

**THE EFFECT OF FEMALE EXECUTIVES ON *EARNINGS MANAGEMENT*:  
EVIDENCE FROM INDONESIA**

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**Abstract**

The purpose of this paper is to investigate whether the gender of the firm's executives (chief executive officers and/ or chief financial officers) has a significant impact on the firm's earnings management. Modified Dechow and Dichev model is used to measure discretionary accruals as the proxy of earnings management. This paper uses multiple regressions to test the relationship between female executive and earnings management. The paper represents evidence that there is no significant relationship between female executives (chief executive officers and/ or chief financial officers) and discretionary accruals as the proxy of earnings management. Furthermore, the paper's evidence has implications for investors and firms. Since there is no significant relationship between female executive and earnings management, investors should not be hesitant of making investment in companies with female executive.

**Keywords:** Gender, Female executives, Earnings management, Discretionary accruals.

**JEL Code:** M12, M41

**I. Introduction**

Gender equality and globalization are the issues that make women can also enjoy the world of work. Previously women's roles are limited to taking care of the household as well as supporting their husband's career, but now the reality has shifted into a figure in which women have more roles as they can pursue a higher career in many fields. According to Albeda (1997) in Irianto (2007), the number of women workers increased where they are also able to penetrate the managerial positions that had been dominated by men. Irianto (2007) explains that the involvement of women in an organization is not only occurs in the countries of the Americas and Europe but also in countries of the Asian continent.

In Indonesia, women's career has emerged in the presence of female emancipation attempts by RA Kartini – one of Indonesian national heroines. She fought for women emancipation. She believed that men and women should have the equal rights, obtain their freedom,

education and autonomy. Today, women have the right to pursue their aspirations and they demand higher education to support their career, improving mindset, multiplying relationships, and adds insight (Wijayanti, 2014). Pratiwi (2014) through the International Business Report (IBR) by Grant Thornton also stated that currently in Indonesia, 41% of senior management position are held by women, or in other words, women also have equal rights with men in the world of work, including as a leaders of a business entity. The role of women in an organization in Indonesia apparently shows two sides, positive and negative. It is proved that the representation of women as leaders will provide milieu and influence in an organization.

Yet, the previous studies show different results about the influence of women as a top management. Rose (2007) in Peni and Vahamaa (2010) explains that there is no significant relationship between the firm performance and the representation of women as a board. In contrast, Bohren and Storm (2005) quoted by Smith *et al.* (2006) stated that there is a positive relationship between women as a top management and the firm performance. Further research discussed about how the gender of an enterprise leader affects in managerial arrangement and earnings management. Gulzar and Wuhan (2011) stated that the presence of female directors in the organization will help to reduce the level of earnings management. Meanwhile, based on Peni and Vahamaa research (2010) explains that the chief financial officer (CFO) relates to the tendency of earnings management practices through a more conservative strategy (income-decreasing discretionary accruals).

Previous studies shows mixed results, therefore it is necessary to take a further study to test how female executives' representation in organizations has an impact to earnings management. The purpose of this study is to investigate whether female executives (chief executive officers and/ or chief financial officers) have a significant impact on the firm's earnings management. We focused our study in trade, services and investment sector because this sector has the highest percentage of female executive. The results of our empirical analysis indicate that female executives has no significant impact to discretionary accruals as the proxy of earnings management. This finding is consistent with prior research (Rose, 2007 in (Peni and Vahamaa, 2010), which provide evidence that there are no significant influence of female executives on the quality of earnings or accounting information.

## **II. Literature Review**

### ***II.1. Gender stereotypes and female executives in an organization***

The word of gender in Indonesia has been adopted become *jender* and the meaning of this word is not differentiated with the meaning of sex (Zubaedah, 2010). Disagree with these opinions, Crawford (2006: 25) explains that gender differs with sex and is defined as the characteristics and socio-cultural traits that are considered appropriate for men and women. Socio-cultural traits are masculinity and femininity (Unger, 1979) in Crawford (2006: 25). Lips (2006: 7) states that the rules for the nature of femininity and masculinity are based on biological or anatomical differences between men and women (sex differences), but it actually goes beyond the differences. Lips (2006) illustrate one important sex difference is women can get pregnant while men do not. The biological differences are used in various cultures to create expectation for a female femininity which include parenting attitude and maintain children.

According to Vecchio (2002), feminine or masculine labeling can be done by looking at a series of separate and distinct behavior. This view indicates that an individual will be judged on a variety of dimensions, and related labeling will also separate its social nature and depend on the particular dimension. Similar to this, Young and Hurlic (2007) also explains that gender will have an impact on the way we think about all aspects of life. It is proved that it is possible a man has feminine social nature or a woman has masculine social nature.

Young and Hurlic (2007) explains that there are certain behaviors that have linked the concept of masculinity with a man and the concept of femininity with a woman. According to Fletcher (2004), there are many studies that describe specific properties that lead to the concept of masculine and feminism. For example, Acker (1990); Calas and Smircich (1993); Collinson and Hearn (1996) in Fletcher (2004) explains that the nature of such an individualist, controlling, assertiveness, the ability to defend and to dominate is the part of men nature and can be referred to as masculine. On the other hand, Fletcher (2004) explains that the nature of such empathy, collective, vulnerability, and the ability to work together is the part of women and can be referred to as feminine.

A long time ago, discrimination does not only occur in one's race and ethnicity, but also gender-based discrimination. This led to the low number of women who play an important role, including high-level leadership positions (Yukl, 2010: 448). However, after the advent of anti-discrimination legislation in the United States, it explains that both men and women are equally qualified to be a leader in business organizations, so the gender stereotypes have slowly changed (Yukl, 2010: 448).

Here are some of the results of research that seeks to link a person's gender and leadership style. Druskat (1994); Eagly *et al.* (1992); Eagly and Johson (1990) in Altintas and Altintas (2008) explains that the social nature of masculine usually apply the transactional leadership style to his followers. Besides, Eagly *et al.* (1994) in Altintas and Altintas (2008) states that the social nature of the feminine typically applies transformational leadership style which shows a participatory, collaborative, and emphasizes the importance of individualized consideration.

## **II.2. Earnings management**

In general, earnings management actions can be done because of the concept of agency theory that led to the asymmetry of information. The concept of agency theory arose from the emergence of differences of interest between the owners of capital (principal) with management as the manager (agent). Owners of capital will delegate the other party that is an agent for work (Jensen and Meckling, 1976) in Fayesi *et al.* (2012). According to Fleisher (1991) in Fayesi *et al.* (2012), in an agency relationship, the owners of capital who are different from the agent, will attempt to minimize agency costs such as defining, recognizing and monitoring, as well as keeping the behavior of the agent while the agent typically will work to maximize their own rewards and reduce the control of the owners of capital.

Earnings management is the choice of a top manager for his/her accounting policy actions or an act that would affect the earnings to achieve the purpose of reporting earnings (Scott, 2009: 403). Meanwhile, according to Davidson, Stickney, and Well (1987) in Beneish (2001), the act of managing earnings is the process to take deliberate steps within the limits of generally accepted accounting principles leading to desired level of reported earnings. It is concluded that earnings management is an action that manager take in purpose to achieve some specific reported earnings.

Earnings management can be done by business entities through some patterns, such as taking a bath, income minimization, income maximization, and income smoothing (Scott, 2009: 405). Factors that distinguish these four patterns are conditions that trigger earnings management practices and how the managers manage the earnings of the business entity. Scott (2009) also explains the motivation of a manager to manage earnings. That motivation includes bonus purposes, the fulfillment of the contract with the creditor's debt, implicit contract or relational contract, to meet the investor's earnings expectations and maintain reputation, and initial public offerings (IPO) process.

In general, the existing literature has documented financial reporting that is of higher quality when firms have stronger corporate governance mechanisms or when there is a greater demand for high-quality financial reporting (Ball *et al.*, 2000; Klein, 2002; Xie *et al.*, 2003;

Ebrahim, 2007; Ball and Shivakumar, 2008) in Peni and Vahamaa (2010). This indicates that the firm's executive plays important role in corporate governance because they have the right and access to influence the entity's financial reporting practices, i.e. through earnings management practices.

Jianakoplos and Bernasek (1998) in Darmadi (2013) explain that women will tend to be more risk-averse than men in financial decision making. In addition, Loo (2003) states that women can be said to be more ethical than men. Women also mentioned by Heminway (2007) in Peni and Vahamaa (2010) tend to be more trustworthy than men. It is also important that women have a more conservative attitude than men (Peni and Vahamaa, 2010). Excess nature and attitude of the woman gave evidence that to maintain their position as the executive then she will tend to manage corporate earnings. Female executives will use conservative strategy when they doing earnings management thus providing maximum benefit both the period and subsequent periods.

### **II.3. Hypothesis**

Following the existing accounting literature, this study tends to investigate the effect of the gender of the firm's executive on earnings management. This study suggests that the gender of chief executive officers and/ or chief financial officers may affect their managerial behavior. Hence, we state the hypothesis as follows:

- H1. Female executives as chief executive officers and/ or chief financial officers affect earnings management.

