

E-ISSN: 2621-654X
P-ISSN: 2622-8793

*International Journal of
Organizational Business Excellence*

IJOBEX

VOL. 2(1) JUN. 2019



International
Performance
Excellence Forum

INTERNATIONAL JOURNAL OF ORGANIZATIONAL BUSINESS EXCELLENCE

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International Journal of
Organizational Business Excellence

IJOBEX

Vol. 2 (1) JUN. 2019

A scientific journal published by
Bina Nusantara University & International Performance Excellence Forum

IJOBEX

International Journal of Organizational Business Excellence

AN INTERNATIONAL PEER-REVIEWED JOURNAL

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Foreword

Welcome to the third issue of **International Journal of Organizational Business Excellence (IJOBEX)**. IJOBEX is an open-access scientific journal published by **Bina Nusantara University (BINUS)** and **International Performance Excellence Forum (IPEF)** and is independently managed and run on a non-profit basis for the benefit of the world-wide science community. This journal is specifically committed to publish research paper in the area of business management and social sciences that contribute in excellence to business, manufacturing, healthcare and education in both public and private organization. The topics include but not limited to; Leadership, Strategic Planning, Customer and Market Focus, Information, Measurement, Knowledge Management, and Information Technology, Human Resource, Operational Focus, and Communication for Performance Excellence. This third issue is a compilation of 6 regular research articles coming from different countries i.e. **Indonesia, Malaysia, Thailand and Turkey**.

The first article talks about the role of project governance and stakeholder management in public sector infrastructure projects (*Ishak Ismail, Asadullah Khan, Muhammad Waris, Hasnah Haron and Bachtiar H. Simamora*). The following articles is about knowledge retention strategy evaluation & knowledge management system design at plastic injection company in Indonesia (*Leo Adi Anggoro and Bachtiar H. Simamora*); predicting purchase intention toward halal packaged food from non-muslim manufacturers, a comparative study of muslim in Thailand and Indonesia (*Athapol Ruangkanjanases and Tassaya Sermsaksopon*); comparative analysis of the Kurdish problem in Turkey and the issue of Chinese In Malaysia within the context of nation-state and ethnic differences (*Musa Yavuz Alptekin*); preferences of UNIPIN mobile application using conjoint analysis, as case study at PT. Dua Puluh Empat Jam Online (*Marliana and Natalia*) and the last article is about gender stereotype role in the business success of women entrepreneurs in Indonesia (*Hendry Hartono, Wella Luhur, Sasmoko, Nugroho Juli Setiadi and Abdul Aziz Abdulah*)

We would like to thank the contributors as well as the reviewers for their commitment and patience which made this third edition a successful endeavor. It is hoped that this publication would be an encouragement for researchers from around the world to be more active in publishing their research papers many more with good quality research paper that are insightful for academics and practitioners alike.

Special thanks to the Editorial Board Member, International Advisory Board and, Dr Nayan Kanwal as the consultant for the guidance and support in making this publication possible. This will continue to motivate us to do more and better and bring IJOBEX in to international arena sooner.

Bachtiar H. Simamora, M.Sc., PhD.

Editor-in- Chief

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June 2019

International Journal of Organizational Business Excellence
Vol. 2 (1) Jun. 2019

Contents

Foreword	i
Bachtiar H. Simamora	
 Exploring the Role of Project Governance and Stakeholder Management in Public Sector Infrastructure Projects	 1
<i>Ishak Ismail, Asadullah Khan, Muhammad Waris, Hasnah Haron and Bachtiar H. Simamora</i>	
 Knowledge Retention Strategy Evaluation & Knowledge Management System Design at Plastic Injection Company in Indonesia	 11
<i>Leo Adi Anggoro, Bachtiar H. Simamora</i>	
 Predicting Purchase Intention toward Halal Packaged Food from Non-Muslim Manufacturers: A Comparative Study of Muslim in Thailand and Indonesia	 21
<i>Athapol Ruangkanjanases, Tassaya Sermsaksopon</i>	
 Comparative Analysis of The Kurdish Problem in Turkey and The Issue of Chinese in Malaysia within The Context of Nation-State and Ethnic Differences	 31
<i>Musa Yavuz Alptekin</i>	
 Preferences of UNIPIN Mobile Application using Conjoint Analysis (Case Study: PT. Dua Puluh Empat Jam Online)	 37
<i>Marliana and Natalia</i>	
 Gender Stereotype Role in The Business Success of Women Entrepreneurs in Indonesia	 59
<i>Hendry Hartono, Wella Luhur, Sasmoko, Nugroho Juli Setiadi and Abdul Aziz Abdulah</i>	



EXPLORING THE ROLE OF PROJECT GOVERNANCE AND STAKEHOLDER MANAGEMENT IN PUBLIC SECTOR INFRASTRUCTURE PROJECTS

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Abstract

In developing countries, governance of public sector projects is becoming increasingly more complex due to the varying nature of stakeholders and their expectations from the government to address their interest. As a result, policymakers and sponsoring agencies are more focusing on stakeholder management to ensure smooth execution, high performance and achieving desired outcomes. This study has conducted a systematic appraisal of the relevant literature to explore the thematic discussions on the role of project governance and stakeholder management in public sector infrastructure projects of Pakistan. The analysis reveals that project governance and stakeholder management is not widely been discussed in the Pakistan specific studies. Therefore, this research proposes project governance and stakeholder management as key concerns of government decision-making strategies.

Keywords: project governance, stakeholder management, project governance, infrastructure projects, Pakistan.

INTRODUCTION

Organizations initiate projects with the best intentions to succeed, but many projects are unable to achieve the desired goals. Scholars and practitioners have endeavoured to improve the project performance by focusing on the capability of project team members and developing tools and techniques (Besner & Hobbs, 2012). Conventionally, the aftermaths of projects have been measured in terms of completing them within the constraints of scope, time, cost and quality. However,

gradually the assessments of projects are being extended to stakeholder management and project governance to include their ability to achieve strategic goals.

The notion of governance has also been linked to the projects in last few decades and some of the relevant aspects have been addressed i.e. guidelines have been developed to support and guide projects by 'governance of project management' (APM, 2004; PMI, 2016). On the project level, project governance was proposed, which is a new paradigm of governance (Crawford et al., 2008). Project management scholars have recommended project governance as a requirement to solve the problems at all the stages of project development (Cicmil & Braddon, 2012; Flyvbjerg, 2013; Garland, 2009; Williams & Samset, 2012).

ARTICLE INFO

Article history:

Received: 20 January 2019

Accepted: 14 April 2019

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Project professionals and teams involved in the infrastructure projects have to manage complex activities like managing stakeholders, who have certain interest and power in the project because of the involvement (Hietbrink, Hartmann, & Dewulf, 2012). Stakeholders involved in the initiation to the implementation process of public sector infrastructure project has made it even more complex. Effective stakeholder management has become vital for the attainment of the desired goals of the project. (Beringer, Jonas, & Kock, 2013; Parnell, Driscoll, & Henderson, 2011). According to Beckers and Stegemann (2013), one of the main causes of project failure in infrastructure projects is the ineffective stakeholder management. Stakeholder management and engagement adds value for all relevant stakeholders (Hietbrink et al., 2012). On the other hand, due to complexity and uncertainty in the projects, numerous problems arise because of inadequate stakeholder engagement.

In the recent years, public sector performance measurement of infrastructure projects has attracted much attention in the literature. Public sector project management is gradually becoming an imperative subject matter for both the project management environment as well as the public sector, due to the demands for improvement in accountability and organizational effectiveness in public sector organizations (Lawani & Moore, 2016). Though the developed nations like the United Kingdom and Australia have records of achievements in managing public sector developmental projects (Blakeegg, Williams, & Shiferaw, 2016), but there is a dire need for better understanding of project management practices in the context of developing countries. In developing countries, Pakistan is considered as an important part of China's New Silk Road Initiative One Belt One Road (OBOR). The OBOR strategy introduced by the Chinese Government in 2013 refers to the new Silk Road Economic Belt that connects China with Europe through Central, Western and Southeast Asian countries (Ahmed, Arshad, Mahmood, & Akhtar, 2017). The geographic

importance of Pakistan in general and that of Gwadar Port, in particular, is significant to China's policymakers in overcoming oil supply challenges in future and uncovering Western China to the world through economic connectivity (Shaikh, Ji, & Fan, 2016). In this context, there is a need to enhance the performance of the public sector infrastructure development project in Pakistan.

Rationale of the Study

Execution of public sector infrastructural projects has gained much attention in developing economies. Countries are adopting new strategies and frameworks for execution of the public-sector projects. In Pakistan, unfortunately, research on stakeholder management in public sector infrastructure projects is a much-neglected sphere.

The paper aims to explore the role of project governance and stakeholder management in public sector infrastructure development projects in Pakistan. It is also envisioned to propose recommendations and policy guidelines for enhanced performance of public sector infrastructure projects.

MATERIALS AND METHODS

The methodology employed in this study is based on the qualitative data analysis of academic journals and official documents. A review of the previous studies pertaining to public sector organizations of Pakistan was carried out through an extensive search. The interpretative approach was used for the review process, which offers an inclusive summary of the topic area (Grant & Booth, 2009). Data were thematically evaluated to classify and report the hidden and apparent patterns in the content (Vaismoradi, Turunen, & Bondas, 2013).

Articles for the review were searched from the scholarly database i.e. Science Direct, Emerald and Taylor Francis Online database. Initially research articles related to Project Management were gathered and consequently, those relating to public sector infrastructure projects of Pakistan were filtered using the key phrases "Stakeholder

Management”, “Public sector infrastructure projects”, “Project Planning” and Project Governance” within the article title, abstract or keywords. Google Scholar was used to classifying the research articles which exist within the scope of this study. The researcher has also evaluated the official planning guidelines PC-I, PC-II, PC-III, PC-IV and PC-V (whereas PC stands for Planning Commission of Pakistan). These guidelines are the prerequisites under the regulations for approval of public sector projects.

This review process offers an inclusive summary of all topic area and comprised of

thematic analysis. The initial search was conducted through academic databases to retrieve the articles. Keywords were used to search the literature. In the second stage, filtering process was undertaken to remove the irrelevant studies to ensure that all retrieved papers could be investigated using an identical analytical construct in terms of research aims. After the filtering process, the articles were retained for the final review and analysis. Figure 1 illustrates the analytical framework that was used to examine the main concerns of this study.

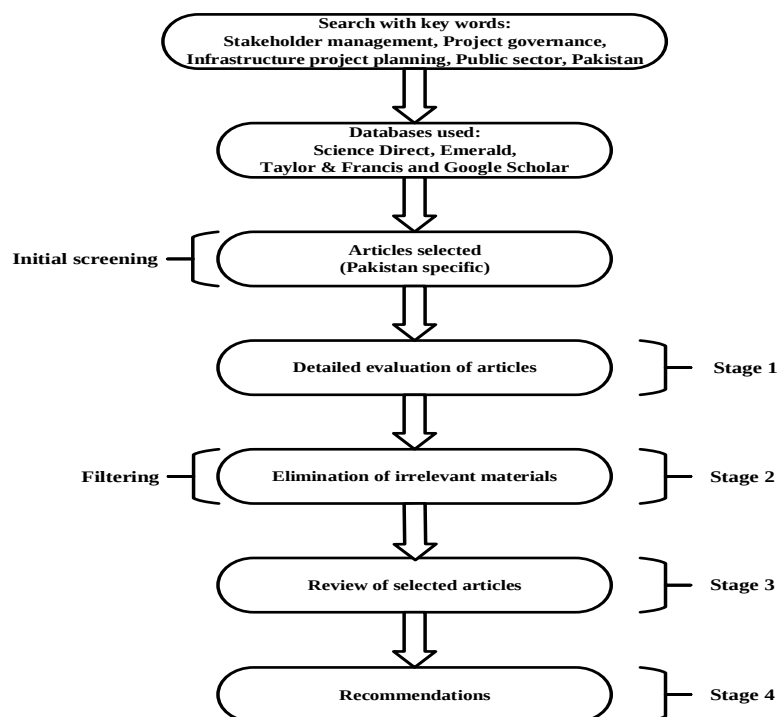


Figure 1. Methodological framework

LITERATURE REVIEW

Project governance is an emerging theme that has been associated with stakeholders in the public-sector projects. The concept of governance raises the issues related to economic and social responsibilities and collective actions for power dependence among related institutions and getting the things done not depending upon the governmental machinery (Meso, Musa, Straub, & Mbarika, 2009). Garvin (2009) has stressed the motivation of stakeholders for project goals towards achieving good governance. The

academic-research perspective has also befitted that governance is an important concern of sponsors for mega investment and, subsequently, it affects the project outcomes (Sharma, 2012). The common objective of governance systems is the elimination of project failure and possible repetition of these systems in future public projects (Guo, Chang-Richards, Wilkinson, & Li, 2014).

The conventional approach to evaluating project management has assessed outcomes in terms of project scope, budget, and schedule (PMI, 2013). However, increasingly, evaluations

are being expanded to include the concept of project governance. The term project governance has been used in the context of project management (Bekker & Steyn, 2007). In projects, governance takes place in groups of projects and at portfolios of projects, where the stress is on collective governance, which is viewed as governance of projects (Müller & Lecoivre, 2014). McGrath and Whitty (2015) have described project governance as “the system by which a project is governed, directed and controlled. Project governance is involved in management and governance functions for individual projects and their deliverables (Too & Weaver, 2014). The major aim of an operative project governance mechanism is to bring into line the project goals with the organization's strategy and objectives (Biesenthal & Wilden, 2014).

Project governance combines the formal and informal institutional processes and mechanisms for the collaborative relationship among different project stakeholders (Levitt, Henisz, Scott, & Settel, 2010). Project teams in the infrastructure projects have to manage complex activities like managing stakeholders, who have certain interest and power in the project because of the involvement (Hietbrink et al., 2012). Various stakeholders involved in the initiation to the implementation process of public sector infrastructure project has made it even more fragmented. For the project success, effective stakeholder management has become essential (Parnell et al., 2011).

To ensure project success it's very important to involve the stakeholders in the projects and also understand their needs and requirements (Aaltonen, Jaakko, & Tuomas, 2008). In mega infrastructure projects, one of the main causes of project failure is the failure to manage the stakeholders (Beckers & Stegemann, 2013). According to Karlsen (2002), in construction projects, poor stakeholder management could cause many negative impacts such as “poor scope and work definition, insufficient resources assigned to the project in terms of quantity and quality, poor communication, changes in the scope of work and unforeseen regulatory changes”. Hence, numerous

scholars have also stressed the significant role of stakeholder management in project success (Rajablu, Marthandan, & Yusoff, 2014).

RESULTS AND DISCUSSIONS

In the recent years, public sector performance measurement of infrastructure projects has attracted much attention in the literature. Application of project management tools and techniques are at initial stages of specification and application in less developed countries. Developing economies need to pay attention to widespread infrastructural potential in order to and withstand and attain the economic prosperity and aspire towards the criterions of the developed countries.

