

# SOCIAL RESPONSIBILITY AS COMPETITIVE ADVANTAGE IN GREEN BUSINESS

Proceeding 11th International Annual Symposium on Management  
Batu - East Java, Indonesia, 15th-16th March 2014



**11<sup>th</sup> INSYMA**  
international annual  
symposium on  
management

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**TUMAPEL BALL ROOM A**  
**SESI 1**  
**STRATEGIC - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	John Tampil Purba	STIE Pengembangan Bisnis & Manajemen Jakarta	SERVICE MANAGEMENT STRATEGY BY IMPLEMENTING THE ACADEMIC INFORMATION SYSTEM IN INDONESIA HIGHER EDUCATION
2	Nurul Aini; Santianingrum Soebandhi	Universitas Narotama (Doctoral UNAIR)	CULTURAL DIMENSION AND CORPORATE SOCIAL RESPONSIBILITY
3	Florentina Andre; M. Sienly Veronica	Universitas Kristen Maranatha	ANALYSIS THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND THE WELFARE SOCIETY PT X IN BANDUNG
4	Ria Satyarini; Amelia Setyawan	Unika Parahyangan	CLUSTER STRATEGY AS A SUSTAINABLE COMPETITIVE ADVANTAGE FOR SMALL AND MICRO BUSINESSES

**TUMAPEL BALL ROOM A**  
**SESI 2**  
**OPERATION AND STRATEGIC - ENGLISH**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Rorim Panday	Universitas Pakuan Bogor	SERVICE QUALITY ANALYSIS OF ARGO PARAHYANGAN TRAIN AS A TOOL FOR IMPROVING THE SERVICE
2	Prof, Dr. Phan Thi Hong Xuan	Faculty of Anthropology HCMUSSH, VNU	VIETNAM'S URBAN ENVIROMENTAL MANAGEMENT IN GLOBALIZATION WITH SOME ASIAN COUNTRIES'S EXPERIENCE (FROM AN ANTHROPOLOGICAL PERSPECTIVE)
3	Maria F. Lies Ambarwati	BINUS	THE ROLE OF CSR IN BUSINESS TO ACHEVE THE COMPETITIVE ADVANTAGE POSITION
4	Erna Andajani; Rini Oktavera	UBAYA	MODEL DEVELOPMENT STRATEGY FOR THE EFFECT OF GREEN MARKETING CORPORATE IMAGE IN RETAIL BUSINESS USING GSCA

**TUMAPEL BALL ROOM A**  
**SESI 3**  
**STRATEGIC - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Bambang Suratman; Nadia Asandimitra; Harti	Universitas Negeri Surabaya (UNESA)	MODEL DEVELOPMENT AND STRATEGY FOR SMALL AND MEDIUM INDUSTRIES IN GERBANGKERTOSUSILO
2	Heru Santosa	BINUS	INTERRELATIONSHIP AMONG BUSINESS STRATEGY, ORGANIZATION ARCHETYPES, AND COMPETITIVE ADVANTAGE
3	Boedi Hartadi Kuslina	UK Maranatha Bandung	GREEN BUSINESS MODEL: A HOLISTIC APPROACH TO BECOME A GREEN BUSINESS
4	Nurita Andriani	Universitas Trunojoyo Madura	SOCIAL CAPITAL, HUMAN CAPITAL, AND THE MEDIATING ROLE OF STRATEGY ON FIRM PERFORMANCE

## TUMAPEL BALL ROOM A

### SESI 4

#### FINANCE, OPERATION, STRATEGIC, MARKETING - BAHASA

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Lely Fera Triani	Universitas Terbuka, Jakarta	MACROECONOMIC FACTORS INFLUENCE OF COMPOSITE STOCK PRICE INDEX VALUE SHARES TRANSACTIONS AS AN INTERVENING VARIABLE
2	Novan Reza Pahlevi	UNDIP	BUS RAPID TRANSIT AS A SOLUTION FOR TRANSPORTATION PROBLEM IN SEMARANG
3	Fauzan	UN Kanjuruhan Malang	FUNDAMENTAL OF VIRTUE ON CORPORATE SOCIAL RESPONSIBILITY
4	Linda Herawati, Benny Lianto, Evita Tania	UBAYA	Green Business Plan by Reducing Packaging Waste in Food and Beverage Industry in Surabaya
5	Albert Louis Hanjaya, DudiAnandya, Christina R. Honantha	Ubaya	THE IMPACT OF CONSUMER PERCEPTION FIT AND CORE BRAND ATTITUDE ON PURCHASE INTENTION TOWARD MICROSOFT EXTENDED PRODUCT

**TUMAPEL BALL ROOM B**  
**SESI 1**  
**FINANCE/ACCOUNTING - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Sutrisno Samirun	Ull Yogyakarta	THE ROLE OF FINANCING DECISIONS TO FINANCIAL PERFORMANCE ON ISLAMIC BANKING
2	Kartikawati Danusasma	Perbanas Jakarta	COMPARISON ANALYSIS OF FINANCIAL PERFORMANCE BETWEEN THE COMPANIES WITH FOREIGN AND LOCAL OWNERSHIP STRUCTURE
3	Yeye Susilowati	UNISBANK Semarang	THE EFFECT OF CAPITAL STRUCTURE TO FINANCIAL PERFORMANCE
4	Yohanes Mardinata Rusli; Candra Sinuraya	UK Maranatha Bandung	THE INFLUENCE OF TAX PAYERS AWARENESS, TAX SERVICE, AND TAX MORALE AGAINST TAX PAYMENT AND TAX EVASION

**TUMAPEL BALL ROOM B**  
**SESI 2**  
**FINANCE/ACCOOUNTING - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	I Nyoman Putra Yasa	UN Mahasaraswati Denpasar	THE EFFECT OF REPUTATION, ETHICS, SELF ESTEEM AND RISK PREFERENCES ON BUDGETARY SLACK MANAGERS BANK PERKREDITAN RAKYAT (BPR) IN BALI
2	Reza Widhar Pahlevi; Sutrisno	Ull Yogyakarta	ANALYSIS OF FACTORS AFFECTING THE STOCK UNDERPRICING CASES OF INITIAL PUBLIC OFFERING IN INDONESIA STOCK EXCHANGE
3	I Putu Edy Arizona	UN Mahasaraswati Denpasar	THE INFLUENCE OF COMPLEXITY OF OPERATION ON THE AUDIT DELAY
4	I Gede Cahyadi Putra	UN Mahasaraswati Denpasar	THE INFLUENCE OF THE COMPONENTS OF INTERNAL CONTROL STRUCTURE ON CREDIT EFFICIENCY ON LOCAL CREDIT INSTITUTIONS IN DENPASAR



**TUMAPEL BALL ROOM B**  
**SESI 3**  
**FINANCE/ACCOOUNTING - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Dwi Puryati	STIE Ekuitas Bandung	EFFECT OF FINANCIAL PERFORMAMCE TO CORPORATE SOCIAL RESPONSIBILITY WITH GOOD CORPORATE GOVERNANCE MECHANISM AS MODERATING VARIABLE
2	Amelia Setyawan; Ria Satyarini	Unika Parahyangan	SOCIAL RETURN ON INVESTMENT AND ECONOMIC INCENTIVES IN PUBLIC COMPANIES
3	Novi Khoiriawati; Dian Anita Nuswantara; Tri Agastya Kharismawati	Universitas Negeri Surabaya (UNESA)	EFFECT OF FINANCIAL LITERACY ON STUDENTS CONSUMPTIVE BEHAVIOR
4	Reni Marlina	STIE Ekuitas Bandung	EVALUATING CORPORATE SOCIAL RESPONSIBILITY TO FINANCIAL PERFORMANCE IN BANKING COMPANIES