## **III. Research Methodology**

### **III.1. Variables and Variable Measurement**

Cross-sectional regression models are used in this study to explain the extent to which earnings management is affected by the gender of the firm's executives, along with the control variables.

#### **Discretionary accruals (DA)**

First, we use discretionary accruals as a dependent variable in this study. Following Peni and Vahamaa (2010), we will use Modified Dechow and Dichev model which developed by McNichols (2002) to estimate the discretionary accruals. By estimating the discretionary accruals, we can see the extent of firm's earnings management.

McNichols (2002) provide evidence that the Modified Dechow and Dichev model is more powerful than Dechow and Dichev model, which can reduce the measurement error in discretionary accruals. The model is estimated as follows:

$$ACC_{j,t} = \alpha + \beta_1 CF_{j,t-1} + \beta_2 CF_{j,t} + \beta_3 CF_{j,t+1} + \beta_4 \Delta REV_{j,t} + \beta_5 PPE_{j,t} + \varepsilon_{j,t} \quad (1)$$

where:

$ACC_{j,t}$  = Total current accruals for firm  $j$  in year  $t$ , which is calculated as [ $ACC = \Delta$ current assets -  $\Delta$ current liabilities -  $\Delta$ cash +  $\Delta$ debt in current liabilities],  $\Delta$  is the change in a given accounting figure from year  $t-1$  to year  $t$ .

$CF_{j,t}$  = Operating cash flows for firm  $j$  in year  $t$ .

$\Delta REV_{j,t}$  = Change in revenue for firm  $j$  from year  $t-1$  to  $t$ .

$PPE_{j,t}$  = Gross value of property, plant, and equipment for firm  $j$  in the end of year  $t$ .

All the variables used in accruals model are scaled by the average total assets for firm  $j$  between year  $t-1$  to year  $t$ . The residual from the regression is the discretionary accruals as the extent of earnings management.

### **Female Executives (FEXEC)**

Following Peni and Vahamaa (2010), we employ female executives as the independent variable in this study. We use the gender of the firm's executives to test the representation of women on the boards. This variable is equals 1 if the firm has a female chief executive officers and/ or chief financial officers.

### **Control variables**

Consistent with Peni and Vahamaa (2010), we include several control variables in our model, namely leverage (LEV); loss (LOSS); market to book ratio (M/B Ratio); revenue growth (REVGROWTH); and size (SIZE). LEV shows financial leverage for firm  $j$  in year  $t$ , while LOSS is a dummy variable that equals 1 if the firm has negative net income in year  $t$ . These two variables have been used as proxies for the financial condition of the firm. M/B ratio and REVGROWTH are proxies for growth. According to Meek *et al.* (2007), high-growth firms are typically less transparent and may have greater opportunities for opportunistic earnings management. Data regarding M/B Ratio were collected from the *Fact Book Indonesia Stock Exchange*. REVGROWTH shows the revenue growth rate for the firm  $j$  from year  $t-1$  to year  $t$ . The last control variables is SIZE, which shows the business scale for the firms. SIZE also important to this study since larger firms may have stronger governance structure and they need high quality financial reporting.



$$LEV = \frac{\text{Total Liabilities}}{\text{Total Assets}} \quad (2)$$

$$M/B \text{ Ratio} = \frac{\text{Market price per share of common stock}}{\text{Book value per share of common stock}} \quad (3)$$

$$\text{Revenue Growth} = \left( \frac{\text{Revenue}_t - \text{Revenue}_{t-1}}{\text{Revenue}_{t-1}} \right) \times 100\% \quad (4)$$

$$\text{Size} = \ln (\text{Total Assets}) \quad (5)$$

This study uses cross-sectional panel regression as the main statistical technique to test the hypothesis. The main regression model is defined in the following equation:

$$DA_{j,t} = \alpha_0 + \beta_1 FEMALE_{j,t} + \beta_2 LEV_{j,t} + \beta_3 LOSS_{j,t} + \beta_4 MB_{j,t} + \beta_5 REVGROWTH_{j,t} + \beta_6 SIZE_{j,t} + \varepsilon_{j,t} \quad (6)$$

Where:

DA = *Discretionary Accruals*

FEMALE = *Female Executives*, 1= female CEO and/or CFO and 0 = non female CEO and/ or CFO

LEV = *Leverage Ratio*

LOSS = *Negative Net Income*, dummy variable that equals one if the net income in year t is negative and zero otherwise

MB = *Market to Book Ratio*

REVGROWTH = *Revenue Growth*

SIZE = *Size of the firm*

$\alpha$  = constant

$\beta$  = regression coefficient

$\varepsilon$  = *error*

### **III.2. Sample data**

The population of this study consisted of 286 firms-year, which are the total number of firms-year in trade, services, and investment sector listed on the Indonesia Stock Exchange for the period 2009-2011. According to Lilyah (2014), female executives will be more suited to lead the service industry. Further, after doing preliminary research on the firms that were listed on Indonesia Stock Exchange period 2010, the result shows that the proportion of female executives (chief executive officers and/ or chief financial officers) are greatest in trade, services, and investment sector industry.

Table 1 provides details about the sample selection. Firms with insufficient data are excluded for the sample. After deleting 113 firms-year data, the final sample during 2009-2011 amounted to the 173 firm-year observations. To collect the data for this study, we used

published annual reports and financial statements that are available on Indonesia Stock Exchange website ([www.idx.co.id](http://www.idx.co.id)).

**Table 1**  
**Sample Selection**

Descriptions	Total Firm Years
Listed trade, services, and investment companies at IDX since 2009-2011	286
Firm's annual report do not available on the internet	(20)
The firms do not report about the boards on the annual report	(80)
Financial statements period is not ended on December 31	(2)
The reporting currency used in the financial statements is not Rupiah	(4)
Firms with incomplete data	(7)
Final sample for statistical analysis	173

#### IV. Results and Discussions

##### IV.1. Descriptive Statistics

Table 2 provides descriptive statistics for all variables used in hypothesis testing, except the dummy variables (FEMALE and LOSS). The mean of DA as a proxy of earnings management is 0.000. On the other hand, LEV; M/B Ratio; REVGROWTH; and SIZE have an average of 0.563; 1.667; 0.348; and 27.356 respectively.

**Table 2**  
**Descriptive Statistics**

Variables	N	Minimum	Maximum	Mean	Std. Deviation
DA	173	-1.425	0.677	0.000	0.188
LEV	173	0.014	2.998	0.563	0.430
M/B Ratio	173	-13.580	11.41	1.667	2.592
REVGROWTH	173	-0.974	8.046	0.348	1.123
SIZE	173	21.927	31.469	27.356	1.833

As seen on table 3, 38.73% from our final sample have female executives on their boards. This suggests that listed companies in Indonesia were dominated by male executives. Table 4 shows that only 8.67% of the sample firms have negative net income or LOSS in year *t*.



**Table 3**  
**Descriptive Statistics for FEMALE (Dummy Variable)**

Variable	0 (Non Female)		1 (Female)		Total	
	FEMALE	106	61.27%	67	38.73%	173

**Table 4**  
**Descriptive Statistics for LOSS (Dummy Variable)**

Variable	0 (Profit)		1 (Loss)		Total	
	LOSS	158	91.33%	15	8.67%	173

#### IV.2. Pearson Correlation Matrix

Table 5 shows the correlation among the dependent and independent variables.

**Table 5**  
**Pearson Correlations**

	DA	FEMALE	LEV	LOSS	MB	REV GROWTH	SIZE
<b>DA</b>							
<i>P. Correlation</i>	1	-.090	-.292*	-.036	.177*	.053	.118
<i>Sig.</i>		.238	.000	.637	.020	.490	.122
<b>FEMALE</b>							
<i>P. Correlation</i>	-.090	1	.089	.008	-.056	.084	-.007
<i>Sig.</i>	.238		.242	.916	.461	.272	.924
<b>LEV</b>							
<i>P. Correlation</i>	-.292*	.089	1	.406*	-.564*	.032	-.244*
<i>Sig.</i>	.000	.242		.000	.000	.680	.001
<b>LOSS</b>							
<i>P. Correlation</i>	-.036	.008	.406*	1	-.312*	.014	-.105
<i>Sig.</i>	.637	.916	.000		.000	.858	.170
<b>MB</b>							
<i>P. Correlation</i>	.177*	-.056	-.564*	-.312*	1	.059	.226*
<i>Sig.</i>	.020	.461	.000	.000		.439	.003
<b>REVGROWTH</b>							
<i>P. Correlation</i>	.053	.084	.032	.014	.059	1	.160*
<i>Sig.</i>	.490	.272	.680	.858	.439		.036
<b>SIZE</b>							
<i>P. Correlation</i>	.118	-.007	-.244*	-.105	.226*	.160*	1
<i>Sig.</i>	.122	.924	.001	.170	.003	.036	

Notes: P. Correlation is pearson correlation coefficient and \* indicate significance at 5% level.

