

### **PROCEEDING**

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# "Entrepreneurship and Management in Turbulent Global Environment: From Start-Up to Global Business"

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 17-18

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#### **PREFACE**

The International Conference on Entrepreneurship and Business Management (ICEBM) is a conference that aims to facilitate the exchange of best practices information and knowledge dissemination in the field of entrepreneurship, business, and management. The ICEBM is organized by Tarumanagara University and collaborating universities as well as related institutions. The conference provides the forum for various groups of professionals including practitioners, researchers, academicians, practitioners, government officials, individuals in society, and graduate/ postgraduate students.

Following the success of the Fourth ICEBM that was held in Bangkok, this year the Fifth ICEBM is held in Tainan in collaboration with Kun Shan University, Ciputra University, Udayana University, Kristen Krida Wacana University and Trisakti School of Management. The main theme of the Fifth ICEBM is "Entrepreneurship and Management in Turbulent Global Environment: From Start-Up to Global Business".

The turbulent global environmental forces are constantly presenting new opportunities and threats. Entrepreneurs and managers are increasingly taking a global view of the company's market opportunities and competitions. Mark Zuckerberg, Founder of Facebook, embraced change, created new solutions to unmet needs and managed to shape the incredible rocket growth from start-up to global giant. A primary feature of the conference is to consider the dynamics of entrepreneurship and management in the context of globalization. This posits challenges toward professionals and entrepreneurs in finding ways to vitalize the business development in the turbulent global environment.

In this Fifth ICEBM 2016, there were 126 abstracts received from the participants and 84 full papers were reviewed by ICEBM Scientific Committee. This committee comprises of 46 reviewers from 13 different institutions and 7 countries. The 84 full papers were received from 45 different institusions that came from 9 different countries: Brazil, China, Ethiopia, India, Indonesia, Malaysia, Philippines, Sweden, and Taiwan. A total of 75 out of 84 papers have been accepted. Reviewing process in this year is similar to last year where we applied a double blind peer-review process and scientific committee reviewed not just the abstracts received but also the full papers. These papers address diverse areas of application in entrepreneurship and business management. Starting from the field of accounting and finance, economics, marketing, and so forth through addressing a wide variety of theoretical and methodological approach.

This year papers that have been published to the book of proceedings will be further evaluated for possible submission to the special issue of Asia Pacific Management Review (APMR) and ASEAN Marketing Journal (AMJ). We hope that this book of proceedings could promote and stimulate further the discussion of practitioners and academics especially on business challenges and threats in turbulent global environment.

Finally, we would also like to thank all the contributing authors for their valuable work in supporting the success of the Fifth ICEBM. Thank you very much for your contribution.

**Conference Chair** 

Dr Keni **Prof. Chin-Chiuan Lin** 

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#### OPENING SPEECH FROM THE RECTOR OF TARUMANAGARA UNIVERSITY

#### Distinguished guests, ladies and gentlemen:

I am pleased to have the opportunity of addressing this important conference, widely known as the International Conference on Entrepreneurship and Business Management (ICEBM for short). After its first successful arrangement in Jakarta, followed by Bali, Penang, and Bangkok, this year's conference in Tainan, Taiwan, commemorates the fifth anniversary of the event, and I am immensely grateful for having found to date the Conference a continued success.

The purpose of the seminar actually is to provide a forum that facilitates the exchange of knowledge and experience of both practitioners and academics in entrepreneurship, business, and management. Here they can mutually share their findings. I would like to further remind all of us about the importance of the current Seminar, considering the chosen topic "Entrepreneurship and Management in Turbulent Global Environment: from Start-Up to Global Business." Basically the term start-up is still quite debated. The US Small Business Administration describes start-up as a "business that is typically technology oriented and has high growth potential." It is considered that the only essential aspect of start-up is growth! Because of this "growth potential," a start-up is able to provide its goods and services to a wider or larger market. As this happens, a start-up has no other choice but explores an unknown area or uses an innovative business model, trying to disrupt existing markets. This enables a start-up to enter a global business. From start-up to global business; one can imagine how difficult or turbulent is when a start-up involves globally or cross-border transactions of resources between two or many nations. For this reason, this Seminar actually is not just important but is even necessary in particular for those who try to understand and anticipate any possible threats and opportunities, which come along with the rapid change in the global environment.

