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Factors Influencing Career Choice in Islamic Multilevel Marketing: The Mediating Role of Company Credibility

Jhanghiz Syahrivar, Hetty Karunia Tunjungsari, Frangky Selamat, Chairy Chairy

Research in Islamic Multilevel Marketing (MLM) is relatively underrepresented, partly because such business model combined with Islamic appeal is a relatively new phenomenon and the novelty of MLM business is disputable in Islamic point of view. This research aimed to explore factors influencing the...

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Psychological Contract in Improving Human Resources Strategy With Organizational Culture as Mediating Variable

Sry Rosita, Edward Edward, Fitri Widiastuti

The minimum criteria regarding the qualifications and competencies of lecturers in conducting education require psychological contracts, organizational culture and the strategy of Human Resources (HR) that are used as the basis for work relationships. The main objective of this research is to examine...

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The Moderating Effect of Kaizen Culture on the Relationship Between Innovation and Operational Performance

Kong Siew Mui, Rajendran Muthuveloo

Kaizen culture and Innovation are key competitive factors deeply imbued into the organizational products and processes to achieve optimal operational performance sustainably. Literature suggested that manufacturing companies needing to differentiate themselves adopt a culture of continuous improvement...

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Case Study of Moderating Effect of Customer Characteristics on the Relationship Among Service Quality, Customer Satisfaction and Customer Loyalty

Huang Chi-Wen, Lin Chin-Chiuan

The laser-cutting machine in line with the current manufacturing trend, small amount of diversification, elimination of the cost of molds, capabilities finish the products through software, can reduce the processing time and with high quality. The case company is an agent of spare parts and laser-cutting...

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An Innovative Business Model of Chinese Herbal Medicine in Handmade Tea Beverage Market in China

Chen Hui-Chuan, Lu Te-Tsai

This study aims to start up an innovative business model of handmade beverage market based on Chinese herbal medicine in China. This follows the Chinese ancient 24 solar terms to create a series of herbal beverages to meet the healthy need, of which any of the 24 solar terms in traditional Chinese lunar...

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A Study on the Effect of Learning Outcomes of the Five Practical Methods in Entrepreneurship Education

Lu Te-Tsai

The present study investigated the effect of learning outcomes of the five practical methods in entrepreneurship education. The two classes of junior students became the experimental and control group. After learning the five practical methods, the experimental group can produce better results than the...

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The Effects of Expatriates' Cross-Cultural Competence, Work-Role Demand on Expatriates' Adjustment and Performance: A Meta-Analysis Approach

Lee Li-Yueh, Nguyen Phuoc-Thien

Along with the tremendous growth of international operations, more and more expatriates have to be dispatched to the overseas market places. However, expatriate's failure still remains in a higher rate. Expatriates' failure not only can incur the loss of company sales and profits, but also negatively...

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Building Your Brand Through Social Media: How Communication and Money Work Wonderfully

Choong Kian Chong, Salmi Mohd Isa

Building brands at social media are challenging as consumers are easily swayed away to through a click; therefore, marketers need to gravitate the 3.196 billion of social media users based on Statista reports that the total spending might thrive at USD 4.5 trillion. Facebook's community is a force to...

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A Comparative Study on Financial Performance of Registered Companies in the Jakarta Islamic Index (JII) Before and After the Implementation of IFRS in Accounting Standards

Muhammad Sholahuddin, Adi Parkawati

International Financial Reporting Standard (IFRS) is one of the changes in accounting standard regulations that affect the environment of international accounting information. In increasing capital market activities, IFRS provides a series of uniformity of accounting standards which is adopted by various...

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The Effect of the Board of Directors' Characteristics on Company Value

Fitri Yeni, Zerni Melmusi, Esti Wulandari, Desi Ilona

This study aims to analyze the influence of the characteristics of the board of directors on company value. The characteristics of the board of directors are measured by size, age, and activities on company values. The samples of this research were taken randomly from 266 companies listed in the Indonesia...

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Ethnic, Skill, Qualification Diversity of Board of Commissioners and Stock Performance

Hilda Mary, Hanna Pratiwi, Chyntia Loren, Desi Ilona

The goal of this study is to examine the effect of ethnic, skill, and qualification diversity of the board of commissioners on stock performance in emerging markets. This study employs 266 companies listed on IDX (Indonesia Stock Exchange) during 2011-2017 periods. The result shows that ethnic, skill,...

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The Effect of Destination Image on Tourists' Satisfaction and Destination Loyalty: Bukittinggi City, West Sumatra

Sigit Sanjaya, Ronni Andri Wijaya, Yulasmi Yulasmi

This study discovered (1) the effect of destination images on destination loyalty (2) the effect of destination images on destination loyalty with tourists' satisfaction as mediating variable. Respondents in this study were the tourists in the Bukittinggi City. This study utilized primary data which...

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The Effects of Age, Family-Relation, and Activities of the Board of Commissioners on Company Value

Sitti Rizki Mulyani, Darma Syahrullah Eka Jaya, Yani Fitriyanti, Desi Permata Sari

This study aims to analyze how the effect of age, family relation as a board of commissioners, and activities of the board of commissioners on company value. Two variables are used as control variables, which are company age and company leverage. The samples in this research is taken by random sampling...