As seen on table 5, the correlations among DA as a dependent variable and FEMALE as an independent variable is not significant. Similarly, LOSS; REVGROWTH; and SIZE as the control variables have no significant correlations with DA. There is a negative correlation coefficient between DA and LEV, but on the other hand DA and M/B Ratio are strongly positive correlated.

In addition, we also assess the correlations among the independent variables. There is a positive correlation coefficient between LEV and LOSS; MB and SIZE; REVGROWTH and SIZE. We also find a significant negative correlation between LEV and MB; LEV and SIZE; LOSS and MB.

### **IV.3. Regression Results**

There are several classical test assumptions, including normality test; heteroscedasticity test; autocorrelation test; and multicollinearity test used in the present study to obtain the efficient and accurate regression results. That shows that the model is better when it is free from violations of classical assumptions.

All data have already tested and passed the classical test assumption except for normality test. But the the regression model can be used for further testing because of the failure of the normality test is basically only a small effect on error rejection hypothesis (Mendenhall and Sincich, 2012: 409). In addition, normality is not critical issues if the data has a large number of samples or  $N > 100$  (Gujarati, 2003).

This study suggests that the gender of the firm's executives (chief executive officers and/ or chief financial officers) affect earnings management practices. As can be noted from Table 6, the F-test for regression model is significant at the 5% level. The adjusted  $R^2$  of this model is only 7% and indicate that 93% of DA as a dependent variable can be explained by other factors outside the model.

**Table 6**  
**Regression Results**

	<b>B</b>	<b>Sig.</b>
<b><i>T-test</i></b>		
CONSTANT	-0.017	0.941
FEMALE	-0.024	0.395
LEV	-0.135	0.001*
LOSS	0.068	0.213
M/B Ratio	0.001	0.864
REVGROWTH	0.010	0.402
SIZE	0.008	0.684
<b><i>Adjusted R<sup>2</sup></i></b>		0.070
<b><i>F-test</i></b>		0.006

**Notes:** \* denote significance at 5%

The p-value of t-test shows that H1 is rejected for the hypothesis testing. It means that there is no significant effect from the gender of the firm's executives (chief executive officers and/or chief financial officers) on earnings management practices. While, leverage as a control variable has a negative significant effect to discretionary accruals as a proxy from earnings management.

#### **IV.4. Discussions**

Table 6 reports the results for the regression where the discretionary accruals as the proxy of earnings management are determined with the Modified Dechow and Dichev Model by McNichols (2002). These results indicate that there is no significant effect between the FEMALE as main independent variable on DA. Similarly, the control variables: LOSS; MB; REVGROWTH; and SIZE have no significant effect on the dependent variable. While, LEV as a control variable has a negative significant effect on the dependent variable.

This result is consistent with Rose's research (2007) in Peni and Vahamaa (2010) that there is no significant relationship between the representation of female executives with the firm performance. However, this result is not consistent with Khan and Vieito (2013). Khan and Vieito (2013) state that firms with female chief executive officers (CEO) are associated with an increase in performance compared to the firms managed by male CEO. In addition, this result does not support Gulzar and Wuhan (2011) findings which states that the presence of women in executive positions will help to reduce the earnings management occurs, also Peni and Vahamaa findings (2010) which state that female executives have a significant effect on discretionary accruals.

The result of this study is inconsistent with the previous study by Peni and Vahamaa (2010). The insignificant result in this study can be caused by the proportion of female executives in Indonesia public company is still relatively small, i.e. 11.2% in 2009, although this proportion was larger than some countries in Europe (Darmadi, 2013).

This study tries to see further than Rose research (2007) in Peni and Vahamaa (2010) that investigate the relationship between existence of female executives and firm performance. Further, in this study firm performance is represented by the quality of financial reporting. When there is no significant relationship between female executives and firm performance, it means that female executives do not use the accounting policies to achieve some specific financial reporting purposes. So, female executives do not affect the quality of earnings.

As seen on table 6, leverage has negative significant impact to earnings management practices. This result supports Peni and Vahamaa (2010) finding. In addition, this fact is also consistent with agency theory concept. It means when firm's leverage is high, the control

from the external parties (bondholders) is also increased, so it can reduce the possibility of earnings management practices.

While, this result was not consistent with DeAngelo *et al.* (1994) in Peni and Vahamaa (2010); Healy and Palepu (1990); Press and Weintrop (1990) in Rusmin (2010); DeFond and Jiambalvo (1994); Sweeney (1994) in Chen *et al.* (2005) that leverage has positive significant effect on earnings management. As we know that leverage variable indicate the proportion of firm's external funding owned by a business entity. In contrast to the agency theory concept, positive accounting theory, namely debt covenant hypothesis (Watts and Zimmerman, 1990) in Scott (2009: 287) states that financial risk faced by companies will increase as the leverage increase. Thus, the firms will try to use accounting policies that will increase their earnings in current period (Scott, 2009: 288).

#### **V. Conclusions, Limitations, and Implications of the Study**

This study investigates whether female executives has a significant impact to discretionary accruals as the proxy of earnings management. The empirical analysis shows that female executives have an insignificant effect on earnings management. So, this result indicates that the gender of the firm's executives (chief executive officers and/ or chief financial officers) will not affect the quality of reported earnings. In addition, financial condition of the firm, namely leverage has negative significant effect on earnings management practices.

This study is subject to the following limitations. Gender should have a broader meaning than sex ratio, i.e. feminist and masculine. Further, the study should explore the characteristics of firm's executive such as leadership style, age and marital status. Lastly, this study only examines the short sample period. Therefore, future research may take longer periods of sample to capture a more comprehensive result about the effect of female executives on earnings management.

This study has some implications for investors and firms. Investors should not be hesitant of making investment to entity which the executives are female. Moreover, firms should give more opportunities for female in executive positions since the presence of female has insignificant effect to discretionary accruals as the proxy of earnings management.

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DEPARTMENT OF ACCOUNTANCY,  
FACULTY OF ECONOMICS AND BUSINESS  
UNIVERSITAS AIRLANGGA

**AAIC** 2015  
Airlangga Accounting International Conference 2015

**PROCEEDING**  
**AIRLANGGA ACCOUNTING**  
**INTERNATIONAL CONFERENCE (AAIC) 2015**



**3-4** Hotel Bumi  
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*“Megatrends and Research Opportunities in Accounting”*



Department of Accountancy,  
Faculty of Economics and Business  
Universitas Airlangga

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## WELCOMING MESSAGE

Dear all participants,



On behalf of the Faculty of Economics and Business Universitas Airlangga, We would like to welcome all of you in Surabaya Indonesia and enjoy the second largest city, the biggest and the longest bridge in Indonesia. We hope that you have a comfortable journey to arrive at this conference and will have ample time to enjoy your stay here. AAIC is one of the activities organized by the Department of Accounting, Economics and Business Faculty, Universitas Airlangga. We hope that this AAIC can become activities and facilities for the discussion of matters related to accounting.

We are delighted and honoured to be given the opportunity to hold this international conference. Your participation is important to the success of this event. We look forward to sharing and learning of experience together. We believe that it will serve as facilities to exchange ideas and experiences among participants. We hope this will promote further study and action that leads to a better understanding of the issues that need for our development, especially in the field of accounting.

We hope you will enjoy the event. Have a nice conference.

Sincerely yours,

The signature of Prof. Dr. Bambang Tjahjadi is written in blue ink over the AAIC 2015 logo. The logo consists of the letters 'AAIC' in a large, bold, blue font, with '2015' to its right. Below the logo, the text 'Airlangga Accounting International Conference 2015' is written in a smaller, blue font.

Prof. Dr. Bambang Tjahjadi, MBA., CPM., CMA., Ak., CA.

Chairman of Airlangga Accounting International Conference 2015



Dear all participants,



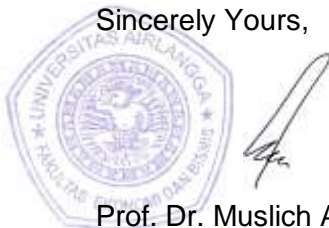
On behalf of Faculty of Economics and Business, Universitas Airlangga, we would like to welcome all of you to Surabaya, Indonesia. We hope you had a comfortable journey to venue and that you will find time to enjoy your stay here. This event, Airlangga Accounting International Conference, is organized by the Department of Accountancy, Faculty of Economics and Business, Universitas Airlangga. It is designed to provide a discussion spot amongst those who have interest in the current issues of Accounting. We are delighted and honoured to be given an opportunity to hold this international event.

I would like to acknowledge and appreciate all of the parties involved in carrying out this big event. Thank you to all of our sponsors, all of the speakers and moderators, the local government, and last but not least all of the conference participants.

The participants' contributions are important to the event's success. We are very hopeful that this conference could serve as a stage for extensive exchange of ideas among participants. We are looking forward to have a meaningful discussion together.

Finally, we hope you will enjoy the event!

