent of the stakeholders. This conflict occurs because there is a difference of interest between managers and stakeholders.

Operationally, this research aims to synthesize and test empirically: the influence of Managerial Behavior Financial perspective on Dividend Policy and its implications on the development of stock market capitalization. This research is a quantitative approach explanatory using correlational design through Partial Least Square (PLS). This study uses data Panel, namely the incorporation of data cross-sectional and time series data. The data used consisted of 30 companies LQ45 listed on the Indonesia Stock Exchange during the last five years, ie from 2009 until 2013, which meets the following criteria: The company listed on the Indonesian Stock Exchange during the years 2009-2013.

The results showed that: first, partially there is the influence of Conduct managerial on Dividend Policy, namely variables Behavior Managerial which dimension is the dominant DER and RISK negatively affect dividend policy with the dimensions of the dominant Dividend Pay Out Ratio, because the negative effect the lower the performance the manager will be the higher value of dividend policy, so that required managers must increase its dividend, the results of this research to the Company LQ 45 which has a market capitalization of medium and small. As for the Company LQ 45 which has a market capitalization of the effect of partially contained between managerial behavior for the dominant dimension is DER, FCF, OWN, and SIZE RISK negatively affect dividend policy with ROE dimension. Secondly, the partial dividend policy with the dimensions of the dominant effect on the dividend payout ratio Capitalization Stock Market, ie the lower the dividend policy, the market capitalization of stocks will be high. As for the dividend policy dimensions of ROE, has no direct influence on the stock market capitalization Third, simultaneously Behavior Managerial dimension DER and RISK impact directly and indirectly on Market Capitalization Shares through the Dividend Policy for the dimensions dividend Pay-out ratio as an intervening variable that is if high Managerial behavior it will be followed by rising stock market capitalization, and also the Dividend Policy is also high. As for the dimensions of managerial behavior is dominant DER, CFCE, and Size OWN RISK there is no influence on market capitalization through dividend policy, with the dimensions ROE of the company LQ45 which has a large market capitalization.

**Keywords:** Managerial Behavior, Dividend Policy, Stock Market Capitalization Companies LQ45.





G257

## EARNING MONEY THROUGH CREATIVITY, INFLUENCES OF CUSTOMER - RELATIONSHIP MANAGEMENT AND PRICE DETERMINATION TO THE INNOVATION OF THE PRIDE PRODUCTS (SCIENTIFIC ANALYSIS TO THE FRACTAL BATIK IN BANDUNG FEE INSTITUTE, WEST JAVA)

R. Adjeng Mariana Febrianti

[adjeng.mariana@widyatama.ac.id](mailto:adjeng.mariana@widyatama.ac.id)

Universitas Widyatama Bandung, Indonesia

### ABSTRACT

Fractal Batik is the research which stresses the innovation, experimentation, and creativity sides. Through a software, a batik design can be engineered to become the most different designs. It uses the fractal system. The process of fractal batik uses physics system, which is counted and calculated with existed designs. In physics analysis it is described some computerized triangles using Fractal Law (a shape created from reduplication of the same shape until the smallest parts). Tested samples are as many as 200 participants in Pixel Team Bandung Fee Institute. The research methods used is descriptive , while verificative way is used to know creativity, the customer-management relation, price determination and product innovation through hypothethic test. Modeling approach in solution techniqueand analysis tool is used Structural Equation Model (SEM). From the result of the research shows that the limitation of canting makes the picture designs are not very much alike the real one, because the 75% of process of production is used computer, and the final result leads to the contemporer product. The Customer-Management Relation is not work empowered effectively because the term Fractal Batik is still more unfamiliar than other batik motives. The cost determination is high because the work needs time which results tothe high cost, therefore the selling cost is also high. Consequently, Fractal batik can not be fully developed which has impact to the product Innovation that does not have optimum result.

