



ICBESS 2017

The 4th International Conference on Business, Economics and Social Sciences
Powered by Indonesia College of Economics Jakarta (STEI)

Interdisciplinary Research in the fields of
Business, Economics and Social Science
Toward Global Future Competitiveness

Tentrem Hotel Yogyakarta
9 – 10 August 2017

Co - Host :



Universitas Selangor
Malaysia



Universiti
Kuala Lumpur



Kasem Bundit
University Thailand



Icoop College



National University
Vietnam



Universitas Dili
Timor - Leste



STIA LAN Jakarta



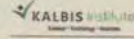
Universitas
Cokroaminoto Palopo



Universitas
Wiraraja Sumenep



TSM
Tribhuvan School of Management



KALBIS Institute



UNISZA
Universiti Zainal Abidin



Universitas
Negeri Manado



Universitas Surabaya



Universitas Pancasila



UNTAR
Universitas Tarumanagara



Universitas
Gunadarma



Universitas
MERCU BUANA



1969

STEI INDONESIA

Sponsored by



The 4th International Conference on Business Economics and Social Sciences
Abstracts Proceeding
Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta / Indonesia College of Economics

Published by:

Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta / Indonesia College of Economics
Jl. Kayu Jati Raya No. 11A Rawamangun
Jakarta Timur 13220
Indonesia
Email : info@stei.ac.id, icbess@stei.ac.id
Telp : +6221 4750321
Fax : +6221 4722371

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permissions of the Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta / Indonesia College of Economics

First published in 2017

Editor : Irvan Noormansyah, BA(Hons), MA, PhD
Drs. Ridwan Maronrong, M.Sc
Jusuf Hariyanto, Drs., M.Sc.
Erna Lovita, SE, M.Si, Ak, C.A
Liez Zulfiati, SE, M.Si, Ak, C.A

Layout : Gatot Prabantoro, SE., MM
Design Cover : Gatot Prabantoro, SE., MM

Library of Congress cataloguing in Publication Data :

The 4th International Conference on Business Economics and Social Sciences Abstracts Proceeding published by the Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta / Indonesia College of Economics includes bibliographical references, Series ISBN 978-979-9022-15-8

Distributed by :

Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta / Indonesia College of Economics
Jl. Kayu Jati Raya No. 11A Rawamangun
Jakarta Timur 13220
Indonesia
Email : info@stei.ac.id, icbess@stei.ac.id
Telp : +6221 4750321
Fax : +6221 4722371



STEI Indonesia International Conference ICBESS

Yogyakarta
08/09 — 08/10/2017

time left

00

days

00

hrs

00

min

00

sec

[Home](#) [Important Dates](#) [Poster](#) [Conference](#) [Registration](#) [Committees](#) [Past Conference](#)

Scientific Committee

1. Professor Shahzad Uddin

Director, Essex Accounting Centre
PhD Director, Essex Business School (UK)

2. Professor Mathew Tsamenyi

Professor of Management Practice in Accounting
China Europe International Business School (CEIBS) (China)
Co-Founding Editor of the Journal of Accounting in Emerging Economies
Co-Editor of the Research in Accounting in Emerging Economies Series
Editorial Boards of the Accounting, Auditing and Accountability Journal (AAAJ)
Editorial Boards of the Journal of Accounting and Organizational Change
Reviewer for Management Accounting Research, Critical Perspectives on Accounting, Journal of Accounting Education, and International Business Review.

3. Dr. Andrew Delios

National University of Singapore

4. Professor Guochang Zhang

Professor Accounting
Hong Kong University of Science and Technology (Hong Kong)
Professor Bridget Welsh
Professor of Political Science
Ipek University (Turkey)

5. Professor Bridget Welsh

Ipek University, Turkey

6. Nikos Kartalis, PhD

Technological Educational Institute (University of Applied Sciences) of Western Macedonia at Kozani, Greece

7. Prof. Dr. Mohd Fuad

Professor of Management
Dean of Faculty of Business
Universiti Selangor – Malaysia

8. Jiri Strouhal, PhD

Associate Professor of accounting and corporate finance
university of Economics Prague – Czech

9. Phan Thi Hong Xuan, PHD.

Assoc Prof and Vice Dean
Faculty of Anthropology, HCMUSSH, VNU (Vietnam)

10. Prof. Vo Van Sen

HCMUSSH, VNU, Vietnam

11. Prof. Riaz Hassan

International Centre for Muslim & non-Muslim Understanding, University of South Australia, Australia

12. Dr. Susan Busby Aberystwyth

University Business School

13. Dr. Ovidi Carbonell-Cortés

Hamad Bin Khalifa University, Qatar

14. Dr. Khaled. A. Elnakhat

University of Benghazi, Libya

Hosted by	Co-Hosted by							
 <p>STEI INDONESIA</p>	 <p>Universiti Kuala Lumpur</p>	 <p>unisel UNIVERSITI SELANGOR</p>	 <p>Kasem Bundit University Thailand</p>	 <p>Universiti Zainal Abidin</p>	 <p>National University Vietnam</p>	 <p>Universitas Gunadarma</p>	 <p>MERCU BUANA</p>	
<p>Sponsored by</p>	 <p>UPN Veteran Jakarta</p>	 <p>Universitas Negeri Malang</p>	 <p>Universitas Muhammadiyah Maturam</p>	 <p>Universitas Jenderal Soedirman</p>	 <p>Universitas Negeri Jakarta</p>	 <p>KALBIS Institute</p>	 <p>Universitas Muhammadiyah Gorontalo</p>	 <p>Universitas Negeri Manado</p>
 <p>BNI</p>	 <p>Insitut Bisnis dan Multimedia asmi</p>	 <p>STIE - IPWMA</p>	 <p>STIKOM BALI</p>	 <p>Universitas Pancasila</p>	 <p>Universitas Satyagama</p>	 <p>Universitas Singaperbangsa</p>	 <p>ifma</p>	 <p>ISEI JAYA</p>

test | © All Rights Reserved | ایلود عکس

ایلود سنتر

PATRONS

Keynote Speakers

1. Jamie S. Davidson (Associate Professor at Department Of Political Science, National University of Singapore)
2. Prof. Isao Takagi (Professor at Faculty of Economics, Soka University, Japan)

Organizer

Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta / Indonesia College of Economics

Co-Organizer

1. Universiti Selangor (Malaysia)
2. Universiti Kuala Lumpur (Malaysia)
3. Kaseem Bundit University (Thailand)
4. Universiti Sultan Zainal Abidin (Malaysia)
5. University of Social Sciences & Humanities Ho Chi Minh (Vietnam)
6. ICOOP College (Malaysia)
7. Universiade Dili (Timor Leste)
8. Universitas Pancasila
9. Trisakti School of Management
10. Kalbis Institute
11. Universitas Tarumanegara
12. Universitas Surabaya
13. Universitas Mercu Buana
14. Universitas Negeri Manado
15. Universitas Gunadarma
16. Universitas Wira Raja Sumenep
17. Universitas Cokroaminoto Palopo
18. STIA LAN
19. Ikatan Sarjana Ekonomi Indonesia (ISEI) Jaya

Conference - Chair

Irvan Noormansyah, BA (Hons), MA, PhD (STEI)