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The Effect of Business Knowledge and Self-Confidence on Business Performance With Business Innovation as Mediating Variable Among SMEs in Padang City

Ramdani Bayu Putra, Elfiswandi Elfiswandi, Hasmaynelis Fitri, Neni Sri Wahyu Nengsih

The era of digitizing the industry 4.0 has an impact on changes in the competence of all organizations, in order to survive and improve the performance of organizations. This study aimed to analyze the impact of business knowledge and self-confidence on business performance with business innovation as...

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The Effects of Price Discount, Bonus Pack, and In-Store Display on Impulse Buying at Supermarkets

Della Asmaria Putri, Emil Salim, Vicky Brama Kumbara, Elfiswandi Elfiswandi

The purpose of this research was to analyze the effects of price discounts, bonus pack, and in-store display on impulse buying at Supermarkets in Padang City. This study used quantitative method to investigate certain populations and samples. The sampling technique used in this study was accidental sampling;...

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The Effects of Multiple Directorship, Tenure, and Age of Board of Directors on Corporate Value

Lusiana Lusiana, Nila Pratiwi, Zefriyenni Zefriyenni, Rio Andhika Putra, Winda Fierza Vironica

The purpose of this study was to analyze the effects of multiple directorships, tenure, and age of board of directors on corporate value. Multiple

directorships, tenure, and age were used as independent variables, and corporate value became the dependent variable. Two variables were used as control,...

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The Influence Toward the Quality of Life When Technology Meets Handmade Goods and Services

Tsai Shieunt-Han

For improving the quality of life and health condition of Taiwanese, we promote handmade candles in order to service our consumers. We plan to use the convenience of technology and enhance our publicity more in the offering. We hence conducted an investigation on organic enterprises that included organic...

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A Qualitative Study on Small Firms' Competitive Advantage Competencies in Laos Tourism Industry

Cheng-Lung Li, Sommanoxay Soulivanh

Companies can create core competencies or competitive advantages by adopting the marketing strategies. It can result in creating profitable relationship with customers, differentiation themselves to gain superior customer value than others. This study emphasizes on investigating how small tourism firms...

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Diversity Among the Board of Commissioners and Stock Return: A Study on the Influence of Nationality, Gender and Educational Background

Muhammad Ridwan, M. Afuan, Rio Andhika Putra, Nora Putri Ayu

This study analyzes the influence of board nationality, diversity, gender, and educational background as independent and dependent variables on stock returns. Two control variables were used namely, the audit quality and company age, with secondary data obtained in the form of financial statements and...

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The Influence of Corporate Social Responsibility, Managerial Ownership, and Firm Size on Firm Performance: Evidence From Manufacturing Companies in Indonesia

I Gede Adiputra, Henryanto Wijaya, Azhar Affandi

The main objective of this research is to explore and determine the effect of Good Corporate Governance, Managerial Ownership, and Firm Size that affect Firm Performance. We used the sample from financial statements of manufacturing companies engaged in Food and Beverages which are listed on the Indonesia...

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The Impact of Big Data Analytics Adoption on the Performance of Malaysian Small and Medium Enterprises

Loh Chun Hong, Teoh Ai Ping

In today's digitalized era, the adoption of Industry 4.0 technology pillars (boost businesses by enhancing organizational performance. As one of the crucial pillars, big data potentially has been receiving heightened interests from academics and practitioners. Big Data Analytics (BDA) is viewed as...

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The Role of Employees' Responsiveness in Organizational Performance

Vivi Nila Sari, Sitti Rizki Mulyani, Marta Widian Sari, Erwin Hotmansyah Harahap

This study aimed to determine how much influence of the Leadership Style and Leader's Innovation on Organizational Performance through Employee's Responsiveness as an intervening variable. This research variables are Leadership Style (X1), Leader's Innovation (X2) Employee's Responsiveness (Z), and Organizational...

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The Effect of Financial Distress and Corporate Governance on Earnings Management

Silvy Christina, Nico Alexander

The purpose of this research is to analyze the effect of financial distress and corporate governance toward earnings management. The samples of this research consist of 131 non-financial companies that are listed on the Indonesia Stock Exchange from the years 2014 to 2017 by using purposive sampling...

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Fostering Sustainability Advantage in Rural Tourism Destination at Kulon Progo, Yogyakarta

Kartika Nuringsih, Nuryasman M. N., Cokki Cokki

The goal of this study was to assess the advantages of rural tourism development at Kulon Progo County based on 800 visitors who were observed about their perception of strength, weakness, opportunity, and threat on eight rural destinations. Respondent consists of tourist, local residents, and destination...

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Analysis of the Effectiveness of Financial Education for Small and Medium Enterprises to Increase Financial Literacy (Preliminary Study: A Small Business Enterprise in Bandung)

Maya Malinda, Asni Harianti, Miki Tjandra, Meryana Meryana

Financial education is very important to everyone including financial education on Small Business Enterprise (SBE). This preliminary study revealed that financial education can increase financial literate significantly. Using Financial Fitness Quiz built by O'Neill, there were different results before...

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Analysis of the Effectiveness of Financial Education for Students in Higher Education to Increase Financial Literacy (Case Study: Financial Planning Class in Maranatha Christian University)

Maya Malinda, Miki Tjandra, Asni Harianti, Olivia Vania Olius

Financial literacy is a term that is currently used in many papers about a person's literacy in managing his / her finance. Someone is said to be financially literate when he or she is able to take advantage of financial institutions and manage his / her finance. The efforts to improve financial literacy,...