Sincerely Yours,



Prof. Dr. Muslich Anshori, M.Sc.

Dean of Economics and Business Faculty

Universitas Airlangga

## **BACKGROUND**

AAIC is one of the activities organized by the Department of Accountancy, Faculty of Economics and Business, Universitas Airlangga. We hope that this AAIC can become activities and facilities for the discussion of matters related to accounting. The first conference, held in 2012 at Bali International Convention Center (BICC) Westin Nusa Dua Hotel, was very successful. It was attended by 300 participants from Asian, Australian, African, European, and American countries.

The conference will be held on June 3 - 4, 2015 at Hotel Bumi Surabaya. Surabaya is chosen as AAIC 2015 host city because of its internationally-recognized-achievements over the past few years. The second largest city in Indonesia has received: Socrates Award for future city category, United Nations' "The 2013 Asian Townscape Sector Award", Future Gov Award 2013, and other prestigious awards. Its parks and greeneries enhance the cities landscape of both classical and modern architecture.

The main theme of AAIC 2015 is "Megatrends and Research Opportunities in Accounting". During the last 15 years, there is a significant development in accounting. It has taken a central role in economics and business. As a science, it is always adapting with the changes in its socio-economic environment, and vice versa. This theme discusses sustainability evolution of its science and identifies Megatrends in its environment. These Megatrends are related to:

1. Regulation, Standard Setting and Capital Market
2. Financial Accounting
3. Auditing and Taxation
4. Governance and Sustainability
5. Management Accounting
6. Social and Environmental Accounting
7. Accounting Education
8. Public Sector Accounting and Accountability
9. Other Emerging Accounting Issues

Research opportunities in relationship with Megatrends will encourage further improvement in Accounting Best Practices. This conference will also discuss its implication toward multidisciplinary research, accountant education and training in the future. AAIC is a special program Department of Accountancy, Faculty of Economics and Business Universitas Airlangga. We would like to invite accounting researchers around the world to

participate in AAIC 2015 and to enjoy art performances as well as the beauty of Mount Bromo.

### Important Dates

Deadline for full-paper submission	May 16, 2015
<b>Notification to Authors</b>	<b>May 20, 2015</b>
End of early-bird registration offer	May 24, 2015
<b>Reception and final registration</b>	<b>June 3, 2015</b>
Conference opening ceremony, panel session and forum	June 3, 2015
Paper presentation and closing ceremony	June 4, 2015
Bromo Tour (Optional)	June 4-5, 2015

## **SPEAKER PROFILES**

### **KEYNOTE SPEAKER:**

**Ignasius Jonan, MBA., AK., CPA., CA.**

**Minister of Transportation, Republic of Indonesia**



Mr. Ignasius Jonan, MBA., Ak., CPA.,CA is the Minister of Transportation, previously he was Chief Executive Officer at PT. Kereta Api Indonesia (PT.KAI), the state-owned train operator. Under his leadership, KAI has been able to multiply their profit while earning the status of a 'healthy' state-owned enterprise with an 'A' grade. As a CEO of PT.KAI, he also has received several awards such as: Bisnis Indonesia's Best CEO of 2014; RCTI TV's Phenomenal Figure in 2014; Best CEO of State Owned Enterprise in 2013; Ikatan Akuntan Indonesia's Accountant of the Year in 2013; Marine Corps's Honorary Member of Cavalry Regiment in 2013; Rakyat Merdeka Post's The Golden Action Award in 2013; SWA magazine's CEO of choice in 2012 and 2013; Gatra Magazine's the Most Innovative CEOs in 2013; Universitas Airlangga Most Outstanding Alumnus in 2012; and Indonesian Marketer Association's Marketer of the Year in Transportation Sector in 2012 and 2013.

**Prof. Mardiasmo, MBA., Ph.D., Akt., CA.**

**Vice Minister of Finance Republic of Indonesia**



Focusing on Accounting Science field, he has been serving as the Chairman of the Indonesian Institute of Accountants since 2010. He is also a Professor of Faculty of Economics and Business Gadjah Mada University who actively wrote some books including Taxation (2006), Series of Regional Autonomy: Autonomy and Regional Financial Management (2003), Public Sector Accounting (2003), and Basic Financial Accounting (2000). Before being sworn as Vice Minister of Finance on 27 October 2014, he served as Expert Staff of Minister of Finance in State Expenditure (2004-2006), Director General of Fiscal Balance of Ministry of Finance (2006-2010), Vice Chairman of BPK Bill Discussant Team (2006), Chairman of Quality Assurance Team for National Bureaucracy Reform (2011-up to present), Vice Chairman of Evaluation and Supervisory Team for Budget Absorbtion (2001-up to present), Head of State Finance and Development Supervisory Board of Republic of Indonesia (2010-2014). From December 1, 2014 to February 6, 2015, he was appointed as the Acting (Plt.) Director General of Tax of Ministry of Finance.

**Prof. Charl De Villiers**

**Waikato Management School, The University of Waikato, New Zealand**



Charl teaches Management Accounting and Sustainability Accounting at the University of Waikato. He is also Professor of Accounting at the University of Pretoria, Adjunct Professor at Cape Peninsula University of Technology, Extraordinary Professor at the University of the Western Cape, and a research fellow at the Centre for Sustainability Management at Leuphana University Luneburg, Germany.

Charl's main research focus is on sustainability reporting, but he also explores integrated reporting, corporate governance, the accounting profession, accounting control systems, and audit fee movements. His research output includes more than 200 publications and presentations, 50 being refereed journal articles. His articles have been published in *Accounting, Organizations and Society*; *Journal of Management, Accounting, Auditing & Accountability Journal*; *Journal of Accounting and Public Policy*; the *British Accounting Review*; and *Journal of Cleaner Production*; among other journals.

Charl won a best paper award at AFAANZ 2011 (best in CSR) and at SAAA 2011 (best in Financial Accounting and best overall). He is editor of *Meditari Accountancy Research* (C rated by the ABDC) and serves on several editorial boards, e.g. *Accounting, Auditing & Accountability Journal*; *Accounting and Business Research*; *Issues in Accounting Education* (all A rated - ABDC); and *Sustainability Accounting, Management and Policy Journal* (B - ABDC). Charl is co-editor of a special issue of *Accounting, Auditing & Accountability Journal* on Integrated Reporting, as well as co-editor of a special issue of *Pacific Accounting Review* on Sustainability Accounting, both published during 2014. Charl is a Chartered Accountant.



After school, Charl studied towards a BCom and BCom(Honours), before qualifying as a Chartered Accountant through an auditing clerkship. He did an MBA on a part-time basis and became CFO of a medium-sized firm, before pursuing an academic career.

**CONFERENCE CHAIR:**

**Prof. Lorne Cummings, FCPA, CA.**

**Macquarie University, Australia**



Lorne is a Professor of Accounting and is currently serving as Associate Dean of Higher Degree Research for the Faculty of Business and Economics. Lorne has previously been Acting Head of Department (Accounting and Finance), Deputy Chair of the University Human Ethics Committee and co-ordinator of the Departments post-graduate accounting programs. Lorne received his PhD from the Macquarie Graduate School of Management (MGSM) on "Managerial attitudes toward stakeholder prominence and environmental management within a South-East Asian context".

Lorne teaches in International and Financial Accounting and has researched across a wide spectrum of the financial accounting field, including Sustainability Accounting and Reporting, International Financial Reporting Standards, Not-for-Profit accounting, and Accounting History. He has published in leading International and Australian academic and professional journals including *Advances in Accounting*, *European Accounting Review*, *Financial Accountability and Management*, *Accounting, Auditing and Accountability Journal*, *The International Journal of Auditing*, *Accounting History*, *the Asian Review of Accounting* and *the Journal of Business Ethics*. He is involved in the development and delivery of professional development programs for CPA Australia.

**Drs. Ali Darwin, Ak., CA., M.Sc., CSRS.**

**Executive Board and Executive Director of the National Center for Sustainability Reporting (NCSR) and Advisory Boar Member Institute of Management Accountants Indonesia (IAMI)**



Ali Darwin is currently the Chairman Board of Director and Executive Director of National Center for Sustainability Reporting (NCSR) Indonesia. He has carried out a number of nation-wide campaigns to promote sustainability reporting and good governance practices since 2005. Ali is a member of the Global Reporting Initiative (GRI) Stakeholder Council since 2010.

On corporate level, Ali has 8 years of experience as member of various Board of Directorthe Board of Directors, and 10 years as Independent Commissioner. He holds a Master's degree (MSc.) in General Management from the London Business School, UK (1995), and is also an alumnus of the Program for Management Development (PMD) at the Harvard Business School, Boston, USA (1992).

**Ade Palupi, SE, MPPM, Ph.D., Ak., CA., AAP.**

**Universitas Airlangga, Indonesia**



Ade Palupi, SE, MPPM, Ph.D., Ak., CA. AAP., Lecturer at the Departement of Accountancy, Faculty of Economics and Business, Universitas Airlangga. Her area research interests are Public Sector Accounting and Accounting History. She holds Master of Public Policy Management (MPPM) from Monash University, Australia, and Ph.D. in Accounting from Macquarie University, Australia. She also holds AAP (Ahli Akuntansi Pemerintahan) from Ikatan Akuntan Indonesia (IAI).