**TUMAPEL BALL ROOM B**  
**SESI 4**  
**FINANCE/ACCOUNTING - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Eka Handriani	UNDIP	IMPLEMENTATION OF SOCIAL RESPONSIBILITY DIVERSIFIED (SRD) TO IMPROVE FIRM VALUE: STUDY IN CORPORATE GOVERNANCE STRUCTURE
2	Dini Arwaty	Universitas Widyatama, Bandung	ANALYSIS OF INFLUENCE OF PERFORMANCE AUDIT TO PUBLIC SERVICE QUALITY AT SOCIAL HEALTH INSURANCE
3	Rosemarie Sutjiati	UK Maranatha Bandung	EFFECT OF NET PROFIT MARGIN, OPERATING PROFIT MARGIN, ECONOMIC VALUE ADDED, AND EARNING PER SHARE TO STOCK PRICE OF PHARMACEUTICAL INDUSTRY COMPANIES LISTED IN INDONESIAN FOREIGN EXCHANGE IN 2008-2011 PERIODS
4	Yudi Wahyudin Suwandi	STIE Ekuitas Bandung	FINANCIAL PERFORMANCE ANALYSIS OF ROA AND ROE BJB ISLAMIC BANK BEFORE AND AFTER THE SPIN OFF
5	Mohammad Fakhruddin	UN Kanjuruhan Malang	THE INFLUENCE OF SOCIAL CAPITAL ON LOAN PAYMENT BEHAVIOR COMMUNITY SELF HELP GROUP

	Mudzakkir		
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**TUMAPEL BALL ROOM C**

**SESI 1**

**FINANCE/ACCOUNTING - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Isfenti Sadalia; Fivi Rahmatius Sofiyah	Universitas Sumatra Utara	IMPACT OF FINANCIAL QUALITY AND FIRM SIZE ON CORPORATE FINANCIAL LEVERAGE CHOICE IN REGIONAL BANK INDONESIA
2	Ni Made Sunarsih	UN Mahasaraswati Denpasar	EFFECT OF PERSONALITY TYPE ON AUDITORS CHARACTERISTIC, WORKLOAD, PROFESSIONAL SKEPTICISM TOWARD THE ABILITY TO DETECT KECURANGAN
3	Hasanudin	UNDIP	THE EFFECT OF MOMENTUM STRATEGY TO PORTFOLIO PERFORMANCE
4	Lia Amaliawati; Lasmanah	Faculty of business management Widyatama University	ANALYSIS THE INFLUENCE OF EFFECTIVENESS INTERMEDIATION FUNCTION BANKS ON EFFICIENCY BANK ( CASE STUDY : CONVENTIONAL BANKS AND ISLAMIC BANKS IN INDONESIA)

**TUMAPEL BALL ROOM C**  
**SESI 2**  
**MARKETING - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Syafrizal Helmi Situmorang; Endang Sulistya Rini	Universitas Sumatra Utara	SATISFACTION INDEX MEASUREMENTS OF COMMUNITY SERVICES IN MEDAN KOTA AND MEDAN AMPLAS KOTAMADYA MEDAN
2	Dhona Shahreza	Indraprasta PGRI Univesity, Jakarta	MOVEMENTS OF INTEREST RATES AFTER THE ENACTMENT OF FINANCIAL LIBERALIZATION Study Case : Malaysia
3	Marhayanie; Yulinda	Universitas Sumatra Utara	THE EFFECT OF THE IMPLEMENTATION OF RELATIONSHIP MARKETING ON CUSTOMER SATISFACTION AT PT. BANK DANAMON (PERSERO) TBK., CITRA GARDEN MEDAN BRANCH
4	Sri Wiludjeng SP	Universitas Widyatama, Bandung	Idenfication Of The Factors in Building Customer Loyalty At Restorans Tulang Jambal Bandung

**TUMAPEL BALL ROOM C**  
**SESI 3**  
**MARKETING AND FINANCE - ENGLISH**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Diana Aqmala; Astohar	UNDIP	THE EFFECT OF RELIGIOSITY DIMENSION TO THE QUALITY AND PRICE CONSUMER ORIENTATION OF THE INDONESIAN MOSLEM CONSUMER
2	Nyoman Indah Kusuma Dewi	Bali State Polytechnic	CORPORATE SOCIAL RESPONSIBILITY PROGRAMME AS PART OF COMPLEMENTOR RELATIONSHIP IN HOTELS' NETWORK: THE CASE OF HOTEL INDUSTRY IN BALI, THE REPUBLIC OF INDONESIA
3	Robby Ardijanto, Indri Hapsari, Zulaicha Parastuty	UBAYA	Increasing Hypermarket Retail Communication Mix Effectiveness by Digital Catalog
4	Lasmanah; Lia Amaliawati	Universitas Widyatama, Bandung	THE PREDICTION OF FINANCIAL DISTRESS ANALYSIS AND ITS IMPLICATION TO STOCK PRICE'S TRANSFORTATION SECTOR IN INDONESIA STOCK EXCHANGE 2007-2011

**TUMAPEL BALL ROOM C**  
**SESI 4**  
**FINANCE/ACCOUNTING - ENGLISH**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	I Made Surya Negara	Universitas Udayana	DETERMINANTS OF BANK LIQUIDITY IN INDONESIA
2	Atika Syuliswati	State Polytechnic of Malang	PERFORMANCE BASED BUDGETING IMPLEMENTATION: CASE STUDY AT STATE POLYTECHNIC OF MALANG
3	Siti Puryandani	STIE Bank BPD Semarang	ANALYSIS OF CAPITAL STRUCTURE, LUQUIDITY AND EARNINGS GROWTH EARNINGS RESPONSE COEFFICIENT AGAINST CORPORATE BANKING IN INDONESIA STOCK EXCHANGE
4	Michella Maria Virgine Prayogo, Yie Ke Feliana, Aurelia Carina Christanti Sutanto	Ubaya	FINANCIAL CONDITION MODERATED THE EFFECTIVENESS OF AUDIT COMMITTEE TO REDUCE EARNINGS MANAGEMENT
5	Anastasia Fenella Sutanto; Felizia Arni	Ubaya	RELATED PARTY TRANSACTIONS AND EARNINGS MANAGEMENT IN INDONESIAN PUBLICLY LISTED

	Rudiawarni		MANUFACTURING COMPANIES PERIOD 2010-2012
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**TOHJAYA MEETING ROOM**

**SESI 1**

**MARKETING/BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Dhian Tyas Untari	Indraprasta PGRI University, Jakarta	MULTI DIMENSIONAL SCALLING METODE TO DETERMINE TOURISM POSITIONING OF BENGKULU CITY
2	Dhian Tyas Untari	Universitas Indraprasta PGRI Jakarta	ECOPRENEURSHIP: CONCEPT OF RESPONSIBLE ENTREPRENEURSHIP
3	Ria Astuti Andrayani; Sri Seto; Purwohandoko	Universitas Negeri Surabaya (UNESA)	EFFECT OF BRAND AWARENESS, BRAND ASSOCIATION, AND PERCIEVED QUALITY ON DECISION TO CHOOSE STATE UNIVERSITY IN SURABAYA
4	Mutia Tri Satya; Lina Said; Abdul Fidayan	STIE Ekuitas Bandung	COMPARISON TRADITIONAL PACKAGING WITH GREEN PACKAGING ON CHIPS INDUSTRY IN BANDUNG

**TOHJAYA MEETING ROOM**  
**SESI 2**  
**MARKETING/BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Singgih Santoso	UK Duta Wacana Yogya	AWARENESS AND USAGE OF INTERNET BANKING ANALYSIS AND ITS DEVELOPMENT STRATEGY: CASE STUDY IN YOGYAKARTA SPECIAL REGION
2	Lindiawatie; Khoirul Umam	Universitas Indraprasta PGRI Jakarta	GREEN MARKETING: ISLAMIC ECONOMIC PRESPECTIVE
3	Maria Mia Kristanti	Unika Widya Mandala	THE INFLUENCE OF GREEN MARKETING AND TRIPPLE BOTTOM LINE TO COMPETITIVE ADVANTAGES THROUGH SUSTAINABLE MARKETING, CORPORATE SOCIAL RESPONSIBILITY, BRAND EQUITY, CONSUMER BEHAVIOR AND CONSUMER SOCIAL RESPONSIBILITY IN HYPERCOMPETITION OF GLOBALIZATION: AN ECONOMIC VALUE-ADDED (EVA) APPROACH
4	Ari Setiyaningrum	UNDIP	CAN THE GOOD CORPORATE ETHICS STATEMENTS AND CORPORATE SOCIAL RESPONSIBILITY (CSR) CREATE POSITIVE CONSUMER RESPONSES ON THE



