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# **BOOK OF CONFERENCE PROCEEDING**

*Kuala Lumpur, 19-20 November 2018*

## **2<sup>nd</sup> BEMSS**

**2ND INTERNATIONAL CONFERENCE ON  
BUSINESS, ECONOMY, MANAGEMENT  
AND SOCIAL STUDIES TOWARDS  
SUSTAINABLE ECONOMY**

**SUPPORTED BY:**



Abstract Proceeding Book  
of  
2<sup>nd</sup> International Conference  
on Business, Economy,  
Management and Social  
Studies towards Sustainable  
Economy (BEMSS)

**November 19 - 20, 2018**

**Kuala Lumpur, Malaysia**



**Abstracts Proceeding Book**  
**of**  
**2<sup>nd</sup> International Conference on Business,  
Economy, Management and Social Studies  
towards Sustainable Economy**  
**(BEMSS)**

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# FOREWORD

Research Synergy Foundation is the 1st Indonesian social enterprise platform that focus on developing collaborative networks among both researchers, lecturers, scholars, and practitioners globally for the realization of an equal quality of knowledge acceleration between developed and developing countries. We focus on opening the gates of research collaboration between countries. We introduce and encourage scientific publications from developing countries. We create scientific forums in order to boost the creation and diffusion of new knowledge.

Known as a catalyst and media collaborator among researchers around the world is the achievement that we seek through this organization. By using the media of International Conference which reaches all researcher around the world we are committed to spread our vision to create opportunities for promotion, collaboration and diffusion of knowledge that is evenly distributed around the world.

## Our Vision:

Our vision is to be world class organization that encourage acceleration quality of knowledge in developing country.

## Our mission:

First, promoting scientific journals from developing countries as an equitable distribution tools of knowledge. Second, opens research collaboration opportunities among countries, educational institutions, organizations and among researchers as an effort to increase capabilities. Third, create a global scientific forum of disciplinary forums to encourage strong diffusion and dissemination for innovation.

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# **ORGANIZING COMMITTEE**

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## **Conference Coordinator**

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## **Conference Support**

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# CONFERENCE CHAIR MESSAGE

We are delighted to welcome you to the 2<sup>nd</sup> International Conference on Business, Economy, Management and Social Studies towards Sustainable Economy (2<sup>nd</sup> BEMSS) by Research Synergy Foundation and Scholarvein as official partner held on November 19 – 20, 2018 at Hotel Capitol, Kuala Lumpur, Malaysia.

The aim of Conference is to bring together leading academician, researchers and scholars to exchange and share their experiences and research results on all aspects of Business, Economy, Management and Social Studies towards Economy. 2<sup>nd</sup> BEMSS 2018 International Conference shows up as a cutting-edge Social Research platform to gather presentations and discussions of recent achievements by leading researchers in academic research.

It has been our privilege to convene this conference. Our sincere thanks, to the conference organizing committee; to the Program Chairs for their wise advice and brilliant suggestion on organizing the technical program and to the Program Committee for their through and timely reviewing of the papers. Recognition should go to the Local Organizing Committee members who have all worked extremely hard for the details of important aspects of the conference programs and social activities.

We welcome you to Kuala Lumpur, Malaysia and hope that this year's conference will challenge and inspire you, and result in new knowledge, collaborations, and friendships.

Best regards,

Dr. Hendrati Dwi Mulyaningsih  
Conference Chair of 2<sup>nd</sup> BEMSS 2018

# CONFERENCE PROGRAM

Day 01- Monday | November 19, 2018

Venue: Room 1

Hotel Capitol – Kuala Lumpur, Malaysia

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**09.00-09.30**      **Welcome Reception and Registration**

**09.30-09.40**      **Opening Address**

Conference Coordinator: Mrs. Santi Rahmawati – Research Synergy Foundation

**09.40-10.00**      **Group Photo Session, Morning Tea and Grand Networking**

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Day 01

Monday, 19 November 2018

Room I

Session 1 (10.00 – 10.30)