**Keywords:** Fractal Batik, Pixel Team, Creativity, Customer Relationship Management, Price Determination, Product Innovation



G258

## THE MEASUREMENT LEVEL OF ACCEPTANCE THE USER OF INTERNET TV SERVICES USING TECHNOLOGY ACCEPTANCE MODEL (TAM) SURVEY IN INDONESIAN SOCIETY

**Umi Kaltum\*, Tri Febrianti**

Doctoral Program in Business Management, Faculty of Economic and Business,  
Padjadjaran University Bandung

E-mail: umi.kaltum@gmail.com

\*Corresponding author

### ABSTRACT

This study is aimed at measuring the effect of perceived usefulness, perceived enjoyment, perceived quality of the attitude partially and simultaneously; measuring the influence of perceived usefulness and perceived enjoyment of the intention partial and simultaneous; and measuring the effect of perceived usefulness, perceived enjoyment and perceived quality of the simultaneous intention through attitude. This study applied deskriptive survey. The population in this study is that the Indonesian tv internet users residing in Indonesia and abroad. The samples were carried out with purposive sampling, with a sample of 213 sample consisted of 111 respondents filled through online and 102 respondents fill out off line.

Methods of data analysis in this study using Structural Equation Modeling (SEM) with the help of AMOS 19.0.



G259

## THE UTILIZATION OF RESOURCES AND REGULATION ALONG WITH COMPANY'S STRATEGIES IN MANAGING OIL AND NATURAL GAS INDUSTRY IN INDONESIA

**Sigit Raharjo**

*Doctorate Program in Management Faculty of Economics and Business  
University of Padjadjaran [sigit.rahardjo@pertamina.com](mailto:sigit.rahardjo@pertamina.com)*

### ABSTRACT

Oil and gas production in Indonesia has been declined since 1995 up to now, the effort to increase the production has been done but it does not result yet. In contrast, day by day the investment is getting increased and huge; on the other hands, it becomes a problem and a challenge for Indonesia to meet oil needs as raw material for refined fuel oil either for transportation or industries. Day by day the needs of refined fuel oil is getting increased and huge as it is correlated to the increasing of the number of motorcycles either two-wheeled or four-wheeled as well as the increasing of oil and gas or non-oil and gas industries.

Oil and natural industry (Resource Base) has specific characteristics those are internal factor that uses resource such as high technology, huge investment/ cost, as well as competent human resources. Besides, the external factor those are good regulations either in the central and regional levels as well as the sector which is very important toward the production performance and the of company management's strategies to manage this industry.

This paper attempts to figure out the impact of internal factor in the form of resources and external factor in the form of regulation as well as the effect of production performance toward petroleum companies of upstream sectors in Indonesia and management's role, especially, petroleum industrialists in managing the company. The wane of oil production and the increasing of refined fuel oil need in Indonesia as well as the increasing of oil production cost then it will affect the industrialists' strategies in managing the companies.

The resources consist of human resource, oil reserve as well as petroleum technologies. While, regulation consists of law, central and regional government regulations and rules in oil and gas sector. Whereas, the company's strategies are explained by production volume and selling volume of oil. Company's performance which sets to work in upstream sector is influenced by various factors which are interconnected and it impacts on the companies at the same time. In addition, for the moment, the companies which engage in upstream oil and gas sectors in Indonesia are quite a lot either domestic (National Oil Company) or International Oil Company (IOC). Currently, companies in Indonesia are in the form of Production Sharing Contractor, Joint Operating Body and Cooperation Operation (KSO), and currently upstream sector companies specifically which are producing are more than 50 companies.

**Keywords:** upstream oil and gas industrial activities, oil and gas resources, regulation, management strategies and production performance.



G262

## THE ORGANIZATIONAL CULTURE AND TRANSFORMATIONAL LEADERSHIP, ITS INFLUENCE TO THE PERFORMANCE OF STUDY PROGRAM THROUGH LEARNING ORGANIZATION

**Agus Fauzi**

Email: agusfauzi526@yahoo.co.id

### ABSTRACT

The study in this article aims to produce a model of research that related to the variable of organizational culture, transformational leadership, learning organization, and performance of the study program. Therefore, this article also aims to produce a model of a study evaluating influence of the organizational culture and transformational leadership on the performance of the study program, either directly or through organizational learning organizations, both partially and simultaneously.

This article is a review of the literature, so that method being used is a literature review. This study is conducted by studying theories that have been established. The study also sourced and based on the results of previous research, especially empirical research results related to the variables that were studied in this article. In addition, if it is continued in empirical research, the study population is some study programs of the universities.