			COMPANY AND ITS PRODUCTS? A CASE STUDY OF DJARUM'S CSR IN FACULTY OF ECONOMICS AND BUSINESS DIPONEGORO UNIVERSITY
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**TOHJAYA MEETING ROOM**

**SESI 3**

**MARKETING/BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Ritha Dalimunthe	Universitas Sumatra Utara	THE INFLUENCE OF NURSING CARE PATIENT PERCEPTION TO PATIENT LOYALTY ON 3rd CLASS WARD OF REGIONAL GENERAL HOSPITAL ON BINJAI OF 2011
2	Widyastuti; Monika Tiarawati	Universitas Negeri Surabaya (UNESA)	THE IMPLEMENTATION OF INFORMATION TECHNOLOGY AND INNOVATION STRATEGY IN CREATING COMPETITIVE ADVANTAGE IN SMALL AND MEDIUM ENTERPRISES BEADS IN JOMBANG
3	Atin Hafidiah & Dusa Sumartaya	UNPAS Bandung	THE EFFECT OF TAX PROPAGANDA TOWARD TAXPAYER COMPLIANCE OF SMALL BUSINESS CATEGORY IN KIARACONDONG DISTRICT BANDUNG CITY
4	Arlina Nurbaity Lubis; Yeni Absah	Universitas Sumatra Utara	COMPARATIVE ANALYSIS OF CUSTOMER RELATIONSHIP MANAGEMENT AT GRAND ASTON HOTEL MEDAN AND POLONIA HOTEL MEDAN AND

			IT'S IMPACT TO THE CUSTOMER LOYALTY
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**TOHJAYA MEETING ROOM**

**SESI 4**

**MARKETING - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Elia Ardyan	UNDIP	THE EFFECT OF CUSTOMER EXPERIENCE DESIGN, RELATIONSHIP QUALITY, AND EMOTION CONNECTION ON LOYALTY (EMPIRICAL STUDY ON HOTEL IN SOLO, INDONESIA)
2	Masmira Kurniawati	UNAIR	ROLE OF NETWORK IN INCREASING SHAREHOLDER VALUE
3	Ida Bagus Nyoman Udayana	UNDIP	THE EFFECT OF PRODUCT INNOVATION, ENDORSEMENTS AND REPUTATION RELATION WITH BRAND IMAGE AND BRAND AWARENESS TOWARD AFFIRMATIVE OF PURCHASE DECISION ON AIR MANCUR COMPANY SOLO
4	Salohuddin Nurdwiantoro	UNDIP	THE INFLUENCE OF ECONOMIC CONTENT, CONTENT RESOURCE AND SOCIAL CONTENT TOWARD TRUST, SATISFACTION, COMMITMENT, AND RELATIONSHIP INTENTION
5	Esti Dwi Rinawiyanti, Rosita Meitha, Rendy Wibisono	Ubaya	DEFENSIVE MARKETING MIX STRATEGIES BASED ON CUSTOMER SATISFACTION COMPARISON OF DIGITAL PRINTING IN SURABAYA

## RANGGAWUNI MEETING ROOM

### SESI 1

### HUMAN RESOURCES - BAHASA

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Ilham Mubarok Ritongga; Prihatin Lumbanraja	STIE Harapan Medan; USU	FORMING ORGANIZATIONAL COMMITMENT THROUGH THE FACTORS OF THE PERFORMANCE LECTURERS(A Case Study at Sekolah Tinggi Ilmu Ekonomi Harapan, Medan)
2	Endy Sarwoko	UN Kanjuruhan Malang	DETERMINING FACTORS OF ENTREPRENEURIAL COMPETENCY
3	Meily Margaretha; Ratna Widiastuti	UK Maranatha Bandung	GREEN HUMAN RESOURCE MANAGEMENT IN THE CREATIVE INDUSTRY
4	Farida Yuliaty	Universitas Sangga Buana, YPKP Bandung	TRIPLE BOTTOM LINE OF BUSINESS AS A PRESPECTIVE BUSINESS ETHICS IN CREATING GREEN BUSINESS ON THE CORPORATE ORGANIZATION

## RANGGAWUNI MEETING ROOM

### SESI 2

### HUMAN RESOURCES - BAHASA

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Rini Sarianti & Rahmiati	Universitas Negeri Padang	EXAMINING THE INFLUENCE OF ORGANIZATIONAL CLIMATE AND ATTITUDE TOWARD KNOWLEDGE SHARING ON KNOWLEDGE SHARING INTENTION
2	Bambang Suko Priyono; Tristiana Rijanti	UNISBANK Semarang	THE USE OF PERSON ORGANIZATION FIT AS MODERATING VARIABLE IN RELATION AMONG QUALITY OF WORK LIFE, ORGANIZATIONAL COMMITMENT, ORGANIZATIONAL CITIZENSHIP BEHAVIOR AND PERFORMANCE
3	Jun Surjanti	Universitas Negeri Surabaya (UNESA)	ECONOMIC LEARNING BASE EDUCATIONAL FOR SUSTAINABILITY DEVELOPMENT ESD MELALUI HUTAN MANGROOVE
4	Elisabet Siahaan; Parapat Gultom	Universitas Sumatra Utara	THE IMPACT OF RECRUITMENT SYSTEM, SUCCESSION DEVELOPMENT, TO INCREASE THE EFFECTIVENESS OF THE WORK OF EMPLOYEES THROUGH COMPENSATION AS VARIABLE

			INTERVENING IN NIAGARA HOTEL PARAPAT
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**RANGGAWUNI MEETING ROOM**

**SESI 3**

**HUMAN RESOURCES - BAHASA**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Helmi Buyung Aulia Safrizal	Universitas Trunojoyo Madura	THE IMPACT OF ORGANIZATIONAL COMMITMENT ON JOB SATISFACTION AND EMPLOYEES PERFORMANCE
2	Maskudi	UNDIP	THE MEDIATING EFFECT OF HIGH PERFORMANCE WORK SYSTEMS IN THE ORGANIZATIONAL CULTURE AND INFORMATION TECHNOLOGY TOWARDS MANAGERIAL PERFORMANCE: A STUDY AT COOPERATIVE IN SEMARANG CITY, PROVINCE OF CENTRAL JAVA, INDONESIA
3	Artha Febriana	UNDIP	MODERATING EFFECT OF MOTIVATION ON THE RELATIONSHIP OF EMOTIONAL INTELLIGENCE AND JOB PERFORMANCE
4	Intan Novela Q. Aini	UNDIP	ORGANIZATION IDENTIFICATION AS A BASIS OF ALUMNI BEHAVIOR SUPPORT ON THEIR ALMA MATER (Study in Indonesian State University Alumni)

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## RANGGAWUNI MEETING ROOM (15)

### SESI 4

### HUMAN RESOURCES - BAHASA

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Helmiatin	Universitas Terbuka, Jakarta	THE EFFECT OF TRANSFORMATIONAL LEADERSHIP AND QUALITY OF WORK LIFE TOWARD ORGANIZATIONAL CITIZENSHIP BEHAVIOR AT UNIVERSITAS TERBUKA
2	Friska Sipayung; Lisa Marlina	Universitas Sumatra Utara	DESIGN ORGANIZATION , ORGANIZATIONAL CLIMATE AND BURNOUT ON HOSPITAL
3	Siti Zulaikha Wulandari; Intan Ratnawati	UNDIP	THE INFLUENCE OF RELIGIOSITY ON GREEN CAMPUS BEHAVIOR
4	Fitri Wulandari	UNDIP	SPIRITUALITY IN WORKPLACE, INDIVIDUAL SPIRITUALITY AND WORK BEHAVIOUR: STUDY OF HIGHER EDUCATION EMPLOYEES IN INDONESIA
5	Sri Mulyati	Universitas Terbuka, Jakarta	DETERMINANTS OF LEARNING ORIENTATION AND