**Drs. Ahyanizzaman, Ak. CA.**

**Finance Director of Semen Indonesia Tbk.**



Mr. Ahyanizzaman has taken the position of Finance Director of Semen Indonesia Ltd since March 11, 2011. Previously he was Semen Gresik's Chief of Accounting Division (2004-2006), Chief of Finance Division (2006-2010), and Chief of Finance and Accounting Division (2010-2011). He has joined the company since 1991, the same year when he was graduated from Accounting Undergraduate program in Universitas Airlangga, Surabaya.

**Prof. Dr. Bambang Tjahjadi, SE., MBA., Ak., CMA., CPM., CA**

**Universitas Airlangga, Indonesia**



Prof. Dr. Bambang Tjahjadi, SE., MBA., Ak., CMA., CPM., CA, Professor at the Departement of Accountancy, Faculty of Economics and Business, Universitas Airlangga. He was the head Research Development and Management Economic of Universitas Airlangga. His area research interests include management accounting and strategic management system, implementation of the Balanced Scorecard, and Management performance measurement system for improve good corporate governance and peformance of the company. He has served as a consultant in several public institutions and administration, including the World Bank.



### CONFERENCE AGENDA

**Wednesday, June 3,  
2015**

Time	Schedule
07.30 - 08.30	Registration
08.30 - 08.45	Opening Dance: East Java Remo & Singing Indonesian National Anthem
08.45 - 09.00	Opening Speech and Greeting
	Prof. Dr. H. Fasich, Apt. (Rector of Universitas Airlangga) The beating of the gong; Traditional Dance Performance
09.00 - 09.30	Keynote Speech 1: "Accounting Paradigm in Leadership"
	Ignasius Jonan, MBA., Ak., CPA., CA. (Minister of Transportation Republic of Indonesia)
09.30 - 09.45	Coffee Break Airlangga Choir Performance
09.45 - 10.15	Keynote Speech 2: "Government Policies in Developing Professional Accountant Regarding Sustainability Reporting in Indonesia"
	Langgeng Subur, MBA., Ak., CA (The Chief of Indonesian Financial Profession Development) on behalf of Prof. Mardiasmo, MBA., Ph.D., Akt., CA. (The Indonesian Vice Minister of Finance, IAI Chairman)
10.15 - 11.00	Keynote Speech 3: "Emerging Issues in Accounting, Governance and Sustainability"
	Prof. Charl de Villiers (Auckland University of Technology, New Zealand)
11.00 - 12.30	Panel Session 1, Topic: "Emerging Megatrends and Research Opportunities in Accounting", Speakers:
	1. Prof. Lorne Cummings, FCPA, CA (Macquarie University, Australia): "International and Financial Accounting: Sustainability Accounting and Reporting, International Financial Reporting Standards (IFRS)"
	2. Drs. Ali Darwin, M.Sc., Ak., CA., CSRS. (Executive Board and Executive Director of the National Center for Sustainability Reporting (NCSR)): "Implementation of Sustainability Accounting in Indonesia"
	3. Ade Palupi, SE, MPPM, Ph.D., Ak., CA. (Universitas Airlangga): "Public Sector Accounting"
12.30 - 13.30	Break, Sholat, Lunch Airlangga Choir Performance
13.30 - 15.00	Panel Session 2, Topic: "Emerging Megatrends and Research Opportunities in Accounting", Speakers:
	1. Drs. Ahyanizzaman, Ak., CA. (Finance Director of PT Semen Indonesia Tbk.): "Megatrends in Global Business: Manufacturing Industry"
	2. Prof. Dr. Bambang Tjahjadi, MBA., CPM., CMA., Ak., CA. (Universitas Airlangga, Indonesia): "Megatrends in Performance Management Systems"
15.00 - 18.30	Surabaya City Tour
18.30 - 21.30	Gala Dinner in Grahadi Building is designated as the official residence of the Governor of East Java Welcoming Speech by Dr. H. Soekarwo, S.H, M.Hum (the Governor of East Java)

**Thursday, June 4,  
2015**

Time	Schedule
08.30 - 10.00	Parallel Session
10.00 - 10.30	Coffee Break
10.30 - 12.30	Parallel Session
12.30 - 13.30	Break, Sholat, Lunch
13.30 - 16.00	Parallel Session
16.00 - 16.15	Coffee Break
16.15 - 17.00	Airlangga Choir Performance; Best Paper Award and Closing Speech; Airlangga Choir Performance
19.00	Start Bromo Tour (Optional)

**Friday, June 5, 2015**

Time	Schedule
Until Friday, 15.30	Bromo Tour (Optional)

## RUNDOWN PRESENTER

First Session		Time		
		08:30 am-10:00 am		
Room	Paper Code	Title of Paper	Authors	University/Institution
1.1	GS001	Corporate Governance Convergence	Vogy Gautama Buanaputra Dr. Sumiyana., M.Si., Akt., CA	Universitas Gajah Mada
	GS002	Value-Added Enterprise, Corporate Governance on Sustainable Enterprise with Investment Opportunities Set as Intervening Variable	Ali Sandy Mulya & Sekar Mayangsari	Budi Luhur University & Trisakti University
	GS003	The Quality of Sustainability Reporting Assurance Statement of Fortune Global 500 Companies	Muhammad Bahrul Ulum & Faisal	Diponegoro University
1.2	PSAA001	Critical Analysis of Accounting Standards vis-à-vis Corporate Governance Practice in India	Vrajlal Sapovadia & Akash Patel	Shanti Business School, Ahmedabad, India & ICAI
	PSAA003	Content Analysis of Information Transparency on Websites State Universities in Indonesia	Siti Atikah, Intan Rakhmawati & Baiq Rosyida Dwi Astuti	University of Mataram
	PSAA004	The Impact of The Enactment of Government Regulation (PP) Number 46 Year 2013 to Taxation Collection System and The Compliance of Micro Small Medium Enterprises Taxpayers (Cases Study on CV. X & PT. Y)	I Gusti A. A. Gita Chandradewi & Elia Mustikasari	Universitas Airlangga
1.3	AT007	Good Corporate Governance Effect on Tax Avoidance (Empirical Study on Manufacturing Companies Listed in IDX period 2010-2013)	Winnie & Vivi Adeyani Tandean	Institut Bisnis dan Informatika Kwik Kian Gie
	FA002	The Factors Affecting Ethical Perception of Earnings Management Practice with Moral Reasoning as The Intervening Variable	Incha Naslichah Farahiani & Noorlailie Soewarno	Universitas Airlangga
	FA003	Analysis of Factors Affecting The Decision-Usefulness of Financial Statements of Ministries/Institutions	Tunjung Probo Nirmala & Falikhatun	Inspectorate of the Ministry of Trade of the Republic of Indonesia & Business and Economic Faculty, Sebelas Maret University, Surakarta, Indonesia

1.4	RSSCM001	The Efficiency of Bankruptcy Prediction Models in Tehran Stock Exchange Companies, Emerging Need in Privatization and Capital Market	Abdolreza Ghasempour & Neda Bashiri	Islamic Azad University-Bardsir Branch (Iran) & Yerevan State University (Armenia)
	OEAI006	Determinants Distribution of Financing and Implications to Profitability (Empirical Study on Cooperative Syariah BMT in Indonesia)	Oyong Lisa & Kurniawan	STIE Widya Gama Lumajang
	AT012	The influence of audit committee independence and activity on the financial reporting timeliness	Almhdi Abulgasim Abusbaiha	Doctoral Program of Economic Science - Diponegoro university
1.5	OEAI001	Photography Images Analysis of Intellectual Capital in Corporate Annual Reports: A Descriptive Note	Mara Ridhuan Che Abdul Rahman, Asmazatul Yusfiziati Mohd Yusuf & Mohamat Sabri Hasan	School of Accounting, Faculty of Economics and Management, Universiti Kebangsaan Malaysia
	OEAI007	Traditional Market Accounting: Management or Financial Accounting?	Wiyarni	STIE Malangkuçewara Malang
	OEAI011	Interpreting Receivable Debt in Bhubukan Tradition Critical Interpretive Study	Nanang Shonhadji & Agus Samekto	STIE PERBANAS SURABAYA
1.6	FA004	The Effect of Female Executives on <i>Earnings Management</i> : Evidence from Indonesia	Tania Kogin & Felizia Arni Rudiawarni	Universitas Surabaya
	FA005	Applying A Foreign Exchange Losses (FEL) Model to Detect Earnings Management	Yulius Jogi Christiawan & Alfa Rahmiati	PDIA Student - Faculty of Economics and Business, Universitas Airlangga
	FA010	The Relationship between Earnings Quality, Liquidity and Cost of Capital	Puput Tri Komalasari & Moh. Nasih	Universitas Airlangga

