THE 11th INTERNATIONAL RESEARCH CONFERENCE ON QUALITY, INNOVATION AND KNOWLEDGE MANAGEMENT

QIK 2014

CONFERENCE PROCEEDINGS

19th-21st FEBRUARY 2014
BANDUNG - INDONESIA

"Sustainable Research and Innovation"

FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS PADJADJARAN

MONASH University Business and Economics
INTRODUCTION

Welcome to Bandung

Welcome to the 11th International Research Conference on Quality, Innovation, and Knowledge Management. The conference held on 19-21 February, 2014 in Bandung, the capital of West Java Province, Indonesia and hosted by Department of Management and Business, Faculty of Economics and Business, Universitas Padjadjaran and also Department of Management, Faculty of Business and Economics, Monash University.

Surrounded by fresh mountainous region, Bandung has been the top destination in the region since the colonial era. Known to the world as the host of the 1955 Asian African Conference, and full of cultural heritages including its art-deco architecture, Bandung has been long well known also as the Paris van Java. Your visit will be a memorable one.

This conference bring together leaders from business, government and other sectors, as well as leading academics from around the world, to share knowledge, experiences and research findings. Our theme this year is “Sustainable research and innovation” and we have chosen Indonesia as our host for this conference.

According to the McKinsey report (2012), Indonesia’s economy has enormous promise. Already the 16th largest economy in the world, Indonesia has the potential to become the seventh biggest by 2030. In recent years, Indonesia has made enormous strides in their macroeconomic management; inflation has fallen from double digits to single digit. The economy, part of a resurgent Asia, is transforming rapidly. The growth in Indonesia’s consuming class is stronger than in any economy of the world except India and China, a signal to international businesses and investors of considerable new opportunities.

The rapid globalisation of markets has enormous implications for businesses in Indonesia and other developing economies in Asia and social development generally. Two key questions to be addressed are: (i) How is business to compete in the global marketplace?, and (ii) How can social structures and social infrastructure be reformed to promote business and societal development?

The arrival of the global economy creates challenges at all levels of society: for business, government, employees and consumers. Various approaches and strategies for improved competitiveness have been promoted over the past two decades; these include: quality management, supply chain management, management of innovation, knowledge management, government deregulation, organisational learning, creativity, and so on, but what do these approaches have to offer us as we move forward? What have we learned from the first decade of globalisation? What can guide us through the coming period? This conference will focus on these questions, looking particularly at case studies and practical applications.

Enjoy!

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HOW SELF-EFFICACY, PERCEIVED EDUCATIONAL SUPPORT, AND PARENTAL BACKGROUND SHAPE ENTREPRENEURIAL INTENTION: FINDINGS FROM A STATE UNIVERSITY STUDENTS, JAKARTA, INDONESIA.

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Koala Room – Session 4 – SME and Entrepreneur

Indonesia entrepreneurs are still struggling in terms of numbers and quality. On the other hand, this nation really need entrepreneurs to raise the economy, open job opportunity, and minimize poverty. Institution accountable for creating a highly qualified entrepreneurs is university, which can be a great help by implementing entrepreneurship-oriented curriculum, providing decent facilities and supporting policies. Study among eighty students at Faculty of Economics, State University of Jakarta revealed some important findings: 1) general self-efficacy significantly influenced the students’ entrepreneurial intention, 2) entrepreneurial self-efficacy significantly influenced the students’ entrepreneurial intention, 3) perceived educational support significantly influenced the students’ entrepreneurial intention, 4) parental background significantly influenced the students’ entrepreneurial intention, and 5) general self-efficacy, entrepreneurial self-efficacy, perceived educational support and parental background simultaneously influenced students’ entrepreneurial intention. Another important finding shows that 78.8% students’ entrepreneurial intention formed by the general self-efficacy, entrepreneurial self-efficacy, perceived educational support and their parental background.

Keywords: General Self-Efficacy, Entrepreneurial Self-Efficacy, Perceived Educational Support, Parental Background, Entrepreneurial Intention

Banking and Finance II

THE IMPACT OF AMERICAN FINANCIAL CRISIS TO INDUSTRIAL INDEX VOLATILITY IN INDONESIA STOCK EXCHANGE

Candra Wijayangka, Sumarno Zain, dan Dian Masyita

Kangaroo Room – Session 4 – Banking and Finance

Contagion effect is an events of contagious financial crises from one country or region to another country or a region. An object of this research are composite stock price index and stock-index existing sectoral the indonesia stock exchange. This research conducted using Granger Causality Test and Impulse Response Function. While volatility analysis conducted by Generalized Approach Autoregressive Conditional Heteroskedasticity. Research result indicates there is the contagion effect from DJI to JCI and sectoral stock indexes. It was proven by the presence of a single direction or un directional causality. The conclusion was also supported by an increase in the stock index BEI in response to a maximum of 2 (two) in a day. From the results of the analysis, we know there have been increasing volatility on the sectoral stock index especially in the non financial sector.