			MOTIVATION ON EMPLOYEES PERFORMANCE
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## ANUSAPATI A

### SESI 1

#### MARKETING - ENGLISH

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Sulhaini	Universitas Mataram	MAPPING ORGANIZATIONAL CULTURE AND RELATIONAL CAPABILITY OF SMALL AND MEDIUM SIZED ENTERPRISES IN LOMBOK INDONESIA
2	Resanti Lestari	Politeknik Piksi Ganesha Bandung	INTEGRATED MARKETING COMMUNICATION AS A CONCEPTIUAL MODEL TO BUILD POTENTIAL MARKETSHARE
3	Muchsin Muthohar	Ull Yogyakarta	THE INFLUENCE OF PRODUCT AND SERVICE QUALITY, LOCATION AND CSR PROGRAM TOWARD CUSTOMER SATISFACTION
4	Kardison Lumban Batu; Yoestini	UNDIP	FIRM ADVANTAGES-BASED SCR: STRATEGY TO SUSTAIN & MAINTAIN GREEN BUSINESS PERFORMANCE

**ANUSAPATI A**  
**SESI 2**  
**MARKETING - ENGLISH**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Ida Bagus Made Wiyasha; I Nyoman Arcana	STP Nusa Dua Bali	SHORT AND LONG-TERM PRICE ELASTICITY OF ROOM DEMAND-A TOOL FOR REVENUE MANAGEMENT: A HOTEL CASE STUDY IN BALI
2	Muchsin Muthohar	UII Yogyakarta	THE RELATION OF CUSTOMER ATTITUDE, PRODUCT QUALITY AND DEMOGRAPHIC CHARACTERISTIC TOWARD WILLINGNESS TO PAY MORE FOR SOCIALY RESPONSIBLE PRODUCT
3	Indrianawati Usman	UNAIR	MEETING, INCENTIVE, CONVENTION, EXHIBITION (MICE) AS A POTENTIAL MARKET CHALLENGES TO ENHANCE THE CITY BRANDING OF SURABAYA IN FACING GLOBAL TOURISM
4	Yessy Artanti	Universitas Negeri Surabaya (UNESA)	THE EFFECTS OF CONSUMER'S ENVIRONMENTAL CONSCIOUSNESS AND GREEN LABEL ON THE CONSUMER PURCHASE BEHAVIOR



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## ANUSAPATI A

### SESI 3

#### MARKETING - ENGLISH

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Andi Asdani	State Polytechnic of Malang	RELATIONSHIP BETWEEN ENTREPRENEURSHIP EDUCATION AND ENTREPRENEURIAL CHARACTERISTICS AND THE ENTREPRENEURSHIP INTENTION: A CASE STUDY OF STUNDENT AT STATE POLYTECHNIC OF MALANG
2	Rizal Hari Magnadi	UNDIP	EFFORT TO INCREASE MARKETING CAPACITY AMONG SME CLUSTER MEMBER IN MONOPSONY MARKET STRUCTURE
3	Rahmad Wijaya; Lalu Edy Herman Mulyono	UNDIP	GREEN CORPORATE SOCIAL RESPONSIBILITY: A NEW DIMENSION OF CUSTOMER BANK BOND FOR SUSTAINABILITY OF INDONESIAN BANKING
4	Teguh Imam Basuki	STIE Ekuitas Bandung	IN THE REFERENCE GROUP ANALYSIS VIRAL MARKETING ON CONSUMER DEMAND PT AURIN BIZ

**ANUSAPATI A**  
**SESI 4**  
**MARKETING - ENGLISH**

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Zulganef; Taufik Rachim	Universitas Widyatama, Bandung	THE INFLUENCE OF SERVICE QUALITY AND ADVERTISING MESSAGES ON INTENTION TO USE MOBILE BANKING SERVICE (CASE STUDY IN BPR-KS BANDUNG)
2	Njo Anastasia	UK Petra	CONSUMER AWARENESS AND CONSUMER BUYING INTEREST TO GREEN RESIDENTIAL IN SURABAYA
3	Taufik Rachim	Universitas Widyatama, Bandung	The Effect of Product Attributes and Pricing Policy to Customer Buying Decision on Netbook Product (case study on students Widyatama University)
4	Endi Isnarno	UNDIP	ANALYSIS OF FACTORS THAT INFLUENCE MARKETING PERFORMANCE OF SMEs IN INDONESIA

## ANUSAPATI B

### SESI 1

#### HUMAN RESOURCES - ENGLISH

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Andreas Haryjanto; Christantius Dwiatmadja	UK Satya Wacana	HOW TO GENERATE SUSTAINED COMPETITIVE ADVANTAGE IN A SMALL FAMILY BUSINESS
2	Christantius Dwiatmadja	UK Satya Wacana	HUMAN CAPITAL AND THE SUCCESS OF SME BUSINESS PERFORMANCE
3	Ade Irma Anggraeni	UNDIP	CREATING GOOD CITIZEN THROUGH ETHICAL VALUES
4	Didik Subiyanto	UNDIP	Leadership Development, Change-Oriented Organizational Citizenship Behavior : Communication Forum Quality as an Mediation Variable

**ANUSAPATI B**  
**SESI 2**  
**FINANCE - ENGLISH**

NO	NAMA	INSTITUSI	JUDUL PAPER
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## ANUSAPATI B

### SESI 3

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2	i Gusti Ary Suryawathy	UN Mahasaraswati Denpasar	THE IMPACT OF FINANCIAL DECISIONS, PROFITABILITY AND SIZE OF THE COMPANY ON FIRM'S VALUE (AN EMPIRICAL STUDY FROM MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE PERIOD 2009-2011)
3	Albertus Herry Sulistiyo, Stevanus Hadi Darmadji, Imanuel Goestaman	Ubaya	PRACTICE OF CURRENT STATE MAPPING AS PART OF VALUE STREAM MAPPING TO INCREASE PROCESS EFFICIENCY AT PT X'S FINANCE SERVICES DEPARTMENT IN SURABAYA
4	Liza Veronica Yahya; Dianne Frisko	Ubaya	HOW FAR FIRM CHARACTERISTIC PLAYS A ROLE IN CORPORATE SOCIAL RESPONSIBILITY PROGRAM AND REPORTING: Study in Indonesian Mining and

			Banking Industry
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## ANUSAPATI B

### SESI 4

#### MARKETING, HUMAN RESOURCES, AND STRATEGIC - BAHASA

NO	NAMA	INSTITUSI	JUDUL PAPER
1	Liza Mumtazah Damarwulan	UNDIP	Liza Mumtazah Damarwulan
2	Chicilia Nova Yatna & Andhy Setyawan	Perbanas Jakarta	THE USE OF REUSABLE SHOPPING BAG AS FORM AS GREEN MARKETING IN RETAIL INDUSTRY
3	Andi Deby Grecia	UNDIP	COWORKERS INTERPERSONAL RELATIONSHIP AS ONE WAY TO EFFORT AN EMPLOYEE'S PERFORMANCE IMPROVEMENT
4	Endy Sarwoko	UN Kanjuruhan Malang	DETERMINING FACTORS OF ENTREPRENEURIAL COMPETENCY
5	Muhammad Kholis; Ety Puji Lestari	Universitas Terbuka, Jakarta	THE PRACTICES OF REGIONAL AUTONOMY IN CENTRAL JAVA AND ITS IMPLICATION ON ECONOMIC COMPETITIVENESS

# **EFFECT OF NET PROFIT MARGIN, OPERATING PROFIT MARGIN, ECONOMIC VALUE ADDED, AND EARNING PER SHARE TO STOCK PRICE OF PHARMACEUTICAL INDUSTRY COMPANIES LISTED IN INDONESIAN FOREIGN EXCHANGE IN 2008-2011 PERIODS**