Second Session		Time		
		10:30 pm - 12:30 pm		
Room	Paper Code	Title of Paper	Authors	University/Institution
2.1	FA006	Are There Any Interactions between Real Earnings Management and Accrual-Based Earnings Management?	Vogy Gautama Buanaputra	Universitas Gadjah Mada
	OEA1003	Comparative Study Of Accounting And Islam: The Practice Of Pawnshops (Boroh) In Rokan Hilir – Province Of Riau	Andi Irfan	UIN SUSKA Riau
	OEA1004	The Practice of Determining Margin of Financing in Sharia Bank: A Case Study in Indonesia dan Brunei Darussalam	Leny Nofianti, Andi Irfan & Tasriani	UIN SUSKA Riau
	FA011	The Moderating Effect of Growth Opportunities on the Relationship between Financing Decision, Dividend Policy, Profitability and Liquidity toward Firm Value	Prayogo Teguh Ansori ; Ardianto	Universitas Airlangga
2.2	PSAA006	The Influence Factors on The Behavioral Organization Toward The Use of Accrual Accounting System (Empirical Study On the Government Sragen Regency)	Nur Endah Widyastuti & Falikhatun	Inspectorate of the Ministry of Trade of the Republic of Indonesia ; Business and Economic Faculty, Sebelas Maret University, Surakarta, Indonesia
	PSAA008	Bureaucracy System and Budget Performance Influences in the Political Economy of Accounting (PEA) Perspective	ASL Lindawati	Ma Chung University
	PSAA013	Accounting Knowledge, Education Level, Work Experience and Quality of Local Government Financial Statements: A Case Study in Ngawi and Pacitan	Beltian Hanny Priatna, Sri Suranta, Hanung Triatmoko & Halim Dedy Perdana	Universitas Sebelas Maret
	PSAA014	Influence of Understanding of Accounting, Education Level, and Length of Work to Implementation of Local Government Accounting System (Case Study in Ngawi and Pacitan)	Bagas Harris Parananda, Halim Dedy Perdana & Sulardi	Universitas Sebelas Maret

2.3	PSAA017	Model Audit Implementation of Social Responsibility based on Human-Centered Design in The Public Sector Organization Model Audit Implementation of Social Responsibility based on Human-Centered Design in The Public Sector Organization	Priyo Suprobo, Diana Suteja, Soegeng Soetedjo & Basuki	Universitas Airlangga
	PSAA018	Model Application for Effective Social Responsibility Audit in Public Sector Organisations in Drinking Water in Packaging Industry Approach to Human Centered Design	Priyo Suprobo, Diana Suteja, Soegeng Soetedjo & Basuki	Universitas Airlangga
	PSAA019	The Influence of Organizational Culture, Innovation Management and Internal Control Over The Implementation of Total Performance Scorecard (TPS) Effectiveness in Improving Performance of Public Sector Organization	Yanuar Nugroho & Heru Tjaraka	Universitas Airlangga
	PSAA020	Measuring The Public Value of E-Government as Performance Evaluation in Indonesia Local Government	Siti Amerieska	State Polytechnic of Malang
2.4	RSSCM005	Effect of Environmental Performance And Good Corporate Governance and Firm Value with Environmental Disclosure as Intervening Variable on High Profile Companies Listed on BEI 2011-2013 Period	Erina Sudaryati & Aryasena Putradigjaya	Universitas Airlangga
	PSAA009	The Implementation E-Procurement Towards Fraud Detection in Local Government	Imam Agus Faisol, Tarjo & Siti Musyarofah	Universitas Trunojoyo Madura
	RSSCM008	The Effect of Company Characteristics on Earning Response Coefficient (Empirical Study on Manufacturing Companies Listed on Indonesian Stock Exchange)	Charoline Cheisviyanny, Herlina Helmy & Joan Marta	Padang State University
	RSSCM009	The Influence of Corporate Governance Structure on Intellectual Capital Disclosure: Studied on LQ 45 Firms Listed on Indonesian Stock Exchange during 2011-2013	Astri Septia Simanjuntak & Amalia Rizki	Universitas Airlangga

2.5	SEA006	Eco-Efficiency and Sustainable Development as Efforts to Produce Environmentally Friendly Product: An Exploratory Case Study	B. Basuki	Universitas Airlangga
	SEA007	The Study of Corporate Environmental Reporting and Disclosure: A Case of PT. Unilever Indonesia	RR Marthina Briliana & Basuki	Universitas Airlangga
	SEA008	Carbon Footprints Disclosure Practices of Aerospace and Airlines Companies	Hasna Azizah Fithriani & Faisal	Diponegoro University
	SEA009	Interrelationship between Earnings Management and Corporate Social Responsibility Reporting	Alif Rishal Prasetya, Intan Dwi Yuliarti & Faisal	Diponegoro University
2.6	FA008	The Effect of Corporate Governance Mechanism on Earnings Management Through Real Activities	Lodovicus Lasdi & Rr. Puruwita Wardani	Widya Mandala Catholic University Surabaya
	FA009	Earnings Management and Firm Financial Motives An Empirical Study on Manufacturing Companies in Indonesia	Rosalia Anita Wibiksono & Yie Ke Feliana	Universitas Surabaya
	MA009	The Influence of Good Corporate Governance Mechanism on Earning Management and Firm Value	Yustrida Bernawati & Arfilia Vega Wilianasari	Universitas Airlangga
	FA007	Factors Affecting Earnings Persistence (Institutional Ownership as A Moderating Variable)	Muhammad Khafid & Retnoningrum Hidayah	Semarang State University
2.7	SEA003	The Influence of Sustainability Report Disclosure as Moderating Variable towards the Impact of Intellectual Capital on Company's Performance	Reza Renaldi Mirhard & Anak Agung Gde Satia Utama	Universitas Airlangga
	SEA004	Content Analysis of National Cultural Dimension in Corporate Social Responsibility Reporting and The Implications: Study of State Owned Enterprises in China and Indonesia	Monica Taniya Soetanto & Dianne Frisko K	Universitas Surabaya
	SEA002	Environmental Accounting Practices in Indonesia and Management Behavior	Sarah Yuliarini & Tantri Bararoh	Universitas Wijaya Kusuma Surabaya
	SEA005	Implementation of Green Accounting Based on University Social Responsibility at Yogyakarta State University	Abdullah Taman	Yogyakarta State University

Third Session		Time		
		13:30 pm - 16:00 pm		
Room	Paper Code	Title of Paper	Authors	University/Institution
3.1	AE001	Developing An Accounting Textbook Integrated with Collaborative Learning and IFRS for Senior High School Students	Diana Tien Irafahmi & Sulastri	State University of Malang
	AE004	Moral Competence and Whistleblowing Intention (Empirical Study on Accounting Students)	Harti Budi Yanti	Trisakti University
	AE005	Perceive Relevant Skills and Forensic Accounting Education in Indonesia	Ananto Prabowo	Tanri Abeng University
	AE007	Role of Business Ethics Education for Young Entrepreneurs: A Case Study of Student in Accounting Department Ciputra University	Maria Assumpta Evi Marlina	Ciputra University
3.2	PSAA011	Incentives of Local Government Performance Disclosures On The Website/Internet: Indonesian Case	Sasono Adi	Universitas Indonesia
	PSAA005	The Relationship Between the Use of Performance Measurement System, Organizational Factors, Accountability, and Performance of Public Sector Organization	Muhammad Ahyaruddin & Rusdi Akbar	Universitas Gadjah Mada
	RSSCM006	Mechanism of Good Corporate Governance and Earnings Management : Empirical Study Before and After IFRS Adoption in Manufacturing Company Listed in Indonesia Stock Exchange	Erina Sudaryati & Harits Isnandar	Universitas Airlangga
	PSAA015	Lessons Learned from Early Implementation Stage of Accrual Accounting in Indonesia Local Government A Case Study in Province XYZ	Irwan Taufiq Ritonga	Universitas Gadjah Mada
	PSAA016	Analysis of Audit Report of The Local Government Financial Statements (Study on Counties and Cities in East Java Province)	Sri Ningsih	PDIA Student - Faculty of Economics and Business, Universitas Airlangga