INDEX

FOREWORDS	
WELCOME SPEECHS.....	
PATRONS.....	
PROGRAM	
PRESENTATION SLIDES.....	
KNOWLEDGE AND AWARENESS OF THE PRIVATE PERSONS TAXPAYER COMPLIANCE RATE TAX PAYERS AT PERFORMING THE OBLIGATION OF TAXATION (Study Case : Tax Payers In Rawamangun Jakarta Timur) Merliyana, Enung Siti Saodah, Tomy Prasetya.....	1
EFFECT OF COMPETENCE AND INDEPENDENCE INTERNAL AUDITOR AND COMPETENCE HR THE QUALITY OF FINANCIAL REPORTING THE PROVINCIAL GOVERNMENT / MUNICIPAL GOVERNMENT DKI JAKARTA Nelli Novyarni & Imelda Aprileny	2
THE PATTERN OF COOPERATION BETWEEN THE NON-OIL EXPORTERS AND SMALL AND MEDIUM ENTERPRISES IN BUSINESS SHOES Zaidar Zainuddin & Emiyarni MNur	3
THE EFFECT OF INDUSTRIAL TYPE, PROFITABILITY, AND PUBLIC SHAREHOLD ON ISLAMIC SOCIAL REPORTING DISCLOSURES (Empirical Study of Companies Listed in List of Syariah Securities Periode 2013-2016) Uun Sunarsih & Dahlifah.....	4
THE EFFECT OF WORK EXPERIENCE AND GENDER OF AUDIT JUDGMENT (Empirical Study at DKI Jakarta Public Accountant Firm) Wiwi Idawati	5
PROBLEM TREE ANALYSIS OF COCONUT SUGAR QUALITY PENETRATE INTERNATIONAL MARKET AND MODERN MARKET Suliyanto, Weni Novandari, Suwaryo.....	6
THE EFFECT OF CURRENT AND DEFERRED TAX EXPENSE TO EARNINGS MANAGEMENT AT A MANUFACTURING COMPANY LISTED ON THE EXCHANGE INDONESIA SECURITIES FOR 2010-2014 PERIOD Iren Meita, Zahrotul Hayati & Agus Munandar.....	7
ENTREPRENEURIAL COMPETENCY DEVELOPMENT WITH TRAINING PROGRAM FOR ENTREPRENEUR SMALL SCALE INDUSTRY SANJAI CRACKERS IN BUKITTINGGI CITY Sri Ulfa Sentos, Ariusni, Alpon Satrianto	8
THE ROLE OF CORPORATE GOVERNANCE AND ENVIRONMENTAL COMMITTEES IN GREENHOUSE GAS DISCLOSURE Daniel TH Manurung, R Wedi Rusmawan Kusumah, Bachtiar Asikin, Irma Suryani.....	9

THE OPPORTUNITIES TO HAVE OWN HOME IN BANDA ACEH CITY Yasrizal.....	10
PRICE FORMATION AROUND CUM DATE DIVIDEND ANNOUNCEMENT: EMPIRICAL EVIDENCE IN INDONESIAN STOCK EXCHANGE Budi Frensidy, Irene Josephine, Ignatius Roni Setyawan.....	11
RISK OF STOCK PRICE RISK AND STOCK RETURN FROM SHARES THAT IS LISTED ON THE INDONESIA STOCK EXCHANGE Eko Budi Santoso.....	12
PROJECT BASED LEARNING AND INNOVATION IN ENTREPRENEURSHIP EDUCATION Oscarius Yudhi Ari Wijaya & Wirawan ED Radianto.....	13
DO DISTANCE OR TRAVELING TIME TO CENTRAL BUSINESS DISTRICT HAS EFFECT ON RESIDENTIAL LAND PRICE IN URBAN AREA? Suparmono, Darsono, Jhony Sarungu, Guntur Riyanto.....	14
SPILLOVER EFFECTS OF FOREIGN DIRECT INVESTMENT ON DOMESTIC FIRMS: AGGREGATE AND DISAGREGATE ANALYSIS Suyanto.....	15
THE EFFECT OF SIZE, FIRM AGE, GROWTH, AUDIT REPUTATION, OWNERSHIP AND FINANCIAL RATIO ON INTELLECTUAL CAPITAL DISCLOSURE Yesica Delvia & Nico Alexander.....	16
DO FINANCIAL RATIOS, FIRM CHARACTERISTICS AND CORPORATE GOVERNANCE AFFECT FIRM PERFORMANCE? Jenny, Silvy Christina.....	17
BUILDING CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY REPORTING THROUGH ISLAMIC PERSPECTIVE ON SHARIA BANK Rimi Gusliana Mais, Eko Ganis S, Aulia Fuad Rahman, Aji Dedi Mulawarman.....	18
THE ROLE OF PERCEIVED ORGANIZATIONAL SUPPORT IN THE RELATIONSHIP BETWEEN JOB INSECURITY AND ORGANIZATIONAL CITIZENSHIP BEHAVIOUR Anna Partina, Mugi Harsono, Sri Hunik Runing, Tulus Haryono.....	19
VIOLATIONS OF FINANCIAL REGULATION, LEVERAGE AND FINANCIAL PERFORMANCE ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE (Study On Non-Financial Companies Listed In Indonesia Stock Exchange) Rika Lidyah, Titin Hartini, Mismiwati.....	20
TAX ON COOPERATIVES IN INDONESIA Kus Tri Andyarini.....	21

101

INVESTIGATION OF INTELLECTUAL CAPITAL IMPACT AND FIRM SIZE TO ISLAMIC SOCIAL REPORTING WITH PROFITABILITY AS MEDIATION ON SHARIA BANKS IN INDONESIA Dinnul Alfian Akbar.....	22
BANK INTERNAL FACTORS AND PROFIT DISTRIBUTION MANAGEMENT OF SYARIAH BANKS IN INDONESIA Mismiwati.....	23
POLICY INTEGRATION : POLICY-MAKING PERSPECTIVES AND INSTITUTIONAL CHALLENGES ON FORESTRY SECTOR IN INDONESIA Yogi Suwarno.....	24
THE EFFECT OF COMPETENCE, MOTIVATION AND QUALITY ASSURANCE TOWARD THE AUDIT QUALITY (Study at The Auditors of The Directorate General of Customs And Excise) Fauzi Rachman, Wiwi Idawati	25
THE INFLUENCE OF PARENT’S PERCEPTION ON THEIR INTEREST TO SEND THEIR CHILDREN TO PAUD Lilik Trianah & Diah Pranitasari.....	26
THE INFLUENCE OF COMPENSATION, ORGANIZATIONAL COMMITMENT AND CAREER PATH TO JOB PERFORMANCE EMPLOYEES Sulaefi.....	27
EVALUATION OF LOCAL GOVERNMENT INNOVATION PROGRAM (Analysis Of Free Health Service Program (P2km) In Bandar Lampung) Simon Sumanjoyo Hutagalung.....	28
THE IMPLEMENTATION OF DESIGN THINKING METHOD ON ‘HAPPY RAINBOW’ START UP BUSINESS Wawan Kurniawan, Teddy Siswanto, Ratna Shofiat, Hartini.....	29
STRESS OR HAPPINESS? UNDERSTANDING EMOTION AT WORK ON FEMALE CORRECTIONAL OFFICERS IN JAVA, INDONESIA Anggun Resdasari Prasetyo, Unika Prihatsanti, Ika Zenita Ratnaningsih	30
THE EFFECT OF BRAND LOVE ON BRAND TRUST, BRAND LOYALTY AND WORD OF MOUTH (A Case Study: Go-Jek (Online Taxi Motorbike) In Jakarta) Vita Briliana	31
THE EFFECTS OF INTELLECTUAL DISCLOSURES CAPITAL, DEBT TO ASSETS RATIO, DEBT EQUITY RATIO, COMPANY SIZE AND ASSETS TURNOVER ON COMPANY PROFITABILITY (Empirical Study on Manufacturing Companies Listed on Indonesia Stock Exchange Period 2011 - 2015) Diana Supriati, R Kananto, Asiva Kusriananda	32