Keywords : Financial Crisis, Granger, IRF, GARCH.
How Self-Efficacy, Perceived Educational Support, And Parental Background Shape Entrepreneurial Intention: Findings From A State University Students, Jakarta, Indonesia.

ABSTRACT
Indonesia entrepreneurs are still struggling in terms of numbers and quality. On the other hand, this nation really need entrepreneurs to raise the economy, open job opportunity, and minimize poverty. Institution accountable for creating a highly qualified entrepreneurs is university, which can be a great help by implementing entrepreneurship-oriented curriculum, providing decent facilities and supporting policies. Study among eighty students at Faculty of Economics, State University of Jakarta revealed some important findings: 1) general self-efficacy significantly influenced the students’ entrepreneurial intention, 2) entrepreneurial self-efficacy significantly influenced the students’ entrepreneurial intention, 3) perceived educational support significantly influenced the students’ entrepreneurial intention, 4) parental background significantly influenced the students’ entrepreneurial intention, and 5) general self-efficacy, entrepreneurial self-efficacy, perceived educational support and parental background simultaneously influenced students’ entrepreneurial intention. Another important finding shows that 78.8% students’ entrepreneurial intention formed by the general self-efficacy, entrepreneurial self-efficacy, perceived educational support and their parental background.

Keywords: General Self-Efficacy, Entrepreneurial Self-Efficacy, Perceived Educational Support, Parental Background, Entrepreneurial Intention

INTRODUCTION
Unemployment rate is one of the serious issues in Indonesia. Annual report from the International Labor Organization (ILO) mentioned that the open unemployment rate in 2009 reached 9.6 millions people (7.6%), and 10% from them are university graduates with bachelor degree. In line with that report, data from Indonesia Statistical Central Bureau also revealed similar information which stated that many unemployment people are from university graduates. Based on Indonesian Young Entrepreneur Organization (cited in Dalle, 2011) only 0.24% from nearly 240 millions Indonesian are entrepreneurs. The total of Indonesian entrepreneurs are less than China and Japan with 10% entrepreneurs from population, Malaysia with 5% entrepreneur from population, Thailand with 4% entrepreneur from population, and Singapore with 7% entrepreneur from population, and far below United States with 12% of entrepreneur from total population. With only 568, 800 entrepreneurs in Indonesia, 75% from them are young entrepreneurs or 0.18% from total population (Dalle, 2011). This conditions indicates that actually Indonesia really need young entrepreneur to raise the economy. In order to increase the number of young entrepreneur, the role of universities are very important. Universities should implement curriculum and create support system to encourage entrepreneurial spirit of their students. Faculty of Economics in State University of Jakarta is the Institution that concern to build the young entrepreneurs. It has several programs and curriculums to encourage entrepreneurial spirit of all students. But, the result of programs and curriculum implementation unfortunately below expectation. Only few students are interested to become entrepreneur and the rest are still job seeker minded.
Table 1
Career Options of Students

<table>
<thead>
<tr>
<th>Career</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Seeker</td>
<td>45</td>
<td>75%</td>
</tr>
<tr>
<td>Self Employed</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Interview

The main reason why the majority of students are not interested to become an entrepreneur is lack of self-efficacy (Urban, 2006). The important of education to create young entrepreneur can be found in the work of Ekpoh (2011), walter (2009), Moi (2011), Gelard (2011), Mei (2011), and Turker (2009). Many researchers have studied about the relationship between self-efficacy and entrepreneurial intention. Urban (2006) mentioned that if someone has strong self-efficacy, they tend to become an entrepreneur. The complexity of entrepreneurial intention also supported by parental background. Study of Schenkel (2010), Basu & Virick (2010), Moi (2011), Ahmed (2010), and Turker (2009) show that someone who has self employed parents tend to become an entrepreneur.