#### Distinguished guests, ladies, and gentlemen:

I would like to conclude with the following notes. Firstly, while we organize the event co-hosting with Kun Shan University, this year's conference becomes special for the support of 4 other universities: Universitias Udayana, Universitas Kristen Krida Wacana, Ciputra University, and Trisakti School of Management (TSM). They provide assistance in the preparation and execution, leading this event to a success. I am thankful for their kind contribution. Secondly, our thanks also go to Kun Shan University for its utmost support and wonderful cooperation. I sincerely thank the Faculty of Economics of Tarumanagara University, in particular the organizing committee for their hard-work and dedication, making this important conference successfully possible. Finally, I would like to express my gratitude for the presence of distinguished speakers and a number of active participants from several countries. I wish you all a productive and fruitful seminar. Thank you.

Prof. Dr. Agustinus Purna Irawan

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#### OPENING SPEECH FROM THE PRESIDENT OF KUN SHAN UNIVERSITY

First of all, it is an honor and a pleasure to hold the International Conference on Entrepreneurship and Business Management (The Fifth ICEBM 2016). I and staff of Kun Shan University to interact with all of you distinguished scholars and business elites at this marvelous conference.

In 2016, the government of R.O.C. (Taiwan) proposed a "new southward policy" not only to revive the foundation of the go south policy, but also to build new social and educational ties. Specifically, the policy focusing on strengthening relations between Taiwan and South and Southeast Asian nations would be set up. The policy would not be confined to trade and investment but would also include people-to-people, cultural, educational, research and other types of exchanges. This policy shows commitment to make Taiwan more ASEAN-oriented. Clearly, more business knowledge and understanding of South and Southeast Asian countries is necessary to Taiwanese researchers and business men/women. Therefore, it is an honor to host the Conference working together with the excellent partners of Universities in ASEAN. I look forward the Conference would become the best forum to share ASEAN-related knowledge. After the Conference, I sincerely hope that KSU will build a best academic and Business partners with the Tarumanagara University (UNTAR).

Finally, I highly recommend that please take the break to explore this amazing city of Tainan. Enjoy the Conference and take advantage of the opportunities it offers.

Prof. Yan-Kuin Su

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#### **SPEAKERS**

#### Mr. Steven Hsu

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#### Prof. Chaidir Anwar Makarim

(Tarumanagara University, Indonesia)

#### Ir. Dr. Rajendran Muthuveloo

(Univesiti Sains Malaysia, Malaysia)

#### Dr. Teoh Ai Ping

(Universiti Sains Malaysia, Malaysia)

#### Mr. Tony Antonio

(Ciputra University, Indonesia)

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#### SUSTAINABILITY COLLABORATION MODEL FOR DEVELOPMENT OF DIGITAL CREATIVE INDUSTRY IN CENTRAL JAVA

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#### Abstract

Digital creative industries have a great potential in Indonesia, where in 2015 has a significant growth, which amounted to 8.81 percent (BEKRAF). Central Java Province as part of Indonesian government programme in ICT sector has also a huge potential in that field. Based on the results of previous studies, there are five areas of priority development of digital creative industry in Central Java, namely animations, games, software applications, multimedia and comics. In order to this development goes well and can produce products that can compete globally, it would require sustainable collaboration among stakeholders.

This article proposes a sustainable collaboration model between major stakeholders in the digital creative industries, consist of the industrial players, the educational institutionals, business, government, investors, and communities. For sustainability, identification of the collaboration is determined by the social, economic and environmental aspects. The social aspects are indicated by trust, fairness, commitment, and openess; the economic aspects are indicated by the economic benefits and the environmental aspects are indicated by environmentally friendly.

The model have been tested by focus group discussions with several stakeholders of digital creative industry in Central Java. The analysis uses qualitative and collaborative analysis. The results show that all stakeholder agree to the sustainable collaboration model for the development of digital creative industry in Central Java when considering the social aspects (trust, fairness, commitment, openess), economic aspects (mutual inter-stakeholder) and environmental aspects (environmentally friendly).

Keywords: Collaborative Model, Digital Creative Industry, Stakeholders, Sustainability

#### Introduction

Creative industries had contributed to the Gross Domestic Product in 2015 amount are Rp 642 trillion, or 7.05 percent, and able to provide employment nationally are 10.7 percent, or 11.8 million people. Based on data from the Central Bureau of Statistics, the number of unemployed nationally in 2015 increased by 300 thousand people, bringing the total of unemployed people reached 7.45 million people. The open unemployment rate was dominated Vocational High School educated population amounted to 9.05%, 8.17% High School and Diploma I / II / III of 7.49%, whereas they have the potential to contributed to creative industries.