Though the developed nations like the United Kingdom and Australia have records of achievements in managing public sector developmental projects (Klakegg et al., 2016), but there is a dire need for better understanding of project management practices in the context of developing countries. According to Lawani and Moore (2016), project management is an effective approach for developing countries for successful completion of projects and to the achieve the developmental goals. In developing countries, Pakistan is considered as an important part of China's New Silk Road Initiative One Belt One Road (OBOR). The OBOR strategy introduced by the Chinese Government in 2013 refers to the new Silk Road Economic Belt that connects China with Europe through Central, Western and Southeast Asian countries (Ahmed et al., 2017). The geographic importance of Pakistan in general and that of Gwadar Port, in particular, is significant to China's policymakers in overcoming oil supply challenges in future and uncovering Western China to the world through economic connectivity (Shaikh et al., 2016). In this context, there is a need to enhance the performance of the public-sector infrastructure development project in Pakistan. The responsibility for the appraisal of public sector infrastructure projects is vested with the Planning Commission of Pakistan (PC, 2010; Tahir, 2005). Investments in the infrastructure

projects are growing at an enhanced pace in Pakistan, however, available resources of the country are not matching the demand of for effective initiation to the implementation process of such project. It is not merely because of the limited fiscal space, but there is severe lack of capacity in the public-sector organizations to develop viable infrastructure (Noor, Khalfan, & Maqsood, 2012). Infrastructure and construction sector is an important sector and has significance to Pakistan's economy (Azhar, Farooqui, & Ahmed, 2008). It's the largest sectors which generate employment within the country and key driver for economic development in the country (Azhar et al., 2008). Despite the fact that the infrastructure development projects have a significant role in the economic development of the country, it has been witnessed that not much consideration has been paid to handle the problem associated in this sector. Public sector development projects in Pakistan are not performing well due to the lack of vision, poor planning and governance, blurred scope, ambiguous roles and responsibilities, the dearth of clear goals, miscommunications and procurement leakages (Ahmed & Mohamad, 2014). The average planned time for the accomplishment of public sector infrastructure projects was thirty months but usually, the projects completed in an average time of sixty-eight months which is more than 100% extra time for the completion of projects. The projects took 130% extra time for completion. The main reason for this delay is the inadequate planning process of the govt. machinery (Ahmed & Mohamad, 2014).

In order to improve the reliability, success, and efficiency of public sector development projects in Pakistan it's essential to adopt new synchronized "approaches" which have been used by the developed world (Qureshi, Warraich, & Hijazi, 2009). The current practices of the public sector project management system of Pakistan are not effective and it's vital to enhance the implementation capacity to reduce the failure of the project (Rehman, Khan, & Khan, 2011a). For a higher level of efficiency, a constant progress in project

performance is critical in developing countries like Pakistan. Higher management must delegate powers, provide resources, support in crises and decision of the project team to improve the rate of project success in Pakistan (Ahmed & Mohammad, 2014). Usually, the top level hierarchy is not directly involved in working procedures due to the gap in different management layers and the work setting is different from western countries in Pakistan (Haque & Anwar, 2012). Important messages are not disseminated appropriately by the higher management to the project managers, which is one of the important reason for project failure in the public sector (Sial, Usman, Zufiqar, Satti, & Khursheed, 2013). In Pakistan, a consistent and wide-ranging effort is needed to address the importance of project management practices, which is essential for survival & growth for public sector organization and to achieve strategic objectives (Unab & Kundi, 2014). It is to be ensured that employees of public sector development projects must use the project management tools & techniques.

Addressing the infrastructural needs especially in view of the current economic scenario of Pakistan, government agencies and construction industry stakeholders have to explore more efficient and effective ways of delivering the projects. Therefore, project governance and stakeholder management could be an essential strategy for attaining better project performance in public sector infrastructure projects of Pakistan. Table 1 has summarized findings of the literature review of the of last decade. Findings of the review show that the researchers have not comprehensively addressed the themes of project governance and stakeholder management in the studies pertaining to Pakistan. The findings further reveal that the two important themes have not been addressed by the policymakers and professionals as well, which is one of the causes of unsatisfactory performance of public sector infrastructure projects. As iterated above, the main reasons of unsatisfactory performance of governmental projects in Pakistan is due to ineffective stakeholder

management, weak project governance layered organizational structure.
mechanism and bureaucratic style multi-

Table 1. Summarized findings of the literature

References	Themes				
	Project management	Stakeholder management	Professional expertise	Project performance	Project governance
(Gazder & Khan, 2018)	✓	✓	✓	✓	
(Ahmad, Asmi, Ali, Rahman, & Abbas, 2017)				✓	
(Irfan & Hassan, 2017)		✓		✓	
(Khattak, Mustafa, & Shah, 2016)	✓				
(Choudhry, Aslam, Hinze, & Arain, 2014)	✓	✓			
(Unab & Kundi, 2014)	✓				
(Ahmed & Mohamad, 2014)				✓	✓
(Noor, Khalfan, & Maqsood, 2013)	✓				
(Sial et al., 2013)	✓		✓	✓	
(Noor et al., 2012)	✓		✓		
Test (Rehman, Khan, & Khan, 2011b)	✓		✓		
(Qureshi et al., 2009)	✓				
(Azhar et al., 2008)	✓				

CONCLUSIONS

A proper project governance mechanism is essential for the public-sector infrastructure development projects in Pakistan to attain potential future benefits. The mechanism must ensure the representation of all the stakeholders and confer legitimacy on decisions related to the projects. Without proper governance mechanism, only the loudest voices get heard and the possibility of crises and project failure is also higher.

This review has opened avenues for further research in project governance practices and stakeholder management in the public sector infrastructure projects in other developing countries. A more pragmatic research is envisaged to broaden the understanding of governance and stakeholders within project-based organizations to have a deeper insight into the management practices.

RECOMMENDATIONS

Pakistan needs to establish a comprehensive stakeholder management and project governance mechanism for the execution of development projects. The strategy must be evolved with a clear vision for the development of public sector infrastructure project. The

process may take as long time period, but there are no shortcuts. However, a start must be made if the government wants to continue targeting high growth rates in the future. In this regard, Planning commission of Pakistan should take following steps.

- Establish transparent and accountable project governance and planning process.
- Identification of the public-sector infrastructure projects through engaging all the stakeholders without considering the political influence.
- Ensure public participation and stakeholder management in the projects.
- The bureaucratic complication, corruption, and nepotism have to be wiped out for administrative efficiency
- Develop a mechanism of project governance and stakeholder management during the process of planning and execution of the projects.
- Maximum utilization of internal resources and mutual consensus among all political parties on development issues.

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KNOWLEDGE RETENTION STRATEGY EVALUATION & KNOWLEDGE MANAGEMENT SYSTEM DESIGN AT PLASTIC INJECTION COMPANY IN INDONESIA

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Abstract

The potential of knowledge loss when an employee retires or resigns is high at PT. XYZ a plastic injection company in Indonesia. Therefore, it is required to evaluate their knowledge retention strategy (KRS) and developing a knowledge management system (KMS). The evaluation of KRS using Organizational Knowledge Retention Framework developed by David DeLong and for designing KMS model using the 10-Step KM Roadmap method developed by Amrit Tiwana. Through a well-developed KRS and KMS design model, PT. XYZ can overcome the problem of losing the knowledge that occurs because employees retire or resign.

Keywords: Knowledge Loss, Knowledge Retention Strategy, Knowledge Management System.

INTRODUCTION

The era of globalization is characterized by the rapid development of science and technology and supported by innovation in various fields of life. In order to face increasingly severe competition, it is necessary to change organizational paradigms from previously relying on resources to knowledge-based. This knowledge-based paradigm relies on developing data mining, data warehouses, intelligent agents, case-based reasoning, etc. Another effort that needs to be done in the future is the development of human resources and the culture of knowledge sharing among employees is very important in order to improve human capacity to produce innovation. In the context of maintaining organizational existence, knowledge management is a necessity for every

organization. Knowledge management itself can be interpreted as a systematic action to identify, document, and distribute all relevant knowledge tracks to each member of the organization, with the aim of improving organizational competitiveness. Knowledge is increasingly recognized as the most important economic resource, exceeding the traditional resources of capital, labor and land (Drucker, 1992). In addition, the role of knowledge in increasing operational efficiency and effectiveness is undeniable (DeLong, 2004).

Knowledge management is a process of identifying, developing, and utilizing knowledge throughout an organization with the aim of achieving a competitive advantage (Alavi & Leidner, 2001). In addition, knowledge management must focus on intellectual capital and human resource strategies that stimulate worker creativity and innovation (Bevern, 2002). Knowledge management involves a broad spectrum of activities, designed to enable management, exchange, creation, or increase in intellectual assets in an organization (Halawi, Aronson & McCarthy, 2005). Knowledge management is a strategy

ARTICLE INFO

Article history:

Received: 12 February 2019

Accepted: 25 April 2019

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framework that helps both organizations or individuals to create, record, analyze, use and reuse knowledge to achieve competitive advantage as the result of the interaction of people, process and technology (Bhatt, 2001). In addition, organizational knowledge retention is an important part of knowledge management. Knowledge loss can be caused by employee departures, outsourcing, resistance to learning, information technology (IT) breakdowns, or unexpected events (Daghfous, Belkhodja & Angell, 2013).

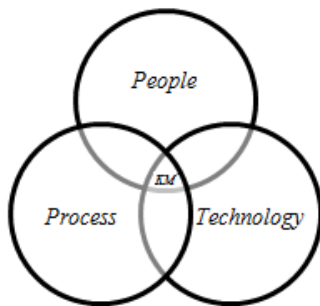


Figure 1. Knowledge Management

Several ways have been found to increase organizational knowledge retention and minimizing unintentional knowledge loss. Human resources and knowledge management strategies have been proposed to deal with knowledge retention (DeLong, 2004). Unintentional corporate knowledge loss tends to view loss as a consequence of a lack of retention (Levallet & Chan, 2016). There are, therefore, two main research questions for this study:

RQ1. How effective is knowledge retention strategy at PT. XYZ?

RQ2. How is the design model of knowledge management system in accordance with the needs of PT. XYZ?

The main objective of this study is to develop knowledge retention strategy and model design knowledge management system that suit the needs and conditions of PT. XYZ to solve problems with knowledge loss and make it easier for PT. XYZ to manage, store, and disseminate knowledge that exist in the

company so that it can help to be more innovative and boost the competitiveness of the company against its competitors. There are four types of initiatives in implementing knowledge retention in companies (DeLong, 2004). The four types of initiatives are as follows: HR processes and practices; knowledge transfer practices; IT application to capture, store & share knowledge and knowledge recovery initiatives.

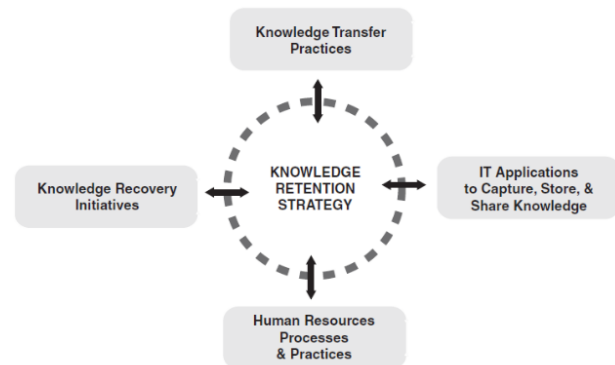


Figure 2. Framework for Organizational Knowledge Retention.

HR processes, policies, and practices have at least five areas that create the organizational infrastructure for knowledge retention. Five areas in HR processes, policies, and practices are as follows: systems for evaluating skill/knowledge base, career development/succession planning processes, building a retention culture, phased retirements programs and reinventing recruiting processes.

Infrastructure processes, policies, and practices are also important for supporting long-term knowledge retention needs, but the organization also need to institutionalize an elaborate set of practical knowledge transfer practices. In addition, IT applications to capture, store, and share knowledge have four types of systems as follows: expert locator systems, application to accelerate learning, capturing knowledge, mapping human knowledge. But every organization will also inevitably lose some critical knowledge. In responding to this situation, there are three ways of knowledge recovery programs as follows: programs for effectively utilizing retirees and outsourcing lost capabilities. The

initial capture of knowledge is an important step to mitigate knowledge loss, but it should also be followed by its conversion to social knowledge, notably well-designed IT-based ones (Levalett & Chan, 2018). In addition, Tiwana has developed 10-steps knowledge management roadmap (Tiwana, 2002).

There are four phases in the 10 steps of the roadmap as follows: infrastructural evaluation; knowledge management system analysis, design, and development; system deployment; and evaluation. The first phase involves analyzing existing infrastructure and aligning knowledge management and business strategy. The second phase involves designing the knowledge management architecture and integrating existing infrastructure; auditing and analyzing existing knowledge; designing the knowledge management team; creating the knowledge management blueprint; and developing the knowledge management system. The third phase involves deploying with RDI methodology and change management, culture, reward structure design, and choice of the Chief Knowledge Officer. The last phase involves measuring the results of knowledge management, devising ROI metrics, and evaluating system performance.

MATERIALS AND METHODS

The researchers follow DeLong to evaluate knowledge retention strategy. This research

uses a self-developed questionnaire as the instrument. The process of extracting information for HR process & practices and knowledge initiatives recovery using interview while the practice of knowledge transfer and IT applications to capture, store and share knowledge using a questionnaire.

The researcher then designed the proposed knowledge retention strategy roadmap in accordance with the results of the analysis of the implementation of the current knowledge retention strategy. In addition, the researcher designed the knowledge management system model by using The 10-Step Knowledge Management Roadmap developed by Amrit Tiwana. In this study, the knowledge management system model is limited to the first and second phases.

RESULTS & DISCUSSIONS

Analysis of the application of knowledge retention strategy is conducted on data collected using interviews and questionnaires based on Framework Organizational Knowledge Retention developed by David DeLong. Following are the results of interviews related to HR processes and practices and knowledge recovery initiatives with HR Department PT. XYZ.

Table 1. *Interview results HR processes & practices dan knowledge recovery iniatives*

Initiative	Area	Availability (Yes/No)	Remark	Conformity Level
HR processes & practices	Systems for evaluating skill/knowledge base	Yes	Human Resource Information System Application	4
	Career development program	Yes	Supervisory Development Program and Manager Development Program	5
	Employee retention program	Yes	Performance management systems, personal development programs, recruitment and compensation system according to regulations.	4
	Phased retirements program	Yes	Contract employee program for retired employees	4
Knowledge recovery	Retirement employee recruitment program	Yes	Contract employee program for retired employees	4
	Outsource knowledge & skill program	No	Budget limitations	2

Based on the results of the interview, it can be seen that the average suitability level of the implementation of HR processes & practices initiatives is 4.25. While for the application of knowledge recovery initiatives it is known that the average level of conformity is 3.00. Then, analysis of the application of knowledge transfer practices and IT applications to capture, store & share knowledge using a questionnaire method provided to employees of PT. XYZ with a managerial position. The distribution of questionnaire respondents is as follows:

Table 2. *Survey Respondent*

Department	Sample	Response	Percentage
Finance & Accounting	6	5	83%
IT	5	5	100%
HRD	7	6	86%
Logistic	2	2	100%
R&D	2	2	100%
Production	9	6	67%
Engineering	5	4	80%
Marketing	4	3	75%
Total	40	33	83%

Validity tes with significance level 5%.

Table 3. *Validity Test*

Question	r value	r table	Remark
Q1	0.791	0.3440	Valid
Q2	0.849	0.3440	Valid
Q3	0.849	0.3440	Valid
Q4	0.528	0.3440	Valid
Q5	0.871	0.3440	Valid
Q6	0.831	0.3440	Valid
Q7	0.847	0.3440	Valid

Furthermore, the reliability coefficients are measured using Cronbach's alpha for each variable. The Cronbach's alpha is 0.7443 so it can be concluded that the data is reliable because the value of Cronbach's alpha is > 0.7.

Table 4. *Survey Results*

Question	Conformity Level
Knowledge Transfer Practices	
Do you ever provide training to other employees?	4.00
Do you ever do mentoring to employees under you?	4.21
Is routine sharing session conducted?	4.12
Average	4.11

IT Application to Capture, Store & Share Knowledge

Is Internet connectivity here can be accessed by all employees?	4.52
Do you have access to procedures / work instructions online?	1.45
Are the online discussion forums is already available?	1.33
Are the tools for you to share knowledge online already available?	1.55
Average	2.21

Based on interviews and questionnaires related to knowledge retention strategy resulting gap analysis strategy for each initiative. The gap analysis shows that knowledge retention strategy at PT. XYZ still needs to be improved further. The initiative that needs to be followed up immediately is an IT application. This gap analysis will be the basis for developing roadmap knowledge retention strategy.

