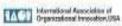






# International Conference of Organizational Innovation







FMI Torres Manajarese Indonesia (FMI)



Feinand Ummerch. Japan



Hupei University of Automotive Technology, Huber, Divise



Airlangga University, Surabaya, Indonesia





Hasquo University, Chins



LA TROBE BUSINESS SCHOOL



Universitas Sursafera Ulore ; Indonésia







De La Salle University. Marela, Philippines



Fajluri University of Technology, Fujine Onice



International College at Your Surveille Regulated University The Arest



July 07-09 2018



Fullucka University, Japan 5-15-7 Sanatzan, Josephia, Tuksaka M-4-2190, Japan





## PROCEEDINGS OF 2018 ICOI THE INTERNATIONAL CONFERENCE ON ORGANIZATIONAL INNOVATION

July, 07 - 09, 2018

#### Editor

#### Dr. Charles Shieh

International Association of Organizational Innovation, USA

## Mr. T. Aria Auliandri

Department of Management, Faculty of Economics and Business, Airlangga University, Surabaya, Indonesia

## HOSTED & ORGANIZED

## Institute of Sponsor:

- 1. International Association of Organizational Innovation, USA
- 2. Fukuoka University, Japan
- 3. Airlangga University, Surabaya, Indonesia
- 4. Forum Manajemen Indonesia (FMI)
- School of Electrical & Information, Hubei University of Automobile Technology, Hubei, China

### Institute of Co-sponsor:

- 1. Huaqiao University, Fujian China
- 2. Universitas Sumatera Utara, Indonesia
- 3.School of Management, Fujian University of Technology, China
- 4.De La Salle University, Manila, Philippines
- 5.La Trobe Business School, La Trobe University, Australia
- International College at Suan Sunandha Rajabhat University Thailand
- 7. Taru publications, India

DATE: July, 07 2018, Saturday

LOCATION: Room A713

Fukuoka University, Fukuoka, Japan

Time	Topic of Seminar	Country/Region
	Chair: Dr. Riko Hendrawan, Universitas Telkom,	
Session 9.1 13:30   14:50	Indonesia	
	1. 18R-140: Maneuvering Institutional Ownership in Tax Avoidance	Etty Indriani Indonesia
	18R-150: An Overview on Contracting Theory & Agency Theory: Determinants of Voluntary Public Accounting Firms Switching	Retna Safriliana Indonesia
	3. 18R-153: Creative Economic Development Strategy in Malang City	Ana Sopanah Indonesia
	4. 18R-179: Measuring Selectivity and Market Timing Performance of Mutual Funds in Indonesia Using Single and Dual Beta Models	V. Santi Paramita Indonesia
	5. 18R-252: Analysis of the Factors Influencing Dividend Policy: Evidence of Indonesian Listed Firms	Theresia Trisanti Indonesia
	6. 18R-143: The Best-Fitted Option Model For Economic Crisis: Evidences From Indonesia in 1998 and 2008	Riko Hendrawan, Indonesia
14:50   15:00	Tea Time	
Session 9.2 15:10   16:30	Chair: Dr. Rahmawati, Universitas Mulawarman,	
	Indonesia	
	1. 18R-267: Direct Selling Program Strategy Through Online Reporting System Design With "IPA & QFD" Method (Case Study at Pt Global Green Trading)	Tukhas Shilul Imaroh, Indonesia
	2. 18R-241: The Development of Customer Value in the Small Medium Enterprises (SMES)	Estik Hari Prastiwi Indonesia
	<ol> <li>18R-195: Social Entrepreneur: A "Coin" Fundraising Model for Social Organizations</li> </ol>	M. Yusuf Azwar Anas, Indonesia
	<ol> <li>18R-172: The Role Of Social Networking Sites: Market Orientation and Management Commitment to Service Quality on Business Performance SME'S</li> </ol>	Aditya Budi Krisnanto, Indonesia
	5. 18R-159: The Relationship of Human Capital, Innovation, and Corporate Performance (A Study of Small And Medium Rattan Businesses in Palu City Central Sulawesi Province)	Hariyanto R Djatola Djampagau, Indonesia
	6. 18R-189: Lecturer Performance: Leadership, Organizational Culture, Work Motivation, and Work Behavior	Sri Langgeng Ratnasari Indonesia
17:30	Welcoming Dinner	

# An Overview on Contracting Theory & Agency Theory: Determinants of Voluntary Public Accounting Firms Switching

Retna Safriliana\*, Bambang Subroto, Imam Subekti, Aulia Fuad Rahman Brawijaya University Malang e-mail:\* retnasafriliana@yahoo.com

#### Abstract

The objective of this literature study is to explore factors affecting voluntary Public Accounting Firm (PAF) switching according to contract theory associated and agency theory of Watts & Zimmerman (1986). PAF switching may occur due to regulations that require a company to do PAF switching, called as mandatory replacement, and due to the company's own wishes, called as voluntary PAF switching. The result of this study shows that 23.9% of companies voluntarily changes their PAF because of managerial changes, financial distress, PAF Size, changes on Return on Assets, client size, and auditor's opinion. Contracting theory may explain researches in the field of auditing practices, such as auditor or PAF, related to auditor's reputation, professionalism, auditor environment, PAF size, and industry specialization. Large PAF has a brand image of having a better reputation than small PAF (Watts & Zimmerman, 1986). This is also supported by De Augelo (1981), who stated that large PAFs are preferred by clients because they are considered to be more independent than small PAFs. Agency Theory is often used in research in the field of auditing because information asymmetry is information gap between the interests of agents and principals. Therefore, an independent third party is needed, and the role of the auditor is only as the monitoring party.

Keywords: contracting theory, agency theory, Public Accounting Firm switching

## Creative Economic Development Strategy in Malang City

Ana Sopanah<sup>18</sup>, Syamsul Bahri<sup>2</sup>, Mohammad Ghozali<sup>3</sup>
<sup>1</sup>Department of Accounting, University of Widyagama Malang
<sup>2</sup>Department of Accounting, University of Widyagama Malang
<sup>3</sup>Department of Law, University of Darussalam Gontor Ponorogo
<sup>8</sup>Corresponding author: anasopanah@widyagama.ac.id.

#### Abstract

Creative economy is a growing concept based on creative assets that potentially generate economic growth and progress. It contributes significantly to the economic growth of Malang City. The main purpose of this research was to develop the strategy of creative economy development in Malang City. The other purpose also updated the sub-sector creative economic data, identifying the challenging problems in development of creative economy. This research method used descriptive qualitative approach with SWOT analysis. The populations of this research were MSMEs (UMKM) which was engaged in creative economy. The results represented that from 1100 MSMEs in Malang City, 620 were engaged in the creative economy. Other research results indicated that the challenging problems in development of creative economy between sub-sectors somewhat varied. In general, among others, business model of creative industry has not yet been optimal, lack of appreciation to local creativity, limited marketing distribution, the susceptible creative industry institutions, and limited capital development, Given these shortcomings, this research has succeeded in formulating general development and each sector strategies.

Keywords: Creative Economy, Creative Industry, UMKM, SWOT Analysis, Malang City