

# "MAJU BERSAMA MEMBANGUN EKONOMI BANGSA"

ICEBUSS 2016

International Conference on Economics, Business  
and Social Sciences (ICEBUSS)

## ICEBUSS 2016



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## **RECTOR'S WELCOME**

I am delighted to welcome you to ICEBUSS 2016 in Malang, Indonesia. The Purpose of ICEBUSS is to bring together researchers and practitioners all over the world to share new ideas and present latest development in the theoretical and practical area of Economics, Business and Social Sciences. This year's conference brings together more than 177 presenters and practitioners to discuss the latest issues.

We are honored to have keynote speakers in the conference: Professor Raghavendra Rau from University of Cambridge and we are hoping that all participants of the conference to take time not only for paper and presentation, but also actively engage one another and to take this opportunity to further develop your professional link.

The conference will not be possible to be organized the dedicated effort of many individuals who have contributed to the various process that make up this event. For their dedication , I sincerely convey my appreciation. My sincere gratitude also goes to our institution' partner that provide their support a joint host Global Virtus Center for Corporate Governance Ukraine, cohosts and sponsors in this conference.

Rector  
University of Islam Malang

**Prof. Dr. H. Maskuri, M.Si**

## **SPEECH FROM DEAN**

**Nur Diana, SE, MSi**

Dean of Faculty of Economics University of Islam Malang

In the Name of Allah, the Most Beneficent, the Most Merciful.

It is with great pleasure that I welcome the participants of the International Conference Economic, Business and Social Sciences 2016. The Prophet Muhammad (peace be upon him) said 'Acquire knowledge and impart it to the people.' (Al Tirmidhi). The quest for knowledge has been from the beginning of time but knowledge only becomes valuable when it is disseminated and applied to benefit human kind. It is hoped that ICEBUSS 2016 will be a platform to gather and disseminate the latest knowledge in economics, business and social sciences.

Academicians, Scientist, Researchers and practitioners of economics, business and social science will be able to share and discuss new findings and applications of economics, business and social sciences. It is envisaged that the intellectual discourse will result in future collaborations between universities, research institutions and industry both locally and internationally.

This is our first ICEBUSS and we shall continue to conduct it every year, wish that research fellow and academicians from universities in Indonesia and in foreign countries take part we would like to express our highest gratitude those who have participated as both presenters and participants.

We would like to express our highest gratitude those who have participated as both presenters and participants. We would also like to extend our sincerest appreciation to all the host University of Islam Malang and Global Virtus Center for Corporate Governance Ukraine and Co-host : Universitas Esa Unggul Jakarta, Universiti Malaya Kelantan , UPN Veteran Yogyakarta, Universitas Islam Madura Pamekasan, Sekolah Tinggi Ilmu Ekonomi ASIA, Universitas Ma Chung, Universitas Darma Persada Jakarta , Universitas Islam Lamongan, Sekolah Tinggi Manajemen Informatika & Komputer ASIA, Universitas Hangtuh Surabaya, Universitas Tama Jagakarsa Jakarta, Sekolah Tinggi Ilmu Ekonomi Widyagama Lumajang and Magister Manajemen UNISMA.

Please accept our deepest apologies for all the imperfection during the seminar. Till we meet again next year. God Willing , Insha Allah.

## KEYNOTE SPEECH

### "THE GLOBAL PATTERN OF ALTERNATIVE FINANCE"

**Professor Raghavendra Rau**

Judge Business School University of Cambridge

Although various forms of alternative finance have long existed, the combination of weaker financial institutions following the financial crisis, disruptive disintermediation-Enabling technology and underlying socio-economic as well as cultural shifts is challenging the paradigm of how finance will be provisioned in the future. The UK alternative finance industry alone has raised more than £1.6 billion for individuals, start-ups, small and medium firms, social enterprises and good causes between 2011 and 2015. Several economies, particularly the US, Europe and emerging markets, are already witnessing significant alternative capital formation and financing activities in venture capital, consumer credit, SME finance, high-tech and creative industries, social impact investing, development and renewable energy sectors.

