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*by* Lena Ellitan

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The Fifth International Conference on  
Entrepreneurship and Business Management

## PROCEEDING

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

Tainan, | **17-18**  
Taiwan | NOV 2016

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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 institutions 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**

## OPENING SPEECH FROM THE RECTOR OF TARUMANAGARA UNIVERSITY

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### **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.

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### **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: Universitas 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**

## **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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(The CEO of TXA (Tronxin Accelerator Limited) and Founder of  
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## FACTORS INFLUENCING THE QUALITY CULTURE (Study at the Education Institution Context in Indonesia)

Lena Ellitan, Teodora Winda Mulia

Widya Mandala Catholic University Surabaya

### Abstract

*The new paradigm focuses on the role of higher education institutions as a service industry or industry knowledge which the higher education institutions to compete based on quality. Educational paradigm dynamic and flexible to changes that there is indispensable in responding to competitive conditions was very competitive today. Application of Total Quality Management (TQM) in higher education in Indonesia requires commitment and consistency. TQM approach provides benefits for the organization to carry out continuous improvements so as to anticipate the changes that occur in response to changes in external factors and guarantee the success of higher education in its operations in the competitive environment that is increasingly competitive.*

**Keywords:** TQM, Continuous Improvement, Service Industry, Education

### 1. Introduction

The rapid development of competition in the world of higher education requires the education to think of the right competitive strategy to provide superior service to customers and prospective customers are students and prospective students. become more rational in the choice, as well as having higher demands on the quality of college education and services that will be their choice. In this condition the image as a major university and a long operating life is no longer seen as a sufficient competitive advantage from another perspective so that the necessary strategic policies are indispensable to exist in competition.

Higher education in Indonesia can not be separated from the influence of external factors such as demographic trends, technological, economic change, and competition between higher education institutions in Indonesia. Faced with these conditions, higher education in Indonesia should be at the forefront in the face of environmental change that is through formal education that educate someone to be a professional and have a certain competence. Efforts should be made in this case is to make changes that higher education is able to play an active role as a provider of intellectual asset for the real sector in order to compete in the global market. University role in providing graduate students at various levels.

This study focuses on the integration of TQM in higher education in Indonesia that has been overshadowed by the condition of education in Indonesia has not been able to respond quickly to changes in the external environment of education that is caused by a model of education that are less dynamic because it is not flexible to change nothing in fact indispensable in responding to changes in conditions change and competition is very competitive today. Through the TQM approach as a management approach as higher education policy is expected strategies able to overcome the existing problems by integrating TQM into higher education in Indonesia. To integrate TQM in higher education and meet the needs of industry will be college graduates who are competent needed the collaboration of both parties to discuss implementation of TQM and its integration in education.

### 2. Theoretical Background

Conceptually, Total Quality Management (TQM) is a philosophy that is always trying to improve output, including the performance of financial, organizational management systems and guarantee long-term survival in a way or primary purpose of providing satisfaction to customers without leaving the entire interest of stakeholders (customers, owners, shareholders, and suppliers). TQM) is a way of improving the performance of the company is consistently at every level of operations or processes in every functional area of an organization using all human and capital resources available (Gazpers, 2001). Hover (quoted from Corigan, 1995) added the need for the involvement of employees at all processes and use of technical equipment of appropriate quality. From the definition of TQM, there are four essential elements, namely:

1. Continuous improvement (continuous improvement), which emphasizes the semantic perspective, a unified, consistent, and includes the operation of the entire organization.
2. People Orientation (orientation on human resources), carried out by forming a sound HR customer satisfaction internal and external customers. The definition of external consumer is any person user of the product or services produced by the company, while the internal consumer is any person involved in the operation of the company.

3. Quality Methods, covers all businesses to achieve optimal economies of scale, and maintain quality as an extra at the beginning of the operation or process, so that the product design and the design process becomes the focus of the company to run its operational strategy.
4. Customer Focus is giving special attention to the consumer either to the complaints, satisfaction, prices, product defects, and time of delivery of goods, and cooperation with customers.