RESEARCH PROBLEMS

1. Does General self-efficacy significantly influencing students’ entrepreneurial intention?
2. Does Entrepreneurial Self-Efficacy significantly influencing students’ entrepreneurial intention?
3. Does Perceived Educational Support significantly influencing students’ entrepreneurial intention?
4. Does Parental Background significantly influencing students’ entrepreneurial intention?
5. Do General and Entrepreneurial Self-Efficacy, Perceived Educational Support, And Parental Background significantly influencing students’ entrepreneurial intention?

LITERATURE REVIEW

Entrepreneurial Intention

Intention represent a person’s motivation to make an effort to act upon a conscious plan or decisions. Entrepreneurial intention is a person’s motivation to make a conscious plan to perform an action in setting up a new business. Generally, intention is the cognitive state and prior to execute an action. Entrepreneurial intention is concerned with the tendency of a person to start an entrepreneurship activity in the future. Theory of Planned Behavior by Ajzen (1991) is a well known theory and robustly predicts a wide variety of planned behavior in starting up a new business.

General Self-Efficacy (GSE)
Self-efficacy, defined as beliefs in one’s capabilities to organize the motivation, cognitive thinking, resources, and courses of action needed to meet situational demands (Bandura, 2006). GSE has become a famous topic in many research (Bandura, 2006) and the work of Stajkovic and Luthans (1998). Findings show that self-efficacy can predicts several important work-related outcomes, including job performance (Stajkovic, 1998).

According to social cognitive theory (Bandura, 2006), self-efficacy consists of several dimensions: a) level of magnitude (particular level of task difficulty), and b) strength (level of successful performance in a particular task difficulty). Recently, researchers have become more interested in generalized dimension of self-efficacy, which is called general self-efficacy (GSE).

Chen (2001) proposed a new GSE - the New General Self-Efficacy (NGSE). In this study the general self-efficacy was measured with eight items adopted from the questions of Chen et al., called the New General Self-Efficacy Scale.

**Entrepreneurial Self-Efficacy (ESE)**

Bandura (2006) defined self-efficacy as the task-specific consideration to perform particular activity. In terms of entrepreneurship, entrepreneurial self-efficacy can be viewed as the consideration to the initiate and develop new business. Self-efficacy is a construct of behavior, cognitive thinking, and environmental influence in a dynamic fashion, which are fostering individuals to think that they can perform specific tasks successfully. Entrepreneurial self-efficacy (ESE) can be viewed as the capabilities that can affect a person’s belief in completing the tasks required for establishing a new business (Campo, 2010; Ahmed, 2010). Entrepreneurial self-efficacy is the extent of a person’s capabilities to start a new business. The items for self-efficacy assessment were adopted from the ESE scale of Chen (2001), consist of: 1) marketing self-efficacy, 2) innovation self-efficacy, and 3) financial control self-efficacy.

**Perceived Educational Support**

Educational support refers to the programs and courses provided by educational institutions. The academic content in universities plays an important role to encourage students' entrepreneurial intention (Luthje and Franke, 2003). Educational institution which can provide a good curriculum, facilities and faculty support, tend to successfully encourage students' entrepreneurial intention. Finding of Walter (2009), Min, Ling & Hooi (2009) shows that universities effectively contributes to entrepreneurship knowledge transfer, and from students perspective, lecturer and course materials could motivate them to start up a new business.

**Parental Background**

The role of self-employed parents to create young entrepreneurs is widely discussed around the globe, and many researchers have revealed some important findings. Indonesia culture usually think that family is the first environment which can promote a person’s entrepreneurial spirit. Study of Schenkel (2010) shows that parents can transfer entrepreneurship know-how and values to their children. Study of Moi (2011), Ahmed (2011), revealed that children from self-employed parent are more likely to follow their parents as entrepreneur. In line with that, Turker (2009) found that individuals with close family members in business are likely to start a new business rather than those with no family in business.
Parental role model and experience in doing business will drive a child’s perception to be an entrepreneur (Schenkel, 2010). Similar with that, self-employed father plays important role to promote their children’s desire to make their own business in the future (Turker, 2006). In general, many researchers confirmed that self-employed parents promote children’s entrepreneurial intention (Ahmed, 2011).