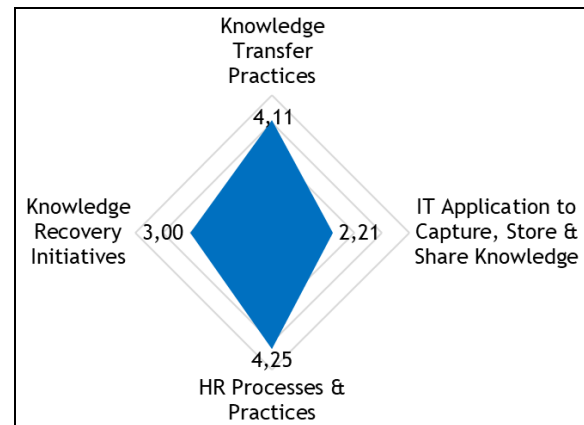


Figure 4. Gap Analysis Implementation Knowledge Retention Strategy

Knowledge retention strategy roadmap at PT. XYZ begins with the preparation of topics and objectives. Based on the results of the condition analysis of the current knowledge retention strategy, the proposed initiatives are as follows:

- First priority: IT application to capture, store & share knowledge initiatives with the objective of applications to accelerate learning and capture knowledge. The IT application initiative is the first priority initiative because currently there is no IT application that can be used to carry out capture, store & share knowledge activities in PT. XYZ.

- Second priority: Knowledge transfer practices initiative with objective training, mentoring and communities of practice. The initiative of knowledge transfer practices is the second priority because according to DeLong (2004) the knowledge retention process cannot only rely on IT applications but must be balanced with daily knowledge transfer activities either through mentoring or communities of practice.
- Third priority: HR processes & practices initiatives with objective systems for evaluating skills/knowledge bases, career development/succession planning processes, building a retention culture, reinventing recruiting processes, and phased retirements programs.
- Fourth priority: Objective knowledge recovery initiatives, programs for effectively utilizing retirees, outsourcing lost capabilities and regenerating lost knowledge.

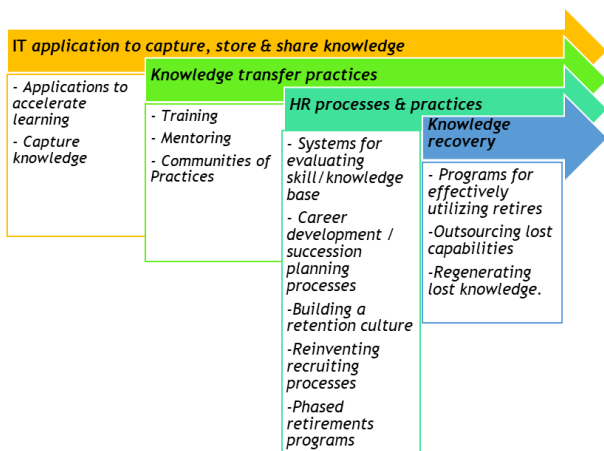


Figure 5. Roadmap Knowledge Retention Strategy

This study will only focus on discussing the first priority in the knowledge retention strategy roadmap which is IT application to capture, store & share knowledge initiative with the objective of applications to accelerate learning and capture knowledge so that the next step is to design the knowledge management system model. The design of the

knowledge management system model is based on the 10-step knowledge management roadmap developed by Tiwana. The stages to be carried out in this research are up to the second phase, namely infrastructure evaluation and analysis, design, and development of knowledge management systems. The third and fourth phases were not carried out in this study because this phase is the deployment and evaluation phase which means that the knowledge management system is active in the production environment. Researchers use Zack Framework to map and conduct knowledge gap analysis to identify gaps between the knowledge that the company already has and the knowledge that the company needs to have.

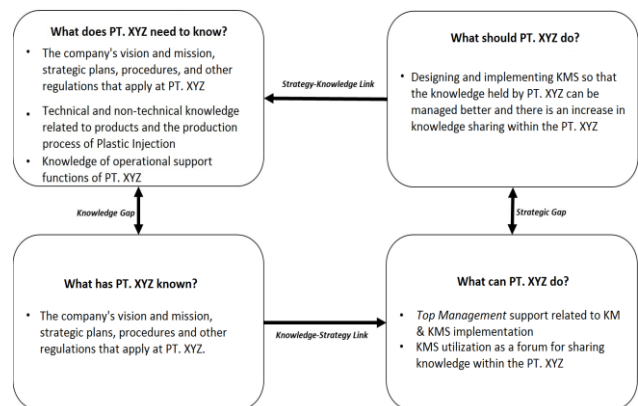


Figure 6. Results of Gap Analysis with Zack Framework

The next step is designing the blueprint of knowledge management system. There are two roles in the knowledge management system: user and administrator. In context of module, there are 3 modules in this knowledge management system. The modules are as follows:

- **Jenius Center**
Jenius Center is a module for storing knowledge in the form of articles, writings, and other supporting data.

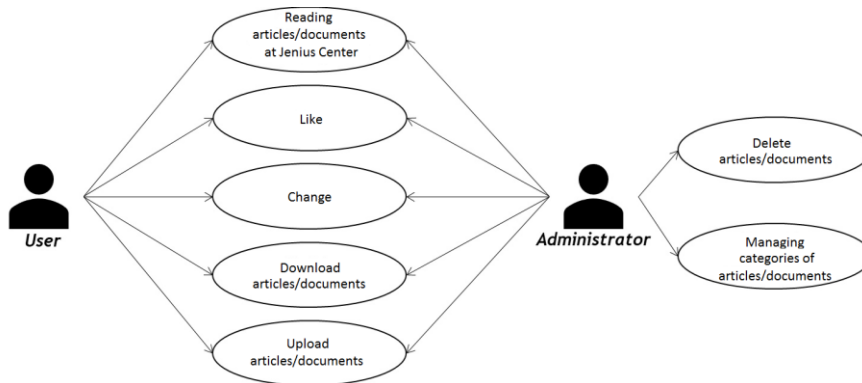


Figure 7. Use Case Diagram Jenius Center

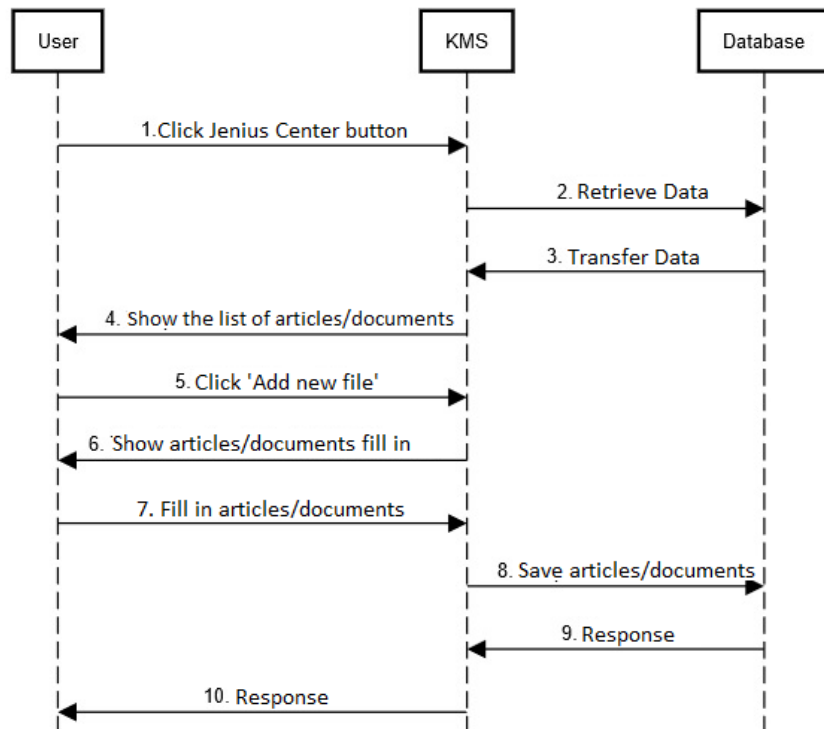


Figure 8. Sequence Diagram Jenius Center

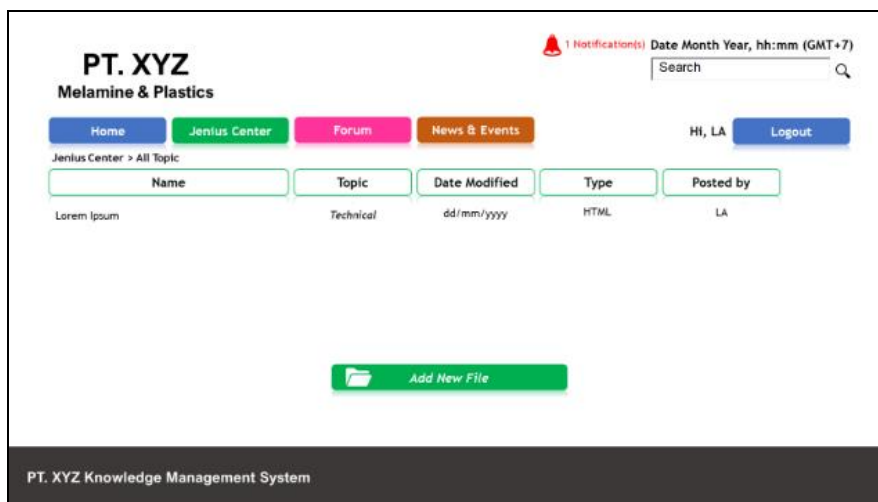


Figure 9. User Interface Jenius Center

• Discussion Forum

Discussion forums is a module where users can discuss each other openly by opening new

topics if there are things that want to be consulted and discussed with other users.

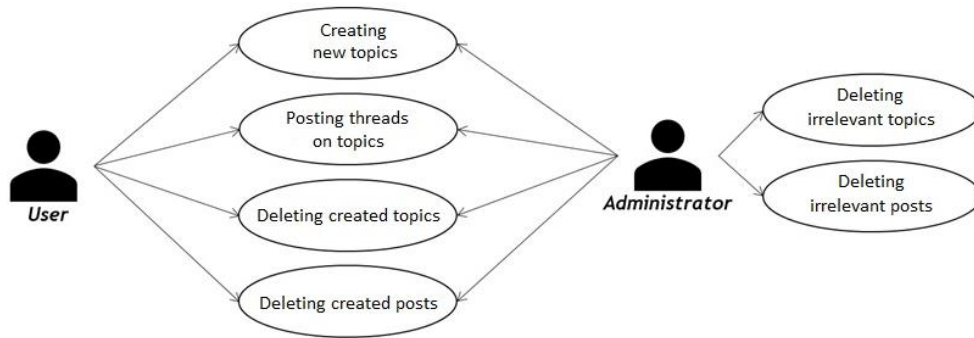


Figure 10. Use Case Diagram Discussion Forum

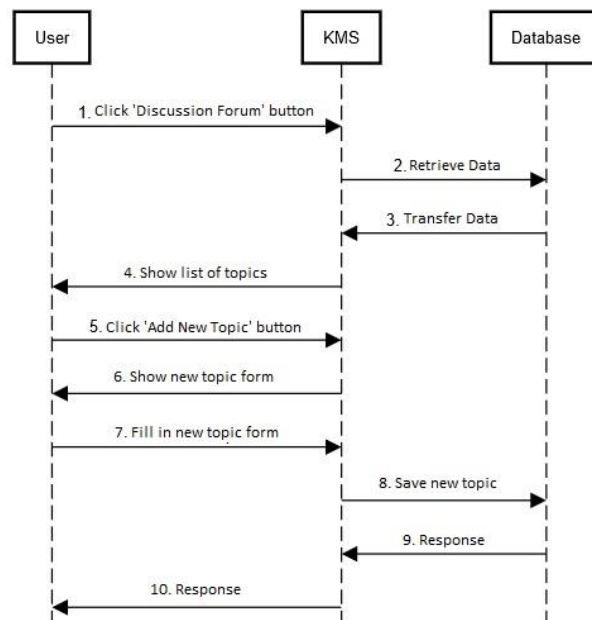


Figure 11. Sequence Diagram Discussion Forum.

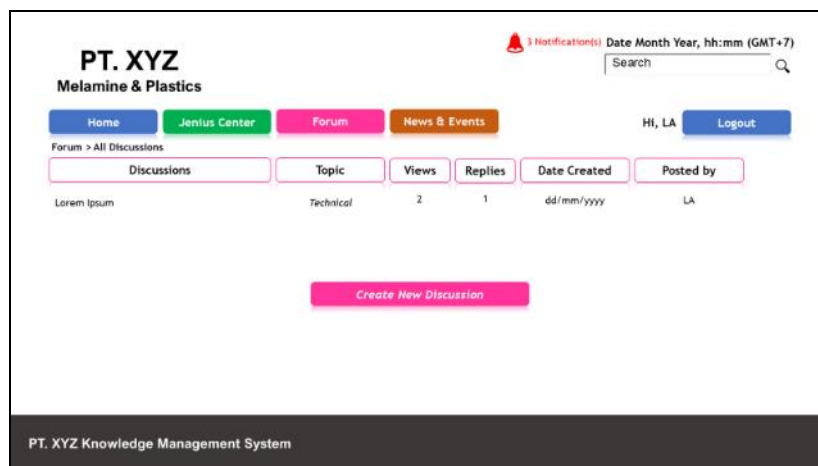


Figure 12. User Interface Discussion Forum.

- News & Events

News & Events is a module that can be used to share news or announcements related to PT. XYZ.

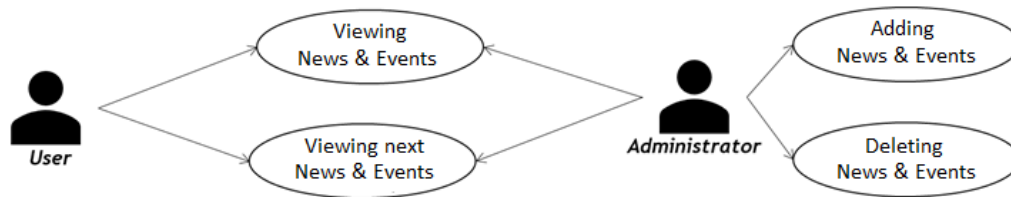


Figure 13. Use Case Diagram News & Events

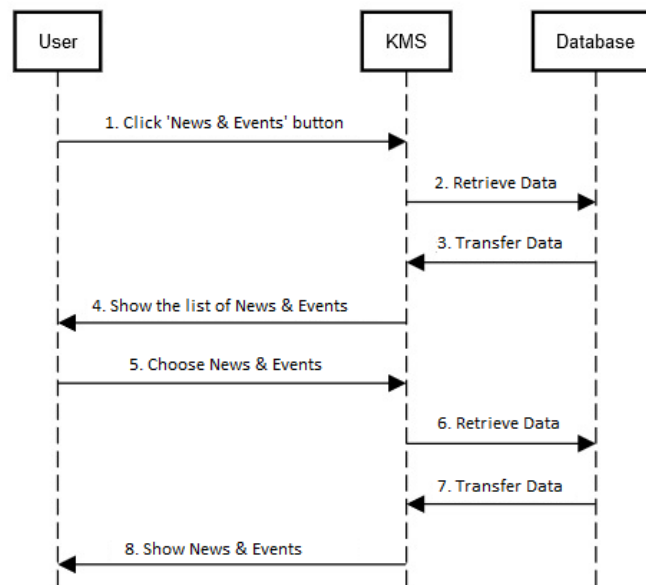


Figure 14. Sequence Diagram News & Events

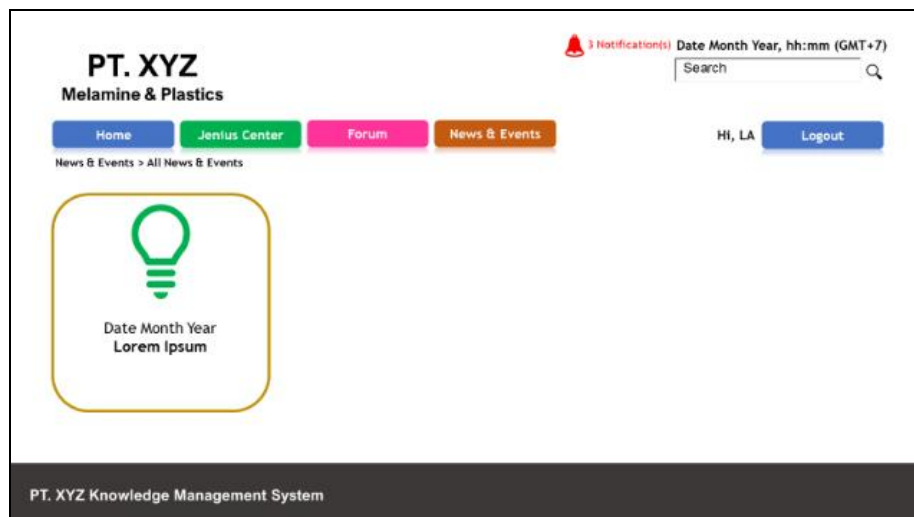


Figure 15. User Interface News & Events

The next step in this study is to evaluate the proposed knowledge retention strategy and knowledge management system design. This

evaluation process uses a questionnaire distributed to employees of PT. XYZ with a managerial position. The distribution of questionnaire respondents is as follows.