TQM is a philosophy that should be applied throughout the period. The head of the organization is required to always adopt the best ways to achieve the goals and should strive to create the formation of a learning organization. TQM applications require the role of quantitative methods and human resources to improve the quality of materials and services, all processes within the company and the quality to meet customer needs both for today and in the future (Watkins, 2006). TQM principles are also known as the Five Pillars of TQM consisting of product, process, organization, leadership, and commitment (Creech, 1996) suggests that the product is the main target and achievements of the organization. Creech also confirmed that TQM must have four criteria for successes are: 1) Implementation of TQM based on awareness of the quality and oriented towards quality in all activities, including in the process and the product. 2) Implementation of TQM must have strong humanitarian nature to bring quality to the way employees are treated, enrolled and given inspiration. 3) Implementation of TQM must be based on a decentralized approach that gives authority at all levels, 4) Implementation of TQM must be fully implemented so that all the principles, policies, and practices reach every nook and cranny of the organization.

Increasing competition in higher education resulted in a paradigm shift in higher education institutions. Traditional paradigm focused on imaging of higher education institutions as a social institution that provides higher education opportunities for the community. Institutions of higher education are responsible for the provision and funding of higher education is based on the sources of funds derived from religious bodies and philanthropists both domestic and international, and foundations established by businesses to fund higher education operations.

The new paradigm focuses on the role of higher education institutions as a service industry or industry knowledge which the higher education institutions to compete based on quality. In this condition, the process of higher education is seen as a continuous improvement cycle that starts from a series of their ideas to produce graduates (output) quality up to the responsibilities of higher education to give satisfaction for users of the higher education graduates. Through the feedback given by the user (users) of the graduates of higher education, we can develop specific ideas for redesigning the educational model, improve teaching and learning in higher education Lewis and Smith (1994) describes efforts to improve continuous quality in higher education.

The successful implementation of TQM in the business world provide inspiration for higher education to adopt TQM in education, than the level of competition among universities are sharp and pressure of global competition poses a challenge for higher education in Indonesia. To give added value to the competitiveness of higher education is required mastery of competitive advantage in terms of quality courses that are owned. This is because the courses that will be in value through a system of accreditation by the National Accreditation Board, Agency for International Quality Standards and Professional Standards. Ilahu et al. (1998) describe the various pressures facing higher education in improving the competitive advantage of courses as described in Figure 3. The figure explains that in the vision and mission of higher education contained desire and hope to produce a high-quality education explicitly to make the program competitive strength studies. Also required positioning focused on higher education to enhance the competitive advantage of courses.

### 3. Method

Quantitative research studies the factors that shape the perception of quality in higher education. Using questionnaires with management of higher education in Indonesia as respondents.

### 4. Analysis and Discussion

Table 1. Recapitulation Application of the Principles of TQM (in percentage)

No	Dimension	Internal Customers	Criteria	External Customers	Criteria
1	Customer Satisfaction	79	Good	74	Good
2	Respect to each other	62	Average	63	Average
3	Management by Fact	72	Good	79	Good
4	Continuous Improvement	84	Very Good	78	Good

The above table shows a comparison of scores obtained from the questionnaire between faculty and employees as internal customers' institution with students as external customers based institutions TQM principles that have been applied by the higher education institution. TQM implementation process performed by the higher education institution starting with TQM principles in running the educational activity. To further ease the extent to which the principles of TQM applied higher education institution.



TQM principles that must be applied to institutions among others are focusing on customer satisfaction to provide educational services in accordance with the wishes and expectations of customers, has adopted a respect for everyone both in the environment of the organization and outside the organization to achieve the success of the institution, empowering management concept based on the fact that the management of the institution can be managed in a transparent manner, and seeking continuous improvement to improve the quality of the institution. The above table is used to analyze the extent to which higher education institution in applying the principles of TQM will be explained as follows:

In terms of customer satisfaction, the efforts of higher education institutions in applying the principles focus on customer satisfaction in managing the educational activity has been perceived both by faculty and employees as internal customers' institution and by students as institution external customers. Based on the results of questionnaires, faculty and employee satisfaction rate reached 79% institutions and students' satisfaction level reached 74%. This means that the level of internal customer satisfaction institution 5% higher than the level of external customer satisfaction institution. Less than optimal level of student satisfaction due to the efforts of institutions to analyze the needs of the students is not optimal. Total infrastructure is inadequate to be one of the determining factors is not optimal customer satisfaction from the students. Meanwhile, according to faculty and staff, institutional efforts in analyzing the needs of internal customers has been very good of them to improve IT-based tool to manage data and information needed institution. In terms of service, based on the results of the questionnaire stated that the institution is still considered not entirely focused on customer satisfaction in providing excellent service to internal customers as well as external customers. Yet the implementation of the system of recognition / awards and bonuses are not in accordance with the expectations of customers is the reason not optimal satisfaction of faculty and staff the service of the institution. While the student dissatisfaction due to a few employees who are less competent and seem less friendly in serving students. In other words, to improve customer satisfaction, institutions must improve the service provided, especially in financial terms to the customers internal and focus more on external customer satisfaction to seek to increase the quantity and quality of the infrastructure that is owned and improving the competence of employees through training programs and coaching employees.

In terms of respect for each person, based on the results of the questionnaire showed that the higher education institutions have not applied this principle optimally both in terms of internal customers and external customers of the institution. The results of the percentage of faculty and staff at 62% and the student reaches 63%, this means that the principle of respect for each person have not been fully implemented by the institution. This means that the commitment of the institution to adopt the attitude of the faithful people total and work has not been executed well by all the residents of the institution. So far, the actions taken in the institution adopted the attitude of respect for everyone is to increase employee involvement in the management of educational activities, increasing the authority of lecturers in its assessment, the establishment of working groups (working group), and their employees' contribution in the preparation of the work program of the institution. For the future, the institution should further improve the application of great respect for every person to achieve total customer satisfaction, which in turn can improve the quality of the institution optimally.

In terms of management based on fact, the percentage of faculty and staff of higher education institutions as internal institutional customers reached 72%, while the percentage of students who achieved as an institution external customers reached 79%. This means, fact-based management principles have not been applied optimally manage educational activities by teachers and staff. This happens because there is still the intervention of the Foundation in the decision-making institutions, many decisions are made only based on the opinions of faculty and staff amounted to 72% while from the student reaches 79%. There is a difference sebesar 7% in terms of management based on facts, which means that the majority of faculty and staff feel institutions do not apply the principles of management based on opinions that are not accompanied by supporting evidence, and management of institutions that are less transparent. In terms of students, management principles based on facts already applied particularly well in terms of ratings for the implementation of the concept team teaching so that an assessment carried out by the deal team group. This means, management principles based on facts already applied well to the students, but deemed not optimal for faculty and employees, especially in decision-making institutions.

In terms of continuous improvement, based on the results of the questionnaire showed that the percentage of faculty and staff towards continuous improvement efforts reached 84% while the percentage of students reaching 78%. This means that continuous improvement efforts conducted institution was considered excellent according to faculty and employees but was not considered optimum by the student. Improvement efforts undertaken among other institutions against established standards to improve the quality of institutions based on the standards set by government; the quality of education by improving the quality of its human resources; against infrastructure by empowering the IT-based facilities; and the services provided to customers by implementing a computerized system and draw up SOP. This means that continuous improvement efforts made to achieve the improvement of the quality of institutions in supporting the effectiveness of the educational process has been very well by teachers and staff. In terms of students, continuous improvement efforts made to improve the quality of learning programs for students, infrastructure to support teaching and learning, and the services provided to the students of the institution. But efforts to redress for perceived lack of



institutional infrastructure optimally according to the students, especially in terms of infrastructure. To that end, the institution should be more attentive to the needs of students, especially in terms of infrastructure.

## 5. Conclusion

TQM implementation process is carried out in order to improve the performance of the institution consists of three stages, namely: (1) preparation, which in this stage of the school began to establish a total commitment to quality in running the educational process. (2) the planning stage, where schools began to adopt elements of TQM in developing educational activities. (3) the implementation phase, in which the school began carrying out the work program has been prepared with quality oriented and make improvements on an ongoing basis to achieve quality improvement using PDCA cycle. 2. Impact of TQM implementation efforts taken by the institution in order to improve the school's performance can be viewed in terms of input, process and output the resulting school education. In terms of inputs, efforts to implement TQM impact on improving the quality of human resources, increase productivity and employee performance, and increase the absorption capacity.

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