Session Chair : Santi Rahmawati

Track Business Studies

Paper ID	Author	Media	Paper Title
BEM18109	Mirwan Surya Perdhana	Oral Presentation	What Makes a Good Salesperson? Bridging the Researcher-Practitioner Gap

Day 01

Monday, 19 November 2018

Room I

Session 2 (10.30 – 11.30)

Session Chair : Santi Rahmawati

Track Banking and Finance

Paper ID	Author	Media	Paper Title
BEM18102	Rakan Fuad Aldomy	Oral Presentation	Bank Concentration and Risk in the Jordanian Banking Industry
BEM18107	Andy Lasmana	Oral Presentation	Understanding the Motivation of Banking Impairment Policies in Indonesia

Day 01

Tuesday, 19 November 2018

Room I

Session 3 (11.30 – 12.00)

Session Chair : Santi Rahmawati

Track Economic

Paper ID	Author	Media	Paper Title
BEM18101	Abdusalam Faraj Yahia	Oral Presentation	An Econometric Estimation of Feedback Effects of Trade Relationship between Oman and other Members of the Gulf Cooperation Council

**Lunch Break 12.00-1.00 pm**  
**Closing Ceremony**

## List of Conference Attendees

<b>ID</b>	<b>Attendee</b>	<b>Field of Study</b>	<b>Affiliation</b>
<b>BEM18106</b>	Yousef Awwad Alazmi	Accounting	Kuwait Gulf Oil Company
<b>BEM18110</b>	Fahad Munahi Alazmi	Accounting	Kuwait Gulf Oil Company
<b>BEM18111</b>	Khaled Ayedh Almutairi	Accounting	Kuwait Gulf Oil Company
<b>BEM18112</b>	I Made Bayu Dirgantara	Business Studies	Diponegoro University
<b>BEM18113</b>	Rizal Hari Magnadi	Business Studies	Universitas Diponegoro

Day 02

**Tuesday (November 20, 2018)**  
**City Tour and Shopping Day**

All respective guests are free to conduct their own sightseeing and tour. The second day of the event is reserved for this memorable purpose

# Track: Business Studies Research

# What Makes a Good Salesperson? Bridging the Researcher-Practitioner Gap

Mirwan Surya Perdhana<sup>1</sup>, Farida Indriani<sup>2</sup>, I Made Bayu Dirgantara<sup>3</sup>, Rizal Hari Magnadi<sup>4</sup>

<sup>1,2,3,4</sup> Universitas Diponegoro

<sup>1</sup> mirwan.perdhana@gmail.com

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## Abstract

**Background** - *The aim of this research is to investigate factors determining salespersons' effectiveness in Indonesia. To date, the majority of research on salesperson were focusing on United States context or other developed countries. This fact creates a gap because the factors determining salespersons' effectiveness preferred in developed countries might not be applicable in other cultural settings. Furthermore, there was also some difference in the perceived characteristics of an effective salesperson according to the academics and practitioner. Thus, this study would investigate the characteristics of an effective salesperson by bridging the gap between theory and practice.*

**Purpose** - *Research on the characteristics of effective salespeople has been widely discussed in marketing management literature. However, most of the research comes mostly from the United States and other developed countries. This raises the question whether the characteristics of the effective salesperson in one cultural context could also be effective when applied in the other country. The culture of Indonesia is very different compared to Western Countries. Thus, special investigations are needed relating to this topic in the Indonesian context. In the current globalization era, developing countries such as Indonesia are predicted to experience rapid economic growth which makes multinational companies expanding their sales in Indonesia. Therefore, it is important to investigate the characteristics of effective salespeople in Indonesia.*

**Design/Methodology/Approach** - *This study utilizes mixed methods approach, combining quantitative and qualitative data. Respondents and participants in this study were HR and marketing managers in Java Island, by utilizing the IMA (Indonesian Marketing Association) database.*

**Findings** - *The results demonstrate that the combination of transformational and transactional leadership style is vital in developing an effective salesperson. Other culture-related factors were also discussed.*