**Rosemarie Sutjiati Njotoprajitno  
Universitas Kristen Maranatha**

## ***Abstrak***

*Indonesia Capital Market has improved steadily these days. Investment in go public companies stock listed in capital market has become attention not only to domestic investors but also many foreign one. Indonesian listed pharmaceutical companies have shown their endurance and performance during economic crisis. Since investor will most likely put a lot of attention to stock price, it is also important to try to determine the variables that will affect stock price. This research tries to examine the effect of Net Profit Margin (NPM), Operating Profit Margin (OPM), Economic Added Value (EVA), and Earning per Share (EPS) to stock price. The research was done in Indonesia listed pharmaceutical companies during 2008-2011 periods. This research uses path analysis to explain the correlation between the variables examined. The end result from path analysis 1 shows that NPM have positive effect to EPS; EPS have positive effect to stock price; EVA in path 1 have no positive effect to stock price, NPM have no effect to stock price; and EPS proved to be mediator variable for NPM in giving effect toward stock price. The end result from path analysis 2 shows that OPM have positive effect to EPS; EPS have positive effect to stock price; EVA in path 2 have no effect to stock price, OPM have no effect to stock price; and EPS proved to be mediator variable for OPM in giving effect toward stock price.*

***Keywords:*** NPM, OPM, EPS, EVA, stock price

## **I. INTRODUCTION**

Indonesian Capital Market has experience growth and improvement. Stock investment in various Indonesian go public companies has attracted not only domestic investors but also foreign one. Stock or share can be simply defined as a sign of ownership of a company. Stock itself has a value that is called stock price which represent the value of a company. Stock prices in general will experience a change in either the rise or fall over time. Performance of the company allegedly would greatly affect the stock price movement. Logically, if the company performs well and is able to generate good profits, then it will certainly boost the company's value which can be interpreted as maximizing the wealth of the owner of the company. Gitman and Zutter (2012:543) states that although profit maximization does not necessarily mean maximizing wealth, but it must be recognized that there is a relationship between income and the value of the company.

The company's profit in a period can be distributed to shareholders or retained by the company for the operational activities in the next period or for other various investments.

Retained earnings will generally increase the value of the company, but the decision to hold this profit must also pay attention to whether there is an opportunity to use or invest these funds or not. Funds reinvested will also create opportunities to generate profits for companies in the future.

Stocks in IDX (Indonesia Stock Exchange) are grouped into nine major sectors which are: agriculture; mining; basic industry and chemicals; miscellaneous industry; consumer goods industry; property, real estate and building construction; infrastructure, utilities and transportation; finance; trade, services and investment. There are also sub sectors that divides the companies into more detailed groups. The stock used and examined in this study is the stock of companies belongs to the pharmaceutical industry which also is included basic and chemical industry as research material.

Interest in examining the pharmaceutical industry in Indonesia is because the companies in this industry shows good performance and can stay upright despite the global economic crisis in 2007. Pharmaceutical companies are not even suffered a significant damage because of the crisis and can survive until now. This study is also related to previous research from the author which is examine the influence of Return on Assets (ROA) and Return on Equity (ROE) to the company's Earnings per Share (EPS) and the company's stock price which is a reflection of the value the company itself . In this research the author will examine the effect of the Net Profit Margin (NPM), Operating profit margin (OPM), Economic Value Added (EVA), and Earnings per Share (EPS) to the company's stock price. OPM and NPM are considered to provide better information to explain the influence of the profitability of the company to the stock price of the company. Stock prices is chosen with the assumption that stock price is reflecting the value of the company. Nowadays the main goal of the company is to maximize the wealth of the owners/shareholders of the company. EVA is a ratio that already covers the cost of capital that is generally regarded as a really pure net profit. This study will also examine the value of EVA in pharmaceutical companies in Indonesia and its relationship with the company's stock price. This study is expected to provide a clearer picture and a consideration in decision making and investments in pharmaceutical companies that have been inspected.

## **II. LITERATURE REVIEW**

### **Financial Statement Analysis**

Financial statement is basically a report made by the company to report a wide range of economic transactions from period to period. This report is in the form of historical data and compiled into a format that is commonly used. Gitman and Zutter (2012:59) states that there are four key financial statements which is needed as reporting requirements for shareholders, namely : income statement balance sheet, statement of shareholders' equity, and cash flows.

Although financial statement is made from historical data but the financial statements can be analyzed by a variety of specific ways to produce a variety of useful information for interested parties. For potential investor, Brigham and Houston (2010:133) states that financial statements can be used to predict future earnings and dividends. This profit forecasting is the real purpose of financial analysis.



## Financial Ratio Analysis

One form of financial statement analysis is ratio analysis. Brigham and Houston (2010:133) state that financial ratios are designed to help us evaluate the financial statements. Financial ratios that are calculated from financial statements can be compared with previous years to determine the performance of companies or can be compared with the industry ratio to determine the company's performance compared to other companies in the same industry.

### Net Profit Margin

One financial ratios examined in this study is the Net Operating Margin (NPM) ratio. Sugiono (2009:86) states that the net profit margin shows how much the company earned net profit. Another suggestion is from Callahan, et.al. (2011:30) states that the net profit margin (NPM) indicates the percentage of sales remaining after paying all expenses and income taxes.

### Operating Margin

For OPM ratio, Callahan, et. al. (2011:30) stated that the Operating Profit Margin (OPM) indicates the percentage of sales remaining after paying all expenses except income tax.

### Earning Per Share

Claymanet.al. (2008) stated that the Earning per Share (EPS) is the amount of revenue generated in a period for each share of common stock. EPS of a company in general is considered important by management and shareholders and reflects the amount of money that is generated from common stock investments (Gitman and Zutter, 2010:79)

$$EPS = \frac{\text{Income available for Common Stock Holders}}{\text{Number of ordinary shares matured}}$$

Or

$$EPS = \frac{\text{EBIT} - \text{interest} - \text{tax}}{\text{Own Capital}} - \frac{\text{Own Capital}}{\text{number of shares outstanding}}$$

### Economic Value Added

Grant (2003:4) stated that basically Economic Value Added (EVA) theory based on two principles: first, a company has not been truly profitable before the company is able to produce return of invested capital that exceeds the "opportunity cost of capital" and second, that that wealth is created when corporate managers make positive NPV investment decisions for shareholders.

EVA formula is as follow:

$$EVA = \text{NOPAT} - \text{Cost of Capital}$$

$$\text{NOPAT} = \text{Invested Capital} \times \text{ROIC}$$

Cost of Capital = Invested Capital x WACC

ROIC = Return on Invested Capital

WACC = Weighted Average Cost of Capital

Brigham and Houston (2010:165) states that EVA is different from traditional accounting measure of profits due to the EVA is explicitly not only consider the cost of debt, but also the cost of equity. This means that the use of EVA also pay attention to capital structure, and can be used to identify activities or projects that provide a higher return than the cost of capital. Brigham and Houston (2010:165) states that EVA depends on three factors: the rate of return as reflected in the ROE; risks that will affect the cost of equity, and size which is measured by equity used. Because EVA requires a more complete calculation with various estimations, not all companies are able to use the EVA calculation.

Stock/share can be simply interpreted as a sign of ownership of a company. Stock itself consists of several kinds including common stock and preferred stock. Performers of investing activities in stock are called investors. Weston and Brigham (1993) stated that the stock price is the price at the time of the stock sold in the market. Stock price is generally regarded as a measure that reflects the value of a company. The stock price will generally undergo changes from time to time. Investors who intend to invest the funds will certainly put attention to the movement of the stock price to ensure that the investment does not suffer loss or even better can obtain the expected profit. There is ample factors that affect stock prices. The internal factor is the performance of the company itself which logically will affect the stock price of a company. But beyond that there is also the possibility of other factors that could affect the stock price of a company. Tandelilin (2010) states that the stock price is a reflection of investors' expectations of the factors of earnings, cash flow, and the rate of return from required by investors. These three factors are also greatly influenced by macro-economic performance.

### **III. RESEARCH METHODS**

#### **Research Object**

This study was conducted with the object of research is the go public pharmaceutical industry companies listed in Indonesia Stock Exchange during the period 2008 to 2011.