FACTORS THAT EFFECT THE STOCK RETURN OF MANUFACTURING COMPANIES AT THE INDONESIA STOCK EXCHANGE Agatha Marwati, Indra Arifin Djashan.....	33
CAREER MANAGEMENT AND EMPLOYEE WORK PERFORMANCE : CASE INDEPARTMENT OF AGRICULTURE CIANJUR Meita Pragiwani, Mohammad Benny Alexandri.....	34
EFFECT OF JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT ON TURNOVER INTENTION Christina Catur Widayati, Nico Alexander, Titin Maryati.....	35
EFFECT OF AUDIT COMMITTEE CHARACTERISTICS AND BOARD OF DIRECTORS' COMPENSATION AGAINST RISK MANAGEMENT COMMITTEE EXISTENCE R Wedi Rusmawan Kusumah, Bachtiar Asikin, Daniel TH Manurung, Andina Nur Fathonah	36
DEVELOPMENT OF ECONOMIC, LEGAL, AND POLITICAL FRAMEWORK TO IMPROVE PUBLIC SERVICE QUALITY IN INDONESIA A Rina Herawati.....	37
ANALYSIS OF MUTUAL FUND'S PERSISTENCE IN INDONESIA Mohammad Benny Alexandri, Meita Pragiwani, Joko Bagio Santoso.....	38
THE INFLUENCES OF TAX, BONUS MECHANISM, FOREIGN OWNERSHIP, LEVERAGE AND COMPANY SIZE THROUGH COMPANY DECISION ON TRANSFER PRICING (Empirical Study on Registered Manufacturing Company In Indonesia Stock Exchange Year 2012-2015) Sulistiyowati & R Kananto.....	39
THE PAST RISK AND RETURN AS THE SIGNALS OF THE FUTURE INDEX AND RETURN ON SHARIA STOCK IN INDONESIA Muhammad Anhar.....	40
INTERNATIONALIZATION OF HIGHER EDUCATION THROUGH THE ROLE OF CULTURAL INTELLIGENCE MANAGEMENT AMONG FOREIGN STUDENT Nury Ariani Wulansari, Desti Ranihusna, Siti Ridloah, Whisnu Elianto.....	41
ANALYSIS OF FACTORS INFLUENCING THE VALUE OF BANKING COMPANIES REGISTERED IN BEI Flourien Nurul Ch & Lies Zulfiati	42
ANALYSIS OF INDONESIAN RICE PRICE TRANSMISSION AND IT'S IMPLICATIONS Ahmad Muslim.....	43
INTERDEPENDENCY BETWEEN INTERNATIONALIZATION AND FIRMS' PERFORMANCE Della Meilody & Deddy Marciano.....	44

THE ANALYSIS OF WELFARE LEVEL FAMILY DRIVER ONLINE OJEK IN JAKARTA Yusuf Maksudi & Ade Mulyati	45
ANALYSIS OF FINANCIAL PERFORMANCE OF STATE OWNED BANK AND PRIVATE BANK THAT GO PUBLIC Subekti Singgih Hadi & Lina Noersanti.....	46
INTELLECTUAL CAPITAL INFLUENCE ON FINANCIAL PERFORMANCE BANKING Ono Tarsono, Faris Faruqi, Ayuni Fauziah	47
THE ANALYSIS OF REPUTATION, INFRASTRUCTURE CAPABILITY, TECHNICAL CAPABILITY, AND INNOVATION CAPABILITY OF HIGHER EDUCATION INSTITUTIONS TO STUDENT SATISFACTION Siti Nurjanah & Basuki Toto Rahmanto	48
THE INFLUENCE OF ORGANIZATIONAL CULTURE AND JOB TRAINING ON THE PERFORMANCE OF PT BINTANG TOEDJOE EMPLOYEES WITH JOB SATISFACTION AS MEDIATING VARIABLE Agnesia Juliana & Ferryal Abadi	49
CORPORATE GOVERNANCE, TAX AVOIDANCE AND COST OF DEBT Wenny Maulidina & Lies Zulfiati	50
MANAGEMENT OF CHILD-FRIENDLY INTEGRATED PUBLIC SPACE (RPTRA) AS A SPACE FOR CHILD DEVELOPMENT AND COMMUNITY INTERACTION (Case Study In Rptrah Bahari, South Jakarta Administrative City) Hamidah R Susilatun & Hilda Rifani.....	51
EFFECT OF PROFITABILITY, LIQUIDITY, AND SIZE OF COMPANY ON ACCEPTANCE OF AUDITOR'S GOING CONCERN OPINION Arief Wicaksono & Faris Faruqi	52
MODERATING EFFECT OF USEFULNESS MANAGEMENT ACCOUNTING SYSTEM ON THE RELATIONSHIP BETWEEN INNOVATION AND FIRM PERFORMANCE : EVIDENCE FROM BANDUNG DISTRICT, WEST JAVA, INDONESIA Muhammad Dahlan	53
THE EFFECT OF CORPORATE GOVERNANCE AND ASYMMETRY INFORMATION ON EARNING QUALITY IN MANUFACTURING COMPANIES FROM 2011-2015 Maya Mustika.....	54
THE EFFECTIVENESS OF THE MANAGEMENT OF THE PROCUREMENT OF GOODS OR SERVICES IN THE PROVINCIAL GOVERNMENT OF NORTH SULAWESI Novrabella Clarashinta Pakasi.....	55
ANALYSIS OF GOVERNMENT ACCOUNTABILITY PERFORMANCE ON SUPERVISION AND SERVICES OFFICE AT THE CUSTOMS OF MATARAM I Nyoman Tantri Phala	56

BPKH GOOD GOVERNANCE SOLUTION HAJJ FUND AT MINISTRY OF RELIGIOUS REPUBLIC OF INDONESIA Nursanita Nasution	57
CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMACE IN INDONESIA ISLAMIC BANK Faris Faruqi.....	58
COMPANIES' FINANCIAL PERFORMANCE AND MACROECONOMICS CONDITION, HOW THEY RELATE TO SHARE PRICE CASE STUDY COMPANIES IN CONSUMPTION SECTOR IN IDX Doddi Prastuti & Pristina Hermastuti Setianingrum	59
PARTICIPATION OF MIGRANTS IN MINANGKABAU DEVELOPMENT Musril Zahari.....	60
THE DETERMINANTS OF INTELLECTUAL CAPITAL DISCLOSURE Herri Sugandi & Irwanto Handojo	61
THE EFFECT OF CAR, NPL, LDR, BOPO, TOTAL ASSET, BI RATE AND EXCHANGE RATE TOWARD ROA OF BANKS LISTED IN INDONESIA STOCK EXCHANGE DURING 2011-2016 Muhammad Ikhsan	62
THE EFFECT OF IMPLEMENTATION INTERNAL CONTROL SYSTEM AND FINANCIAL ACCOUNTABILITY TOWARDS QUALITY OF FINANCIAL STATEMENTS GOVERNMENT OF BEKASI CITY (Survey at regional work units (PD) Government of Bekasi City) Lia Eleonora, Wiwi Idawati	63
THE EFFECT OF INTERNAL AND EXTERNAL MECHANISM TO CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE Astrid Rudyanto, Ryan Rinaldi Senjaya.....	64
ATTACHMENT AND BULLYING AMONG ADOLESCENTS IN SEMARANG, INDONESIA Erin Ratna Kustanti	65
VILLAGE FUND MANAGEMENT IN PERSPEKTIVE HABERMAS CRITICAL THEORY Maruhun, Thatok Asmony, Lilik Handajani	66
THE INFLUENCE OF ADMINISTRATION OF REGIONAL-OWNED PROPERTY TOWARD QUALITY OF GOVERNMENT FINANCIAL REPORT OF WEST NUSA TENGGARA PROVINCE Karina Galuh Mentari, Akram, Thatok Asmony.....	67
EFFECT OF QUALITY OF FINANCIAL REPORTING TO ASIMETRY INFORMATION ON MANUFACTURING COMPANY IN BEI Siti Almurni & Hendrawati	68
CAPITAL MARKET INTEGRATION OF ASEAN-5 STOCK MARKET Imron HR & Jusuf Hariyanto	69