This article study produces a research model that explains the relationship between organizational culture, transformational leadership, learning organization, and performance of study program. Therefore, the research model as a result of this study resulted in a number of hypotheses. Hypotheses include the following; expectation to have a positive and significant relationship between transformational leadership and organizational culture; organizational culture and transformational leadership expected to positive and significant impact on learning organizations either partially or simultaneously; transformational leadership and organizational culture is positive and significant impact on the performance of study program either partially or simultaneously; learning organization is expected to have a relationship that is positive and significant impact on the performance of study program; organizational culture and the transformational leadership is expected to affect positively and significantly to the performance of study program either directly or through organizational learning, both partially and simultaneously.

**Keywords:** Organizational Culture, Transformational Leadership, Learning Organization, Performance of Study Program



G263

## ANALYSIS SERVICES MARKETING STRATEGY ON PT.MARI SANAK TICKET STATION

**Handry Sudiarta Athar**

[andre\\_sudiarta@yahoo.com](mailto:andre_sudiarta@yahoo.com)

Faculty of Economics and Business

Universitas Mataram

### ABSTRACT

The research destination to identify strengths, weakness, opportunity, and threats toward the company by using SWOT analysis and to know the appropriate marketing strategy with the position of PT. Mari Sanak Ticket Station in marketing their produces based on the position of the company in the SWOT analysis.

The types of research that is used in this analysis is descriptive research, which using collection of data method thought case studies. The data analysis method which are used in the research are SWOT analysis (Strengths, Weakness, Opportunities, Threats), IFAS table (Internal Strategic Factor Analysis Summary), and EFAS table (External Strategic Factor Analysis Summary). Which is described by using Matrix Space Analysis, and SWOT matrix to analysis the attractive strategies based on the result of analysis of strategic factors both of internal and external of the company.

Based on the SWOT analysis, PT. Mari Sanak Ticket Station is in quadrant 1, it is strong and it has opportunities so the company applies aggressive growth strategy by using strategy of promotion

**Keywords** : Strengths, Weakness, Opportunities, Threats



G264

## MARKETING STRATEGY OF WORDS-IN-MOUTH DELIVER CUSTOMER VALUE IN CONSUMER PRODUCTS IN INDONESIA

**Handry Sudiarta Athar**

[andre\\_sudiarta@yahoo.com](mailto:andre_sudiarta@yahoo.com)

Faculty of Economics and Business

Universitas Mataram

### ABSTRACT

This study aims to determine the influence of WOM marketing strategy (WOM Negative, Positive WOM, Reputation, Fascination and Community Effects) to Customer Value. Multiple linear regression analysis was used as an analytical tool in this study. The results showed that the effect on the reputation of Positive WOM begins with how the reputation of providing strategic impact on increasing customer value. Advertising appeal may affect the realization of Positive WOM through a process and mechanism for gradual strategy, directed and continuous. Effects community is another important element in mengimplemetasikan Positive WOM will provide the community because of the effects of the dominant strategic impact on the improvement of Positive WOM.

**Keywords:** Reputation, Advertising Appeal, Community Effects, Customer Value



G265

## PROMOTION AND DESIGNAN ANALYSIS TO CORPORATE IMAGE PT. DE BALE PROPERTY LOMBOK

**Handry Sudiarta Athar**

[andre\\_sudiarta@yahoo.com](mailto:andre_sudiarta@yahoo.com)

Faculty of Economics and Business  
Universitas Mataram

### ABSTRACT

This study aims to determine the effect of promotion and design simultaneously and partially on the image of the company PT.De Bale Property Lombok, as well as to determine the most dominant variable in influencing the company's image. Type of research is associative research. Population in this research is the public Mataram. The number of samples as many as 100 respondents were determined by purposive sampling technique. Data were analyzed using multiple linear regression analysis.

The results showed that the promotion and design influence simultaneously and partially to the company image PT.De Bale Property Lombok as well as the design variable is the most dominant variable affecting the company's image.