#### **Types of Research**

This study, based on its explanation level can be defined as associative research. Riduwan (2008:165) states that associatives is a problem that link or influence between two or more variables. This study was included in the study simmetrical associative and causal. Riduwan (2008:165) states that the simetrical relationship is a relationship that is characterized by togetherness between two or more variables, whereas the causal relationship is a relationship that is characterized by affecting action between two or more variables.

This study was made to test the hypothesis by using historical data; the hypothesis is formulated by using the theory, empirical research, or exploratory studies (Suliyanto, 2005:67).

## Data Collection Method

Data collection methods are techniques or methods that can be used by researchers to collect data (Riduwan, 2008:51)

The method used here to collect data is done by collecting documentation data. (Secondary data collection techniques) and data collected is relevant to this study. Other method used here to support the theory is analytical strategies using the financial statements of the companies in the industry. These financial statements are examined and processed using SPSS.

This study also used purposive sampling method. The method is a sampling technique used by researcher if the researcher has specific considerations in the determination of sample collection or can be said sample are taken for a particular purpose (Riduwan, 2008:20).

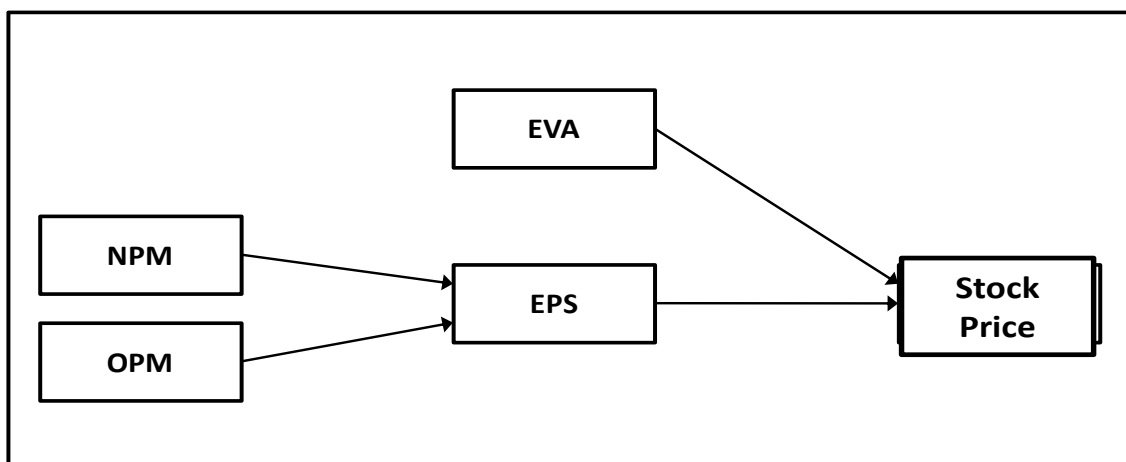
Certain Criteria is set out in the stock sample selection. The sample used was a sample of stock in the pharmaceutical industry with data collection from the period 2010 to 2011. Companies that are taken into the sample are companies that have been listed in IDX as the go public companies for at least 5 years and have been audited. The data used is the historical data which is yearly financial statement of companies that have been audited and published.

## Method of Data Analysis and Research Paradigm

Classic assumption test has become requirement that must be implemented to support the accuracy of subsequent statistical tests. The classic assumption made in this study is multicollinearity test, autocorrelation test, and heteroscedasticity test. After a series of these early tests, then the regression analysis can be performed in order to determine how the relationships of NPM variables, OPM, EVA, and EPS to stock price.

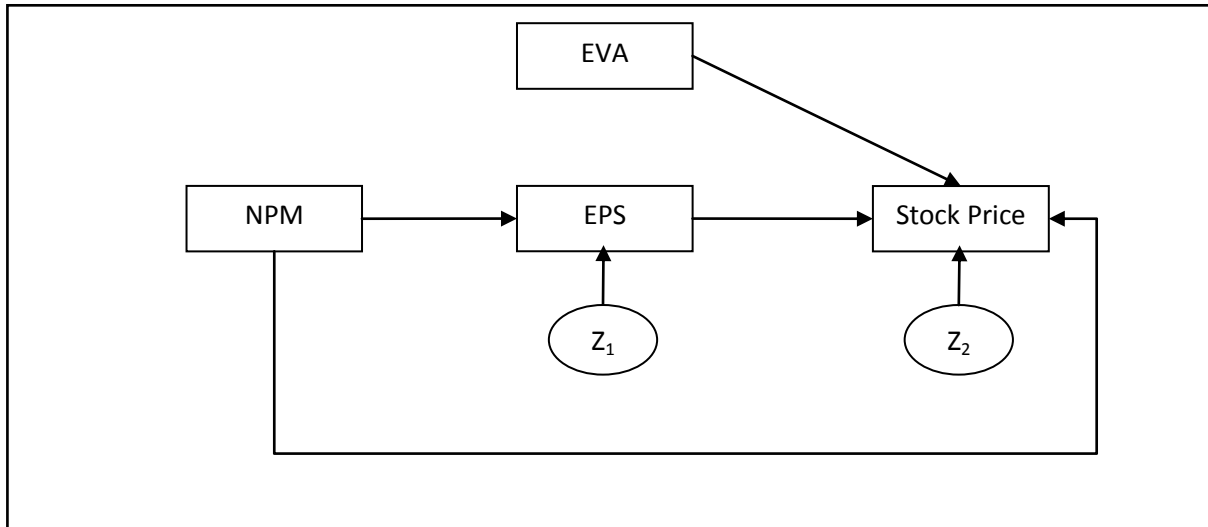
Besides those analyses, path analysis is also conducted in order to determine how NPM, OPM, EVA, and EPS variables deliver its impact to company stock price.

It also conducted a path analysis to determine how the variables NPM, OPM, EVA, and EPS provide / deliver impact to the company's stock price. The objective of the analysis is to describe the pathway due to direct or indirect cause of several variables, against some of the other variables selected as the variable result. Here is the track correlation developed as a research paradigm

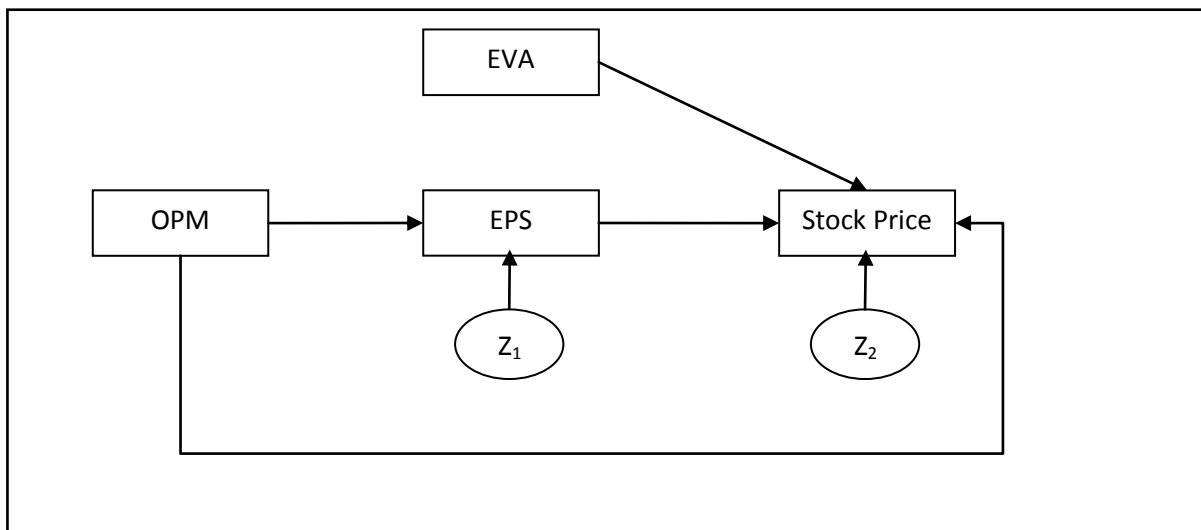


**Figure 1**  
**Path Analysis Research Paradigm**

From the picture above it is seen that this research will also test the role of EPS variables as mediating variable for variable NPM or OPM in giving its effect to the company's stock price. From this paradigm is then defined two pathways in path analysis such as:



**Figure 2**  
**Path Analysis 1 Research Paradigm**



**Figure 3**  
**Path Analysis 2 Research Paradigm**

### Hypothesis

Riduwan (2008:163) states that hypothesis is a temporary answer or alleged to be tested against truth. While the research hypothesis is the working hypothesis which is formulated to address the problem by using existing theories related/relevant to the research problem and not yet based on facts and real field data support (Riduwan, 2008:163).