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The Effect of Servant Leadership and Work Engagement on Organizational Citizenship Behavior Mediated by Organizational Commitment on Volunteers in Abbalove Ministries Church

Fidela Sadikin, Melitina Tecualu, Eka Desy

This research aimed to examine the effect of Servant Leadership and Work Engagement on Organizational Citizenship Behavior mediated by Organizational Commitment on Volunteers in Abbalove Ministries Church. This research utilized the Structural Equation Modeling (SEM) as data analysis technique by using...

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The Influence of Technology Factors on Retail 4.0 Adoption in Malaysia

Rozmi Sulhazmi, Fakhri Al-Din

Poorni Sakrabani, Leon Ai Ping

The younger generation, i.e., Gen Y and Gen Z, would make up 67% of Malaysia's population in 2019. They are technically savvy and have huge spending power. Since this young generation is attracted to novel and exciting shopping experiences, Malaysian retailers should entice them by incorporating Retail...

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Entrepreneurial Orientation and Market Orientation in Business Performance of SMEs: An Exploration of the Impact on E-Commerce Adoption

Yayuk Sriayudha, Ade Octavia, Sigit Indrawijaya

In the industrial era of 4.0, digital and physical changes are inevitable, as well as for Small and Medium Enterprises (SMEs). The majority of SMEs in Jambi Province have not conducted digital technology as marketing strategy for the expansion of their market share. The purposes of this research were:...

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Assessing the Impact of Business Model Innovation, Firm Characteristics and External Collaboration on Food Outlet Performance in Malaysia

Bryan Teoh Phern Chern, Fauziah Binti Sh. Ahmad

Kuala Lumpur, the national capital of Malaysia is a diverse and dynamic city. The food scenery in Kuala Lumpur is constantly changing, with new variants of business models being introduced frequently. Restaurants and food outlets need to adapt to this change in order to maintain sustainable competitive...

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The Belt & Road Initiative: A Study from Malaysian SMEs' Perspective

Chin Mui-Yin, Theresa Ho-Char-Fei, Teo Poh-Chuin, Chong Chu-Le, Wai Chew-Keong

The Belt & Road Initiative that was introduced by President Xi Jinping has received numerous attentions from the governments, business organizations and individuals from different countries. However, even though it is believed that Chinese companies will be the big winners from the Belt & Road...

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The Impact of Innovation on Competitiveness in Smartphone Industry in China

Kii-Geat Johan Lim, Poh-Chuin Teo, Lim Zheng Yang

Smartphone is considered as a common trend in this globalization era. Everyone wishes to have his / her own smartphone as it is making everyone's life easier. Today, there are four major domestic smartphone brands that dominate the smartphone segment in China, which are Huawei, Vivo, Oppo, and Xiaomi,...

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The Impact of the Use of Computer-Assisted Audit Technique,

Professional Ethics, and Motivation on Auditors' Performa

Michelle Kristian

The purpose of this study was to examine the impact of the use of Computer-Assisted Audit Techniques (CAAT), professional ethics, and auditor's motivation on auditors' performance. The study was conducted by using survey method which distributed the questionnaires to auditors in Public Accounting Firm....

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The Role of Social Influence Towards Purchase Intention With Value Perception as Mediator: A Study on Starbucks Coffee as an Environmentally Friendly Product

Miharni Tjokrosaputro, Cokki Cokki

This study aimed to examine the effects of social influence both directly and indirectly on purchase intention of Starbucks as an environmentally friendly product. This study used a survey method. The respondents consisted of 100 Starbucks consumers. A convenience sampling technique was used. The data...

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The Effect of Intellectual Capital on Tax Avoidance Before and After the Tax Amnesty

Estralita Trisnawati, Herlina Budiono

The purpose of this research was to analyze the effect of intellectual capital on tax avoidance before and after the tax amnesty. This research used manufacturing industries listed on Indonesia Stock Exchange in the periods

of 2015 and 2017 as the samples. By using purposive sampling technique, data...

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Why I Should Run My Own Business: A Study on Female Entrepreneurs' Motivation and Business Success in Indonesia

Frangky Selamat, Mei Ie, Jhanghiz Syahrivar, Chairy Chairy, Hetty Karunia Tunjungsari

The purpose of this study was to analyse the key motivations that encourage entrepreneurship among women in the Greater Jakarta Area, Indonesia. The number of female entrepreneurs has been increasing in recent years. Potential success through entrepreneurial acts is also open for the females. Furthermore,...

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Talent Management Model in Digital Age: Strategic Internal Entrepreneurial Mechanism

Wei-Ting Yvonne Fong, Yi-Shien Yeh, Bih-Shiaw Jaw

With economic growth and social development, Taiwan has gradually emerged as an ageing social problem, thus causing a structural imbalance in the population and aggravating the level of competition in the talent market. On the other hand, the new generation of workers who grew up under the influence...

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Investment Decision: The Case of Indonesian Manufacturing Companies

Rousilita Suhendah, Nathania Nathania

The purpose of this paper was to examine the determinant of investment among companies in consumption goods sector listed on the Indonesia Stock Exchange (IDX) during the period of 2014-2017, with the sample as many as 100 companies. The investment decision was measured by nett investment. The authors...

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Designing an Entrepreneurial University Model With Social Cognitive Theory Approach

Irine Herdjiono, Gerzon Maulany, Benediktus Elnath Aldy, Fitriani Fitriani

This study aimed to examine the proposed entrepreneurial university model that is relevant to the changing times. A number of studies on the entrepreneurial university model have been conducted. This study used social cognitive theory that underlies the entrepreneurial university model. The method used...