Table 5. *Survey Respondent*

Department	Sample	Response	Percentage
Finance & Accounting	6	4	67%
IT	5	5	100%
HRD	7	5	71%
Logistic	2	2	100%
R&D	2	2	100%
Production	9	8	89%
Engineering	5	5	100%
Marketing	4	2	50%
Total	40	33	83%

Validity tes with significance level 5%.

Table 6. *Validity Test*

Question	r value	r table	Remark
Q1	0.474	0.3440	Valid
Q2	0.531	0.3440	Valid
Q3	0.889	0.3440	Valid
Q4	0.785	0.3440	Valid
Q5	0.885	0.3440	Valid

Furthermore, the reliability coefficients are measured using Cronbach's alpha for each variable. The Cronbach's alpha is 0.8524 so it can be concluded that the data is reliable because the value of Cronbach's alpha is > 0.7 . Based on the evaluation as much as 83.84% of respondents stated Strongly Agree to the proposed knowledge retention strategy and 76.36% of respondents stated Agree to the design model of KMS in dealing with KL problems that occur at PT. XYZ because employees retire or resign.

CONCLUSIONS

From this research, it can be concluded that 1) Knowledge retention strategy implementation at PT. XYZ still needs improvement, 2) Knowledge retention roadmap first priority is IT application to capture, store & share knowledge. Followed by knowledge transfer practices, HR processes & practices and knowledge recovery, 3) Knowledge management system model design are focuses on capture knowledge and applications to accelerate learning with the following modules: Jenius Center; Discussion Forum; and News & Events, 4) The proposed knowledge retention strategy and knowledge management system design can overcome the

problem of losing knowledge that occurs because employees retire or resign.

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PREDICTING PURCHASE INTENTION TOWARD HALAL PACKAGED FOOD FROM NON-MUSLIM MANUFACTURERS: A COMPARATIVE STUDY OF MUSLIM IN THAILAND AND INDONESIA

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Abstract

Halal packaged food products have attracted much attention in ASEAN where its largest member, Indonesia, is the world's most populous Muslim country and is a major market in the region. For non-Muslim country like Thailand, Islam also has significant role being the second popular religion after Buddhism. Although Islamic population in Thailand is not as great as in Islamic countries, Thailand plays a substantial part in halal business as being recognized as a food production base exporting halal food worldwide. Therefore, the major objective of this study is to identify and analyze the significant factors that influence purchase intention of Thai and Indonesian Muslims toward halal packaged food products from non-Muslim manufacturers. This study used a survey to collect data consisting of 200 Thai respondents and 200 Indonesian respondents. The results indicated that product ingredients significantly influenced consumers' intention to purchase both in Thailand and Indonesia while halal certification only significantly influenced consumers' intention to purchase in Indonesia.

Keywords: Muslim, purchase, halal; packaged-food, Thailand, Indonesia

INTRODUCTION

For over decades, halal products have attracted much attention among members of Organization of the Islamic Conference (OIC) countries. It has been estimated that the trade value of halal products in the global market has reached more than USD 600 billion and the trade will keep increasing at 20 to 30 percent annually. Of the total of potential markets for halal products, Indonesia has the highest contribution among all the countries at around 180 million people, with approximately 87.2% of Indonesia's total population identifying

themselves as Muslims [1]. Besides Indonesia, Thailand also has a large number of Muslims. There were roughly 3.5 million Muslims in Thailand in 2015 (Central Intelligence Agency, 2015). Although Islamic population in Thailand is not as great as in those OIC countries, Thailand plays a substantial part in halal business since it is one of the big players in exporting halal products to the world as well as being recognized as a food production base. Therefore, Thailand does not only consume halal products domestically, but also export internationally. However, several articles and studies revealed that there were Muslim consumers who still refused to buy non-Muslims' halal certified packaged food. The core characteristics of halal food associating with the trust and confidence in knowledge and how the product is manufactured are the key criteria that Muslim consumers always take

ARTICLE INFO

Article history:

Received: 16 February 2019

Accepted: 24 May 2019

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into consideration. As a non-Muslim producer in Thailand, it is critical to figure out whether or not a non-Muslim status is one of the factors demotivating purchase intention of Muslim consumers in such a big Islamic country as Indonesia. The study of Yunus, Rashid, Ariffin, & Rashid (2014) had discovered consumers' perception in Malaysia and was a main inspiration for this study to conduct a research under the same areas in Thailand and Indonesia.

LITERATURE REVIEW

Introduction to Halal

Halal is derived from Arabic meaning "permitted". In regard to Islamic religion, the word itself is used to refer to anything that is permitted or lawful, for example, permitted to eat, to drink, to perform, or to utilize. Halal is often used to refer to foods and drinks that are permissible for Muslims to eat or drink under Islamic Shariyah (law).

Halal Food Markets

The global Muslim population is impending 1.6 billion people. Expectedly, Muslims will be accounting for 30% of the world's population by 2025. Roughly, there are around 1.3 billion Muslims in the world and 1.5 billion halal consumers (Daganghalal, 2015).

The two strong markets for halal products, according to Riaz (1998), are Southeast Asia and the Middle East. Southeast Asia is home to more than 250 million halal consumers. Indonesia, Malaysia, and Singapore have regulations to control the import of halal-certified products for years.

Halal Packaged Food

Halal food refers to food that does not contain pork, which is by products, alcohol, blood, certain types of animals, or all kinds of meat that has not been slaughtered by the means of Islamic procedure (Hamdan, Issa, Abu, & Jusoff, 2013). This positive indication emphasizes a great opportunity in profit-making business by fulfilling demand from Muslim as well as non-Muslim consumers.

The rapid growth of halal market is not just restricted to only meat. It covers all sides of food business including packaged food industry. According to the Food Act of Malaysia (1983), "packaged food" refers to "which food is wholly or partly cased, covered, enclosed, contained, placed or otherwise packaged in any way whatsoever and includes any basket, pail, tray or receptacle of any kind whether opened or closed.

Overview of Muslim in Thailand

At present, there are approximately 4.9% of Muslims contributing in almost 68 million people in Thailand. The majority of Muslims people are concentrated in the 3 southern border provinces consisting of Pattani, Yala and Narathiwat.

Overview of Muslim in Indonesia

In Indonesia, Islam is the dominant religion in the country. Indonesia also has a larger Muslim population than any other countries in the world, with approximately 202.9 million identifying themselves as Muslim (Pew Research Center, 2009). The large number implies that approximately 13% of the total number of Muslims in the world live in Indonesia.

Factors Affecting Intention to Purchase

In reference with the study of Wilson and Liu (2011), it was revealed that Halal-conscious consumers are risk averse, which drives discerning and high-involvement behavioral traits. On the other hand, Aziz and Chok (2013) found that halal awareness, halal certification, marketing promotion, and brand were positively related to purchase intention, whereas food quality was negatively associated with it. Their findings also indicated a positive relationship between halal certification and intention to purchase.

This study was mainly adopted from previous studies such as the study of Yunus et al. (2014), where 3 independent variables – halal awareness, Islamic brand and product ingredients, were applied to evaluate Muslim's purchase intention toward non-Muslim's halal

packaged food manufacturers. The findings from another study also supports a positive relationship between halal awareness and purchase intention (Aziz & Chok, 2013), but the survey was only conducted in Malaysia. Therefore, this study attempted to discover more about Indonesian and Thai Muslim consumers as well as to provide comparative information in regard to underlying factors that influence Muslim's purchase intention in these 2 countries.

Additionally, another important variable potentially having the impact on purchase intention, namely halal certification, was included in this study since halal certification from an authorized body is important to verify that the processed food products are genuinely halal (Hamdan et al., 2013).

MATERIALS AND METHODS

Hypotheses Development and Research Model

Halal Certification

Halal certification refers to the official recognition of the orderly process of preparation, slaughtering, cleaning, handling, and other relevant management practices by the established body (Aziz & Chok, 2013) such as MUI in Indonesia and CICOT in Thailand. Although certified halal food is a requirement for Muslims, the perception of halal food in the aspect of halal certification by the non-Muslims is determined by a positive personal attitude, which may eventually influence their intention to purchase halal food. The findings of Aziz & Chok (2013) proved that halal certification had a signification positive relationship with non-Muslim consumers' intention to purchase halal products. It also implied that halal certification provided recognition and quality assurance to non-Muslim consumers when they displayed their willingness to purchase in the future. Therefore, this study hypothesizes that:

H1a. Halal certification has a significant impact on Thai Muslims' intention to purchase a non-Muslim's halal packaged food.

H1b. Halal certification has a significant impact on Indonesian Muslims' intention to purchase a non-Muslim's halal packaged food.

Islamic Brand

Alserhan (2010) described that Islamic brands can be categorized in 4 groups – True Islamic Brands (produced in Islamic country and targeted at Muslims), Traditional Islamic Brands (originated from Islamic country and targeted at Muslims), Inbound Islamic Brands (originated from Islamic country and not necessarily targeted at Muslims) and lastly, Outbound Islamic Brands (originated from non-Islamic country and not necessarily targeted at Muslims). The results of this classification indicated different attitudes, subjective norms, intentions and purchase behavior. Therefore, according to the objectives of this study, halal packaged food produced by non-Muslim manufacturers in Indonesia can be considered as Inbound Islamic Brand. On the other hand, halal packaged food produced by non-Muslim manufacturers in Thailand can be considered as Outbound Islamic Brands (Halim & Salleh, 2012). Thus, this study hypothesizes that:

H2a. Islamic brand has a significant impact on Thai Muslims' intention to purchase a non-Muslim's halal packaged food.

H2b. Islamic brand has a significant impact on Indonesian Muslims' intention to purchase a non-Muslim's halal packaged food.

Product Ingredients

Consumers' purchase intentions toward food were highly associated with individual and environmental factors which also included product ingredients (Golnaz, Zainal, Shamsudin, & Chiew, 2009). This is because information, knowledge and Shariyah play such important roles for Muslims in making their food choices. In Islamic perspective, product ingredients may cover some issues that must be taken into consideration and it also includes the issues of consumer's familiarity on the ingredients and quality as well as safety of the food contents.

According to the previous study of Yunus et al. (2014), majority of the respondents agreed that information about the product ingredients on the label of packaged food was very important to them. As a result, the measure was also applied with this study to discover more about the relationship between product ingredients and purchase intention of the Muslim consumers from Thailand and Indonesia. Therefore, this study hypothesizes that:

H3a. Product ingredients have a significant impact on Thai Muslims' intention to purchase a non-Muslim's halal packaged food.

H3b. Product ingredients have a significant impact on Indonesian Muslims' intention to purchase a non-Muslim's halal packaged food.

The conceptual model of this research is shown in Figure 1.

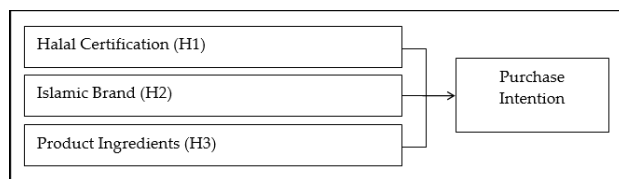


Figure 1. Conceptual Model

Methods

Samples and Data Collection

The target populations of this study are both Thai and Indonesian Muslims. In accordance with the data in 2015 from Central Intelligence Agency (2015), there were 3,330,843 Muslim people in Thailand while Indonesia had 223,226,483 Muslim people respectively. The combined Muslim population of both countries was 226,557,362. By using 95 percent confidence level with sampling error of 5 percent according to Yamane (1967), appropriate sample size of respondents calculated was 400. The researchers used the quota sampling technique for data collection; half of samples were Thais (200) and the rest of samples were Indonesians (200). An online survey questionnaire was developed to test hypotheses in this research. The survey

questionnaire was pretested with 30 Thai Muslims and 30 Indonesian Muslims. Questionnaires were distributed from October 2015 to March 2016. Total of 400 completed questionnaires, 200 from Thai Muslims and 200 from Indonesian Muslims, were collected.

Research Instrument and Variable Measurement

Eleven questions were used to measure the 3 independent variables and 3 questions were used to measure one dependent variable. Besides demographic profiles, all items were measured based upon a five-point Likert Scale ranging from 1 (strongly disagree) to 5 (strongly agree). A sample of questionnaire is in Appendix A.

Reliability

The reliability of the questionnaire was tested by using Cronbach's alpha. Table 1 showed that the reliability coefficients (α) of all independent variables were above 0.70. Therefore, the items used to measure the constructs were reliable [14].

Table 1. Reliability Analysis

Variables	Cronbach's alpha (Thailand)	Cronbach's alpha (Indonesia)
Halal certification	0.766	0.815
Islamic brand	0.715	0.781
Product Ingredients	0.787	0.736

Validity

Factor analysis with varimax rotation was applied to test the validity of the constructs. Factor loading of 0.50 is used as a cut-off point as suggested by Hair, Black, Babin, Anderson, & Tatham (2006). The results in Table 2 confirmed the existence of 3 factors with eigenvalues greater than 1.0 and all items had a factor loading of more than 0.50. These results confirmed that each of these constructs was unidimensional and factorially distinct, and that all items used to operationalize the particular construct were loaded onto a single factor (Teo, 2001).

Table 2. *Factor Analysis*

Construct	No. of Items	Factor Loading	Eigenvalues	Percentage of Variance
Halal Certification	3	0.545-0.882	3.102	28.198
Islamic brand	4	0.606-0.829	2.374	21.583
Product Ingredients	4	0.620-0.847	2.236	20.330

RESULTS AND DISCUSSIONS

Statistical Package for Social Science (SPSS) is used to analyze primary data from questionnaires.

Descriptive Statistics

Descriptive statistics of samples on demographic data are shown in Table 3. More

than 90 percent of respondents had experiences in purchasing halal packaged food from non-Muslim manufacturers. For level of religiosity, most respondents in both Thailand and Indonesia declared themselves as fairly devout.