**Keywords:** Promotion, Design and Corporate Image



G267

## AN ANALYSIS OF MARKETING MIX-7P (PRODUCT, PRICE, PROMOTION, PLACE, PARTICIPANT, PROCESS, AND PHYSICAL EVIDENCE) ON MARKETING PERFORMANCE IN TOURISM INDUSTRY

Alexandre Desousa Guterres

### ABSTRACT

The study with the title An Analysis of Marketing Mix-7P (Product, Price, Promotion, Place, Participant, Process, and Physical Evidence) on marketing performance in tourism industry. The aim of this study is to analyze and study the concept of Marketing Mix-7P (Product, Price, Promotion, Place, Participant, Process, and Physical Evidence) on the concept of marketing performance in tourism industry. The method used in this study is a descriptive qualitative literature based on review literature. The result and discussion of study show that Marketing Mix-7P (Product, Price, Promotion, Place, Participant, Process, and Physical Evidence) has a positive effect on marketing performance in tourism industry. The hypothesis of study shows that the marketing mix strategy has a positive effect on marketing performance. The conclusion of this study is that through marketing mix strategy (7p) the tourism industry can achieve an optimal marketing performance.

**Keywords:** Marketing Mix-7P, marketing performance, tourism industry.





G268

## GREEN CONSUMER BEHAVIOUR: CONCEPT, DIMENSION AND PROPOSITION

**Julina & Popy Rufaidah**

Faculty of Economic and Social Science

State Islamic University of Sultan Syarif Kasim Riau

Jl. H.R. Soebrantas No. 155 KM 15

Pekanbaru, 28293, Riau, Indonesia

Department of Management & Business, Faculty of Economics & Business, Universitas Padjadjaran, Jl. Dipati Ukur No. 35, Bandung 40132, West Java, Indonesia

Email: julina@uin-suska.ac.id

Email: popy.rufaidah@gmail.com

\*Corresponding author

### ABSTRACT

In the rising issues of global warming, green consumer behaviour becomes one of the solutions to overcome those problems. The main purposes of this paper are (1) to investigate different terms and methods used in the measurement of green consumer behaviour and (2) to develop propositions regarding factors that affecting green consumer behaviour, especially green purchase behaviour. Current studies has shown that green consumer behaviour has several types of activity and dimension. This research may be considered as a part of measurement scale development to understand more deeply about green purchase behaviour. In addition, this paper will also put forward propositions about factors affecting green purchase behaviour, and how green purchase behaviour affecting life satisfaction. Based on the discussion of some of the articles, there are still limited studies on the conceptual definition of green purchase behaviour. The original contribution of this paper is the emergence of developing new models of various green purchase behaviour predictor variables and the impact of green purchase behaviour towards life satisfaction. At the end of this paper, several propositions are put forward to be tested empirically in future studies.

**Keyword:** Green consumer behaviour, green purchase behaviour, concept, dimension, proposition.



G274

## THE RELATIONSHIP BETWEEN MARKET ORIENTATION ON PERFORMANCE MARKETING: A RESEARCH MODEL

**Rizki Zulfikar\*, Dwi kartini, Yuyus Suryana, Asep Mulyana**

Doctoral student in management science and business economics faculty  
Padjadjaran University, West Java, Indonesia.

Email: rizki\_zoel@yahoo.com

### ABSTRACT

The purpose of this paper is to see how the performance of marketing in small and medium enterprises knitting industry in Bandung (Indonesia) associated with the implementation of the strategy of the company's market orientation. This study is based on the concept and the literature market orientation and performance of existing marketing of the former to the present, and find indicators of the corresponding two variables used to model and measurement. The findings of this study is the establishment of a research model of market orientation and marketing performance in the knitting industry SMEs adapted to existing conditions in Bandung (Indonesia). The benefits of this research is the use of indicators of market orientation and marketing performance is adjusted to the size of SMEs and competition knitting industry, and the limitations of the study of the performance marketing industry SMEs scale knitting in Indonesia.

**Keywords:** SME knitting industry, market orientation, performance marketing, relations research model.



G278

## DIVIDEND POLICY ON STATE OWNED ENTERPRISES

Sulaeman Rahman Nidar & AA Gunawan

Lecture in management science and business economics faculty Padjadjaran University, West Java, Indonesia.