Digital creative industry is a creative activity related to business creation, production and packaging of television programs (such as games, quizzes, reality shows, infotainment, and others), broadcasting and transmission of content television and radio programs, including the activities of the station relay (transmitter back) radio and television broadcasts. Creative activities related to the development of information technologies including services computer services, data processing, database development, software development, systems integration, systems analysis and design, architectural design software, design of infrastructure software and hardware, as well as portal design including maintenance.

According to the creative economy in 2016, from the existing sub-sector, there are at least three areas that experienced significant growth, which amounted to 8.81 percent digital, advertising 8.05 percent, 7.53 percent and architecture. But among stakeholders of the digital industry has been largely running their own, so it can not develop properly, the program is not on target, and the resulting product can not be marketed properly and also not able to compete globally. Mutamimah, Mustaghfirin, and Mustafa (2015) found that digital creative industry became one of the priority development of creative industries in Central Java in addition to crafts and fashion. Digital creative industry business fields that have potential and priorities to be developed based on the calculation of the weighting in Central Java, the order is as follows: Animation (24.85%), Game (24.78%), application software (22%), Multimedia (14.88%) and Comics (13:48%). Through collaboration among stakeholders, consisting of: digital creative industries: governments, communities, educational institutions, financial institutions and the public, it will be mutually beneficial one to another, there is knowledge sharing and information sharing. But such collaborations only run incidental and in

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the short term. Wehbe M.B, RA Seiler, AM Vianco, MA Mendoza, AM and AJ Tonolli Baronio (2015) apply a model of collaboration between science and the government to improve the resilience and sustainability of collaboration in the local production system. The purpose of sustainability according Bagheri and Hjorth (Rota Cosimo, at al, 2013) improve the management system through understanding and knowledge sharing. Therefore encourage researchers to propose collaborative model that is sustainable in the long term so as to benefit for all parties and digital creative industry can grow and compete nationally and internationally.

#### Methods

The data used in this study are primary data and secondary data. The primary data obtained through Focus Group Discussion. The population in this study are all stakeholders in the digital creative industry in Central Java. Secondary data were obtained from the BPS, Ministry of Commerce, Ministry of Research and Technology, and other data related to this study. Focus Group Discussion conducted with some stakeholders are directly related to the digital creative industry in Central Java, consisting of: digital creative industries, community, government, educational institutions, financial institutions, industry, and society. Analysis of data using qualitative analysis and collaboration analysis ...

#### Results and Discussions.

#### **Collaboration Model Analysis**

Results of research Mutamimah at al (2015) after a test model from the focus group discussion, which were attended by stakeholders from various components, such as: digital creative industries, community, government, educational institutions, financial institutions, industry, and public, the results show that the model development of digital creative industry in Central Java with a model of collaboration between stakeholders can improve the performance of digital creative industry in Central Java and can compete both on a local and national. In detail, the results of the analysis of collaboration among stakeholders, the results were as follows:



Figure 1 : Collaboration Model

#### a. Collaboration of Educational Institution with Community

Collaboration between educational institutions with the community so far has been done well, in the form of curriculum subjects relating to technologi information and digital creative industry. In addition, some support from higher education institutions as well as: human resources who are competent in the field of digital creative industry, the opening of the digital creative industry study programs, studies and research and laboratory facilities for the development of digital creative industry. The goal is that graduates of higher education institutions to meet the

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manpower needs of the creative industries, both in quality and quantity. But according to a digital community of creative industries, that the graduates produced by higher education institutions have been unable to meet the needs of the digital creative industries both in quality and quantity. Most higher education graduates are not ready to work and still have an intensive training in order to meet the standards of competence in the digital creative industry. In addition, the support of educational institutions during the development of the digital creative industries can not be felt by the alumni as agents of digital creative industry. Besides high quality graduate pendisikan institutions can not be accommodated fully by major industries such as Telkom and Indosat, so the government will need to bridge it.

#### **b.** Collaboration of Government With Community

The government is already providing support for the development of the digital creative industries such as: training, funding, and organization of the exhibition program. But such support can not be fully felt by the community of digital creative industry in Central Java. According to the community, the training is incidental and not intensively, not equitable, and not fully in accordance with the needs of the community of digital creative industry. The marketing program still experiencing problems, so that should make local application store. In addition, the digital creative industries are having trouble logging into a huge industry, so the government will need to bridge it.