IMPLEMENTATION OF QUALITY CONTROL IN WOMEN FOOTWEAR PRODUCTION PROCESS Agatha Rinta Suhardi & Kiki Rizki Amalia.....	70
INTEPRETIF STUDIES ABOUT THE IMPLEMENTATION OF THE GREEN BANKING IN CREDIT LENDING AT BNI KCU MATARAM Amri, Lilik Handajani, Hermanto	71
THE EFFECT OF THE COMMODITY PRICE ON SHARIAH STOCK MARKETS VOLATILITY IN DEVELOPED AND DEVELOPING COUNTRIES Dian Surya Sampurna & Ridwan Maronrong	72
THE INFLUENCE OF INDEPENDENCE, EXPERIENCE, DUE PROFESSIONAL CARE, AND ACCOUNTABILITY OF THE QUALITY OF AUDIT (Empirical Study On Regional Public Accounting Firm In Central Jakarta and East Jakarta)..... Kartika Damayanti Kautsar & Rini Ratnaningsih	73
ACCOUNTING CONSERVATISM, EARNING MANAGEMENT AFTER IFRS CONVERGENCE Rifathi Syadzli & Muhamad Safiq	74
AUDIT OF NICKEL ORE PRODUCTION PT INTEGRA TECHNOLOGY NUSANTARA-A CASE STUDY M Hasbi Saleh	75
STRATEGY FOR INCREASING ADDED VALUE BY SEAWEED PROCESSING AND MARKETING BUSINESS (A Case Study in West Maluku Tenggara-Indonesia) Stenly Jacobus Ferdinandus, Agustina Risambessy, Raja Bonan Dolok Sormin	76
CAREER INTEREST AS AN ACCOUNTANT LECTURER WITH COMPENSATION AS A MODERATING VARIABLE Erna Lovita	77
MANAGERIAL BEHAVIOR IN FINANCIAL PERFORMANCE ON DIVIDEND POLICY (Study on Sub Sector Tobacco, Food and Beverage listed on Indonesian Stock Exchange) Tita Deitiana & Fhika Astali Pohan	78
SOCIAL CAPITAL ON INDIGENOUS PEOPLE : THE COMMUNITY WAYS TO LIFE WITHIN GLOBAL CHANGING Nandang Mulyana, Hetty Krisnani, Risna Resnawaty	79
CONSUMER CONSIDERATION IN DECIDING THE PURCHASE OF SPECS SPORTS SHOES THROUGH BRAND IMAGE, PRODUCT DESIGN AND PRICE PERCEPTION Sri Widyastuti, Bayu Retno W, Achsanul Qosasi	80
CORPORATE GOVERNANCE AND ITS ROLE IN THE EFFECT OF ISLAMIC SOCIAL REPORTING (ISR) ON THE FIRM VALUE Salis Musta Ani	81

PROFESSIONALISM AND INSPECTORATE AUDITOR'S PERFORMANCE : AN ANALYSIS OF GENDER PERSPECTIVE Lailah Fujianti	82
THE EFFECT OF ISLAMIC FINANCIAL RATIO OF PROFITABILITY Dahlifah & Uun Sunarsih	83
ISLAMIC MANAGEMENT AND ITS ROLE IN DEVELOPING ORGANIZATIONAL ETHICS Mohd Fuad Mohd Salleh, Astri Yulia	84
THE RISK OF CLIENT AND THE AUDIT PLANNING: INFLUENCE OF ACCEPTANCE OF AUDIT (Study at Public Accounting Office in Jakarta, Indonesia) Tigor Sitorus, Deby Suryani.....	85
INFLUENCE OF STRENGTHENING INSTITUTIONAL AND PRODUCTION SMEs BASED ON GREEN ECONOMY IT'S IMPACT ON PERFORMANCE Sriyono, Sigit Hermawan, Sarwendah Biduri	86
THE IMPACT OF WORKING SATISFACTION FACTORS ON THE EMPLOYEE PERFORMANCE IN PT PETROLINDO SATRIAPUTRA JAKARTA Agus Arijanto	87
LABOR ABSORPTION ON INDONESIAN INDUSTRY SECTOR Rama Chandra, Sumitro, Ginanjar Syamsuar	88
THE WORD FRAMING EFFECTS, MORAL DILEMMA AND DECISION MAKING: CONCEPTUAL PAPER Deasy Ariyanti Rahayuningsih.....	89
THE IMPACT OF STRATEGIC MANAGEMENT PRACTICES ON FIRM PERFORMANCE (A Study Of Indonesian Construction Company) Fajar Sasongko	90
THE EFFECT OF TECHNOLOGY CAPABILITY, KNOWLEDGE CAPABILITY AND ENTREPRENEUR ORIENTATION ON SMEs SUSTAINABLE COMPETITIVE ADVANTAGE Nur Endah RetnoWuryandari	91
DETERMINANTS OF REVALUATION ASSET Tiolina Evi.....	92
ANALYSING THE ROLE OF ACCOUNT REPRESENTATIVE TOWARD THE OBEDIENCE OF TAXPAYERS Tiolina Evi.....	93
THE INFLUENCE OF TIME BUDGET PRESSURE ON AUDIT QUALITY AND AUDITOR DYSFUNCTIONAL BEHAVIOR AS INTERVENING VARIABLE Arief Wicaksono, Faris Faruqi, Gisela Sybil Beatrys	94

EFFECT OF TRAINING AND JOB PERFORMANCE ON JOB SATISFACTION IN PT GARUDA INDONESIA TRAINING CENTER Muhammad Nashar, Ryani Dhyhan Parashakti, Hilda Sona Fauziah.....	95
EFFECT OF PROFITABILITY, LIQUIDITY, LEVERAGE, REPUTATION AUDITORS, FOREIGN OWNERSHIP, PUBLIC OWNERSHIP AND LISTING AGE ON USE OF THE WEBSITE TO PUBLISH ACCOUNTING INFORMATION Imam Subaweh & Sri Supadmini.....	96
MINANG LANGUAGE LEARNING THROUGH FOLKLORE Erni Hastuti, Reza Chandra, Teddy Oswari	97

INTERDEPENDENCY BETWEEN INTERNATIONALIZATION AND FIRMS' PERFORMANCE

Della Meilody¹ & Deddy Marciano²

^{1,2}Universitas Surabaya

Jl. Raya Kalirungkut, Surabaya, Indonesia

dellameilodyplay@gmail.com; marciano@staff.ubaya.ac.id

ABSTRACT

This research analyzes whether there is an interdependency between internationalization (IS) and firms' performance in manufacturing industry. This study includes 57 companies that are listed in the Indonesian Stock Exchange (IDX) from 2011 to 2015. In order to know which explanatory variables that significantly lead to the Relative Performance based on Historical Target (RPH) and Relative Performance based on Industrial Target (RPI), this research exercises two-stage of least squares regression analysis. The result reveals that IS has a significant positive effect on RPHat0 and RPH itself has a positive effect on IS. It can be said that whenever the number of companies that internationalize themselves increase by a certain degree will have a positive impact on RPH and conversely. Other result shows that IS has significantly negative effect on RPI, however, RPI has an insignificant effect on IS. This means that the more companies internationalize themselves the more negative will be visible on their performance and conversely. Nevertheless, undertaking further research on the same topic with larger sampling population is necessary so that the puzzle whether or not IS and firm's performance involving RPI and RPH remains interconnected can be explained more comprehensively.

Keywords: internationalization, firm performance, relative performance, interdependency

1. Introduction

Internationalization (IS) can provide companies with the following benefits, for instance, it can elevate (1) the economies of scale, (2) economies of scope, (3) information and innovation, (4) give access to obtain resources, (5) lower the risks and (6) increase the bargaining power. However, the drawback of IS is that the cost that is due to an uncertainty. IS can also increase the cost of transaction and other cost which occurs when the firms want to obtain information. These costs can lead to deflate the firms' performance.