3.3	AT002	Analysis of Intellectual Capital, Financial Performance and Tax Avoidance using Partial Least Square Structural Equation Modeling (PLS-SEM)	Deddy Arief Setiawan	Doctoral Program – Trisakti University
	FA001	Financial Report and Public Accountability Culture in Indonesia	Bambang Setiono & Dody Hapsoro	Sampoerna University Jakarta & STIE YKPN Yogyakarta
	AT008	The Arm's Length Transfer Pricing Rule as A Tool for Tax Strategy: An Ethnographic Study of Manufacturing Enterprise	Resti Sandi & Alfa Rahmiati	Universitas Airlangga
	AT010	Tax Aggressiveness on Banking Companies: Exploration on Corporate Risk and Corporate Governance	I Nyoman Suardijaya, Lilik Handajani & Zuhrotul Isnaini	University of Mataram
3.4	RSSCM010	The Effect of Cash Conversion Cycle and Firm Size Toward Firm's Profitability in Manufacture Company Listed on Indonesia Stock Exchange in The Period of 2011-2013	Yustrida Bernawati & Tamara Saraswati	Universitas Airlangga
	RSSCM011	Bank: Before and After IFRS	Sedianingsih, Mienati S. Lasmana & Okta S. Hartadinata	Universitas Airlangga
	RSSCM012	IFRS Adoption in Actor, Political and Business Related Accounting Ecology: Case Study in Indonesia	Hamidah	Universitas Airlangga
	OEAI005	The Analysis of Factors that Influence Relative Efficiency of General Banks After The Implementation of Indonesia Banking Architecture	Bertha Elizabet, Nanny Dewi & Aldrin Herwany	Universitas Padjadjaran Bandung
	OEAI008	Integrated Reporting – Are They Ready?	Amelia Setiawan	Parahyangan University
3.5	AT001	Is Audit Quality of Big 4 Firms Higher than Mid-Tier Firms? Study of Going-Concern Opinion and Auditor Reporting Accuracy in Indonesia	Antonius Herusetya & Francis Cia	Universitas Pelita Harapan
	AT005	An Analysis on Factors Influence Auditor Professional Skepticism and Audit Result Quality (Research done in BPKP Riau)	Andreas Tan, Arumega Zarefar & H.M. Rasuli	Universitas Riau
	AT006	Analysis of Audit Quality Effect on The Audited Firm Satisfaction at Regional Government of The Special Region of Yogyakarta	Miswaty	Universitas Balikpapan
	AT009	An Experimental Study: Assessing The Effect of Financial Incentives and Music on Audit Performance	Ines Nur Latifah & Ardianto	Universitas Airlangga

3.6	MA001	The Relationship between Intensity of Competition, Delegation of Authority, Changes in Management Accounting and Control Systems, Advanced Manufacturing Technology, and Organizational Performance (Empirical Study in Manufacturing Companies Listing in Indonesian Stock Exchange)	Lukluk Fuadah	Universitas Sriwijaya - Palembang
	MA002	Negative Framing, Rigid Thinking and The Escalation of Commitment on Decision Making: Experimental Study	Andi Irfan & Dessyka Febria	UIN SUSKA Riau & Universitas Riau
	MA003	Effect of Incentive Schemes and Goal-Setting Participation on Performance: Experimental Study on Entrepreneurship Students	Dian Wijayanti & Titik Desi Harsoyo	Ma Chung University
	MA010	De-escalation Commitment Strategy: The Effect of Hurdle Rates and Availability Information on Capital Budgeting Decisions	Teodora Winda Mulia & Lodovicus Lasdi	Widya Mandala Catholic University Surabaya
3.7	MA004	Activity Based Costing Model Development to Estimate Mining Services Reasonable Cost Provided by Contractor of PT. Kaltim Prima Coal (Case Study: Tania Pit of Melawan South Block)	Anwar Dasuki & Wiwiek M. Daryanto	PT. KALTIM PRIMA COAL (KPC) & Institut Teknologi Bandung
	MA005	Controlling Raw Material Costs of Production Through Activity Control System in The Production Value Chain Analysis in A Bakery (Case Study at Company X in Surabaya)	Ivana Laksmono & Debby Ratna Daniel	Universitas Airlangga
	MA006	Balanced Scorecard Evaluation in A Not-For-Profit Organization: Aiesec Case Study	Milla Hanifan Sanly & Khusnul Prasetyo	Universitas Airlangga
	MA007	A Contingency Model of SBU's Financial Performance	Hariyati & Bambang Tjahjadi	Universitas Negeri Surabaya & Universitas Airlangga
	OEAI009	Replacement Strategy and Financial Modeling for Heavy Equipment Procurement Toward The Expiry of PT KPC Contract Year 2021 (Study Case Dozer E525 Komatsu D375 and Excavator B302 Komatsu PC300 at PT Kaltim Prima Coal)	Asep Maulana Akbar & Wiwiek M. Daryanto	PT. KALTIM PRIMA COAL (KPC) & Institut Teknologi Bandung

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No.	Paper Code	Title of Paper	Authors	University/Institution
1	RSSCM001	The Efficiency of Bankruptcy Prediction Models in Tehran Stock Exchange Companies, Emerging Need in Privatization and Capital Market	Abdolreza Ghasempour & Neda Bashiri	Islamic Azad University-Bardsir Branch (Iran) & Yerevan State University (Armenia)
2	RSSCM002	Corporate Governance and Different Types of Voluntary Disclosure: Evidence from Companies Listed on the Stock Exchange Indonesia	Elin Erlina Sasanti, Wahidatul Husnaini & Susi Retna Cahyaningtyas	University of Mataram
3	RSSCM004	Do non-audit service fees associate with accrual earnings management during the IPO?	Mohammad Alhadab	University of Al alBays University, Jordan
4	RSSCM005	Effect of Environmental Performance And Good Corporate Governance and Firm Value with Environmental Disclosure as Intervening Variable on High Profile Companies Listed on BEI 2011-2013 Period	Erina Sudaryati & Aryasena Putradigjaya	Universitas Airlangga
5	RSSCM006	Mechanism of Good Corporate Governance and Earnings Management : Empirical Study Before and After IFRS Adoption in Manufacturing Company Listed in Indonesia Stock Exchange	Erina Sudaryati & Harits Isnandar	Universitas Airlangga
6	RSSCM008	The Effect of Company Characteristics on Earning Response Coefficient (Empirical Study on Manufacturing Companies Listed on Indonesian Stock Exchange)	Charoline Cheisviyanny, Herlina Helmy & Joan Marta	Padang State University
7	RSSCM009	The Influence of Corporate Governance Structure on Intellectual Capital Disclosure: Studied on LQ 45 Firms Listed on Indonesian Stock Exchange during 2011-2013	Astri Septia Simanjuntak & Amalia Rizki	Universitas Airlangga

8	RSSCM010	The Effect of Cash Conversion Cycle and Firm Size Toward Firm's Profitability in Manufacture Company Listed on Indonesia Stock Exchange in The Period of 2011-2013	Yustrida Bernawati & Tamara Saraswati	Universitas Airlangga
9	RSSCM011	Bank: Before and After IFRS	Sedianingsih, Mienati S. Lasmana & Okta S. Hartadinata	Universitas Airlangga
10	RSSCM012	IFRS Adoption in Actor, Political and Business Related Accounting Ecology: Case Study in Indonesia	Hamidah	Universitas Airlangga
11	FA001	Financial Report and Public Accountability Culture in Indonesia	Bambang Setiono & Dody Hapsoro	Sampoerna University Jakarta & STIE YKPN Yogyakarta
12	FA002	The Factors Affecting Ethical Perception of Earnings Management Practice with Moral Reasoning as The Intervening Variable	Incha Naslichah Farahiani & Noorlailie Soewarno	Universitas Airlangga
13	FA003	Analysis of Factors Affecting The Decision-Usefulness of Financial Statements of Ministries/Institutions	Tunjung Probo Nirmala & Falikhatun	Inspectorate of the Ministry of Trade of the Republic of Indonesia & Business and Economic Faculty, Sebelas Maret University, Surakarta, Indonesia
14	FA004	The Effect of Female Executives on <i>Earnings Management</i> : Evidence from Indonesia	Tania Kogin & Felizia Arni Rudiawarni	Universitas Surabaya
15	FA005	Applying A Foreign Exchange Losses (FEL) Model to Detect Earnings Management	Yulius Jogi Christiawan & Alfa Rahmiati	PDIA Student - Faculty of Economics and Business, Universitas Airlangga
16	FA006	Are There Any Interactions Between Real Earnings Management and Accrual-Based Earnings Management?	Vogy Gautama Buanaputra	Universitas Gadjah Mada
17	FA007	Factors Affecting Earnings Persistence (Institutional Ownership as A Moderating Variable)	Muhammad Khafid & Retnoningrum Hidayah	Semarang State University