However, little academic research is currently available to inform policy makers, regulators, industry players and other stakeholders about why various forms of alternative finance are emerging or how new financing instruments and intermediaries are functioning and evolving. There are a number of unanswered research questions of relevance to these stakeholders. How and why do funders invest, lend or donate through alternative finance channels? From fundraisers' perspective, how do they compare alternative finance instruments and channels with financing alternatives available via the traditional financial system? In a macro-economic context, is alternative finance expanding the existing pool of capital/credits or merely rechanneling it? What is the socio-economic impact of alternative finance in terms of job creation, revenue generation and community engagement at local, regional and national levels? Do some economies have a comparative advantage in enabling alternative finance, and if so, why? How will public policy and regulations affect the trajectories of alternative finance? Are developments in alternative finance a threat or an opportunity for incumbent financial institutions, and how is their response influencing broader change within the financial system?

## PATRONS

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Professor Raghavendra Rau (Judge Business School University of Cambridge)

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## **PROGRAM**

**December 6 – 7, 2016, ATRIA Hotel, Malang**

Tuesday, December 6, 2016

07.30-14.00	Registration
08.30-10.30	Concurrent sessions I
10.30-10.40	Coffee breaks
10.40-10.50	Welcome Speech by Dean, Paramount Ballroom
10.50-11.00	Opening Speech by Rector, Paramount Ballroom
11.00-12.00	Keynote speech by Prof. Raghavendra Rau, Paramount Ballroom
12.00-13.00	Lunch
13.00-15.30	Concurrent sessions II
15.30-15.40	Coffee break
15.40-17.40	Concurrent sessions III

Wednesday, December 7, 2016

07.30-10.00	Registration
08.00-10.45	Concurrent sessions IV
10.45-11.15	Coffee breaks
11.15-13.00	Lunch