#### c. Collaboration of Financial Institution With Community

Financial institutions so far has been providing financial support to the community for the development of digital creative industry in Central Java. Support for this can be felt in helping the development of digital creative industry in Central Java. Constraints faced in a collaboration between the financial institution with the community is the lack of collateral owned by start-ups, because they generally only have the knowledge and skills acquired cash flow is uncertain, financial laporann also not been standardized. This phenomenon has become an obstacle for financial institutions to provide loans in large jumalh. The community of digital creative industries proposed policies related software with a loan for the development of digital creative industry in Central Java.

#### d. Collaboration of Public With Community

The public has been giving advice to community support for the development of digital creative industry in Central Java. Support for this can be felt in helping the development of digital creative industry in Central Java. Constraints faced in doing collaboration between public and community is the quality of the products produced by the digital creative industry not meet quality standards.

#### e. Collaboration of Industry With Community

Large industry so far has been providing assistance for the development of digital creative industry in Central Java. Support for this can be felt in helping the development of digital creative industry in Central Java. The obstacles encountered in doing collaborations among large industries with the community is the quality of the products produced by the digital creative industry do not meet the quality standards required by major industries.

#### f. Collaboration of Digital Creative Industry With Community

The digital creative industries so far most have not been included in the community. With the advent of the community are expected to knowledge sharing and information sharing so as to motivate merka for the development of the digital creative industry.

#### **Sustainability Collaboration Model**

Collaboration between stakeholders digital creative industries, community, government, educational institutions, financial institutions, industry, and society during this time is merely a concept, is incidental and short term. Thus, in order that collaboration can be sustainable (sustainability collaboration), if one considers the three (3) aspects, namely: economic, social, and environmental (Rota Casino, at al, 2013). 1). Social Aspects, which includes: trust, fairness, commitment, and openess. Rota, Cosimo (2013) states that that collaboration among partners in the supply chain is based on intangible assets such as trust, commitment, and satisfaction. 2). Economic aspects, namely the mutually beneficial collaboration with one another economically and low transaction cost economy, This is reasonable, since the purpose of the business in the digital creative industry is to gain economic advantage. 3). Environmental aspects, namely collaboration between stakeholders does not pollute the environment. Sustainability collaboration will directly affect the performance of stakeholders as well as the digital creative industry in the long term.

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#### The figure are as follows:

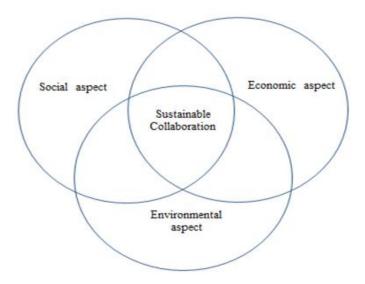


Figure 2: Sustainability Collaboration Model

#### 1. Social Aspects

#### a. Trust

Namely mutual trust among stakeholders. When trust among stakeholders appear, then between stakeholders will help each other to solve problems / difficulties experienced by other stakeholders. Stakeholders who trust one another, will be mutually reinforcing for collaboration in the long term.

#### b. Commitment

Commitment among stakeholders is necessary to maintain long-term collaboration. Long-term relationship requires a commitment on the part of the parties involved. Commitment among stakeholders will enhance and facilitate cooperation activities to share information and knowledge.

#### c. openess

Mutual open between stakeholders is indispensable for knowledge sharing and information sharing related to the production process to marketing for the digital creative industry development .. Collaboration in the digital creative industry activity requires openness as the heart needs oxygen, particularly the delivery of clear information, transparency of each individual in a collaboration that aims to achieve a common goal. Open attitude is the attitude to be willing to tell and the attitude to be willing to accept the knowledge or information from other parties as the key to successful innovation.

#### 2. Economic Aspects

Collaboration between stakeholders will be lasting in the long term if each party to benefit economically, and no one pihakpun harmed. The economic value of a major goal in the development of digital creative industry in Central Java. Each party involved must each make a positive contribution and collaboration to achieve "win-win benefit".

#### 3. Environmental Aspects

Environmental factors will determine the sustainability of synergy among stakeholders. Environmental factors influence the quality and quantity of production results in the digital creative industry. Result

The results showed that the model of development of digital creative industry in Central Java: collaboration model can be used for the development of digital creative industry in Central Java. But the model of collaboration among stakeholders will be sustainable (sustainability collaboration) when considering the three aspects, namely social (trust, fairness, commitment, openess), economic aspects (mutual economic inter stakeholders) and environmental aspects (such collaboration environment friendly), Testing the model can be followed by the preparation of the information system so that the model can really be applied to develop the digital creative industry in Central Java.

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