Based on the respective benefits and costs from the process of IS, it can be said that the process of IS will affect the firms' performance. But, the question is that "Is the internationalization able to improve the firms' performance?". This research topic had previously been studied by researchers to reveal the correlation between IS and the firms' performance. The results of their studies remain contrast from one to another. Some researchers like Rugman (1979), Delios and Beamish (1999), Pangarkar (2008) remarked that the correlations were positive and creating linear patterns. However, some researchers such as Brewer (1981), Collins (1990), Colpan (2008), Qian (1997), Kistruck, Qureshi and Beamish (2013) with the U-shaped model, Hit *et al.*, (1997), Driffield, Du and Girma (2008) with the inverted U-shaped model, and Contractor *et al.*, (2003), Lu and Beamish (2004), Sung, Bell and Park (2008), Fisch (2012) with the *S-Shaped* model revealed the negative correlation and linear patterns.

Contractor *et al.* (2007) studied the correlation between IS and firms' performance in India. They used return on assets (ROA) as a dependent variable. Meanwhile, the IS, age and size exercised as independent variables. The result showed that IS and firms' performance were not correlated and it manifested the U-Shape pattern. Nevertheless, the age has significant correlation with ROA, likewise for the firm's size. Rugman and Oh (2010) conducted their research on the same topic using ROA as a dependent variable, and then IS as independent variable along with the controlled variables such as size, advertising intensity, research and development (R&D). Their empirical studies revealed a positive correlation between IS and firms' performance and it showed an inverted S-Curve pattern. The firm's size has significantly correlated with ROA, meanwhile advertising intensity and R&D intensity were insignificant towards ROA.

Osorio *et al.* (2016) analyzed whether the size of company affected the correlation between IS and firms' performance. They applied ROA to indicate the firms' performance as a dependent variable and they opted for IS as an independent variable and the controlled variables were comprised of sales growth, age, size, advertising intensity, R&D intensity, productivity, debt and share price. The result showed that negative correlation occurred to large companies followed by the U-Shape pattern to medium size firms, and negative linear happened to small firms. Nonetheless, other controlled variables; sales growth, age, size, advertising intensity, R&D intensity, productivity and share price were significantly correlated to ROA and debt did not correlate with ROA.

Earlier researches documented that IS can have an effect on the firms' performance and conversely because they were interdependent. Companies with better performance than their rivalries can internationalize their firms more easily. Fiengenbaum *et al.* (1997), Grant *et al.* (1988) cited in Jung and Bansal (2009) study where they opined that companies with better performance possess tangible and intangible assets that help actualizing the process of IS alone. Further, they analyzed whether firms' performance has an influence on IS. They comparatively opted for ROA to know whether it attributed to the firms' performance. For instance, ROA at 10% is considered as a failure in the industry A that has an average ROA at 20%, but with ROA at 10% will be regarded as a successful achievement for a particular firm in the industry B that has commonly average ROA at 7%. The same thing can happen to a company that has ROA at 20% in their historical achievement, will affirm that 10% of ROA will be regarded as the least amount of achievement level for the same firm. However, having 10% of ROA is relatively good achievement for a certain firm that has generally a bad bookkeeping in its historical performance. Further, IS as a dependent variable, RPH and RPI as independent variables. The controlled variables consisted of prior multi nationality, absorbed slack, available slack, potential slack, exporting intensity, R&D intensity, group membership. Firm age, firm size, wage change, exchange rate, the number of Japanese subsidiaries worldwide, and industry

growth, Jung and Bansal (2009) documented the research findings where the firms' performance positively correlated to IS and an inverted U-Shape was depicted for RPH and a positive linear for RPI. Other result showed that under the variables such as available slack, the number of Japanese subsidiaries worldwide and firm size were strongly correlated with IS, RPH and RPI. Simultaneously, variable such as exporting intensity has negative correlation with IS, RPH and RPI. Likewise, group membership, firm age, and wage change have negative correlations with IS, RPH and RPI. Nevertheless, absorbed slack, potential slack, R&D intensity, exchange rate, and industry growth were positively linked to IS, RPH and RPI.

2. Theoretical Review

In the early research, Osorio et al. (2016) and Contractor et al. (2007) demonstrated that IS has negative influence on firms' performance. This negative affect was triggered by the cost of internationalization process, which was greater than the benefit that the firms should have attained. And the location where the firms were initially operating their businesses were not well-recognized so firms' performance were considerably low. In contrast to Osorio et al, Rugman and Oh (2010) opined that by internationalizing, companies will expand their target market and improve their sales so that the firms have better performance.

Hypothesis 1: Internationalization has an effect on firms' performance

The hypothesis is formulated based upon the previous studies showing that firms' performance has positively correlated with IS (Jung and Bansal, 2009). Opposite to them, Sun and Lee (2013) revealed that firms' performance did not have positive correlation with IS. Further, based on the research findings of Fiegenbaum *et al.* (1997) and Grant et al. (1988) that were cited in Jung and Bansal (2009) research, they remarked that companies with good performance possess the intangible and tangible resources that can be exercised to actualize the process of their internationalization.

Hypothesis 2: Firms' performance has an effect on Internationalization

Sun and Lee (2013) analyzed the factors that determine the degree of IS for companies in the restaurant industry. Their research exercised the financial performance, level of franchising and type of restaurant as factors that affect the business expansion in international markets. They used IS as a dependent variable, determined the independent variables such as RPH, RPI, tobin's q based on historical target, tobin's q based on industrial target and franchising. Furthermore, the controlled variables used in their study were size, debt, market excess return, industry growth rate, exchange rate and dummy variable for type of restaurants. The result manifested that there was no significant correlation between IS and firms' performance. The performance of individual company was measured by looking at their historical target and industrial target. Debt, market excess return, industry growth rate and exchange rate were not strongly correlated with the IS. Nonetheless, only the firm size that was positively correlated with IS.

3. Research Method

Sample population in this study is comprised of firms in the manufacturing industry and consists of 57 companies which are listed in IDX over the period of 2001- 2015. This study remarks the performance of 57 companies and finds 285 points. The following research variables are chosen and then statistical hypothesis test will be conducted using E-view 8.0.

Table 1. Research Variables

Names of Variables	Formulas
Internationalization (IS)	Internationalization = $\frac{\text{Foreign Sales}_t}{\text{Total Sales}_t}$
	$ROA_t = \frac{\text{Net Income}_t}{\text{Total Asset}_t}$
Relative Performance Based on Historical Target (RPH)	$TPH_t = \left(\frac{ROA_{t-1} + ROA_{t-2} + ROA_{t-3}}{3} \right)$
	$RPH_t = ROA_t - TPH_t$
Relative Performance Based on Industrial Target (RPI)	$TPI_t = \left(\frac{IAROA_{t-1} + IAROA_{t-2} + IAROA_{t-3}}{3} \right)$
	$RPI_t = ROA_t - TPI_t$
Age of the firm (AGE)	$AGE_t = \sum \text{Number of years in the business}$
Size of the firm (SIZE)	$SIZE_t = \ln(\text{Total Sales}_t)$
Absorbed Slack (ABS)	$ARS_t = \frac{\text{SGA Expenses}_t}{\text{Total Sales}_t}$
Available Slack (AVS)	$AVS_t = \frac{CA_t - CL_t}{\text{Total Sales}_t}$
Potential Slack (PTS)	$PTS_t = \frac{\text{Total Debt}_t}{\text{Total Equity}_t}$
Exchange Rate (EX_RATE)	$EX_RATE_t = \frac{EX_RATE_t - EX_RATE_{t-1}}{EX_RATE_{t-1}}$

Where;

ROA_t = Return on Asset of a firm at year t

TPH_t = Target performance based on firm's historical performance at year t

RPH_t = Relative performance based on historical target at year t

$IAROA_t$ = Average ROA of industry at year t

TPI_t = Target performance based on industry performance at year t

RPI_t = Relative performance based on industrial target at year t

Furthermore, this research opts for two-stage least squares regression analysis to reveal the influential independent variable towards the dependent variable. The dependent and independent variable are IS, RPH and RPI. The controlled variables are comprised of age of the firm (AGE), size of the firm (SIZE), absorbed slack (ARS), available slack (AVS), potential slack (PTS), and exchange rate (EX_RATE).