### ABSTRACT

This study is an explanatory study to determine the effect of independent variables on the dependent variable. As the dependent variable is the dividend payout ratio. Meanwhile, the independent variable is the variable that is measured by the growth of the company's capital expenditure ratio proxy, state ownership, firm size, profitability, cash flow, and the ratio of dividends last year as a control variable. The study uses panel data with a sample of 46 state-owned companies in the form of a limited liability company engaged non-financial sector with the financial period 2005-2009. The sample selection was purposive sampling that samples deposited SOE dividends during the study period. Hypothesis testing using a fixed-effect regression analysis models. As for overcoming heterokedastisitas and autocorrelation using the method of generalized least squares (GLS). The results found that the company's growth variables and firm characteristics variables simultaneously significant effect on dividend policy. To model the dividend policy, partial, variable capital expenditures, capital structure, firm size, and cash-flow negative and significant to dividend payout ratio, while profitability and state ownership variables having an positive and significant to dividend payout ratio. The study also found that non-listed state-owned companies have an average dividend payout ratio lower than the listed SOEs.

**Keyword:** capital spending, sales growth, firm characteristics, fixed effects models, generalized least squares, recursive models, dividend policy, SOE



G300

## OPINIONS ON THE MARKETING-MIX STRATEGIES OF ORGANIC VEGETABLE AND FRUIT ENTREPRENEURS IN THAILAND

**Dr. PreraphaTaweasuk**

Lecturer, Master of Business Administration Program  
Panyapiwat Institute of Management (PIM), Thailand

**Assistant Professor Dr. TeerasakKhanchanapong**

Director of M.B.A. Program in ASEAN Business,  
Faculty of Business Administration,  
Dhurakij Pundit University (DPU), Thailand

### ABSTRACT

The purpose of this paper is to investigate whether Thai entrepreneurs in different regions formulate marketing mix strategies for organic vegetable and fruit products differently. The case study method was used in this study. In total, 20 entrepreneurs from 6 regions in Thailand were interviewed. This research contributes to the theory of marketing mix strategy formulation by explaining that Thai entrepreneurs in different regions formulate marketing mix strategies for their products differently. We found that internal factors (an entrepreneur's attitude toward organic vegetable and fruit products and the experience gained by an entrepreneur) and external factors (the perception of competitive positioning and farm location) affect the entrepreneurs' marketing strategy formulation. As each target group in different regions has a different preference and expectation for each element of the marketing mix – product, price, place, and promotion, entrepreneurs formulate a marketing mix strategy that fulfills the specific needs of their target group in a particular region.

**Keywords:** Marketing Mix Strategy, Entrepreneur, Organic Products, Vegetable, Fruit, Thailand



## Bali Regions and Destinations



**Kuta** The home of fantastic surf and beaches, Kuta is southern Bali's most popular holiday destination. Accommodation options range from family friendly to absolute luxury and everything in between. There are also a number of restaurants, attractions and entertainment within a short stroll of most resorts. Those up for a bit of adventure will love the great value accommodation, many with included water sports, and high adrenaline activities and of course, Kuta's famous nightlife.



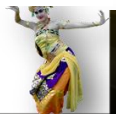
**South Kuta** enjoys a more relaxed and laid back pace compared to central Bali and is not only a beautiful beach, but also a convenient tourist spot close to all the essentials. Just a short drive from the Bali International Airport, the nightlife of Kuta is still within easy reach to enjoy the best of both worlds. With so many accommodation options, visitors to South Kuta can relax in 5 star accommodation or save with budget hotels that feature all the comforts of home.



**Legian** Just to the north from Kuta, Legian enjoys all the perks of the fantastic shopping and bars without the bustle of the main island. Away from all the boisterous behaviour in Kuta, Legian's more relaxed pace allows you to take in beautiful natural environment of the island. Short on organised tours and attractions, Legian is to be enjoyed at your leisure allowing you to explore the whole island and find the 'real' Bali.