Table 3. *Demographic Profile*

Demographic profile	Thailand		Indonesia	
	N	%	N	%
Gender				
Female	133	66.5	95	47.6
Male	67	33.5	105	52.4
Age				
<15	1	0.5	0	0.0
15-34	155	78	141	70.6
35-54	39	20	56	27.8
55-49	5	2.5	3	1.6
Education level				
High school or lower	17	8.5	25	12.5
Diploma	10	5	46	23.0
Bachelor's degree	147	73.5	77	38.5
Master degree	24	12	46	23.0
Doctoral degree	2	1	6	3.0
Level of religiosity				
Not devout	21	10.5	5	2.4
Fairly devout	151	75.5	100	50.0
Extremely devout	28	14	95	47.6
Experiences in Purchasing halal packaged food from non-Muslim manufacturers				
Yes	187	93.5	181	90.5
No	13	6.5	19	9.5

Correlation Analysis

The correlation of means of the variables was conducted to determine variability of the factors as shown in Table 4 and Table 5. All correlations between independent variables

were below 0.7. There was no variable that was interpreted as strong linear correlation for both respondent groups in the study.

The results in Table 4 indicated that the factor that had the strongest relationship for

Thai Muslims' intention to purchase was product ingredients ($r = 0.368$). Meanwhile, the factor that had the strongest relationship for Indonesian Muslims' intention to purchase was also product ingredients ($r = 0.496$), followed by halal certification ($r = 0.477$) as shown in Table 5.

Table 4. *Correlation Analysis for Thailand*

Variables	HC	IB	Pro I	Pur I
Halal certification	1	0.524	0.527	0.293
Islamic brand		1	0.473	0.274
Product ingredients			1	0.368
Purchase intention				1

Table 5. *Correlation Analysis for Indonesia*

Variables	HC	IB	Pro I	Pur I
Halal certification	1	0.611	0.689	0.477
Islamic brand		1	0.556	0.365
Product ingredients			1	0.496
Purchase intention				1

Collinearity Diagnostics Tests

The collinearity diagnostics tests were performed to validate the variables and detect any multicollinearity problem. According to O'Brien (2007), a variable that has a lesser tolerance value of 0.20 or a VIF greater than 5 possess a threat of having multicollinearity. The results of collinearity diagnostics test were displayed in Table 6 and Table 7. The results showed that there were no variables possessing a threat of multicollinearity, thus, validate the variables for both samples.

Table 6. *Collinearity Statistics of Thailand*

Variables	Collinearity Statistics	
	Tolerance	VIF
Halal certification	0.625	1.6
Islamic brand	0.672	1.489
Product ingredients	0.669	1.495

Table 7. *Collinearity Statistics of Indonesia*

Variables	Collinearity Statistics	
	Tolerance	VIF
Halal certification	0.424	2.36
Islamic brand	0.597	1.674
Product ingredients	0.467	2.143

Stepwise Multiple Regression

According to Table 8, one variable having a significant impact to purchase intention of Thai Muslim respondents was product ingredients ($\beta = 0.368$, $p = 0.001$). The adjusted R^2 was at 0.131, which means that the predictor could explain 13.1% of the variance of the dependent variable (purchase intention).

Table 9 indicated that two variables having a significant impact to purchase intention of Indonesian Muslim respondents were product ingredients ($\beta = 0.318$, $p = 0.004$) and halal certification ($\beta = 0.250$, $p = 0.024$). The adjusted R^2 was at 0.265, which means that the two predictors could explain 26.5% of the variance of the dependent variable (purchase intention).

The results from the multiple regression analysis showed that the hypotheses H1b, H3a and H3b were supported. The results of the multiple regression did not support H1a, H2a and H2b.

In conclusion, factor influencing Thai Muslims' intention to purchase non-Muslim's halal packaged food is shown in Figure 2 and factors influencing Indonesian Muslims' intention to purchase non-Muslim's halal packaged food is shown in Figure 3.

Table 8. *Stepwise Multiple Regression for Thailand*

	Variables	B	β	t	Sig.	R	R ²	Adj. R ²	Overall F
Criterion:	Purchase intention					0.368	0.136	0.131	31.051
Predictor:	Product ingredients	0.388	0.368	5.572	0.001				

Table 9. *Stepwise Multiple Regression for Indonesia*

	Variables	B	β	t	Sig.	R	R ²	Adj. R ²	Overall F
Criterion:	Purchase intention					0.526	0.277	0.265	23.541
Predictor:	Product ingredients	0.267	0.318	2.898	0.004				
	Halal certification	0.162	0.250	2.282	0.024				

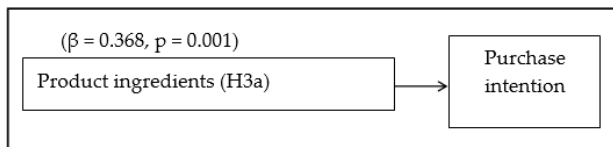


Figure 2. Factor influencing Thai Muslims' intention to purchase non-Muslim's halal packaged food

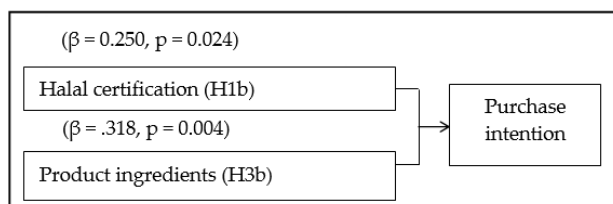


Figure 3. Factor influencing Indonesian Muslims' intention to purchase non-Muslim's halal packaged food

CONCLUSIONS

The results show that product ingredients were the significant predictor that impacted the intention to purchase of both Thai and Indonesian Muslims. These results were also consistent with the study conducted by Golnaz, Zainalabidin, & Mad Nasir (2012), whose study explained that no clear list of ingredients made

consumers feel less confident with the products. Moreover, the results from this study also aligned with the findings from the study of Yunus et al. (2014), which was tested the Muslim respondents from Klang Valley, Malaysia. This study also demonstrated that halal certification had a significant positive relationship with Indonesian Muslims' intention to purchase non-Muslim's halal packaged food.

Although the two variables were verified to be significant factors influencing consumers' purchase intention in this study (product ingredients for Thai Muslims and product ingredients along with halal certification for Indonesian Muslims), the predicting percentages (adjusted R^2) were substantially low. It is very likely that there may be some other factors that significantly impact intention to purchase. Unfortunately, such factors were not included as independent variables in this study and they hold much higher degree of prediction. The missing potential factors that Thai and Indonesian Muslims consider when making their purchase could possibly be price,

taste, marketing promotion, discounts and perceived quality since these factors showed positive impact toward purchase intention of consumers in former studies. In reference with the study of Ahmad, Abaidah, & Yahya (2013), price and taste were tested to be significant factors. Marketing promotion was proven to be significant in the study of Aziz & Vui (2012). Finally, price discounts and perceived quality were significant in the study of Grewal, Krishnan, R. Baker, & Borin (1995) as well.

Despite insignificant relationship toward purchase intention of Thai Muslim consumers in this study, halal certification actually plays such an important role that it is the first criterion Muslims consider when purchasing products, specifically in food category. This is because halal certification from an authorized body is important to verify that the processed food products are genuinely halal (Hamdan et al., 2013). Having a certified halal label would be an advantage in order to attract more Muslim consumers. Moreover, although halal certification is an option for food manufacturers, they should consider applying for halal certification if they aim to capture the market globally. Moreover, the certify bodies in every country should elevate the standard to always stay competitive. In conclusion, the study has distinguished the significant factors that could affect Thai and Indonesian Muslims toward non-Muslim's halal packaged food products. The results of this study can be used as guidance to propose development in attracting Muslim consumers as well as expanding to a Muslim market.

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COMPARATIVE ANALYSIS OF THE KURDISH PROBLEM IN TURKEY AND THE ISSUE OF CHINESE IN MALAYSIA WITHIN THE CONTEXT OF NATION-STATE AND ETHNIC DIFFERENCES

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Abstract

In this study, the ethnic problems which are one of the most significant and perhaps the primary structural difficulties and problems of the nation-state and possible solutions will be suggested. Even if it starts with the general information, the focus of this study would be the subject matter which is known as the Southeastern problem in Turkey, yet it has started to be mentioned as the Kurdish problem in the recent years. This study has the purpose of analyzing the mentioned problem in comparison with the Chinese Problem in Malaysia and determining the advantageous and disadvantageous circumstances in each subsection. Based on those determinations, recommendations will be included regarding which dynamics need to be prioritized in realizing a holistic solution process. The comparison will be conducted in thirteen subsections.

Keywords: Turkey, Kurdish Problem, Malaysia, Chinese Problem, Advantages.

INTRODUCTION

Neither the emergence of the nation-state accidentally took place, nor can it be understood through a superficial approach. The nation-state is a holistic system and socio-political application which has emerged as a consequence of a series of social, political, economic, military, religious, philosophical, scientific and technological developments which have been shaped throughout centuries. The fact that it has emerged as a consequence of long-term processes increases its complexity.

The nation-states can be distinguished from their predecessors through certain

characteristics when they are superficially observed from the outside. Perhaps, the first among those distinctions is the borders of a country that are certainly demarcated and protected. The empires as the state structures that precede the nation-states did not have the conception and application of certain country borders and they also did not request such certainty. As a natural necessity of the imperial understanding, it was a more preferred approach to have indefinite borders and to claim that the sovereignty of the empire extended and spread beyond those indefinite borders. The kings, sultans and czars of empires preferred to extend their glory through this vagueness and they hoped it to grow as such.

Another superficial characteristic of the nation-state is its powerful bureaucratic, military and political organization. The nation-state was able to bring together and employ in a certain harmony the functionaries in the

ARTICLE INFO

Article history:

Received: 3 March 2019

Accepted: 18 June 2019

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number and characteristics that have not been achieved by any of the leaders of the previous states, and it was able to employ them in certain areas of expertise and units of responsibility. The third superficial characteristic of the nation-state is that it has a strong symbolic representation and ceremonial culture. The flag, starboard, banners, official logos, monuments, celebrations, official holidays, parades and commemorations are among the first which come to mind in this context. However, all those are simple reflections of basic characteristics rather than being basic characteristics themselves. Thus, there is a need for a deeper perspective.

In the literature, three basic characteristics of the nation-state are mentioned. Those are respectively sovereignty, citizenship and nationalism. It would not be wrong to say that in the imperial systems that preceded the nation-state, instead of these principles, there were hegemony, subjects and dynasties. If we need to compare even if it is formally, while sovereignty is the legitimate right to rule based on the people, in the last instance hegemony is the right to rule based on the coercive power. Similarly, while the citizenship is an intentional relationship between the particular and the whole, the state and the person, taking the individual as the basis, the subject is more of an inferior-superior relationship that negates the individual will taking the group(s) as the basis. Finally, while nationalism accepts all the people over the land of the state as a particular unity and totality, on the contrary dynasty points out that consent must be provided by the groups, and even by the masses around a particular genealogy of leaders. When compared to the characteristics of the nation-state, there is no doubt that the characteristics of the imperial systems are more top-down and they consider the will of the individual less and they are less honorable. However, the characteristics of the nation-state are not free from problems. Indeed, nationalism of the nation-state comes to the fore as the most problematic and most problem generating characteristic.

The philosophy of the nation-state assumed that differences would come to an end and a new social unity would emerge by the state's perception of the society as united and as a whole through its own political and ideological understanding, perception and targets and by imposing a certain political identity and bestowing citizenship to it. At least, the last two centuries have shown that this assumption had not been an easily materialized, problem-free assumption. The nation-states have failed to reduce the ethnic differences and conflicts into a unity by making them similar despite all nation-building tools and processes. It may be said that the biggest and most general problem of all nation-states was to harmonize ethnic differences under the roof of the same political organization. The difficulty experienced in this regard lies in the fact that ethnic differences greatly vary from one state to the next due to the different understandings, philosophies, approaches and organizational structures of the states as well as different qualitative and quantitative circumstances of various ethnic differences. Opposing advantages and disadvantages might exist from one state to the next within the context of changing criteria. Knowing and determining the mentioned advantages and disadvantages have a great significance in terms of developing a solution and implementing it. This study will attempt to make the mentioned determination comparatively within the context of the Kurds in Turkey and the Chinese in Malaysia.

MATERIALS AND METHODS

Within the context of the study, thirteen points have been determined which are thought to form the fault lines of ethnic problems in the nation-states. Each one of those thirteen points will be evaluated both in terms of the Kurds in Turkey and the Chinese in Malaysia. Finally, a scoring will be made over five for each point, the most and the least problematic country will be determined and suggestions for a solution will be provided by moving from the successful examples for the solution of the related sub-problems. As it is seen in Table-A, the scoring of the thirteen

points will be made over five, and number five (5) will indicate that the problem is at the crisis level, number four (4) will indicate that it has the potential to be evolved into a crisis, number three (3) will indicate that it has reached to a dimension which can't be ignored, number two (2) will indicate that it is about to become unsolvable and number one (1) will indicate that it is solvable. Similarly, while number one points out to a more advantageous and manageable position for the nation-state, number five points out to a highly disadvantageous and crisis situation. In the consequence of scoring out of five for the thirteen criteria, regarding the sum of scoring for each country, the 12 – 18 interval will point out to the first stage, the 19 – 30 interval to the second, the 31 – 42 interval to the third, the 43

– 54 interval to the fourth and finally the 55 – 60 interval to the fifth stage. Thus, while the 12 – 18 interval points out to the most advantageous and relatively to the best and most manageable situation, the 55- 60 interval will point out to the crisis situation which is the most disadvantageous one. The gaps between every two groups represent the relatively manageable ones and the distance to the crisis situation. As it is clearly seen, this analysis method will be able to work as a scale and it will be able to be implemented to the other examples. Indeed, the preparation is ongoing where the will be implementation of this scale to about ten different ethnic groups in the developed and developing countries of the world and make a comparative analysis within the context of the Kurdish problem.

Table 1. *Table Display of the Units of Scale*

Numbers	1	2	3	4	5
Description	Advantageous, Manageable	Getting Out of Control	Has the Potential to Grow	Close to the Crisis Level	Disadvantageous, Crisis Level

Historical Background and Homeland

Regarding the ethnic differences that the nation-states contain, the quality and quantity of the problems that they encounter are closely related to their historical background and where their homeland is over the lands where those ethnic differences exist. The ethnic group or groups in a country might be insistent on their ethnic group and ethnic identity claims as much as they think of themselves as ancient in those lands. The older ethnic group makes more insistent ethnic claims than the newer one. The issue of homeland is the most extreme case of this matter. If an ethnic group considers its country as its homeland, the problem may get bigger in this case. Thus, there is no doubt that an ethnic group which considers itself living in its own homeland would put its nation-state in a more difficult situation when compared to others.