HYPOTHESES DEVELOPMENT

General self-efficacy is needed to create students’ entrepreneurial intention. Meanwhile, entrepreneurial self-efficacy is more focus on how the students is confidence enough to manage some aspects of entrepreneurship. Entrepreneurial intention also affected by perceived education support. This is where the university plays an important role related with good curriculums implementation, infrastructures, facilities, and lecturers which can encourage students’ entrepreneurial spirit. Another important factor to create students’ entrepreneurial intention is their parental background. Some research have confirmed that self-employed parent frequently teach entrepreneurial spirit to their children. The relationship among all variables depicted in research model:

Hypotheses’ in this study are:
H1: General self-efficacy influences students’ entrepreneurial intention
H2: Entrepreneurial Self-Efficacy influences students’ entrepreneurial intention
H3: Perceived Educational Support influences students’ entrepreneurial intention
H4: Parental Background influences students’ entrepreneurial intention
H5: General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background influence students’ entrepreneurial intention

RESEARCH METHOD
This study was conducted in Faculty of Economics, State University of Jakarta, the only one state university which located in Jakarta. Observation unit in this research were Faculty of Economics’ students from three departments; Management, Accounting, and Economy Administration, who passed entrepreneurship courses (class of 2009). The population in the study are 391 students. The respondents in this research are 80 students. This study also uses purposive sampling technique, and all data were collected from interview and questionnaire.

RESULT AND DISCUSSION

Descriptive

The majority of students are coming from non self-employed parents with 56% or 45 respondents, and the rest (44%) or 35 respondents are coming from self-employed parents. All tests including validity, reliability, normality, linearity, collinearity, and heteroscedasticity showed good result.

Hypotheses Testing

Table 2 explains the significant result of all hypotheses. Since the sig score for all variables are less than 0.05, then $H_0$ rejected. It means that General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background partially affected students’ entrepreneurial intention.

Tabel 2. Linier Regression Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstd Coef'</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-.916</td>
<td>1.486</td>
<td>-.616</td>
<td>.540</td>
<td></td>
</tr>
<tr>
<td>General Self-efficacy</td>
<td>.198</td>
<td>.070</td>
<td>.234</td>
<td>2.815</td>
<td>.006</td>
</tr>
<tr>
<td>Entrepreneurial Self-efficacy</td>
<td>.225</td>
<td>.047</td>
<td>.369</td>
<td>4.796</td>
<td>.000</td>
</tr>
<tr>
<td>Perceived Educational Support</td>
<td>.195</td>
<td>.089</td>
<td>.165</td>
<td>2.188</td>
<td>.032</td>
</tr>
<tr>
<td>Parental background</td>
<td>3.235</td>
<td>.772</td>
<td>.292</td>
<td>4.188</td>
<td>.000</td>
</tr>
</tbody>
</table>

significantly influences students’ entrepreneurial intention, this result in line with Basu (2010), Moi & Adeline (2011), Ahmed (2010), also Turker and Selcuk (2008).

F-test conducted to measure the influence of General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background toward students’ entrepreneurial intention. The result is in table 3:

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>Df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1930,637</td>
<td>4</td>
<td>489,659</td>
<td>74.231</td>
<td>.000²</td>
</tr>
<tr>
<td>Residual</td>
<td>487,661</td>
<td>75</td>
<td>6,502</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2418,297</td>
<td>79</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (constant), , Perceived Educational Support, Entrepreneurial Self Efficacy, Parental background, GSE
b. Dependent Variable: entrepreneurial intention

Since the sig score is less than 0.05, it means that General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background affected students’ entrepreneurial intention simultaneously. This result also confirmed that the research model is fit.

The next result is how big did the General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background contribute to the students’ entrepreneurial intention. The result is in table 4:

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R Square</th>
<th>Adjusted R²</th>
<th>Std. Error (of Estimate)</th>
<th>D-W</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>.894ª</td>
<td>.798</td>
<td>.7888</td>
<td>2.549</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), , Perceived Educational Support, Entrepreneurial Self efficacy, Parental background, GSE
b. Dependent Variable: Entrepreneur Intention

Result shows that the contribution of General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background to shape the students’ entrepreneurial intention is 78.8%.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions
1. General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background partially affected students’ entrepreneurial intention partially
2. General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background affected students’ entrepreneurial intention simultaneously
3. The contribution of General and Entrepreneurial Self-Efficacy, Perceived Educational Support, and Parental Background to shape the students’ entrepreneurial intention is 78.8%.

Future research to examine the entrepreneurial intention of young Indonesian is still needed to get a clearer vision on what strategy and decision that the government and educational institutions must take to increase the number of young entrepreneurs to raise the economy. Another suggestion for other researchers include the contribution of ethnicity, business information, capital access, and other demographic condition to measure entrepreneurial intention.

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We would like to express the deepest appreciation to our colleagues in our Faculty. Without their persistent help this research would not have been possible. In addition, we thank all students who helped us finished this research.

REFERENCES