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The Effect of Capital Structure and Firm Size on Firm Value Through Profitability as Intervening Variable

Khairina Natsir, Yusbardini Yusbardini

The aim of this study was to investigate the effect of capital structure and

firm size on firm value through profitability as an intervening variable. T study was conducted among manufacturing companies in various indus sectors in Indonesia Stock Exchange (IDX) during the period 2013-2017. The...

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The Effect of Organizational Characteristics on Whistleblowing Behavior for Identifying Fraud

Elsa Imelda, Yenyen Hendris

The purpose of this research was to obtain empirical evidence about the effect of organizational characteristics such as respect and openness, cooperation and flexibility, fair treatment, and trust in supervisory authority, on whistleblowing behavior to identify fraud. This research used questionnaires...

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The Effect of Affective Commitment and Psychological Contract Violation on Organizational Citizenship Behavior (OCB) With Locus of Control as Intervening Variable

Chintya Ones Charli, Bayu Pratama Azka, Robby Dharma, Dori Mitra Candana

The purpose of this study was to determine the effect of affective commitment and psychological contract violation on Organizational Citizenship Behavior (OCB) with Locus of Control as intervening variable at Gunung Naga Mas Ltd. Data was collected through surveys and distributing questionnaires with...

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The Influence of Accounting Conservatism, Leverage, Growth Opportunities, Cash and Liquidity on Corporate Investment

Among Manufacturing Companies Listed on Indonesia Stock Exchange

Andreas Bambang Daryatno, Linda Santioso

This study aimed to provide empirical evidence on the influence of Accounting Conservatism, Leverage, Growth Opportunities and Cash and Liquidity on Corporate Investment. The object of this research used was manufacturing companies listed on Indonesia Stock Exchange (IDX) in 2014-2016. Samples were obtained...

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Factors Affecting Earning Response Coefficient With Profitability as Moderating Variable in Manufacturing Companies

Henryanto Wijaya, Stefanus Adhitya, Hadi Cahyadi, Susanto Salim

The purpose of this study was to obtain empirical evidence about the effect of Corporate Social Responsibility (CSR) Disclosure, Profitability, Leverage, and Sales Growth on Earning Response Coefficient (ERC) among manufacturing companies that listed on Indonesia Stock Exchange (IDX) during the years...

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The Best Model for Predicting Tourists to Visit Kalibiru

Tourism Object

Nuryasman M. N., Kartika Nuringsih

Tourism sector is the most effective sector in encouraging an increase in Indonesia's foreign exchange, although there is no forecasting model that can be used to predict the number of tourist visits. This study attempted to fill the void of the model to predict the number of tourist visits to Kalibiru...

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The Role of Human Capital and Knowledge Management in Innovation

Muthia Roza Linda, Gesit Thabrani, Firman Firman

The purpose of this study was to examine the impact of human capital and knowledge management in innovation. This study was conducted in Indonesia. Research respondents were bank employees who had structural positions. Data had been collected by using a survey with questionnaires. Based on data analysis...

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Financial Inclusion in Rural MSMEs: A SWOT Analysis

Rosyeni Rasyid, Erni Masdupii, Muthia Roza Linda

Regional economy is generally supported by Micro, Small and Medium Enterprises (MSMEs). One of them is the MSMEs of embroidery. One of the regions which produce the best embroidery product in West Sumatera is Pariaman; the product is the embroidery of gold thread. The problem with MSMEs of embroidery...

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Lecturers' Perception of the Purpose of Performance Appraisal System

Ietje Nazaruddin, Hafiez Sofyani, Sri Rezki Hayati, Erni Suryaningrum, Caesar Marga Putri

The Performance Appraisal System (PAS) has purposes that are oriented towards individuals and institutions to improve the performance of higher education. This study explores lecturers' perceptions of the purposes of PAS. Data were collected via questionnaires from 269 lecturers at higher educational...

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The Effect of Leadership Style on Job Satisfaction Among HWI Lindeteves Shops, With Burnout as Mediating Variable

Oey Hannes Widjaya, Herlina Budiono, Hendra Wiyanto

The purpose of this research was to reveal the effect of leadership attitude on job satisfaction through burnout among HWI Lindeteves shops. This research used SEM-PLS in a descriptive research method that observed over 80 respondents. A positive effect of leadership style on burnout was found as the...

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Credit and Collection Management Practices, Credit Risk Management, and Financial Performance of Private High Educational Institutions (HEIs) in the Philippines: Basis for Continuous Improvement

Maria Delia M. Poot

The main goal of an educational institution is to maintain its stability and improve its growth and sustainability. Thus, educational institution must have an effective Credit and Collection Management Practices (CCMP) and Credit Risk Management to avoid credit risk. The study assessed the CCMP of private...

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Factors Affecting the Use of Leverage Among Manufacturing Firms in Indonesia

Margarita Ekadjaja, Agustin Ekadjaja, Halim Putera Siswanto

A firm's decision to use leverage becomes a controversial policy between the managers and shareholders. The aim of this study was to reveal the determinants that affect a firm's decision to use leverage. Data was collected from financial reports of manufacturing firms in Indonesia during the years of...