The locations of the ethnic groups in their lands correspond to two different cases except the homeland. One of them is immigration, and the other one is the case of historical

existence. The first one is called immigrant societies, and the second one is called historical nationalities. The first one has a low potential of creating ethnic problems. However, sometimes the second one may have a potential of creating ethnic problems as much as the local and autochthonous peoples claiming to live in their homeland. Thus, it is possible to divide communities into four, based on their level of antiquity where they live¹. In terms of their antiquity from the oldest ones to the newest, those are respectively the local peoples, autochthone peoples, historical nationalities and immigrant peoples. Similarly, each one of those four groups may become a "nation" as the primary element, which has established a nation-state where they are located, may become a "minority", "autonomous community" and even a "federal unit" within a nation-state whose identity and

¹ For a more detailed interpretation in this matter, please see: M. Yavuz Alptekin, "Seven Stages of Spread of Kurdish Population in Anatolia throughout History and Its Effects on the Current Kurdish Issue in Turkey" (in press).

certain rights are recognized; and finally may become “citizens” who are addressed in the individual level although they demand certain group rights by claiming that they are different. In the case of comparing the Kurds in Turkey and the Chinese in Malaysia in terms of their historical backgrounds and their homelands, two separate cases emerge which are somewhat similar in some aspects, and yet very different in some other. It is commonly accepted information that the homeland of the Kurds in Turkey is located in Iran (McDowall, 2004; Natali, 2009). In this case, it may be argued that the Kurds in Turkey are not a local people and they are not an autochthone people either. As it is, it might be thought that the ethnic problems and demands that the Kurds in Turkey would put forward would not be very big. However, despite the fact that the historical information is in this direction, majority of the Kurdish population in Turkey know that they live in their own homeland; namely they assume themselves as the locals of these lands. This last situation creates a mass imagination and a *de facto* situation that complicates the ethnic problem that the historical information eases. In Malaysia, the situation is relatively easier in this regard. Because the contemporary Chinese population in Malaysia is composed of those who migrated to the country in the last two centuries, except the Baba Chinese in limited numbers who migrated to Malaysia in the 16th century. It may be said that almost all Chinese in Malaysia are in the position of immigrants and it is not expected from them to have high ethnic demands. Actually, the Chinese community in Malaysia is composed of the children of the immigrant worker families who were brought to the country in the period under the British colonial administration mostly to be employed in the tin mines. It may be certainly said that these people are an immigrant community in this country. However, it may also be claimed that they are historical nationality when their three hundred year stay in the country is considered. In conclusion, the Chinese do not set an example of an ethnic group that makes a lot of ethnic demands in Malaysia. Indeed, it is

indicated in the constitution and the laws that positive discrimination would be provided for the Malays, especially in certain areas such as employment and education. Despite the fact that the Chinese are in a secondary position, they do not oppose this situation much possibly due to the immigration psychology. Thus, it may be claimed that Turkey is in a more disadvantaged position than Malaysia in terms of the historical background and homeland situation of the ethnic group in the country where it is located.

Table 2. *Quantitative Scoring and Comparison in Terms of Historical Background and Homeland*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	4	2

In terms of the first criterion, it is clear that Malaysia is in a much better situation when compared to Turkey. However, Turkey is not in the worst position in this regard. When the issue is taken from this perspective, it may be claimed that the worst examples, namely the examples which may be scored with number 5, are South Sudan before the independence and the Basque Country before the autonomy. Both examples represent the peoples who live in their own homelands both in terms of historical information and of social imagination. They have obtained independence and autonomy through the congruity of other static factors and the dynamic world politics. Contrarily it may be said that the best examples, namely the manageable examples which may be scored with number 1, are the Turkish immigrants in Germany or in France.²

²From this perspective, for instance the Algerians in France and the Indians in England may not be compared with the Turks in Europe. There was no colonial relationship between Turkey and the European countries in the past. However, in the first group, this relationship existed and the immigrants of the colonized societies might claim more rights for themselves when compared to the others. The social imagination is in this direction and from this perspective; it may be separated carefully and analyzed separately.

Demographic Size (Ratio)

It is clear that big ethnic differences in terms of demography may create much bigger problems for the nation-states where they are located. It may be said that the ethnic groups with bigger percentage ratios would have bigger demands and those with smaller ratios would make smaller and limited demands. In this regard, it is possible to divide the ethnic groups in nation-states in three groups such as the big-sized ethnic groups creating big problems, mid-sized ethnic groups creating demands in the medium level, and the small-sized ethnic groups making smaller demands.

When the Kurds in Turkey and the Chinese in Malaysia are evaluated in terms of their population ratios, still two separate situations emerge. When the issue is taken in this regard, it may be said that the Kurds in Turkey have a ratio between 13 and 18 percent of the general population in Turkey (Yeğen, Uğraş & Mehmet Ali, 2016). Although there are many speculations about this matter, the results obtained by trusted polling organizations fall between these percentage margins. While the Turkish nationalists usually provide this ratio between 6 and 12 percent, the Kurdish nationalists usually provide this ratio between 20 and 30 percent. However, none of those numbers are based on trusted studies.

On the other hand, the Chinese in Malaysia comprise 26 percent of the country's total population (Abdullah & Pedersen, 2009). There are not many speculations regarding the percentage of the Chinese in Malaysia. Indeed these numbers are the ones that are provided by the Malaysian state institutions regarding statistics and demographics. When the issue is taken from this perspective, it may be said that Turkey is more advantageous than Malaysia. Because there is at least a substantial 8 percent difference between the Chinese population in the total population of Malaysia and the Kurdish population in the total population of Turkey.

Table 2. *Quantitative Scoring and Comparison in Terms of Demographic Size (Ratio)*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	3	4

In terms of demographic size, Malaysia is in a more disadvantaged position than Turkey. However, in this regard, Malaysia is not one of the countries in the most difficult situation. In this regard, it may be, for instance, claimed that Iran is in a more difficult situation. Indeed, the Azeri Turks in this country have a population which is around 30 percent of the total population of the country. However, the Shi'ite belief may function in a way that it removes ethnic differentiation by religious and sectarian unity to a large extent (See for further information at Sarikaya, 2008). Thus, Iran does not experience problems with the Shi'ite Azarees which constitute 30 percent of the country's population as much as the problems that Iran experiences with the Sunni Kurds which constitute 15 percent of the country's population.

Regional Demographic Intensity

It may be easily said that the ethnic differences intensified in a certain section of the nationstate may create much bigger problems for the countries where they are located. When the issue is taken from this perspective, the ethnic groups may be divided into three groups in terms of their intensity in a certain region of the country such as intensive, less intensive and sparse. It is possible determine the intense existence of the ethnic groups in terms of their percentage of population where they are located by their existence at least 75 percent, the less intense existence by around 50 percent and the sparse existence by 25 percent at most. While the intense ones are those having the potential of making the most demands, the sparse ones may be categorized as those making the least demands or none at all. However, quantity is not always the absolute determinant, and the primacy and significance of the holistic approaches peculiar to different examples will always be accepted.

The cities where the Kurds in Turkey have traditionally lived are located in the eastern and southeastern regions of Turkey. However, it needs to be indicated that villages and rural areas, not cities, are the traditional living spaces of the Kurds as a natural consequence of the nomadic lifestyle. Indeed, the Kurdish population has a percentage of more than 50 percent in the eastern and southeastern Anatolian regions with the highest rural characteristics. The population intensity in these two regions worth mentioning; although in any of the other five regions does the Kurdish population density exceed 20 percent. In eleven cities in these two regions, the ratio of the Kurdish population is higher than 50 percent in varying degrees. However, the fact that these eleven cities are located inland and that they lack aerial and naval corridors constitute a realpolitik situation.

In Malaysia, the Chinese who have a ratio of 26 percent in the total population are mostly located in the cities rather than rural areas. As the Chinese are a community which is located mostly in the cities, they have gained certain social and economic characteristics accordingly. For instance, their birth rates are low; however their level of education is high.

Besides other factors, partially due to these two factors their economic productivity is higher and their managerial and ownership positions in the economy are larger and extensive when compared to the Malays.

The Chinese population in Malaysia has an intense ratio in the cities, especially in the bigger cities. There are roughly 40 cities in Malaysia and as it is seen in Table-A, the Malays constituted half of the city's population in only one (Johor-Bahru) of the eight cities having a population more than 80 thousand people in 1970, and in the remaining seven cities the Chinese constituted more than half of the population. Although this situation has changed greatly today due to the increase of the birth rates and urbanization of the Malays, the dominance of the Chinese population in Penang and Ipoh still continues today. Besides, the fact that part of the Penang Autonomous Administration is formed by a separate island brings into minds the "Salt Water Theory". However, the drawing of the boundaries of the autonomous region, perhaps purposefully, in a way that a portion of the region resides in the Malay Peninsula makes this situation greatly easier.

Table 3. *Distribution of the Ethnic Groups in the 8 Biggest Cities in Malaysia in 1970.*

Cities	Population	Malaysia %	Chinese %	Indians %	Others %
Kuala Lumpur	452.000	25	55	19	1
Penang (G.T.)	269.000	14	72	13	1
Ipoh	248.000	13	72	14	1
Johore Bahru	136.000	50	39	8	3
Klang	114.000	21	58	20	1
Petaling Jaya	93.000	20	63	14	3
Malacca	87.000	15	75	7	3
Seremban	81.000	21	59	19	1

When the ethnic groups in Turkey and Malaysia are compared in terms of the areas where they concentrate, it will be realized that when compared to the Chinese, the Kurds intensely live together in certain regions and cities more than the Chinese do. Indeed, while the Chinese comprise majority in Malaysia only in Penang which is a small state, the Kurds in

Turkey comprise majority in two regions one of which is the second largest region in Turkey. Especially the fact that the Kurdish population ratio in the eastern and southeastern Anatolia is higher than 50 and 60 percent respectively may be properly accepted as intensification. However, no such thing is possible for the Chinese in Malaysia outside of Penang which is

one of the smallest regions. When the issue is considered comparatively in all aspects, it may be said that the Chinese in Malaysia have been spread sparsely when compared to the Kurds in Turkey and as it is seen in Table-3, Turkey is in a more disadvantageous position as a nation-state in terms of this criterion.

Table 4. *Quantitative Scoring and Comparison in Terms of Regional Demographic*

<i>Intensity Country and Ethnic Groups</i>	<i>The Kurds in Turkey</i>	<i>The Chinese in Malaysia</i>
Scoring	4	3

However, Turkey is not among the countries in the worst situation in terms of this criterion. It is clear that the nation-states that are in the most difficult situation in terms of regional intensity are those that are within the group of separate islands, peninsulas or archipelagos which reminds us the Salt Water Theory of ethnic differences. The lack of both regions where the Kurds in Turkey lived intensely of aerial and naval corridors opening to the rest of the world creates an impact which closes the mentioned intensity to outside manipulation to a great extent. And this makes it possible for Turkey to make this ethnic problem more manageable at least in terms of this criterion.

Strategic Spread of Population

The spread of the different ethnic group within the nation-state to strategic regions, cities and points will make it difficult for that nation-state to manage that ethnic difference. Because at least, the relevant ethnic group may manipulate itself with the self-confidence provided by the demographic dominance over the strategic regions, cities and points and it may also be influenced from abroad in this regard. The strategic spread of an ethnic group may generally be in three ways. The first one is the concentration of the relevant ethnic group at the points such as straits, portal cities, coastal cities, capitals and big cities which have strategic significance for a country. This situation certainly exists in terms of the

Chinese in Malaysia. The second one is the concentration of the relevant ethnic group in the regions and cities that are characterized by high potential such as economically powerful or rich underground resources. Such a situation exists in terms of the Basques and Catalans in Spain. The third one is the location of the different ethnic group in the coastal region or the region which is adjacent to the neighboring state which is the enemy of the country.

As it is mentioned earlier, the Chinese in Malaysia are subject to one of the three possible strategic spreads of an ethnic group. The Chinese have a large and high representation the cities with powerful economies, primarily in the capital city. And this is a great source of concern for Malaysia. In order to eliminate this situation, Malaysia determined “reserved” regions particularly in the capital city, and safeguarded this policy with the laws, particularly with the constitution. Similarly, there are cases where the Malays are subjected to positive discrimination in terms of security forces and certain professions against the Chinese and Indians. Lastly, the population increase of the Malays and their immigration into the cities are encouraged.

Table 5. *Quantitative Scoring and Comparison in terms of Strategic Spread of the Population*

<i>Country and Ethnic Groups</i>	<i>The Kurds in Turkey</i>	<i>The Chinese in Malaysia</i>
Scoring	3	4

In Turkey, the Kurds do not have a distinct strategic spread which is similar to the Chinese in Malaysia. In this regard, perhaps it may be pointed out that the Kurds in Turkey share two sides of the same border with the Kurdish communities in the neighboring countries. Such a situation might have pointed out to a strategic situation if the other side of the border had been economically more advanced. However, as the other side of the border is less advanced than Turkey, it is not possible to mention a significant strategic situation. Thus, when the issue is taken in terms of this criterion, it may be said that Malaysia is in a

more difficultly manageable and more disadvantageous situation than Turkey.

However, it also needs to be indicated that Malaysia is not in the worst position in terms of this criterion. In this regard, Malaysia has experienced two big events, first being in the Second World War and the second being in the year of 1969 and it was able to overcome both situations by maintaining the unity of the country. In the Malaysian case, if the Chinese had spread into two regions, the relevant most difficult situation might have taken place. The first possibility that comes to mind is the intensification of the Chinese around the Singaporean border. In such case, unification with Singapore might be in the agenda because Singapore was also developed. The second possible situation is the intensification of the Chinese around one or both autonomous regions named Sabah and/or Sarawak in the Borneo Island. In such case, separation might have been placed in the agenda. However, the Chinese did not even actually open the issue of separation up for discussion until today at the national level.

International Spread of the Population

One of the difficult situations for the nation-states is the case where one of the ethnic groups in the country has similar counterparts in the neighboring countries. Mostly such groups exist in both sides of the border between the nation-states spreading in different ratios in each country. In some cases, the number of states is two, and sometimes it may be three and even four. For instance, while the Basques are spread in two countries between Spain and France, the Baluchis are spread in three countries between Iran, Afghanistan and Pakistan. Lastly, the Kurds are spread in four countries between Iran, Iraq, Turkey and Syria. While the limitation of an ethnic group only within the country where it is located makes that ethnic group and the problems related to it more manageable, its spread into more than one country may make that problem unmanageable to the extent of the number of countries. Thus, one of the reasons of the increase and ramification of the

problems of the Kurds in Turkey is the Kurdish communities in other three countries. This situation causes a domestic problem of Turkey to turn into a non-Turkish and international problem. And this causes the problem to become relatively more unmanageable.

The Chinese exist as a separate state only in Singapore despite the fact that the Chinese have a few states in the Far East and they exist in some states as immigrant minorities. As it is seen in the Salt Water Theory, the naval distance in such cases that comes in between the ethnic groups prevent them from unifying by playing an exactly contrary role. A phenomenon that may be called as *land extension* causes a similar effect in unifications which is similar to the one explained by the Salt Water Theory in separations. Thus, for a problem related to an ethnic group located in a nation-state to gain an international dimension, the related ethnic group must have a land extension to the neighboring state. Namely, on the other side of the land borders, the same ethnic group needs to live in certain intensity. This case is highly valid for the Kurds who are among the two examples that are examined here, however it is largely invalid for the Chinese. Although the Chinese live in Singapore in certain intensity, two matters worth paying attention. First matter is the lack of land extension. Second matter is that the Malay region which is close to Singapore is not a region where the Chinese intensely live.

Table 6. *Quantitative Scoring and Comparison in Terms of International Spread of the Population*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	4	2

As the situation of the Kurds in Iran, Iraq and Syria is not better than the situation of the Kurds in Turkey, the Kurds in Turkey do not have an open demand so as to unify with any one of those countries. Thus the situation is not perceived at the crisis level. However, the PKK's finding of human resources, material resources and refuge greatly from those three

countries makes the situation highly problematic. On the other hand, as it is mentioned earlier, the Chinese problem in Malaysia has a largely lower potential to gain an international dimension when compared to the Kurds due to the following reasons: first, the Chinese in Malaysia are an immigrant community, second, the land extension principle is interrupted, namely Singapore, which is the closest Chinese state, is separated from the Malaysian peninsula by a channel, and third, the region of Malaysia which is close to Singapore is one of the regions where the Chinese live in the sparsest way.

Social Structure and Lifestyle

Table 7. *Quantitative Scoring and Comparison in Terms of Social Structure and Lifestyle*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	4	2

The management of the ethnic groups whose social structures and lifestyles have distinctively become different may be more problematic for the nation-states. In this regard, Turkey appears to me more disadvantageous than Malaysia. Indeed, the Kurds in Turkey are distanced and stay away from city life in regards to settled lifestyle due to their lifestyles and traditional habits. To put a finer point on it, the social structures of the Kurds coming from the feudal times, their large familial structures of clans, tribes and family lines based on blood ties, and their lifestyles with distinctive rural characteristics compatible with these structures may create certain problems in Turkey where majority of the population is urbanized. Especially in the urban environments, the Kurds are intertwined with many problematic situations. This situation negatively affects the state's and other social segments' communication, social dialogue and sustainable positive relations with the Kurds. However, the vast majority of the Chinese in Malaysia live in the cities and when compared to the Malays, they have a high social culture. It may even be claimed that in terms of

lifestyles, the Chinese create less problems than the rural Malay population.