**Research Limitations** - *The sample of the study only comprises participants from Java island. Since there are vast cultural variations in*

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*Indonesia, further research should take this situation into account and further investigate the preferred effective management style in other areas outside Java Island.*

**Originality/Value** - *The paper is a pioneering study which investigates the gap between theory and practice regarding the criteria of an effective salesperson in Indonesia.*

Keywords: management practice, leadership, salesperson, researcher-practitioner gap, effective salesperson

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**Track: Banking and Finance Research**

# Bank Concentration and Risk in the Jordanian Banking Industry

Rakan Fuad Aldomy<sup>1</sup>, Chan Kok Thim<sup>2</sup>, Nguyen Thi Phuong Lan<sup>3</sup>

<sup>1,2,3</sup> Multimedia University

<sup>1</sup> rakan.aldomy@gmail.com

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## Abstract

**Background** - *The impact of concentration on banks have two views, "Concentration-fragility" and "Concentration-stability".*

**Purpose** - *The main aim of this paper is to investigate the relationship between bank concentration and bank risk in the Jordanian banking industry from 2005 to 2016.*

**Design/Methodology/Approach** - *While controlling for bank fundamentals (CAMEL), we used two measurements to measure bank risk (Z-score and Non-performing loan ratio) and two measurements of bank concentration (Herfindahl–Hirschmann Index (loan and assets) and the concentration ratio (loan and assets)). We applied the two-step generalized method of moments (GMM) to analysis this relationship between concentration and risk.*

**Findings** - *The empirical evidence shows bank concentration has a positive relationship with risk measured using non-performing loan ratio, and a negative relationship using Z-score. This suggests greater market power leads to greater risks, which in turn supports the concentration-fragility theory.*

**Research Limitations** - *There is two main limitations: 1- This study did not use all measurements of Concentration. 2- Poor availability of data for foreign banks, which reduces the number of banks.*

**Originality/Value** - *1- The first study to investigate the relationship between bank concentration and bank risks specifically focusing on Jordan. 2- This research will be first research testing that relationship with controlling bank fundamentals by using GMM method.*

Keywords: Bank concentration, Bank stability, Bank risks, HHI, Jordan.

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# Understanding the Motivation of Banking Impairment Policies in Indonesia

Andy Lasmana<sup>1</sup>, Tjut Meutia Imelda Tenriwali<sup>2</sup>, Ade Budi Setiawan<sup>3</sup>, Mas Nur Mukmin<sup>4</sup>

<sup>1,2,3,4</sup> Accounting Department, Djuanda University, Indonesia, West Java, Ciawi

<sup>1</sup> andy.lasmana@unida.ac.id

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## Abstract

**Background** - *Banks are required to form reserves to deal with the risk of financing losses when the debtor fail to pay arrears in financing. The fact is, the phenomenon of reserves with the impairment method suspected used by the Indonesian banking industry to improve financial performance.*

**Purpose** - *This study aims to reveal the motivation of the Indonesian banking industry in implementing an impairment policy, through the involvement of financial performance ratios.*

**Design/Methodology/Approach** - *Purposive sampling, t test and f test, are methods used in research involving 47 bank samples.*

**Findings** - *The results of the study indicate that 9 financial performance ratios affect the policy of impairment carried out by the banking industry in Indonesia.*

**Research Limitations** - *To support the results of this study, further research is needed to determine the financial performance before and after the impairment policy is carried out*

**Originality/Value** - *This study succeeded in revealing motivation to improve financial performance within impairment policy.*

Keywords: Impairment, Indonesian Banking, Financial Performance

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**Track: Economic Research**

# An Econometric Estimation of Feedback Effects of Trade Relationship between Oman and other Members of the Gulf Cooperation Council