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The Relationship Between Servant Leadership and Job Satisfaction: The Mediating Effect of Job Empowerment

Linda Lin Chin Lin, Agustinus Purna Irawan, Paula Tjatoerwidya Anggarina, Zhang Yu-Wen

The purpose of this study was to explore the relationship between servant leadership and job satisfaction, and whether job empowerment will affect satisfaction. Using the Army aviation unit subordinates as sample and 350 questionnaires were distributed. There were 321 effective questionnaires collected....

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The Relationship Between Moral Leadership and Organizational Citizenship Behavior: The Mediating Effect of Job Satisfaction

Linda Lin Chin Lin, Agustinus Purna Irawan, Paula Tjatoerwidya Anggarina, Chou Li-Feng, Hung Chun-Ping

Moral Leadership is one of the most important leadership styles among Chinese enterprises, which are also the one of the leadership styles of the paternalistic leadership. Nowadays most Chinese are expecting the higher leaders who have highly standard moral across societies and organizations. It's based...

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The Effects of Intellectual Capital and Knowledge Management on Business Performance

Riza Yonita, Sutiye Sutiye, Muthia Roza Linda

The purpose of this study was to examine the effects of intellectual capital and knowledge management on business performance. This study was conducted in Indonesia. Research respondents were bank employees who had structural positions. Data had been collected by using a survey with questionnaires. We...

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Attitudes Toward Mobile App Payment Systems: A Case Study Among Indonesian Millennials

Vita Briliana, Tita Deitiana, Wasisto Ruswidiono

This study adapted the Technology Acceptance Model (TAM) to examine the usefulness of mobile apps, value-for-money, emotional value, and individual mobility factors that influence Indonesian millennials' attitudes toward mobile app payment systems and how their attitudes mediate these four variables...

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Stakeholder Perception of Earnings Management and Its Influence on the Quality of Accounting Information

Elizabeth Sugiarto D., M. F. Djeni Indrajati

This study aimed to provide an overview of stakeholder perception among companies in Indonesia about earnings management and its influence on the quality of accounting information. Primary data was acquired from respondents consisting of stakeholders. The questionnaire was distributed both manually and...

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Designing Consumer Intention Index

Keni Keni, Lerbin R. Aritonang R., Ary Satria Pamungkas

This research is a preliminary study to develop a national Consumer Intention Index (CII) in the context of batik-art. As a preliminary study, this study was conducted on 346 people who purchased batik-art as samples in

the cities of Yogyakarta and Solo. The result shows that the CII instrument produced...

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Factors Affecting Free-Cash-Flow (FCF) with Dividend Policy as a Mediating Variable

Nia Widyanti, Widyasari Widyasari

The purpose of research was to obtain empirical evidence about the impact of board structure, board independence, and leverage on Free-Cash-Flow (FCF) with dividend policy as a mediating variable among manufacturing companies during the period of 2016-2018. This study used 29 manufacturing companies...

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Comparing the Benefits of International Diversification Using Industrial Correlation and Non-Systematic Risk

Ignatius Roni Setyawan

Roll (1992) stated that the ASEAN capital market is still attractive for international diversification in various industries. To test the benefits of this international diversification, I used the industrial correlation between stock exchanges index and MSCI, and non-systematic risk measurement from...

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The Effects of Leverage, Sales Growth, Firm Size, and Corporate Social Responsibility Disclosure on Earnings Response Coefficient

Syanti Dewi, Nataherwin Nataherwin

Financial information owned by a company is considered as a good signal for investors to make investment decisions, so they tend to see the earnings information as a benchmark, but other information is needed to predict the value of the company's stock returns, which is the earnings response coefficient....

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SWOT Analysis on the SMEs of Batik Products in Jambi City

M. Tony Nawawi, Rodhiah Rodhiah

Batik is one of Indonesian cultures which is an asset from ancestors, thus must be preserved. Almost every province in Indonesia has its own distinctive Batik products. However, not all regions in Indonesia can preserve the Batik industry. This study aimed to assess the strengths, weaknesses, opportunities,...

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The Effects of Website Content and Trust on Online

Purchasing Intention of Agricultural Products

Yi-Chang Chen, Hui-Ho Lee

According to the literature review, positive website content and trust in internet shopping will increase internet purchasing intention. Meanwhile,

trust in internet shopping may play the mediating role. Therefore, this study aimed to explore the relationship between website content, trust in internet...

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The Effect of Team Social Exchange Perspective on Employee Job Satisfaction

Nikodemus Hans Setiadi Wijaya

This study developed the relationship between team social exchange relationship (i.e., Leader-Member Exchange or LMX and Team-Member Exchange or TMX) and employee job satisfaction. This study evaluated the importance of LMX and TMX on job satisfaction. Furthermore, this study also examined the joint...

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Green Paradox by Gender

Conny Tjandra Rahardja, Tiara Nur Anisah

This study aimed to obtain the findings, whether the attitude of acceptance, environmental awareness, knowledge about the benefits of green products have an impact on the intention to buy green products, or do not have an impact and even tend to be ignored (green paradox). This study involved 204 respondents...

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Environmental Factors Affecting the Acceleration of Financial Technology (Fintech) Adoption by SMEs in the East Java Region

Sonata Christian, Trianggoro Wiradinata, Christian Herdinata, Auditia Setiobudi

Purpose – This study aimed to help define the environmental factors affecting the acceleration of FinTech adoption by SMEs in the East Java Region. **Design/methodology/approach** – An empirical study of TOE Framework focused on environmental factors using the data from 402 respondents of SMEs Owners and...