Despite everything, it may be said that Turkey is not in the worst situation in terms of this criterion. Indeed, it must be certainly indicated that the Kurds in Turkey are in a better situation in terms of type of social organization and lifestyles when they are compared to the Kurdish groups in the neighboring countries.

Intermarriages between Ethnic Groups

In a multiethnic society, one criterion of social integration is intermarriages between different ethnic groups. It may be said that the idea that in the countries where such marriages are relatively higher, the problems between the ethnic groups would be or must have been solved easily would have a large support in the public opinion. Thus, it may be anticipated that the nation-states where intermarriages between the ethnic groups are relatively widespread would manage the ethnic problems easily. In Turkey, it may be argued that the intermarriages between the Kurds and Turks are relatively higher. Indeed, according to a study made in 2002 by Gündüz-Hoşgör and Smits, 1.7 of every 100 marriages that Turks perform is with the Kurds, and 9.8 of every 100 marriages that Kurds perform are with the Turks. The data of the same study indicate that the average ratio has increased over the years. Accordingly, the ratio of Turkish-Kurdish marriages, which was 1.6 percent before 1976, has increased to 2.3 percent between the years of 1976 and 1988 and to 3.0 percent between the years of 1989 and 1998 (Gündüz-Hoşgör & Smits, 2002). If we have a look at the study made by KONDA in 2006, this increase trend has been continuing. Because according to this study, the ratio of the Turkish-Kurdish marriages was 3.7 percent for the related year (KONDA, 2006).

In Malaysia, the social relations between the two ethnic groups are more distanced due to the differences in religion and it may be predicted that the Malay and Chinese marriages in Malaysia are more limited due to

the holy context of the marriage institution. Indeed, J.

Edmonds indicates that religion in general and Islam in particular serves as a barrier that does not allow marriages between the two ethnic groups. There are many studies that indicate the same observation (Edmonds, 1968; Hirschman, 1985).

Table 8. *Quantitative Scoring and Comparison in Terms of Inter marriages between Ethnic Groups*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	2	5

This matter points out to the most difficult situation of Malaysia in terms of managing the relations between ethnic groups. In Turkey, although there is no ideal situation, it is obvious that there is a manageable situation. At least, the problem of Turkey is not the insufficient amount of marriages between the Turks and the Kurds, and a negative perspective regarding this issue is also fairly limited. It is known that through urbanization, this negative perspective turns into a positive one and the related ratios are higher in the cities.

Social Status and Socio-Economic Developmental Level

As economic development creates a social status alongside itself over time, under this subheading both topics are analyzed together. It may be said that it would be more difficult to manage ethnic groups with lower social status and economic developmental level. Because it is inevitable that the communities, which lack social status and high economic levels, would associate this situation with their ethnic identities and feel excluded. It may be anticipated that the members of such an ethnic group would create various problems not in a planned way, but in an improvised way. The economically backward situation of the dominant ethnic group for a nation-state is a more manageable situation than the poverty of a minority ethnic group. Because the dominant ethnic group may be contented with

psychological satisfaction, and the minority ethnic group may be contented with economic satisfaction. However, the reverse situation is not valid. When the matter is perceived from this perspective, the situation of the Kurds in Turkey and the situation of the Chinese in Malaysia indicate completely dissimilar examples.

The economic condition of the Chinese in Malaysia is many times better than that of the Malays'. The social statuses of the Chinese, who mainly live in the cities, are dominant in the industries and occupy managerial and ownership positions in the commercial establishments, are much higher than those of the Malays'. Although, before the governmental bodies, the Malays are more respectable, there is no doubt that socially the Chinese have a higher prestige. In terms of modern economic development, the situation of the Malays against the Chinese is incomparable. Although this situation is attempted to be corrected within the last decades in a planned way, it may not be said that it has been very successful. The infamous book of Mahathir Mohamad (1981) titled *The Malay Dilemma* exactly problematizes this matter. For instance, according to the 1970 data, the ownership position of the Malays in the economy was 1.9 percent, of the Chinese, Indian and non-Malay citizens was 37.4 percent, and of the foreigners was 60.7 percent (Jesudason, 1989; Gullick, 1987).

Similarly, as of 1958, of the total national income, the Malays got 30 percent, the Chinese got 54 percent and the Indians got 13 percent (Rabushka, 1973). In 1975, while the ownership position of the Malays in the commercial establishments rose up to 8 percent, the foreigners' position went down to 55 percent (Young, Bussink, & Hasan, 1980). As it is seen here, the remaining 37 percent of the companies were under the ownership of non-Malay citizens of Malaysia, namely the Chinese and the Indians. In the years of 1969 and 1999, while the poverty rates of the Malays and the Chinese in Malaysia were respectively 65 percent and 10.3 percent, it was determined as 26 percent and 1.6 percent for the Chinese

(Nair, 2007: 119). Over time, although the situation of the Malays against the Chinese has relatively improved due to positive discrimination of the governments, it is far from competing with them (Alptekin, 2015). However, the economic underdevelopment of the Malays is an assessment in the modern sense, and it does not have such a meaning in the cultural world of the Malays. The Malays are mostly contented with their situation. This situation is a matter of concern mostly for the politicians. Indeed, a contrary situation might have dragged the Malay nation-state into a great deadlock.

In Turkey, the situation is somewhat the opposite with a difference of degree. The level of economic welfare of the Kurds is backward when compared to other communities, and their social development levels and social statuses are relatively lower. Roughly, the urban communities are in a better position in terms of level of social development when compared to the rural communities, and the settled communities in the rural areas when compared to the nomadic communities. When the issue is analyzed in detail, within each lifestyle, education, level of income and socialization level come forward as the factors that greatly determine the level of social development of the communities. Although the Kurds in Turkey are in a better position in terms of all of these criteria when compared to the Kurdish communities in the neighboring countries, they fall behind in comparisons inside Turkey. One of the most difficult situations for a nation-state is to satisfy an ethnic group whose socio-economic situation is backward and protect them from cases that are open to manipulation. Such communities generally become subject matters of manipulations both domestically and internationally.

Table 9. *Quantitative Scoring and Comparison in Terms of Social Prestige and Level of Socio-Economic Development*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	3	1

As it is seen, Malaysia is one of the best countries in terms of development of social and economic level of an ethnic group. The Chinese may give up their demands in many other areas of life due to their socio-economic development. Among those, the political demands are the most important. Despite the fact that the Chinese comprise a quarter of the country's population, they do not deem it quite necessary to make political demands. However, the situation of the Kurds in Turkey is quite the contrary. The Kurds are both backward in terms of the regions where they live and they have a lower socio-economic developmental level as an ethnic group. It is certain that these conditions increase manipulation alongside themselves. It is a well-known matter that the violent organizations greatly abuse this situation.

Religious Homogeneity and Religious Rights

One of the determinants that make the ethnic groups more manageable for the nation-states is the matter of religious homogeneity. It may be said that in this regard, Turkey is almost ideally well. Both the Turks and the Kurds adhere to Islam, and besides, they both adhere to the Sunni interpretation of Islam. Although there is a sectarian difference between the two, it is not seen as very significant. However, the fact that some of the Kurds adhere to the Alawite belief changes the situation a little bit. In this case, the overlapping of both ethnic and religious differences may create problems. Indeed, it is believed that the ratio of the Alawite militants in the PKK is higher than the ratio of the Alawite Kurds within the Kurds. And in terms of religious rights, the Kurds request that the prayer leaders of the mosques who adhere to the Shafi'i sect knowing Kurdish in the rural areas of the eastern and southeastern regions where the Kurdish population is especially dense. However, ideally it may not be said that this request has been fully met. These matters constitute relatively small problems.

In Malaysia, the religious distance between the two communities is far more distant.

Majority of the Chinese are Buddhists, Confucians and Taoists respectively (Abdullah & Pedersen, 2009). All of these religions are theologically and culturally distant from Islam. Indeed, this religious distance is clearly visible between the Muslim Malays and the Chinese in every aspect of life.

Table 10. *Quantitative Scoring and Comparison in Terms of Religious Homogeneity and Religious Rights*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	2	4

Although the differences of beliefs of the Chinese in Malaysia are great and salient, there is at least an official and formal mutual tolerance in this regard. On the other hand, the turning of this matter into a reason for conflict and later into conflict is beside the point.

Linguistic Differences and Native Language Right

An ethnic group's having a different native language and making demands in this regard are one of the most difficult matters regarding the nation-states. The most important demand regarding the language is the demand for education in the native language. The rights regarding publications, media and the ability to use the native language in the courts follow this. It may be said that both in Malaysia and Turkey, there are important problems regarding this matter. Although the official language in Malaysia is Malay, the *de facto* second official language is English. In all of the public institutions, the back side or the bottom section of all the forms and documents are spared for English. However, no such official or nonofficial opportunity exists for Chinese. While education in any language other than Malay is banned in state schools, the Chinese may have education in Chinese in their own private schools. As most Chinese live in the cities, there is almost little to no Chinese who do not have access to private schools in this regard. However, the Malaysian State has banned the languages at the university level other than Malay and English. Thus, the

Chinese send their kids for university education to America, Australia or China. No problems are encountered regarding publications and media in Chinese.

Turkey is engaged in more problems than Malaysia regarding this matter. Although Kurdish was allowed in the education of private elementary schools and the related graduate programs of the universities, two important points need to be considered. First, the percentage of the Kurds who live in the rural areas and can't afford a private school is much higher when compared to the Chinese in Malaysia. Second, perceiving the graduate educational facilities in Kurdish which is seen as necessary by a limited number of people as a basic educational right and its satisfaction of the masses may not be expected. Despite the fact that the Kurdish press exists (although in limited numbers), the broadcasting in Kurdish may only be made through the state television channels.

Table 11. *Quantitative Scoring and Comparison in Terms of Linguistic Differences and Native Language Right*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	4	3

Until recently, it would be claimed that Turkey was among the most problematic countries in this regard. However, it may be said that the situation has improved somewhat through partial improvements in the last decade.

Cultural and Educational Situation and the Related Rights

Being different than the right of native language, Turkey is far ahead of Malaysia regarding cultural and educational situation and rights. The first among the two reasons that create this difference is that the Chinese mostly live in the cities and secondly, their economic situation is much better when compared to that of the Kurds'. As it is seen in Table-C, the literacy and educational level of

the Kurds in Turkey is much backward than those of the Turks'.

Table 12. *Educational Levels According to the Turkish and Kurdish Populations (KONDA, 2010).*

	Illiterate	Uncert. Lit.	Primary Sc.	Secondary	High School	Univ. & B.
Turks	4	2	38	15	27	13
Kurds	17	9	33	15	18	7

In Malaysia, quite contrarily, the educational and cultural levels of the Chinese are much higher than those of the Malays'. This situation allows the Chinese to voice their problems regarding their ethnic identity in a much more civilized way. It may be clearly stated that due to the fact that the Chinese are mostly urban dwelling, educated, accomplished and economically satisfied people, they don't feel the need to resort to any kind of organized or individual violence.

Table 13. *Quantitative Scoring and Comparison in Terms of Cultural and Educational Situation and the Related Rights*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	4	1

It may be claimed that the cultural backwardness of the Kurdish people in Turkey and their inability to raise their level of education at least as much as that of the Turks' causes certain disharmonies in social life and the PKK feeds from this social basis.

Political Organization and Political Rights

Although the political organization and political rights don't directly solve actual problems of the ethnic communities, they are one of the areas of improvement and social rights that the ethnic groups value the most from the perspective of creating psychological satisfaction. However, for the nation-states, delivering those rights appears to be dangerous as well. Because the nation-state thinks that the ethnic groups which have achieved those rights would gradually lead to the separation of the country. Thus, it may be said that the matters of political rights and political organization are an area where the

nation-states have difficulties in managing ethnic problems.

The existence of a Chinese ethnic group in Malaysia is officially and socially recognized in an actual way. In terms of organization, the Chinese may establish Chinese parties to represent themselves. Similarly, autonomy was given to Penang where the Chinese live intensely. Although Malaysia perceives the Chinese officially as second class citizens, it does not ignore them. However, the situation in Turkey is quite the contrary. The Turkish Republic does not officially accept the existence of any ethnic group, and in the meantime of the Kurds, other than non-Muslims. Despite the fact that everyone is officially given the status of first class citizen, the Kurds perceive themselves in the disadvantageous and secondary position in practice and in various areas. On the other hand, establishment of an openly Kurdish party as it happens in Malaysia is a reason to be vetoed or closed down due to opposing the constitutional principle of "Turkey is an indivisible whole with its country and nation". Similarly, demanding autonomy also is perceived as separatism.

Table 14. *Quantitative Scoring and Comparison in Terms of Political Organization and Political Rights*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	5	2

In Turkey increasing the number of the municipalities by reforming the local governments in the recent years and strengthening the local governments even if it is through the increase of the number of metropolitan municipalities may be evaluated as a transition to an unnamed low level

decentralized administration. However, it is clear that a lot needs to be made in this regard.

Armed Conflict/Terror

It is clear that the most striking problem that the nation-states are confronted in managing the ethnic groups is the problem of armed conflict/terror. In terms of other 12 criteria, in the countries with insufficient policies and applications, the ethnic groups' taking the challenge of armed conflict is somewhat a common characteristic of those types of countries. It is known that in Malaysia such an ethnic armed conflict does not exist in terms of the Chinese. Investigating its reasons has a crucial significance and it will be partially attempted in the discussion section. In Turkey, the existence of an armed conflict around the Kurdish ethnic identity is a problem which is known by the whole world. Even though the ethnic armed resistance in Turkey may not be related to a single reason, it is mostly related to rejection and disapproval of the Kurdish identity by the state, and in this context there is no doubt that the problem has a political character. The right of basic education in the native language is the most concrete subject matter that comprises the political reason. However, the relational impact of other reasons is significant at least as much as this reason. And here, the most striking subject is economic welfare and level of social development.

Table 15. *Quantitative Scoring and Comparison in Terms of Armed Conflict/Terrorism*

Country and Ethnic Groups	The Kurds in Turkey	The Chinese in Malaysia
Scoring	5	1

The three most important reasons of why the Chinese do not resort to an ethnic and organized violence for their community rights are the recognition of the Chinese ethnic identity at the state level, economic satisfaction and level of social development. It would be very exceptional for an urban, rich and relatively prestigious ethnic group to resort to terrorism after being recognized in

terms of ethnic identity. In Turkey, the situation is exactly the opposite. In Turkey, resorting to organized violence is a particular example of the widespread condition.