18	FA008	The Effect of Corporate Governance Mechanism on Earnings Management Through Real Activities	Lodovicus Lasdi & Rr. Puruwita Wardani	Widya Mandala Catholic University Surabaya
19	FA009	Earnings Management and Firm Financial Motives An Empirical Study on Manufacturing Companies in Indonesia	Rosalia Anita Wibiksono & Yie Ke Feliana	Universitas Surabaya
20	FA010	The Relationship between Earnings Quality, Liquidity and Cost of Capital	Puput Tri Komalasari & Moh. Nasih	Universitas Airlangga
21	FA011	The Moderating Effect of Growth Opportunities on the Relationship between Financing Decision, Dividend Policy, Profitability and Liquidity toward Firm Value	Prayogo Teguh Ansori ; Ardianto	Universitas Airlangga
22	AT001	Is Audit Quality of Big 4 Firms Higher than Mid-Tier Firms? Study of Going-Concern Opinion and Auditor Reporting Accuracy in Indonesia	Antonius Herusetya & Francis Cia	Universitas Pelita Harapan
23	AT002	Analysis of Intellectual Capital, Financial Performance and Tax Avoidance using Partial Least Square Structural Equation Modeling (PLS-SEM)	Deddy Arief Setiawan	Doctoral Program – Trisakti University
24	AT003	Effect of Competence, Independence, and Professional Skepticism Against Ability to Detect Fraud Action in Audit Assignment (Survey on Public Accounting Firm (KAP) Registered in IICPA Territory of Jakarta)	Wiwi Idawati & Andrew Gunawan	Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta
25	AT005	An Analysis on Factors Influence Auditor Professional Skepticism and Audit Result Quality (Research done in BPKP Riau)	Andreas Tan, Arumega Zarefar & H.M. Rasuli	Universitas Riau
26	AT006	Analysis of Audit Quality Effect on The Audited Firm Satisfaction at Regional Government of The Special Region of Yogyakarta	Miswaty	Universitas Balikpapan

27	AT007	Good Corporate Governance Effect on Tax Avoidance (Empirical Study on Manufacturing Companies Listed in IDX period 2010-2013)	Winnie & Vivi Adeyani Tandean	Kwik Kian Gie School of Business
28	AT008	The Arm's Length Transfer Pricing Rule as A Tool for Tax Strategy: An Ethnographic Study of Manufacturing Enterprise	Resti Sandi & Alfa Rahmiati	Universitas Airlangga
29	AT009	An Experimental Study: Assessing The Effect of Financial Incentives and Music on Audit Performance	Ines Nur Latifah & Ardianto	Universitas Airlangga
30	AT010	Tax Aggressiveness on Banking Companies: Exploration on Corporate Risk and Corporate Governance	I Nyoman Suardijaya, Lilik Handajani & Zuhrotul Isnaini	University of Mataram
31	AT012	The influence of audit committee independence and activity on the financial reporting timeliness	Almhdi Abulgasim Abusbaiha	Doctoral Program of Economic Science - Diponegoro university
32	AT013	The Effect of Business Strategy on Corporate Tax Avoidance, Empirical Evidence in Indonesia	Dianwicakasih Arieftiara, Sidharta Utama, Ratna Wardhani & Ning Rahayu	Universitas Negeri Surabaya & University of Indonesia
33	GS001	Corporate Governance Convergence	Vogy Gautama Buanaputra Dr. Sumiyana M.Si., Akt., CA	Universitas Gadjah Mada
34	GS002	Value-Added Enterprise, Corporate Governance on Sustainable Enterprise with Investment Opportunities Set as Intervening Variable	Ali Sandy Mulya & Sekar Mayangsari	Budi Luhur University & Trisakti University
35	GS003	The Quality of Sustainability Reporting Assurance Statement of Fortune Global 500 Companies	Muhammad Bahrul Ulum & Faisal	Diponegoro University
36	MA001	The Relationship between Intensity of Competition, Delegation of Authority, Changes in Management Accounting and Control Systems, Advanced Manufacturing Technology, and Organizational Performance (Empirical Study in Manufacturing Companies Listing in Indonesian Stock Exchange)	Lukluk Fuadah	Universitas Sriwijaya - Palembang



37	MA002	Negative Framing, Rigid Thinking and The Escalation of Commitment on Decision Making: Experimental Study	Andi Irfan & Dessyka Febria	UIN SUSKA Riau & Universitas Riau
38	MA003	Effect of Incentive Schemes and Goal-Setting Participation on Performance: Experimental Study on Entrepreneurship Students	Dian Wijayanti & Titik Desi Harsoyo	Ma Chung University
39	MA004	Activity Based Costing Model Development to Estimate Mining Services Reasonable Cost Provided by Contractor of PT. Kaltim Prima Coal (Case Study: Tania Pit of Melawan South Block)	Anwar Dasuki & Wiwiek M. Daryanto	PT. KALTIM PRIMA COAL (KPC) & Institut Teknologi Bandung
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49	SEA006	Eco-Efficiency and Sustainable Development as Efforts to Produce Environmentally Friendly Product: An Exploratory Case Study	B. Basuki	Universitas Airlangga
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51	SEA008	Carbon Footprints Disclosure Practices of Aerospace and Airlines Companies	Hasna Azizah Fithriani & Faisal	Diponegoro University
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53	AE001	Developing An Accounting Textbook Integrated with Collaborative Learning and IFRS for Senior High School Students	Diana Tien Irafahmi & Sulastrri	State University of Malang
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56	AE007	Role of Business Ethics Education for Young Entrepreneurs: A Case Study of Student in Accounting Department Ciputra University	Maria Assumpta Evi Marlina	Ciputra University
57	PSAA001	Critical Analysis of Accounting Standards vis-à-vis Corporate Governance Practice in India	Vrajlal Sapovadia & Akash Patel	Shanti Business School, Ahmedabad, India & ICAI
58	PSAA003	Content Analysis of Information Transparency on Websites State Universities in Indonesia	Siti Atikah, Intan Rakhmawati & Baiq Rosyida Dwi Astuti	University of Mataram
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60	PSAA005	The Relationship Between the Use of Performance Measurement System, Organizational Factors, Accountability, and Performance of Public Sector Organization	Muhammad Ahyaruddin & Rusdi Akbar	Universitas Gadjah Mada
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70	PSAA018	Model Application for Effective Social Responsibility Audit in Public Sector Organisations in Drinking Water in Packaging Industry Approach to Human Centered Design	Priyo Suprobo, Diana Suteja, Soegeng Soetedjo & Basuki	Universitas Airlangga
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72	PSAA020	Measuring The Public Value of E-Government as Performance Evaluation in Indonesia Local Government	Siti Amerieska	State Polytechnic of Malang
73	OEAI001	Photography Images Analysis of Intellectual Capital in Corporate Annual Reports: A Descriptive Note	Mara Ridhuan Che Abdul Rahman, Asmazatul Yusfiziati Mohd Yusuf & Mohamat Sabri Hasan	School of Accounting, Faculty of Economics and Management, Universiti Kebangsaan Malaysia
74	OEAI002	Reputation Risk Management in Islamic Financial Institutions: A Case of Tabung Amanah Islam Brunei (TAIB)	Mohamed Sharif Bashir, Fathima Sulaiha Mohamed Shafeek & Muslichah	Al-Imam Muhammad bin Saud Islamic University, Saudi Arabia ; University of Brunei Darussalam ; STIE Malangkuçeçwara, Indonesia
75	OEAI003	Comparative Study Of Accounting And Islam: The Practice Of Pawnshops (Boroh) In Rokan Hilir – Province Of Riau	Andi Irfan	UIN SUSKA Riau
76	OEAI004	The Practice of Determining Margin of Financing in Sharia Bank: A Case Study in Indonesia dan Brunei Darussalam	Leny Nofianti, Andi Irfan & Tasriani	UIN SUSKA Riau
77	OEAI005	The Analysis of Factors that Influence Relative Efficiency of General Banks After The Implementation of Indonesia Banking Architecture	Bertha Elizabet, Nanny Dewi & Aldrin Herwany	Universitas Padjadjaran Bandung
78	OEAI006	Determinants Distribution of Financing and Implications to Profitability (Empirical Study on Cooperative Syariah BMT in Indonesia)	Oyong Lisa & Kurniawan	STIE Widya Gama Lumajang
79	OEAI007	Traditional Market Accounting: Management or Financial Accounting?	Wiyarni	STIE Malangkuçeçwara Malang
80	OEAI008	Integrated Reporting – Are They Ready?	Amelia Setiawan	Parahyangan University

81	OEAI009	Replacement Strategy and Financial Modeling for Heavy Equipment Procurement Toward The Expiry of PT KPC Contract Year 2021 (Study Case Dozer E525 Komatsu D375 and Excavator B302 Komatsu PC300 at PT Kaltim Prima Coal)	Asep Maulana Akbar & Wiwiek M. Daryanto	PT. KALTIM PRIMA COAL (KPC) & Institut Teknologi Bandung
82	OEAI011	Interpreting Receivable Debt in Bhubukan Tradition Critical Interpretive Study	Nanang Shonhadji & Agus Samekto	STIE PERBANAS SURABAYA

Paper Code	Description
RSSCM	Regulation, Standard Setting, and Capital Market
FA	Financial Accounting
AT	Auditing and Taxation
GS	Governance and Sustainability
MA	Management Accounting
SEA	Social and Environmental Accounting
AE	Accounting Education
PSAA	Public Sector Accounting and Accountability
OEAI	Other Emerging Accounting Issues





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# Certificate

*This certificate is proudly presented to*

**Felizia Arni Rudiawarni**  
**Universitas Surabaya**

as

**Presenter**

6 CPD IAI

In Airlangga Accounting International Conference 2015  
Hotel Bumi Surabaya Indonesia, June 3 - 4 2015

Head of Institute of Indonesia Chartered Accountants  
East Java Region



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