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The Preliminary Exploration of Competency for Community Revitalization – A Study Among The Rural Youth as an Example

Pei-Fang Tsai, Yi-Chang Chen, Yu-Ming Cheng

According to the literature of competency and entrepreneurship, developing appropriate competencies is more likely to accomplish expected achievements especially under an uncertain business environment. The conditions of the community revitalization in rural areas are in a similar situation as a process...

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West Sumatra MSMEs' Strategy in Facing Competition in the 4.0 Industrial Revolution Using SWOT Analysis

Emil Salim, Nanik Istianingsih, Harkamsyah Andrianof, Hanna Pratiwi

The purpose of this study was to analyze the West Sumatera MSMEs strategy in facing competition in the era of the Industrial Revolution 4.0. This study used a qualitative method with a strategic analysis tool that is SWOT analysis to analyze the internal and external factors and what strategies should...

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The Effects of Profitability, Liquidity, Tangibility, Firm Size, and Asset Turnover on Capital Structure in Chemical Industry Listed on Indonesia Stock Exchange From 2014 to 2018

Erika Jimena Arilyn

The aim of this research was to analyze the effects of firm's financial performance - profitability, liquidity, tangibility, asset turnover, and firm size on capital structure. Sample in this research is 8 out of 13 chemical companies which were listed on Indonesian Stock Exchange (IDX) for five consecutive...

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Sarwo Edy Handoyo, Herlin Tundjung Setijaningsih

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Ishak Ramli

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Rajendran Muthuveloo, Teoh Ai Ping

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The Effects of Regional Financial Ratios on Human Development Index (An Empirical Study in All Districts / Cities in Central Java Province During 2012–2017)

Astuti Purnamawati, Jody Bintang Hudaya

This research examined the effects of fiscal decentralization ratio, regional financial dependency ratio, regional financial independence ratio, and expenditure allocation harmony ratio on Human Development Index (HDI). This study used the data on regional financial ratios in Central Java Province from...

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The Effects of Content-Influencer Marketing on Consumer Attitude to Brand (A Case Study on SkinnyIndonesian24 in Bukalapak E-Commerce Company)

Nuning Kristiani, Ni Wayan Lasmi Pipiyanti

This research was intended to reveal the effects of influencers' attractiveness, trustworthiness, and expertise on consumer attitude towards advertising content partially and simultaneously, as well as the effect of consumer attitude towards advertising content on consumer attitude towards the brand....

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The Effects of Profitability, Growth, and Size on Company Value With Capital Structure as Control Variable

Robby Dharma, Letnan Dalimunthe, Arbiuddin Syahputra Hakim Haraha
Susriyanti, Sartika Putri Rahayu

This study intended to reveal the effects of profitability, growth, and company size on company value, with capital structure as control variable, among

manufacturing companies listed on the Indonesia Stock Exchange (IDX). This study used 165 manufacturing companies listed on IDX from 2013 to 2017 as...

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Employee Performance Model in the Department of Public Works and Spatial Planning Office in West Sumatra Province

Marta Widian Sari, Vivi Nila Sari, Sitti Rizki Mulyani, Yosi Aifa Putri, Andry Novrianto

This research aimed to reveal the effects of work accuracy, experience, work involvement, and motivation on employee performance, partially and simultaneously. Data was collected through survey and questionnaire distribution, with 81 respondents of the Department of Public Works and Spatial Planning...

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The Impacts of Online Comments and Bandwagon Effect on the Perceived Credibility of the Information in Social Commerce: The Moderating Role of Perceived Acceptance

Choon Ling Kwek, Bi Lei, Lai Yan Leong, Michelle John A/P John Saggayam, Ying Xue Peh

Social commerce is growing and gaining popularity among Generation Y due

to the advancement of technology, in which it creates a new marketplace sellers and buyers. It allows an individual to browse, compare and purchase the products on social media sites such as Facebook, Twitter and Instagram....

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The Impact of the Number of Trusted Members on the Perceived Credibility of the Information on Social Commerce: The Mediating Roles of Cognitive Trust and Affective Trust

Choon Ling Kwek, Zhang Li, Ke Shin Yeow, Ng Ka Yee, Thamilarasi A/P Thiruchandren

With the advancement of internet technology, the transaction conducted via social commerce has become a trend. However, the credibility of social commerce is in doubt due to many fraudulent cases and scams being discovered frequently. Therefore, this study would like to evaluate the impacts of the number...

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Natural Functional Foods Consumption Behavior Among the Malaysians with Obesity

Phuah Kit Teng, Khoong Tai Wai, Ow Mun Waei, Tey Sheik Kyin

Natural functional food industry is growing steadily worldwide and innovative products are being continuously launched thus making competition fierce. Successful commercialization of natural functional foods is proving to be challenging especially due to the need for a strategic approach to product development...

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The Impact of Celebgram Endorsement on Purchase Intention: The Mediating Effects of Customer Attitude and Brand

Awareness

Yemima Amitay, Hery Winoto Tj, Saparso, Soegeng Wahyoedi

This study aimed to examine the impact of celebgram endorsement on purchase intention among millennial women in Jakarta, mediated by brand awareness and customer attitude. The hypotheses were tested by using a quantitative method based on 100 samples. Data was collected using questionnaires distributed...