Abdusalam Faraj Yahia<sup>1</sup>

<sup>1</sup>Oman Chamber of Commerce and Industry

<sup>1</sup>afyahia\_15@yahoo.com

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## Abstract

**Background** - Recent literature shows that no attempt has been made to investigate the interaction of trade relationship between Oman and other members States of the Gulf Cooperation Council (GCC). Therefore, this paper attempts to extend the recent literature by empirically examining if there are any feedback effects of trade relationship between Oman and its trading partners from GCC members. A simultaneous-equations model with double log form has been developed and used in order to analyse the role played by the interaction of trade and the degree of feedback effect in Oman economy. The main finding of the simultaneous-equations model can illustrated as follow: There is a weak relationship between Oman's income and its exports to each of GCC members. The price of oil does not seem to be the major determinants of Omani exports to all members of GCC except Emirates and Kuwait. The results of the model also indicate that there is no evidence of partial feedback effect in Oman trade with all GCC Countries accepts Bahrain. In addition, the short-term elasticity of Omani imports from GCC with respect to its income seems to be higher (e.g. ranging from .75 to 1.8) in all cases. Finally, the gap between the desired level of spending on Omani imports from GCC members and the actual level of spending for all cases will be closed in one period and the number of periods of adjustment is ranged between one and two years. Key words: Intra Trade, Feedback Effects, Simultaneous Equations Model, GCC, Sultanate of Oman.

**Purpose** - this paper attempts to extend the recent literature by empirically examining if there are any feedback effects of trade relationship between Oman and its trading partners from GCC members

**Design/Methodology/Approach** - A simultaneous-equations model with double log form has been developed and used in order to analyse the role played by the interaction of trade and the degree of feedback effect in Oman economy

**Findings** - The main finding of the simultaneous-equations model can illustrated as follow: There is a weak relationship between Oman's income and its exports to each of GCC members. The price of oil does

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*not seem to be the major determinants of Omani exports to all members of GCC except Emirates and Kuwait. The results of the model also indicate that there is no evidence of partial feedback effect in Oman trade with all GCC Countries except Bahrain. In addition, the short-term elasticity of Omani imports from GCC with respect to its income seems to be higher (e.g. ranging from .75 to 1.8) in all cases. Finally, the gap between the desired level of spending on Omani imports from GCC members and the actual level of spending for all cases will be closed in one period and the number of periods of adjustment is ranged between one and two years.*

**Research Limitations** - *Regional within GCC and data period 2000-2017*

**Originality/Value** - *this paper attempts to provide new and original evidence on the analysis of feedback effect of trade relationship between Oman and other members of GCC*

**Keywords:** Trade Relationship, Feedback Effects, Simultaneous Equations Model, GCC, Sultanate of Oman.

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## FUTURE EVENTS

November 29 – 30, 2018

2nd International Conference on Management Studies and Social Science (MASOS)

<http://www.2ndmasos.researchsynergy.org/>

December 3 – 4, 2018

2<sup>nd</sup> International Conference on Emerging Issues in Social Studies, Economy, Education and Management in Digital Era (EISDE)

<http://www.2ndeisde.researchsynergy.org/>

December 13 – 14, 2018

2<sup>nd</sup> International Conference on Global Economy in Business, Management, Social Science and Humanity Perspective (GEMSH)

<http://www.2ndgemsh.researchsynergy.org/>

December 20 – 21, 2018

2<sup>nd</sup> International Conference on Interdisciplinary Studies for Leveraging Innovation (ISLI)

<http://www.2ndisli.researchsynergy.org/>

January 24 – 25, 2019

3<sup>rd</sup> Singapore International Conference on Management, Business, Economic, and Social Science (SIMBES)

<http://www.simbesconference.com/>

January 28 – 29, 2019

3<sup>rd</sup> Japan International Conference on Business, Management Studies and Social Science (JIBUMS)

<http://www.jibums.com/>

February 14 – 15, 2019

2<sup>nd</sup> International Conference on Entrepreneurship studies, Business, Economy, and Management Science (ESBEM)

<http://www.esbem.com/>

February 18 – 19, 2019

2<sup>nd</sup> International Conference on Interdisciplinary Research on Education, Economic studies, Business and Social Science (RESBUS)

<http://www.resbusconference.com/>