This study has two research models, the first research model is to document the simultaneous relationship between IS and firms' performance where performance of the companies is weighted using RPH. And, the second research model is also meant to demonstrate the simultaneous relationship between IS and firms' performance. The performance of companies is weighted by means of using RPI.

Research Model 1 (Internationalization – RPH)

$$RPH_t = \beta_1 + \beta_2 IS + \beta_3 AGE + \beta_4 SIZE + \varepsilon \quad (1)$$

$$IS_t = \beta_5 + \beta_6 RPH + \beta_7 AGE + \beta_8 SIZE + \beta_9 ARS + \beta_{10} AVS + \beta_{11} PTS + \beta_{12} EX_{RATE} + \varepsilon \quad (2)$$

Research Model 2 (Internationalization – RPI)

$$RPI_t = \beta_1 + \beta_2 IS + \beta_3 AGE + \beta_4 SIZE + \varepsilon \quad (3)$$

$$IS_t = \beta_5 + \beta_6 RPI + \beta_7 AGE + \beta_8 SIZE + \beta_9 ARS + \beta_{10} AVS + \beta_{11} PTS + \beta_{12} EX_{RATE} + \varepsilon \quad (4)$$

3. Analysis

According to table 5.1, it can be said that H1a and H2a are acceptable under the research model 1. This means that dependent variable IS has positive correlation with RPH and on the way around. Having seen this experimental outcome, it becomes clear that the simultaneous relationship between IS and firms’ performance in the manufacturing industry that are listed in the IDX for the period of 2011 – 2015 are computable by means of exercising model 1.

Table 2. Regression Results - Model 1

Variable	Model 1		Hypothesis
	RPH	IS	
IS	0.0393***		Positive
RPH		0.6486***	Positive
AGE	0.0008	-0.0040*	
SIZE	-0.0049*	-0.0249**	
ARS		-0.6874***	
AVS		-0.0531	
PTS		0.0009	
EX_RATE		0.0189	
Adj. R-Squared	0.0298	0.1133	

(*** significant level 1%, ** significant level 5%, * significant level 10%)

As it is depicted in model 1 (table 2), dependent variable IS has coefficient correlation 0.039372 with the level of significant below 1% or 0.0078. This means that variable IS has an effect on firms’ performance so that it will reveal a positive linear pattern. The result of this research is in line with the previous studies conducted by Rugman and Oh (2010) and supported by Rugman (1979), Errunza and Senbet (1981), Grant (1987), Kim and Lyn (1986), Delios and Beamish (1999), and Pangarkar (2008) that IS has positive correlation with firms’ performance which eventually leads to possess positive linear pattern.

The positive correlation happens for reason which is the benefit that companies have gained from internationalization is greater than the cost that they paid out to improve the firms’ performance. The benefits that they have obtained from the positive correlation are associated to greater market access, where companies will generate inputs (e.g. capital or human capital) that are less expensive (Contractor, 2007; Hennart, 1982; Lu and Beamish, 2004; Vernon, 1966). Companies can strengthen their market towards suppliers, distributors and consumers (Hymer, 1976), opportunity to obtain the knowledge and innovation through learning and development (Contractor et al., 2003; Ghoshal & Bartlett, 1990; Kogut & Zander, 1993; Zahra, Ireland, & Hitt, 2000), economies of scale and scope (Caves, 1996; Porter, 1986), and risks diversification in the case of unstable politics or fluctuation of exchange rates (Contractor, Kumar, & Kundu, 2007; Kim, Hwang, & Burgers, 1993). More importantly, this positive correlation shows the growth of internationalization has an impact on the RPH.

The variable RPH has coefficient correlation at 0.648610 with the level of significant below 1% or 0.0040. This means that variable RPH is significantly influential on the IS. The study documents identical result when Jung and Bansal (2009) analyzed the correlation between the firms’ performance and IS. Based on Fiegenbaum et al. (1997) and Grant et al. (1988) findings used in Jung and Bansal (2009) research, where they opined that companies with good performance possess the intangible and tangible resources that can be exercised to actualize the process of their internationalization. Furthermore, it can be said that every time RPH increases at certain point will have positive impact on the incremental of IS.

Table 3. Regression Results - Model 2

Variable	Model 2		Hypothesis
	RPI	IS	
IS	-0.0424*		Positive
RPI		-0.1924	Positive
AGE	0.0046***	-0.0026	
SIZE	-0.0012	-0.0276**	
ARS		-0.6800***	
AVS		-0.0243	
PTS		0.0031	
EX_RATE		-0.0283	
Adj. R-Squared	0.0879	0.0919	

(*** significant level 1%, ** significant level 5%, * significant level 10%)

Based on the result depicted in the table 3 where it can be said that hypothesis (H1b) and (H2b) are rejected by model 2, which means that variable IS does not have significantly positive correlation with RPI and RPI does not have an effect on IS. Having seen this experimental outcome, it becomes clear that the simultaneous relationship between IS and firms' performance in the manufacturing industry that are listed in the IDX for the period of 2011 – 2015 cannot be computed through using model 2.

In model 2 (table 5), variable IS has coefficient towards RPI -0.042460 with the level of significant below 10% or 0.0502. This means that variable IS has negative correlation with firms' performance and it leads to show negative linear pattern. H1b is rejected because it does not fit the initial hypothesis where it was believed that IS would have a positive effect on RPI. Nevertheless, this study discovers an error, where the error happens when the experimental result stated H_0 was to be rejected but apparently H_0 was correct.

The result of this study is in line with the former research, Osorio et al. (2016) and Contractor et al.(2007) which then underpinned by Brewer (1981), Collins (1990), and Colpan (2008) where the result manifested that IS was negatively correlated with firms' performance and leading to a negative linear pattern. This insignificant correlation happened for some reasons such as cost of internationalization is greater than benefits that the companies should have gained. The costs of IS that companies paid out like cultural adaptation and institutional norms costs. These factors therefore weakened the firms' performance (Ghoshal & Bartlett, 1990). Other costs are like coordination and management costs that appeared due to the differential environments, high transactional and transportation costs (Contractor et al., 2007). Apart from that, cost of capital investment for acquiring or leasing the premises, where the firm will commence its operations, machineries and other necessary assets. These tangible assets inflate the amount of companies' fixed assets. The higher value of tangible assets the firms have there will be more depreciation and amortization costs. As a result, the costs reduce the revenues or firms' performance. Warsono (2003) findings were cited by Hermawan (2016) where he viewed that companies with more fixed assets will have more depreciation and amortization costs to bear. Consequently, the revenues of the companies will decrease.

Variable RPI has a coefficient correlation with RPI -0.192478 with level of significant above 10% or 0.2290. This means that RPI has negative influence on the IS. The result of this study is in accordance with previous findings documented by Lee and Sun (2013) where they opined that RPI has an insignificant effect on IS. The negative correlation indicates that companies with good performance has low intention to proceed its internationalization. This occurs because the companies are sufficiently sustainable in their domestic markets. Hence, they are neither interested in entering international markets nor proceeding their internationalization. The internationalization will increase their costs, will make the firms face the risks that somewhat can reduce their firms' performance.