**International Conference on Economics, Business and Social Sciences (ICEBUSS 2016)**  
**December 6-7, 2016, Malang**

<p>“The Constrains and The Opportunities: Being Women Entrepreneurs in Indonesia” Kurnianing Isololipu (Atma Jaya Catholic University)</p>	<p>“THE IMPACT IMPLEMENTATION OF MAPPING MODEL OF CORPORATE SOCIAL RESPONSIBILITY FUNDS IN BALI” Gede Adi Yuniarta, Trianasari, I Gusti Ayu Purnamawati (Ganesha University of Education)</p>	<p>“Implementing Risk Management In Islamic Banking Industry In Indonesia” Tasriani, Andi Irfan (UIN Sultan Syarif Kasim Riau)</p>	<p>“FORECASTING FOR LEATHER PRODUCTION WITH TRIPLE EXPONENTIAL SMOOTHING AT UD. R&amp;D LEATHER MAGETAN” Siti Nurul Afiyah, Sapto Hutomo (STMIK ASIA Malang)</p>	<p>“KEMAMPUAN SELF ESTEEM MEMEDIASI PENGARUH MOTIVASI DAN BUDAYA ORGANISASIONAL TERHADAP KINERJA” Tri Mardiana, Sucahyo Heriningsih (UPN Veteran Yogyakarta)</p>
<p>“DESIGNING ONLINE MARKETPLACE TO RESOLVE MARKETING PROBLEM FOR SMALL AND MEDIUM ENTERPRISES (SMEs)” ADITYA HERMAWAN, ANIEK MURNIATI (Universitas Islam Malang)</p>	<p>“Implementing change initiatives in the cross cultural organizations: Change leadership” Peyman Bashar Doost (University of Salford, Manchester)</p>	<p>“The Need of Affirmative Action For People With Disabilities In Indonesia” Sri Wahyu Wijayanti</p>	<p>“Indonesian Entrepreneurship Profile in term of Ecosystem and Activity: Potency and Challenge” Gandhi Pawitan, Maria Widyarinia, Catharina B. Nawangpalupi (Universitas Katholik Parahyangan)</p>	<p>“DAMPAK ASEAN CHINA FREE TRADE AREA (ACFTA) TERHADAP KINERJA UMKM BATIK” Nurhajati, Abdul Wahid Mahsuni, Agus Salim (Universitas Islam Malang)</p>
<p>“AMORTIZED LIQUIDATION COST AS DETERMINANT OF STOCK RETURN” Erna Garnia (Universitas Sangga Buana YPKP), Rachmat Sudarsono, Dian Masyita, Ina Primiana</p>	<p>“Financial Literacy, Locus of Control and Credit Card Behaviors” Njo Anastasia, Mariana Ing Malelak, Gesti Memarista (Petra Christian University)</p>	<p>“AGRICULTURAL LAND CONVERSION AND IMPACT ON RICE PRODUCTION IN WEST JAVA” Lies Sulistyowati, Sri Fatimah, Trisna Insan Noor, Maman H. Karmana (Padjadjaran University)</p>	<p>“MODEL STUDENT LEARNING STYLE PREFERENCES AND UNDERSTANDING ACCOUNTING AT UNIVERSITY IN JAKARTA” Abdurrahman (Esa Unggul University)</p>	<p>“ANALISIS TINGKAT KEPUASAN PELANGGAN RESTORAN MISTER BASO (Studi Kasus Pelanggan Mister Baso Ciledug)” Sukardi (Universitas Darma Persada)</p>
<p>THE INFLUENCE OF MARKET CONCENTRATION RATIO ON PROFITABILITY IN INDONESIAN BANKING INDUSTRY Sapto Jumono, Chajar Matari Fath Mala (Esa Unggul University)</p>	<p>“Brand Intention, Brand Reliability, and Brand Affect: An Examination of Tablet PCs Market Trends in Indonesia” Sri Rahayu (Economic School of East Lampung), Mugi Harsono (Sebelas Maret University)</p>	<p>“RESONANT LEADERSHIP, KNOWLEDGE SHARING AND THE IMPACT TO TEACHER PERSONALITY” Dian Alfia Purwandari (Jakarta State University)</p>	<p>“THE CONCEPT OF GOVERNMENT SPIRITUAL ENTREPRENEURSHIP AS EFFORTS TO REDUCE UNEMPLOYMENT AND POVERTY WITH IMPROVEMENT THE DISTRIC OWN SOURCE REVENUE (Studies On The Batu City Government)” Whedy Prasetyo (Jember University)</p>	<p>“OTONOMI DAERAH DAN DINAMIKA SPASIAL INVESTASI ASING LANGSUNG DI INDONESIA TAHUN 2000-2012” Jamzani Sodik (UPNV Yogyakarta), J. Sarungu (UNS)</p>

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## **IMPLEMENTING RISK MANAGEMENT IN ISLAMIC BANKING INDUSTRY IN PEKANBARU**

**Tasriani, Andi Irfan**  
UIN Sultan Syarif Kasim Riau

### **Abstract**

This study used a qualitative research method, a research that aims to build a proposition and explain the meaning behind social reality that happened. This research digs deeper into the risk management implementation of Islamic banking in Indonesia, especially in Pekanbaru. The focus of this study is: Practical implementation and governance of risk management, risk management that is carried out by Islamic banking has been able to reduce loss risk, and compliance with Islamic law (principle of Islamic transactions). The results showed that banks in Indonesia have entered the integrated risk management and risk-based supervision era. All products that are issued by Islamic Bank are supervised by the Financial Services Authority (OJK) and Sharia Supervisory Board (DPS) in accordance with the functions and authority of each institution. In implementation of risk mitigation in Islamic banking, there is a risk that is originated from internal aspects such as employees or bank itself and external aspect such as customers. The highest risk is in murabahah financing. The principle in Islamic transactions such as fraternity, justice, welfare, balance and universality has been applied. Risk mitigation that is applied in financing is fiduciary risk as the risk that is legally responsible for violations of investment contracts either incompatibility with Sharia or mismanagement to the investor funds.

**Keywords:** Risk Management, Islamic Banking, Islamic transactions principle.



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