**Ubud** Situated in central Bali, the town of Ubud is nothing like the bustling beach party atmosphere of Kuta preferring to be the cultural hub of Bali. Renowned for its abundance of art and crafts, Ubud and its surrounding villages are punctuated with artist workshops, galleries and extraordinary architecture. With so much to see and do, no stay less than a week will do Ubud justice





**Seminyak** With an established reputation as the 'high end' of Bali, Seminyak is a boutique shopping and day spa capital. Studded with luxurious accommodation and swanky bars and restaurants, Seminyak is more sophisticated when compared to Kuta but still enjoys the same laid back atmosphere. Renowned for their breathtaking sunsets and more private location, the beautiful beaches sweep down to the south where further on they become Legian Beach and Kuta Beach



**Nusa Dua** South of Bali's capital is Nusa Dua, peppered with a large number of high end resorts and hotels. With a focus on art and culture rather than a 'party' atmosphere, Nusa Dua is a stunning retreat easily accessed from both Jimbaran Bay and Kuta. One of the most popular ways to spend the day is lazing on the pristine beaches or taking a refreshing dip in the warm waters off the peninsular.



**Tanjung Bena** Situated to the north of the luxury resort town of Nusa Dua, Tanjung Bena is located on a southern peninsula and is the water sports capital of Bali. Offering an exciting alternative for tourists, the tropical shores of Tanjung Bena are a haven for adrenaline junkies and also boast Chinese temples, unique Balinese shrines, one of Bali's first cooking schools and beautiful white sand beaches.



**Sanur** is everything the words beach-side town evoke and is the oldest luxury holiday resort area in Bali. Although it is overflowing with accommodation and restaurants, it manages to remain peaceful and laidback. Along with all of the typical beach and shopping attractions, Sanur is also rich in culture, nature and history. Aside from all the shopping and dining, the beach front bike path and local produce night markets provide plenty of photo opportunities and are a feast for all the senses





**Nusa Lembongan** Just off the south east coast of Bali Island, Nusa Lembongan is a tiny island quickly becoming a popular Bali holiday destination. Nowhere near the hustle and bustle of southern Bali, Nusa Lembongan has no busy traffic or street vendors to disrupt the peace and is the place to go to escape from it all. Get back to nature and surf, dive and snorkel in some of the clearest waters in the world.



**Lombok** Lombok is the epitome of Bali's pristine beauty, a tropical wonderland just east of Bali. Even in peak travel season there are relatively few tourists visiting Lombok allowing everyone to enjoy the breathtaking beaches, cascading waterfalls and impressive volcano of Mount Rinjani at their own pace, in peace. Possibly one of Bali's best kept secrets, Lombok is a private island escape.



**Jimbaran Bay** Earning monikers such as 'Millionaires Row' and the 'Beverly Hills of Bali', Jimbaran Bay offers little budget accommodation. South from the airport and the main town of Kuta, Jimbaran Bay is where you'll find most of Bali's 5 star beach hotels and resorts. Fantastic surfing and breathtaking natural attractions are the big drawcards to Jimbaran Bay along with its reputation for holidaying in style



## Host Universities



## Sponsorships







## DOCTOR OF SCIENCE IN MANAGEMENT PROFILE

**Postgraduate Program**  
**Faculty of Economics and Business**  
**Universitas Padjadjaran**

### Background & Objectives

The graduate school of Universitas Padjadjaran was founded in 1999, dedicated to excellence in Master Program (S2) and Doctoral (S3) in various field of study. The Doctoral Degree in Business Management is operated under the Faculty of Economics Universitas Padjadjaran.

The dynamics changes in Business and Management environment need the creativity and ability to manage the various aspects of Management and Business as well as its application in the field of research. The program is designed as the doctoral program which emphasizes not only on the ability to manage the various aspects of management field but also the ability to do research and practical problems in managing various aspects of Management and Business within National, Regional, and International Scope. Doctoral students work alongside distinguished faculty to produce original management and business thought and its application.

### Vision

To be the Doctoral Program with national and international reputation in providing fully qualified graduates capable to implement and develop business management science.

### Mission

Gears its entire program to those at a doctoral level and offers a structured and systematic curriculum centered squarely on advanced topics in business management.

Produces high Quality reseaaarch, focuses on the core business management competencies and applied management research.

Provides significant contribution to the community through training, assistance, and problem solving in business management practices.