The hypothesis that will be used by the authors in this study is causal hypothesis which states the relationship between variables where one variable changes will or can cause changes in another variable.

Based on the formulation of the problem and based on framework developed by the authors, hypotheses are formulated in the form of associative hypothesis. Riduwan (2008:168) states that the associative hypothesis is formulated to provide an answer to the problem which is characterized by relationship. In accordance with other research then the author made the causal associative hypothesis. The formulation of this hypothesis is as follows:

- a. H1: NPM has positive effect on EPS
- b. H1: EPS has a positive effect on stock prices
- c. H1: EVA has positive effect on stock prices (path analysis 1)
- d. H1: NPM has a positive effect on stock prices
- e. H1: EPS acts as a mediating variable for the effect of NPM to stock prices
- f. H1: OPM has positive effect on EPS
- g. H1: EPS has a positive effect on stock prices
- h. H1: EVA positive effect on stock prices (path analysis 2)
- i. H1: OPM has positive effect on stock prices
- j. H1: EPS acts as a mediating variable for the effect of OPM on stock prices

#### IV. RESULT AND DISCUSSION

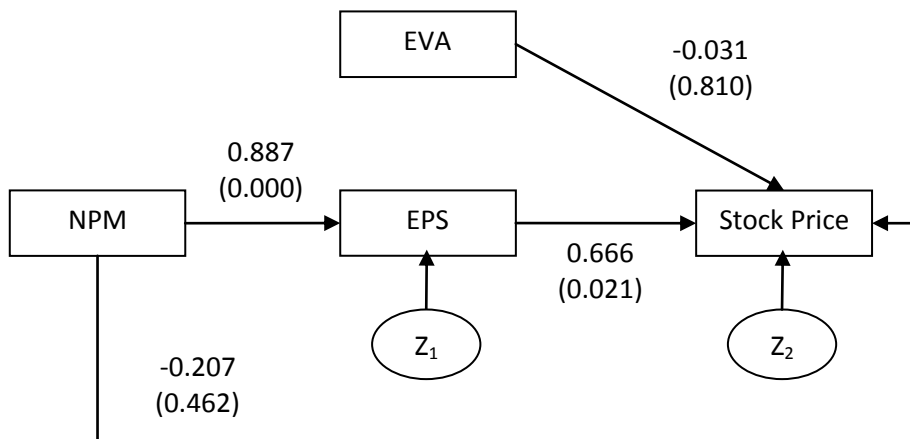
The data analyzed is a financial statement data that is on the annual balance sheet and income statement that ends on each December 31. After doing a search on the ratio of NPM, OPM, and EVA and added with the ratio of EPS and stock price then the next step is to perform statistical tests as described earlier. From the analysis conducted statistical descriptions are obtained and it shows:

**Table 1. Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Stock Price	54	50.00	152000.00	18272.7593	36585.45315
EVA	54	-98048.3300	1049667.0000	64367.149815	199945.8633761
OPM	54	-.1031	.4713	.134581	.1234130
NPM	54	-.0930	.3512	.094420	.0968611
EPS	54	-7061.2100	14162.6400	1638.397130	4094.7962710
Valid N (listwise)	54				

From the above table it is known that the number of samples are 54 and shows the minimum value, maximum value and average value of each variable. Because the sample is derived from a variety of different companies, it shows big difference from minimum and maximum value from each examined variables.

Here are discussed the results of the analysis of the first path analysis:



**Figure 4. Alternative Result of Path Analysis 1 Model**

**Table 2. First Path Analysis Model Equation**

Model	Model Equation	R-square	Z (error)	Sumber
1	EPS = f(NPM)	0.786	0.462601	Appendix 5
2	Stock Price = f(NPM, EPS, EVA)	0.246	0.868332	Appendix 6

**Table 3. Dirrect Effect and Indirect Effect of Path Analysis 1**

Types of Effect	Variables Dirrection	Stand. Beta	Effect
Direct Effect	EVA --> Stock Price	-0.031	0.031
Direct Effect	NPM --> Stock Price	-0.207	0.207
Indirect Effect	NPM --> EPS --> Stock Price	0.887*0.666	0.590742

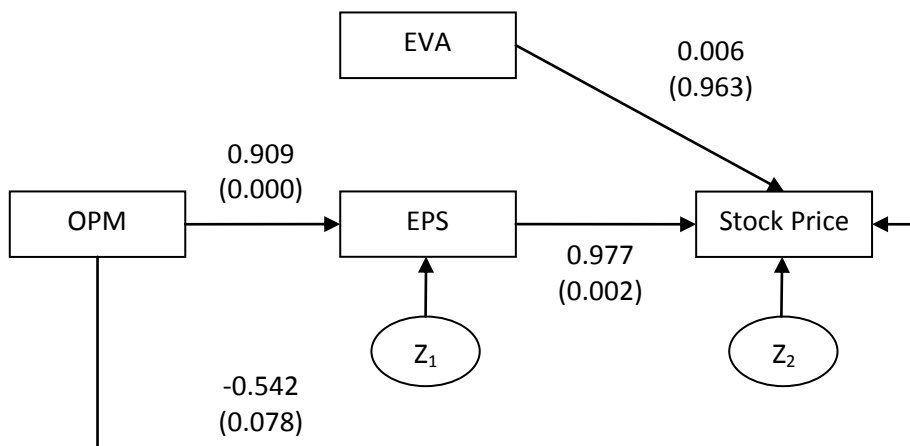
From the results shown in figure 4 (the first path analysis) indicated that the pharmaceutical companies that are examined shows EPS acts as a mediating variable, due to the indirect effect (NPM → Stock Price → EPS) is greater than the direct effect (NPM → Stock Price). This means that this path is accepted as the correct path and then the next step is to examine hypotheses pertaining to the first path analysis.

The Test results conducted to the pharmaceutical companies examined showed that NPM has positive effect on EPS which is equal to 78 percent (H1 is accepted), but the results of hypothesis testing showed that the NPM has no direct effect to stock prices but give its effect to the stock price by first giving effect to mediation variable EPS. Then EPS variable give positive effect to stock prices. (H1 is accepted). While EVA variables do not have a positive effect to stock prices (H1 rejected). NPM variables also had no effect on stock prices (H1 rejected).

**Table 4. Summary of First Path Analysis Hypothetical Test**

Hypothesis	Research Model Estimation Result	Conclusion
H1 <sub>1</sub> : NPM has positive effect to EPS	b1 = 0.887 Sig. b1 = 0.000	H1 is supported by test result
H1 <sub>2</sub> : EPS has a positive effect to stock prices	b2 = 0.666 Sig. b2 = 0.021	H1 is supported by test result
H1 <sub>3</sub> : EVA has positive effect to stock prices (path analysis 1)	b3 = -0.031 Sig. b3 = 0.810	H1 is not supported, EVA has no positive effect to stock price
H1 <sub>4</sub> : NPM has a positive effect to stock prices	b4 = -0.207 Sig. b4 = 0.462	H1 is not supported, NPM has no effect to stock price
H1 <sub>5</sub> : EPS acts as a mediating variable for the effect of NPM to stock prices	$b1*b2 >  b4 $ $0.5907 > 0.207$	H1 is supported by test result, EPS act as mediation variables for NPM effect to stock price.