One of the critical reasons for documenting the insignificant correlation occurred in this research is that the numbers of population sampling are probably insufficient, either way it requires more

research variables. Variable RPI is weighted by looking at the targeted industry meanwhile the sampling population that is exercised in this study consists of 57 listed companies in IDX for a particular manufacturing industry. Therefore, RPI is not sufficiently attractive to be used as a determinant factor to gauge the firms' performance. This means that the utilization of variable RPI cannot be claimed as a successful variable to demonstrate the correlation between IS and firms' performance or else the RPI is incapable of providing a considerable influence on the augmentation and decrement of internationalizing companies.

4. Conclusion

The objective of this research is to study whether or not the interdependency between IS and firms' performance is in existence. Under the t-test, the result of model 1 shows that variables in the IS are significantly correlated with the firms' performance, and therefore it creates positive linear. Likewise, variable RPH demonstrates its positive correlation with IS and it creates positive linear pattern. The result shown in the model 1 can be then concluded that the existence of interdependency between IS and firms' performance in the manufacturing industry is verifiable. Under the same t-test, the result of model 2 manifests that variables in the IS are insignificantly correlated with firms' performance and therefore it creates negative linear pattern. In addition, variable RPI has a negative influence on IS. Hence, it is possible to clinch the model 2 that there is no empirical evidence that documents the IS and firms' performance is interdependent.

One of the critical reasons for documenting the insignificant correlation occurred in this research is that the numbers of population sampling are probably insufficient, either way it requires more research variables. Nevertheless, undertaking further research on the same topic with larger sampling population is necessary so that the puzzle whether or not IS and firm's performance involving RPI and RPH remains interconnected can be explained more comprehensively.

References

- [1] Hennart, J. F., 1982, *A theory of multinational enterprise*. Ann Arbor: The University of Michigan Press.
- [2] Hymer, S. H., 1976, *The international operations of national firms: A study of direct foreign investment*. Cambridge, MA: MIT Press.
- [3] Porter, M. E., 1986, *Competition In Global Industries: A Conceptual Framework*. In *Competition In Global Industries*, 15–60. Boston, MA: Harvard Business School Press.
- [4] Rugman, A. M., 1979, *International Diversification And The Multinational Enterprise*. Lexington, MA: Heath Lexington.
- [5] Hermawan, C., 2016, Pengaruh Leverage, Tangibility, Liquidity, Size dan Growth Terhadap Kinerja Badan Usaha Sektor Argiculture yang Terdaftar di Bursa Efek ASEAN Periode 2011-2015, *Skripsi*, Universitas Surabaya.
- [6] Brewer, H. L., 1981, Investor Benefits From Corporate International Diversification, *Journal of Financial and Quantitative Analysis*, Vol. 16(1): 113–126.
- [7] Caves, R., 1996, *Multinational Enterprise And Economic Analysis*, 2nd Edition, Cambridge, MA: Harvard University Press.
- [8] Collins, J., 1990, A Market Performance Comparison Of U.S. Firms Active In Domestic, Developed And Developing Countries, *Journal of International Business Studies*, Vol. 21(2): 271–287.
- [9] Colpan, A. M., 2008, Are Strategy-Performance Relationships Contingent On Macroeconomic Environments? Evidence From Japan's Textile Industry, *Asia Pacific Journal of Management*, Vol. 25(4): 635–665.
- [10] Contractor, F. J., Kundu, S., dan Hsu, C., 2003, A Three-Stage Theory Of International Expansion: The Link Between Multinationality And Performance In The Service Sector, *Journal of International Business Studies*, Vol. 34(1): 5–19.
- [11] Contractor, F. J., Kumar, V., dan Kundu, S. K., 2007, Nature Of The Relationship Between International Expansion And Performance: The Case Of Emerging Market Firms, *Journal of World Business*, Vol. 42(4): 401–417.

- [12] Delios, A., dan Beamish, P. W., 1999, Geographic Scope, Product Diversification, And The Corporate Performance Of Japanese Firms, *Strategic Management Journal*, Vol. 20(8): 711–727.
- [13] Driffield, N., Du, J., dan Girma, S., 2008, Optimal Geographic Diversification And Firm Performance: Evidence From The U.K, *Journal of Productivity Analysis*, Vol. 30(2): 145–154.
- [14] Errunza, V., & Senbet, L., 1981, The Effect Of International Operations On The Market Value Of The Firm: Theory And Evidence, *Journal of Finance*, Vol. 36(2): 401–417.
- [15] Fiegenbaum, A., Shaver, J. M., dan Yeung, B., 1997, Which Firms Expand To The Middle East: The Experience Of US Multinationals, *Strategic Management Journal*, Vol. 18(2): 141–148.
- [16] Fisch, J. H., 2012, Information Costs And Internationalization Performance, *Global Strategy Journal*, Vol. 2(4): 296–312.
- [17] Ghoshal, S., dan Bartlett, C., 1990, The Multinational Corporation As An Interorganizational Network, *Academy of Management Review*, Vol. 15(4): 603–625.
- [18] Grant, R. M., 1987, Multinationality And Performance Among British Manufacturing Companies, *Journal of International Business Studies*, Vol.18(3): 79–89
- [19] Grant, R. M., Jammine, A. P., dan Thomas, H., 1988, Diversity, Diversification And Profitability In British Manufacturing Companies 1972–84, *Academy of Management Journal*, Vol. 31(4): 771–801.
- [20] Hitt, M. A., Hoskisson, R. E., dan Kim, H., 1997, International Diversification: Effects on Innovation and Firm Performance in Product-Diversified Firms, *Academy of Management Journal*, Vol. 40(4): 767–798.
- [21] Jung, J.C., dan Bansal, P., 2009, How Firm Performance Affects Internationalization, *Management International Review*, Vol. 49: 709-732.
- [22] Kim, W. C., Hwang, P., dan Burgers, W. P., 1993, Multinationals’ Diversification And The Risk-Return Trade-Off, *Strategic Management Journal*, Vol. 14(4): 275–286.
- [23] Kim, W. S., & Lyn, E. O., 1986, Excess Market Value, The Multinational Corporation, And Tobin’s Q-Ratio, *Journal of International Business Studies*, Vol. 17(1): 119–125.
- [24] Kistruck, G. M., Qureshi, I., dan Beamish, P. W., 2013, Geographic And Product Diversification In Charitable Organizations, *Journal of Management*, Vol. 39(2): 496–530.
- [25] Kogut, B., dan Zander, U., 1993, Knowledge Of The Firm And The Evolutionary Theory Of The Multinational Corporation, *Journal of International Business Studies*, Vol. 24(4): 625–645.
- [26] Lu, J. W., dan Beamish, P. W., 2004, International Diversification And Firm Performance: The S-Curve Hypothesis, *Academy of Management Journal*, Vol. 47(4): 598–609.
- [27] Osorio, D.B., Colino, A., Martin, L.A.G., dan Vincente, J.A.Z., 2016, The International Diversification-Performance Link In Spain: Does Firm Size Really Matter?, *International Business Review*, Vol. 25: 548-558.
- [28] Pangarkar, N., 2008, Internationalization And Performance Of Small-And Medium-Sized Enterprises, *Journal of World Business*, Vol. 43(4): 475–485.
- [29] Qian, G., 1997, Assessing Product-Market Diversification Of US Firms, *Management International Review*, Vol. 37(2): 127–149.
- [30] Rugman, A.M, dan Oh, C.H., 2010, Does The Regional Nature Of Multinationals Affect The Multinationality And Performance Relationship?, *International Business Review*, Vol. 19: 479-488.
- [31] Sun, K. A., dan Lee, S., 2013, Determinants of Degree on Internationalization for U.S. Restaurant Firms, *International Journal of Hospitality Management*, Vol. 33: 465-474.
- [32] Sung, C. B., Bell, J. C., dan Park, X. W., 2008, Multinationality, R&D Intensity, And Firm Performance: Evidence From U.S. Manufacturing Firms, *Multinational Business Review*, Vol. 16(1): 53–78.
- [33] Vernon, R., 1966, International Investment And International Trade In The Product Cycle, *Quarterly Journal of Economics*, Vol. 80(2): 190–207.
- [34] Warsono. 2003. *Manajemen Keuangan Perusahaan*. Jilid I. Banyumedia. Malang.
- [35] Zahra, S. A., Ireland, R. D., dan Hitt, M. A., 2000, International Expansion By New Venture Firms: International Diversity, Mode Of Market Entry, Technological Learning, And Performance, *Academy of Management Journal*, Vol. 43(5): 925–950.