### Concentration of Study

Considering of education which has to reconcile with the needs of the business world, therefore Program of Doctoral of Management Business of Universitas Padjadjaran offers studies in accordance with the needs, they are:

- \* Marketing Management
- \* Human Resources Management (HR)
- \* Financial Management
- \* Strategic Management



### **Study of Marketing Management**

1. Empirical Models in Marketing
2. Current Issues in International Marketing Management
3. Seminars on Contemporary Issues in International Marketing Management

### **Study of Human Resources Management**

1. Empirical Models in Human Resource Management
2. Current Issues in International HRM
3. Seminars on Contemporary Issues in Human Resource Management

### **Study of Financial Management**

1. Empirical Models in Finance
2. Current Issues in International Finance
3. Seminars on Contemporary Issues in International Finance

### **Research of Strategic Management**

1. Strategic process and decision making
2. Cognition in strategic management
3. Seminars on Contemporary Issues in strategic management

### **Degree and Diploma**

Doctoral candidates who meet academic graduation requirements as Doctor will obtain a certificate issued by the Universitas Padjadjaran and will entitled to a Doctoral degree.

### **Business Network**

In bridging the gap between theory and practice, the candidates are also being given chances to be involved in the various partnership programs with business institutions in training and business consultations. Several business institutions which already conducted partnership programs are:

- ❖ Perum Pegadaian
- ❖ Bank Indonesia Cirebon
- ❖ Badan Sertifikasi Manajemen Resiko (BSMR)
- ❖ PT. Jamsostek (Persero)
- ❖ PT. Bank Pembangunan Daerah Jawa Barat & Banten, Tbk.
- ❖ PT Telekomunikasi Indonesia, Tbk
- ❖ PT. Pikiran Rakyat
- ❖ PT Panghegar (Panghegar Group)

### **Duration**



The program accepts new entrants at the beginning of each semester and it normally takes 3 years, depending on the performance of the doctoral candidate

### **Degree Awarded**

The Doctor of Business Management Program award the doctorate degree (Dr). In order to qualify for the Doctor degree, a student must successfully complete formal coursework, pass a comprehensive examination with a grade that advances him/her to candidacy, and complete a successful oral defense of the written dissertation.

### **Board of Director**

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43. Perdana Wahyu, Ir., MBA
44. Dr. Rachmat Sudarsono, SE.,M.Si

### Facilities

Facilities available for the candidates include:

- Courses and Lectures
- Discussions and Seminars
- Individual Student Consultation
- Promotors Consultation for Conducting research and writing doctoral dissertation
- Library and Internet
- Business Research Centre
- Candidate private Study Room

### Admission Requirements

Program requires that all incoming Doctoral students with MBA or Master Degree that has basic knowledge in economics, management, accounting, finance, marketing and organization. Doctoral students with Master Degree from another discipline background have to follow some pre-requisite subjects with additional 8 credits semester. The basic knowledge is helpful for placing the original research into perspectives and for preparing students to excel in a business school. Admissions to the Doctoral Program in Business Management will be on a competitive basis.

Application forms should be accompanied by:

- Copies of academic transcripts and certificates of Master and Undergraduate degree from accredited national, private, or foreign University



- Two letters of Reference from persons in the position to judge the applicants ability
- Copy of tentative research proposal
- A guarantee of financial support by the person(s) or institution

Applicants are required to take Standardized Academic Test and English Proficiency Test organized by Universitas Padjadjaran, as well as participating in personal interview conducted by Doctoral Admissions Committee

**DOCTORATE PROGRAM IN SCIENCE MANAGEMENT  
FACULTY OF ECONOMICS AND BUSINESS  
UNIVERSITAS PADJADJARAN**

Gedung A Lt.1, Jl. Dipati Ukur No.46 Bandung 40132

tlp. 022-2534388, 2534392

fax. 022-2534392

website: <http://dim.fe.unpad.ac.id>

email: [info.dim@unpad.ac.id](mailto:info.dim@unpad.ac.id) , [humas.dim@unpad.ac.id](mailto:humas.dim@unpad.ac.id)



## Pictures



Coordinator of Doctoral Program in Management

**Prof. Dr. Hj. Ernie Tisnawati Sule, S.E., M.Si**



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**Dr. Hj. Umi Kaltum, S.E., M.Si**



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**Majelista**



**Saimin**



**Teguh**



**Nina**



**Supiana**



**Neneng**



**Nani**



**Candra Gunawan**



**Dani Wahdani**



**Nano**