Furthermore the second path analysis will be discussed as follows:



**Figure 5. Alternative Result of the Second Path Analysis Model**

**Table 5. Second Path Analysis Equation Model**

Model	Model Equation	R-square	Z (error)	Sumber
1	EPS = f(OPM)	0.909	0.301662	Appendix 7
2	Stock Price = f(OPM, EPS, EVA)	0.246	0.868332	Appendix 8

**Table 6. Direct Effect and Indirect Effect of Path Analysis 2**

Types of Effect	Variables Direction	Stand. Beta	Effect
Direct Effect	EVA --> Stock Price	0.006	0.006
Direct Effect	OPM --> Stock Price	-0.542	0.542
Indirect Effect	OPM --> EPS --> Stock Price	0.909*0.977	0.889002

From the results shown in Figure 5 (the second path analysis) indicated that the pharmaceutical companies that are inspected, EPS turns out to act as a mediating variable, due to the indirect effect ( OPM → EPS → Stock Price ) is greater than the direct effect ( OPM → Stock Price). This means that the second path is accepted as the correct path and then continued by examining hypotheses pertaining to the second path analysis.

Test results of pharmaceutical companies examined showed that OPM has positive effect to EPS which is equal to 90 percent (H1 is accepted), but the results of hypothesis testing showed that OPM has no direct effect to stock prices but giving its effect to the stock price by first passing the mediation variable EPS. EPS then has positive effect to stock prices (H1 accepted). While variable EVA gives no effect to stock prices (H1 rejected). OPM has no effect to stock prices (H1 rejected).

**Table 7. Summary of Second Path Analysis Hypothetical Test**

Hypothesis	Research Model Estimation Result	Conclusion
H1 <sub>1</sub> : OPM has positive effect to EPS	b1 = 0.909 Sig. b1 = 0.000	H1 is supported by test result
H1 <sub>2</sub> : EPS has poaitive effect to stock prices	b2 = 0.977 Sig. b2 = 0.002	H1 is supported by test result
H1 <sub>3</sub> : EVA has positive effect to stock prices	b3 = 0.006 Sig. b3 = 0.963	H1 is not supported, EVA has no positive effect to stock price
H1 <sub>4</sub> : OPM has positive effect to stock prices	b4 = -0.542 Sig. b4 = 0.078	H1 is not supported, OPM has no effect to stock price
H1 <sub>5</sub> : EPS acts as a mediating variable for the effect of OPM to stock prices	b1*b2 >  b4  0.888 > 0.542	H1 is supported by test result, EPS act as mediation variables for OPM effect to stock price.



The results showed that in the pharmaceutical companies that are examined, NPM variables, OPM, EPS and EVA can be used to predict the value of the company as reflected by its stock price so these variables are important for making investment decisions and for management to achieving the goal of maximizing shareholder wealth.

## CONCLUSION

In the pharmaceutical companies examined which is listed on the Stock Exchange in the period 2008-2011, there are several findings such as:

- In the first path analysis NPM has positive effect to EPS. This means that an increase in NPM variables will result in an increase in EPS.
- In the first path analysis EPS has positive effect to stock prices. This means that the increase in EPS will result in an increase in stock price.
- In the first path analysis EVA has no positive effect to stock prices. This means that the increase in EVA will actually followed the decline in stock prices.
- In the first path analysis NPM has no effect to stock prices.
- In the first path analysis EPS proved to act as a mediating variable for the effect of NPM to stock prices. The fact that NPM does not give direct effect to the stock price is because in the pharmaceutical companies examined there are other influences outside the examined variables that affect the company's stock price.
- In the second path analysis OPM has positive effect to EPS. This means that an increase in NPM variables will result in an increase in EPS.
- In the second path analysis EPS has positive effect to stock prices. This means that the increase in EPS will result in an increase in the stock price.
- In the second path analysis EVA has no effect on stock prices. This is because stock prices are affected by other variables outside EVA
- In the first path analysis OPM has no effect on stock prices. This is because stock prices are affected by other variables outside OPM.
- In the first path analysis EPS proved to act as a mediating variable for the effect of OPM to stock prices. The fact that OPM does not give direct effect to the stock price is because in the pharmaceutical companies examined there are other influences outside the examined variables that affect the company's stock price.

This study still has some limitations. One of them is the variables examined is limited the profitability ratios NPM, OPM, EVA and EPS, while there is a possibility of other ratios that affect the stock price changes. In previous studies conducted by the author, other variables such as Return on Assets (ROA) and Return on Equity (ROE) are used as the independent variables. Still there are many other variables that may affect the company's stock price which is not observed such as capital structure decisions, liquidity, etc. Then the calculation is also carried out by factors related to accounting while of course there are still factors beyond the company's finances such as the rate of inflation, the political conditions of a country, etc. which may affect the stock price. However, this research is expected to at least

provide input and a clearer picture of the factors that will affect the value of a company which is reflected in its share price.

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**APPENDIX 1. SPSS Output Result for Regression Model Equation  
EPS = f (NPM)**

**Variables Entered/Removed<sup>b</sup>**

Model	Variables Entered	Variables Removed	Method
1	NPM <sup>a</sup>	.	Enter

a. All requested variables entered.

b. Dependent Variable: EPS

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 <sup>a</sup>	.786	.782	1910.9798556

a. Predictors: (Constant), NPM

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.988E8	1	6.988E8	191.348	.000 <sup>a</sup>
	Residual	1.899E8	52	3651844.009		
	Total	8.887E8	53			

a. Predictors: (Constant), NPM

b. Dependent Variable: EPS

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1901.141	364.830		-5.211	.000
	NPM	37487.022	2709.996	.887	13.833	.000

a. Dependent Variable: EPS

**APPENDIX 2. SPSS Output Result for Regression Model Equation  
Stock Price = f (NPM, EPS, EVA)**

**Variables Entered/Removed<sup>b</sup>**

Model	Variables Entered	Variables Removed	Method
1	EVA, EPS, NPM	.	Enter

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.496 <sup>a</sup>	.246	.201	32709.98708

a. Predictors: (Constant), EVA, EPS, NPM

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.744E10	3	5.814E9	5.434	.003 <sup>a</sup>
	Residual	5.350E10	50	1.070E9		
	Total	7.094E10	53			

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16290.179	7713.508		2.112	.040
	NPM	-78348.100	105651.244	-.207	-.742	.462
	EPS	5.950	2.489	.666	2.391	.021
	EVA	-.006	.024	-.031	-.242	.810

a. Dependent Variable: Stock Price

**APPENDIX 3. SPSS Output Result for Regression Model Equation  
EPS = f (OPM)**

**Variables Entered/Removed<sup>b</sup>**

Model	Variables Entered	Variables Removed	Method
1	OPM <sup>a</sup>	.	Enter

- a. All requested variables entered.  
b. Dependent Variable: EPS

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.909 <sup>a</sup>	.826	.823	1722.3230651

- a. Predictors: (Constant), OPM

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.344E8	1	7.344E8	247.579	.000 <sup>a</sup>
	Residual	1.543E8	52	2966396.740		
	Total	8.887E8	53			

- a. Predictors: (Constant), OPM  
b. Dependent Variable: EPS

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2420.968	348.556		-6.946	.000
	OPM	30162.877	1916.973	.909	15.735	.000

- a. Dependent Variable: EPS

**APPENDIX 4. SPSS Output Result for Regression Model Equation  
Stock Price = f (OPM, EPS, EVA)**

**Variables Entered/Removed<sup>b</sup>**

Model	Variables Entered	Variables Removed	Method
1	EVA, EPS, OPM	.	Enter

- a. All requested variables entered.  
b. Dependent Variable: Stock Price

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.533 <sup>a</sup>	.284	.241	31871.18074

- a. Predictors: (Constant), EVA, EPS, OPM

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.015E10	3	6.717E9	6.613	.001 <sup>a</sup>
	Residual	5.079E10	50	1.016E9		
	Total	7.094E10	53			

- a. Predictors: (Constant), EVA, EPS, OPM  
b. Dependent Variable: Stock Price

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	25531.006	8992.058		2.839	.007
	OPM	-160656.029	89174.169	-.542	-1.802	.078
	EPS	8.725	2.682	.977	3.253	.002
	EVA	.001	.023	.006	.046	.963

- a. Dependent Variable: Stock Price