Full Paper Title in 18pt

1st Autor name¹, 2nd Autor name², 3rd Autor name³

^{1,2}Institution/Company

Address, City, Country

First.Author@institution.org; Second.Author@institution.org

³Institution/Company

Address, City, Country

Third.Author@uottawa.ca

Abstract - In this paper, the formatting requirements for the International ASET Conference Proceedings are described. Some recommendations on writing for a worldwide readership are offered. Please review this document to learn about the formatting of text, table captions, references, and the method to include the indexing information. The conference proceedings will be published in an electronic format. The full paper in MS Word file shall be written in compliance with these instructions. At a later stage, it will be converted into Portable Document Format (PDF). An abstract not exceeding 300 words, in one paragraph, and with no references, should appear on the top of the first page, after the title of the paper and the names of the authors in a section titled “Abstract” (without section number). The word “Abstract” must be Arial, Bold, Italic, and 10 pt. The abstract itself must be Times New Roman and 10 pt. The title of the paper must be Arial, Bold, and 16 pt. Names and affiliations must be Times New Roman. Names must be Bold and 12 pt while affiliations must be 11 pt. The title, names, and affiliations must all be centralized.

Keywords: 4 - 8 keywords

1. Introduction

It is expected that authors will submit carefully written and proofread material. Careful checking for spelling and grammatical errors should be performed. The number of pages of the paper should be from 4 to 8.

Papers should clearly describe the background of the subject, the authors work, including the methods used, results and concluding discussion on the importance of the work. Papers are to be prepared in English and SI units must be used. Technical terms should be explained unless they may be considered to be known to the conference community.

2. Paper Format

The uniform appearance will assist the reader to read paper of the proceedings. It is therefore suggested to authors to use the example of this file to construct their papers. This particular example uses an American letter format with 25 mm margins left, right, top and bottom.

All text paragraphs should be single spaced, with first line intended by 7 mm. Double spacing should NOT be used anywhere in the manuscript. Position and style of headings and subheadings should follow this example. One empty line (11 pt) should be left between every two consecutive sections. Two empty lines should be left before and after the abstract.

All headings and subheadings should be bold and Arial font. Major headings must be 12 pt and subheadings should be 11 pt. No empty lines are required between the heading/subheading and the text.

2.1. Header, Footer, Page Numbering

Authors are asked to replace the “XXX” number (with the paper code that was assigned when the paper was accepted) on the header of the first page and on the footer of other pages in order to set a unique page number in the Proceedings.

2.2. Fonts

Papers should use 11-point Times New Roman font. The styles available are bold, italic and underlined. It is recommended that any text in the “figures” should not be smaller than 10-point font size.

2.3. Tables and Figures

Tables and figures should be placed close to their first citation in the text. All figures and tables should be numbered. Table headings should be centred above the tables. Figure captions should be centred below the figures. Refer to the figure below for a sample.

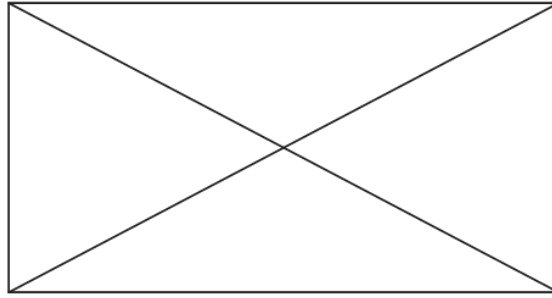


Fig. 1: Caption for figure goes at the bottom.

Figure captions and table headings should be sufficient to explain the figure or table without needing to refer to the text. Figures and tables not cited in the text should not be presented. Refer to the table below for a sample.

Table 1: Caption for table goes at the top.

2.4. Equations

Each equation should be presented on a separate line from the text with a blank space above and below. Equations should be clear and expressions used should be explained in the text. The equations should be numbered consecutively at the outer right margin, as shown in Eqs. (1) - (2) below. Here is one example.

In this case, the governing system of equations can be written as follows:

$$\frac{\partial \rho}{\partial t} = -\nabla \cdot (\rho \mathbf{u}) \quad (1)$$

$$\rho \left(\frac{\partial}{\partial t} + \mathbf{u} \cdot \nabla \right) \mathbf{u} = -\nabla P + \rho \mathbf{g} + \frac{1}{c} \mathbf{J} \times \mathbf{B} \quad (2)$$

$$\rho \left(\frac{\partial}{\partial t} + \mathbf{u} \cdot \nabla \right) e = -P \nabla \cdot \mathbf{u} + \rho \mathbf{u} \cdot \mathbf{g} + \frac{1}{\sigma} \mathbf{J}^2 \quad (3)$$

3. Submitting the Paper

The full paper has to be submitted electronically via the website of the conference (<http://icnfa.com/OpenConf/>) by the deadline (see website for details).

Paper number (in the format “XXX”) is assigned to each abstract after it was accepted and authors are kindly asked to place the paper number to the correct positions in the header and footer before submitting the final version.

4. Conclusion

Conclusions should state concisely the most important propositions of the paper as well as the author's views of the practical implications of the results.

Acknowledgements

A short acknowledgement section can be written between the conclusion and the references. Sponsorship and financial support acknowledgments should be included here. Acknowledging the contributions of other colleagues who are not included in the authorship of this paper is also added in this section. If no acknowledgement is necessary, this section should not appear in the paper.

References

The IEEE citation format is used. Books and book chapters should be referenced as [1] and [2] respectively. Patents are referenced based on [3] and a thesis can be referenced as [4]. Finally, conference presentations/papers and journal papers need to be reference based on [5] and [6] respectively.

With the increasing availability of useful information that can be found on the internet, website references must also be reported based on [7]. Meanwhile, due to the dynamic nature of web pages and the fact that in most cases the information is not peer-reviewed, the use of published resources are very much preferred and advised over online references.

The reference section at the end of the paper should be edited based on the following:

- [1] B. Klaus and P. Horn, *Robot Vision*. Cambridge, MA: MIT Press, 1986.
- [2] L. Stein, "Random patterns," in *Computers and You*, J. S. Brake, Ed. New York: Wiley, 1994, pp. 55-70.
- [3] J. P. Wilkinson, "Nonlinear resonant circuit devices," U.S. Patent 3 624 125, July 16, 1990.
- [4] J. O. Williams, "Narrow-band analyzer," Ph.D. dissertation, Dept. Elect. Eng., Harvard Univ., Cambridge, MA.
- [5] U. V. Koc and K. R. Liu, "Discrete-cosine/sine-transform based motion estimation," in *Proceedings of the IEEE International Conference on Image Processing*, Austin, TX, 1994, vol. 3, pp. 771-775.
- [6] R. E. Kalman, "New results in linear filtering and prediction theory," *J. Basic Eng.*, vol. 83, no. 4, pp. 95-108, 1961.
- [7] K. Author. (2015, May 10). Facility Greenhouse Gas Reporting (2nd ed.) [Online]. Available: <http://www.ec.gc.ca/ges-ghg/default.asp?lang=En&n=040E378D-1>