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The Effect of the Board of Directors' Characteristics on Company Value

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ABSTRACT

This study aims to analyze the influence of the characteristics of the board of directors on company value. The characteristics of the board of directors are measured by size, age, and activities on company values. The samples of this research were taken randomly from 266 companies listed in the Indonesia Stock Exchange during 2011-2017. The results of this study indicate that the size of board of directors has a negative and significant effect on company value. However, age and activities of the board of directors and company growth do not have a significant effect on company value. Meanwhile, company leverage has a positive and significant effect on company value.

Keywords: *Company value, size, age, activities, board of directors*

1. INTRODUCTION

Indonesia is one among emerging countries in the world. Emerging country has low quality of legal environment and weak protection for investor (La Porta et al., 1998), poor corporate governance system (Joh, 2003). The characteristic of board of directors is one among the ways to create better corporate governance practice. According to Berezinets, Ilina, and Cherkasskaya (2017), the effect of board of directors characteristics on company value is one among the issues that are still in debate.

Several prior researches most focused on board of directors characteristics in Anglo-Saxon system (Baysinger and Butler, 1985; Nelson, 2005; Assenga, Aly, and Hussainey, 2018). Meanwhile, limited attention of researchers explore the effect of board of directors in Continental European system (e.g., Melmusi, Ilona, Elfiswandi, and Kumiawan, 2019).

Board of directors produces a crucial information for practices, strategies, and other decision-making in order to solve the company's problems (Fernandez and Thams, 2018) as the backbone for better corporate governance (Bozec and Dia, 2017) and important part of internal mechanism, when external mechanism is not effective (Kamardin and Haron, 2011).

The current study contributes to the literature in term of theoretical and practical area. From theoretical area, this study examines the effect of board of directors characteristics and company value in countries that adopt Continental European system. This system has two separate board, namely board of commissioners (monitor and control the strategy taken by board of directors) and board of directors (manage the company operation). Thus, this study offers the knowledge of how board of directors characteristic could influence company value.

In general, board of commissioners is chosen by general meeting of shareholders and board of directors is selected by board of commissioners in Continental European system. However, Indonesia has modified the system while board of commissioners and board of directors are voted by general meeting of shareholders. This practical phenomenon will impact the power of board of commissioners in monitoring and controlling the action taken by board of directors. Thus, the characteristics of board of directors could improve the effectiveness of board of directors in managing the company's operational and finally enhancing the company value.

The remainder part of this study is prepared as follows. Section two explores related literature and hypothesis development of board of directors characteristics and company value. Section three provides research design. It continues to explain the findings and discussion of this study. Finally, it reports about the conclusion and recommendation of this study.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency theory claims that separation of directors and owners create conflict of interest among them (Jensen and Meckling, 1976). Board of directors characteristic could reduce the agency cost and enhance the shareholders' wealth.

2.1. Size of Board of Directors

Size of board of directors is the number of board of directors member. Larger number of board of directors is likely less effective to increase company value (Kumar and Singh, 2013), create greater conflict among board members (Goodstein, Gautam, and Boeker, 1994), and increase cost associated to board of directors (Merendino and Melville,

2019). However, other studies believe that increasing number of board member creates the ability to solve the company's problem (Haleblian and Fininkelstein, 1993) and to create better market value (Larmou and Vafeas, 2010). Jensen (1993) claims that the ideal number of board members are not more than seven figures.

Kumar and Singh (2013) investigated the effect of board of directors size and company value among 176 selected companies listed in India. They found that the size of board of directors has negative impact on company value. Nuryanah and Islam (2011) found that the size of board of directors has a positive and significant impact on company value. Adeabah, Gyeke-dako, and Andoh (2019) examine 21 banking companies for 2009-2017 periods. They found that the number of board members could increase bank efficiency.

H1 : The size of board of directors has relationship with company value.

2.2. Age of Board of Directors

Age of board of directors gives impact on decision making. Younger directors tend to choose risky strategies in order to enhance future company performance (McClelland, Barker, and Oh, 2012), while older directors has more experience, economic resources, and wisdom (Kang, Cheng, and Gray, 2007).

Previous studies that focused on age of board of directors and company value shows mix results. Kagzi and Guha (2018) found that age of board of directors has positive and significant impact on company value. Alqatamin, Aribi, and Arun (2017) examined the relationship between directors' age for non-family versus family companies and earning management. They found that directors' age has no relationship with earning management. McClelland et al. (2012) found that directors' age has little impact on future company performance. In addition, the effect of directors' age has received slow attention form researchers (Halioui, Neifar, and Abdelaziz, 2016; Kagzi and Guha, 2018).

H2 : Age of board of directors has relationship with company value.

2.3. Activities of Board of Directors

Activities of board of directors means that multiple directorships are held by board members. Busy board create absence from meeting (Li and Ang, 2000), destroy the capability of board of directors to conduct their responsibility effectively (Kavitha, Nandagopal, and Uma, 2019), and reduce company performance (Haniffa and Hudaib, 2006). However, busy board of directors create better expertise of board in managing the company's operation (Jiraporn, Singh, and Lee, 2009).

Prior study conducted by Chen, Gray, and Nowland (2013) found that busy board of directors has negative and significant impact on company value. Therefore, Field, Lowry, and Mkrtchyan (2013) found a positive and significant relationship between busy board of directors and company value. Kavitha et al. (2019) investigated the effect of busy board of directors on discretionary disclosures

among 500 companies listed in India. They found that busy board of directors has negative impact on discretionary disclosures.

H3 : Busy board of directors has relationship with company value.

3. RESEARCH METHOD

The sample of this paper comprised of 266 companies listed in Indonesia during 2011-2017 periods. The dependent variable of this research is company value. To assess the company value, this study has employed Tobin's Q. According to Kagzi and Guha, (2018), Tobin's Q is an expected value of future cash flow from the market value of company's assets. This study follows the prior work of Klapper and Love (2004) to measure Tobin's Q.

The size of board of directors is calculated with the number of board of directors members (Hoseini, Gerayli, and Valiyan, 2019). The age of board of directors is measured by the difference among board of directors' date of birth and the year of this study (Alqatamin et al., 2017). The activities of board of directors is proxied as the proportion of multiple appointments of board of directors in other companies (Virk, 2017).

Company growth and company leverage are control variables of the current study. Company growth is measured by the sales of this year less the sales of last year and then divided by the sales of last year (Mak and Kusnadi, 2005). Company leverage is a leverage ratio, which is proxied by using total debt divided by total assets (Alqatamin et al., 2017). Multivariate regression analysis is applied to analyze the data (Gujarati, 1995) and the mathematical model is demonstrated below.

$$TOQ_{it} = \alpha + \beta_1 SBOD_{it} + \beta_2 ABOD_{it} + \beta_3 BBOD_{it} + \beta_4 CG_{it} + \beta_5 CL_{it} + e \quad (1)$$

TOQ = Tobin's Q

SBOD = Size of board of directors

ABOD = Age of board of directors

BBOD = Activities of board of directors

CG = Company Growth

CL = Company Leverage

4. RESULT AND DISCUSSION

The analysis of this study is started by conducting the classical-assumption test. Normality, multicollinearity, and heteroskedasticity test have been conducted. The result shows that the model is free from classical-assumption problem. As can be seen in Table 1, the descriptive statistics results present that the average and median of Tobin's Q is 0.91 (0.79), while the minimum and maximum value of Tobin's Q is 0.05 (2.55).

Board of directors variables shown as SBOD has a mean 4.56 with median 4. The average of ABOD is 52.01 and the median is around 50.5 years old. The mean (median) value of BBOD is around 0.27 (0.00). The average (median) of company growth and company leverage are around 0.31

(0.29) and 0.57 (0.48). The result of descriptive statistics has been showed in Table 1 as follow.

Table 1 Descriptive Statistics

	Min	Max	Median	Mean	Std. Dev
TOQ	0.05	2.55	0.79	0.91	0.52
SBOD	2.00	13.00	4.00	4.56	2.35
ABOD	29.00	72.00	50.5	52.01	8.45
BBOD	0.00	1.00	0.00	0.27	0.25
CG	-8.56	76.12	0.29	0.31	2.79
CL	-2.89	10.79	0.48	0.57	0.49

Notes: TOQ (Tobin's Q), SBOD (Size of board of directors), ABOD (Age of board of directors), BBOD (Activities of board of directors), CG (Company growth), CL (Company leverage).

In examining the effect of board of directors' characteristic on company value, this paper employes multivariate regression analysis. This study conducts the fixed effects panel data regression analysis to investigate the effect of board of directors' characteristic on company value.

Table 2 shows the fixed regression results of this study. SBOD has negative and significant relationship with company value. It means that small size of board members may enhance company value due to small size of board members is more effective in decision making. This finding is in the opposite with that from previous study (Adeabah et al., 2019). They found that larger number of board members could increase bank efficiency.

The next independent variable is ABOD. ABOD has insignificant association with company value. This result appears to be consistent with Alqatamin et al. (2017) and Arun (2017), which stated that there is insignificant relationship between BBOD and company value. Thus, this result does not support the related hypothesis and the study of (Field et al., 2013). They found that BBOD has positive and significant association with company value. The control variables shows mix results.

Table 2 Fixed Effect of Regression Result

	Coef	Std. Error	t-Stat	Prob.
C	0.80	0.13	6.06	0.00
SBOD	-0.02	0.00	-3.12	0.00*
ABOD	0.00	0.00	0.84	0.40
BBOD	0.02	0.05	0.39	0.69
CG	0.00	0.00	0.15	0.87
CL	0.17	0.02	8.26	0.00*
R ²	0.74			
Adj. R ²	0.70			
F Value	0.00			

Notes: * indicates significant at 1%, SBOD (Size of board of directors), ABOD (Age of board of directors), BBOD (Activities of board of directors), CG (Company growth), CL (Company leverage).

Company growth (CG) has no relationship with company value. However, company leverage (CL) has positive and

significant effect on company value. It indicates that debt holders are more effective in monitoring the company action in order to enhance the stakeholders wealth. This finding is inconsistent with (Grove, Patelli, Victoravich, and Xu, 2011). Grove et al. (2011) found that company leverage has negative impact on company value.

5. CONCLUSIONS

The result presented in this study shows that board of directors characteristics as measured by board size significantly influences company value. However, other variables of board characteristics, that are age and activities of board of directors have no effect on improving company value. This paper provides the highlight to agency theory whereas large size of board members can create the problems of communication and decision making.

The negative effect of board size on company value implies that company value would increase if there is no communication and decision making problem. this study has several limitations, such as small sample and one perspective. Future investigation should be focused on more samples and various perspectives.

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