RESULTS AND DISCUSSIONS

Table 16. *Cumulative Analysis of the Ethnic Problem in Turkey and Malaysia in terms of the 12 Criteria*

No.	Criteria of Analysis	Turkey	Malaysia
1	Historical Background and Homeland	4	2
2	Demographic Size (Ratio)	3	4
3	Regional Demographic Intensity	4	3
4	Strategic Spread of Population	3	4
5	International Spread of Population	4	2
6	Social Structure and Lifestyle	4	2
7	Intermarriages between Ethnic Groups	2	5
8	Social Status and Socio-Economic Developmental Level	3	1
9	Religious Homogeneity and Religious Rights	2	4
10	Linguistic Difference and Native Language Right	4	3
11	Educational and Cultural Level and Related Rights	4	1
12	Political Organization and Political Rights	5	2
13	Armed Conflict/Terror	5	1
Total		47=4	34=3

The comparison of the ethnic problems in Turkey and Malaysia in terms of the thirteen criteria is provided in Table-D. When the issue is evaluated in terms of thirteen criteria, it will be seen that Turkey is the most disadvantaged regarding two criteria. One of the two criteria is the matter of political organization and political rights and it shows that Turkey needs to make reforms in those matters. Other criterion is the matter of armed conflict and the actual situation that Turkey has been experiencing is already known. Although several ceasefire agreements have recently been made, no permanent results have been obtained. This shows that lacking a socio-economic infrastructure the matter is coerced and it needs to be supported in terms of

different criteria. The similar situation exists in Malaysia only in terms of one criterion. This is the matter of intermarriages between the ethnic groups and it would not be rational to expect improvements in this regard and to base the solution to the intermarriages due to a constant determinant regarding religion. Indeed, this matter alone would not cause an ethnic problem to become an unmanageable one. Despite this disadvantageous situation Malaysia might make the Chinese problem more manageable. In short, if different ethnic groups are in a more positive situation in terms of other 12 criteria they may live peacefully together without making intermarriages. As long as minimum improvements are provided in terms of other criteria, intermarriages between ethnic groups are not thought to be inevitable for ethnic harmony. On the other hand, Turkey is not in a good situation to be scored by 1 in terms of any criteria. However, Malaysia is scored by 1 in terms of three criteria. Those criteria are armed conflict, educational and cultural level and level of socio-economic development and social prestige. As none of those criteria are about constant and structural matters, it is understood that Turkey also needs to improve regarding those criteria. Lastly, when the sum of the scores of the criteria is taken into consideration, Turkey's total score is 43 and Malaysia's total score is 32. With these scores, it is understood that while Turkey is located in the 4th stage, Malaysia is located in the 3rd stage. And this points out that as a nation-state, Turkey is relatively unsuccessful and in a disadvantageous position in the process of managing the Kurdish ethnic differences, and Malaysia is relatively more successful and is close to a manageable position in terms of the Chinese ethnic problem.

CONCLUSIONS

Although, Turkey and Malaysia are two very different countries in some respects, it is considered useful to compare two countries as they have many similarities in some other aspects. Primarily, Malaysia is a multi-religious society as opposed to Turkey. However, Turkey

is almost completely a Muslim country. Similarly, the ratio of the ethnic groups in Malaysia is close to fifty percent. However, the only ethnic group whose population is more than 1 percent is the Kurds and their ratio in the country is below the ratio of the Chinese in Malaysia. On the other hand, the political systems of those two countries are different. While Malaysia is ruled by a mixed regime which is a mixture of parliamentary democracy and monarchy, Turkey has been ruled by the parliamentary system until the last year, and now it is ruled by a presidential system which is peculiar to Turkey.

At the same time, both countries have many commonalities. Both countries are known as Muslim countries and both are located on peninsulas having strategic significance on different corners of the Asian continent. Finally, both countries are intertwined by ethnic problems as nation-states. Thus, comparative analysis of Malaysia and Turkey in terms of ethnic problems and their solutions would be certainly useful. This comparison might help both countries to see their advantageous and disadvantageous situations and to develop policies over concrete examples where failures exist in this context. On the other hand, this comparison may be conducted between other nation-states experiencing ethnic problems around the world.

Consequently, the matters where Malaysia is the most disadvantageous in terms of the 13 criteria are the matters which are structural and hard to change such as marriages between ethnic groups, religious homogeneity and ratio and strategic spread of the population. However, the matters where Turkey is disadvantageous are not structural, indeed they are mostly political, and they have a higher possibility to change. Thus, Turkey might be in a more advantageous position than Malaysia in managing its ethnic problems if it makes an effort. In this regard, it appears that Turkey needs to get inspired from Malaysia's approaches which recognize ethnic identities and are structurally decentralized.

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PREFERENCES OF UNIPIN MOBILE APPLICATION USING CONJOINT ANALYSIS (CASE STUDY: PT. DUA PULUH EMPAT JAM ONLINE)

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Abstract

The purpose of this study is to determine the customers preferences in developing UNIPIN's mobile application that can help PT. Dua Puluh Empat Jam Online increases their sales of mobile games vouchers. Data collection methods using questionnaires and interviews on 100 gamers of UNIPIN. The research method used in this study is conjoint analysis which was preceded by Cochran Q-test to test the validity of application attributes and conjoint analysis to know the utility value of each attribute that became the main preference of gamers. The attributes tested include the attributes contained in the 7C Framework such as context, content, community, customization, communication, connection, and commerce. The results of this study are application attributes that can be applied by UNIPIN to increase their sale of mobile game vouchers which are context, content, communication, and commerce attributes. The results of this study are attributes that meet the need to develop UNIPIN's mobile application in order to increase sales in the mobile gaming market are the integrated level of the context attribute, the product-dominant level of the content attribute, the one-to-one non responding user level of the communication attribute, and high level of commerce.

Keywords: Consumer Preference, 7C Framework, Mobile Application, Conjoint Analysis.

INTRODUCTION

Indonesia has 56.7 million of online population in which online gaming industries contributes 704.4 million USD in 2016 (Newzoo, 2016). This means in average one person spends 12.42 USD on online game. This revenue has brought Indonesia to rank 17 out of 20 countries who produce biggest online games revenue in 2016. Based on survey in 2017, 49% of mobile gamers spend money on mobile games. They spend money mostly to play games with subscription-based model and buy

online game vouchers. This huge and potential market has triggered the rising of payment gateway companies for online games which act as intermediary of online games companies and users by providing online game vouchers. PT. Dua Puluh Empat Jam Online (UNIPIN) is one of the most popular payment gateway companies in Indonesia which already has more than 1.500.000 users throughout Indonesia. PT. Dua Puluh Empat Jam Online has a vision of being a paid electronic pin for a variety of digital content such as online games and mobile games. In 2017, PT. Dua Puluh Empat Jam Online has become one of the market leaders for online games voucher provider (similarweb.com, 2017). However, based on competitor analysis done by the company, its main competitors such as INDOMOG, MOL and Gudang Voucher have higher traffic share than to UNIPIN. One of the reasons is that these

ARTICLE INFO

Article history:

Received: 10 March 2019

Accepted: 20 June 2019

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three competitors provide mobile applications for online gamers' access to alternative distribution channels to buy vouchers from their business. According to Suryanto (2016) Indonesia internet penetration is above 50% where 97% users prefer to use mobile applications than internet browser. Consequently, businesses are encouraged to develop mobile applications to reach consumers more effectively and efficiently.

In contrast, PT. Dua Puluh Empat Jam Online does not yet have a mobile application to keep up with market demand. The company plans to design an application by first find out the consumer preferences towards UNIPIN's mobile application user interface so that it can achieve the company's main vision, that is to be a market leader not only in the online games segment but also in the mobile games segment. The attributes used to design the UNIPIN's application is 7C Framework theory by Rayport and Jaworski (2004). Therefore, this research was conducted with the aim to know the preferences of UNIPIN consumer towards UNIPIN's mobile application design, so that the company can make the design of UNIPIN's mobile application according to consumer preference resulting from data processing with conjoint analysis. This research will be conducted on 100 UNIPIN consumers who actively play online games and bought online games vouchers frequently.

LITERATURE REVIEW

Designing the Customer experience

Customer experience is a perception and interpretation targeted towards consumers on all plans experienced when interacting with the company (Rafi, et al., 2003). Companies must understand the types of customer experiences that need to be generated to meet market opportunities. These experiences should be correlated with marketing strategies and corporate positioning. Customer Experience is defined as the interpretation of the complete meeting of the site users, from the initial view on the homepage to the purchasing

experience, including a decision as to whether to create a shopping cart.

Crafting the Customer Interface

According to Rafi et al. (2003), the interface is a virtual representation of the value selection of a company's proposition. The Internet has transformed the Exchange place from the marketplace (such as face-to-face interactions) into a market space (like a screen-to-face interaction). The main difference exchange relations are now being addressed by technology interfaces. With the transfer of the interface relation of people mediated into technology, there are several interface design considerations encountered. In designing the customer interface, there are seven elements that should be noticed known as 7C framework.

7C Framework

7C Framework is a framework that is widely used as a guide for designing user interfaces in web marketing online (e-marketing). 7c Framework expanded into a reference to analyze the mobile interface which then generates the Mobile application user interface (Yang, 2016).

The following are the attributes contained in the 7c framework (Rayport & Jaworski, 2004).

1. Context

Some web designers believe that most websites may be classified as follows.

a) Aesthetically Dominant

The dominant Website is aesthetic very concerned about the form or aesthetically, but it has less functionality. This Website is centered on look-and-feel, sometimes using a lot of multimedia or other visual elements, although it can be a performance-based. The purpose of this Website is to use various forms of art to create pleasure to the user.

b) Functionally Dominant

Websites whose domains are functional are assuming that users are concerned with information

rather than visual elements. This website focuses on displaying information such as text and limited visual design in the operation of the site.

c) Integrated

This attribute serves to balance the form and function of the Website, resulting in an attractive and easy to use interface. The site provides navigational tools and visual cues to users and clear features as well as interesting themes that support graphics or color scheme.

2. Content

The content includes all the digital information on the website, including audio, video, images, and text. The content has three classifications determined by the offering mix as follows.

a) Product-Dominant

The website whose main purpose is to sell physical goods is classified as the dominant product website.

b) Information-Dominant

Websites with this classification provide information as well as tools to search for specific topics.

c) Service-Dominant

The dominant Website services provide services for users to get paid. Users visit this site to complete their duties for example buying flights or selling stocks. The Website which is the place of transaction between the seller and the buyer also includes this classification.

3. Community

Community is an interaction between users, either one-on-one interactions or someone with many people. There are three community classifications defined by the type and number of interactions between members.

a) Path

Sites that don't have a community cause user to be unable to interact with each other, either by one-on-one or someone with a lot of people.

b) Limited

Sites that offer reading and posting information, stories, or opinions including limited community sites (limited). These sites typically provide non-interactive community features.

c) Strong

Sites that have a strong community offer interactive community functions such as chat rooms and message boards. Visitors visit this site because they want to interact with other members or search for certain information.

4. Customization

Customization is the ability of the Website to display individual content for each user. Some websites allow users to specify their preferences in various areas. Once the preference is saved, the site utilizes log-in registration and or cookies to match returning users to their personal settings. Website classification depends on the intensity of individual user customization. Classification is not influenced by customization style (personalization and tailoring). There are three classification, namely:

a) Generic

Most of the Website whose dominating information has the same view for each user a.k.a. low-level customizations.

b) Moderately Customized

Classification is often found on e-commerce websites. Customizations serve to make it easier for customers to shop, such as cookies, information such as customer's favorite products will be

automatically saved and will appear when the customer visits again.

c) Highly Customized

This Website strives to provide an individualized experience for each user. This classification allows the user to select the desired look and content.

5. Communication

Communication is a dialogue between the organization and the user. Dialogs can occur unidirectional (from organization to user) or interactively. Websites can be classified through the type of communication between sites to users and how users respond as well as in how.

a) One-To-Many, Non-responding User

This Website sends you a broadcast communication to determine the audience, usually via email newsletter or webcast events. These messages usually contain information that doesn't need to be responded to customers.

b) One-To-Many, Responding User

This Website sends messages to registered users and invites them to upload comments and responses.

c) One-to-One, Non-responding User

This site sends personal messages to intended users based on specific interests or needs. This information can form real-time updates or reminders, and customers don't have to respond to it.

d) One-to-One, Responding User

The site also sends a personal message such as reminders, but in this case the user can respond, either by uploading the information via email or through live interaction.

6. Connection

Connection is the level of Website relations with other sites. This happens through the pasted hyperlinks in the webpage, usually displayed with underscores or colored writings, images, or graphics. The following

classification Website based on the type of connection used and whether the connection path takes the user out of the Website or remains on the original site.

a) The Destination sites

The destination delivers its own generated content exclusively with little links to other sites. This site is rated to have integrity and trust and broadens information about content from other providers.

b) Hub Site

The Hub combines its own generated content and certain links to related websites. The user visits the hub site because it acts as a gateway to certain industry or topic information.

c) Portal site

Portals consist of most outsourced information and links to other sites, with very little or no content produced at all.

7. Commerce

The Commerce feature in the customer interface supports the Website to conduct financial transactions. This feature is very important for Website dominant products, which are intended to sell products, but this feature is also found on the Website that is dominant information and dominant services. After evaluating the commerce features a Website has chosen to implement, it is the next to classify the capabilities of commerce consisting of:

a) Low

This Website can process transactions, but with little commerce features. It is usually owned by a small business or webpage representing a slight percentage of sales. Buyers who cannot find a specific brand product in the store can visit the company's official website, then fill the Web form such as name, e-mail address, and the number of products

desired. The company will contact the buyer for payment and delivery. This Website does not have a shopping cart, does not accept credit cards, or other commerce features.

b) Medium

Some websites do not require all the features of commerce because financial transactions are a necessary feature but not the primary purpose. This Website usually presents information, but also can be in the form of an e-newspaper where readers must buy the E-newspaper to read all the information. Transactions can be made via credit card, financial security system, and membership registration. However, this website does not have any shopping cart or other order feature.

c) High

This Website is equipped with all or almost all features of functional equipment. Usually owned by a large offline company or an online company that has a high sales amount. Buyers can register and use shopping cart. Buyers can also choose the color and size of the goods sold on the website. Your shipping address and credit card number can be automatically saved, and buyers can change their account information at any time or view previous purchases and current purchases.

The 7C framework is intended to provide a comprehensive road map for the management team to translate its business model into an actionable concrete site. Here's a summary of the options that the company can follow from all the 7C attributes.

Table 1. *Table Mapping 7C Framework*

Context	Aesthetically dominant	Functionally dominant	Integrated	
Content	Product-Dominant	Information-Dominant	Service-Dominant	
Community	Path	Limited	Strong	
Customization	Generic	Moderately Customized	Highly Customized	
Communication	One-to-many, nonresponding user	One-to-many, responding user	One-to-one, nonresponding user	One-to-one, responding user
Connection	Destination	Hub	Portal	
Commerce	Low	Medium	High	

Source: Rayport & Jaworski (2004)

MATERIALS AND METHODS

This research aims to determine what attributes are preferred by consumers to design UNIPIN mobile applications. The type of this research is descriptive research, with two stages of data processing there are Cochran Q-test and conjoint analysis. The sampling technique used is simple random sampling, because the number of UNIPIN consumers across Indonesia is more than 1,500,000 users so it is not possible to conduct research on all

population's members, for that used Slovin's formula to produce 100 respondents as sample to represent all UNIPIN consumers.

Cochran Q Test

The Cochran Q Test method of analysis is used to determine what attributes the user is in consideration of using the mobile applications. According to Santoso (2009), *Cochran test* has a special feature that is tested with nominal type (categorical). Through this method then the attributes of the assessed are

not valid based on criteria, the statistical criteria used will be issued. This is done to reduce the element of the subjectivity of the researcher, and the attributes that are considered valid with this method become the next research attribute.

Conjoint Analysis

A conjoint analysis (*conjoint analysis*) is a method of analysis in a multivariate analysis Used to help obtain a combination or composition of the attributes of a product or service whether New and old consumers most liked (Malhotra, 2010). In the process of the Conjoint analysis will provide a quantitative measure of utility level and relative interest an attribute compares to another attribute. It is done through psychological considerations or consumer preferences. Furthermore, these values can be used to assist selection of attributes of a product that will be offered.

RESULT AND DISCUSSION

Test Analysis of Cochran Q Test in this study using 95% confidence level, where $df = n-1$, with basic decision making as follows

- If Q formula > Q table, then the attribute tested is invalid
- If Q formula < Q table, then the attribute tested is valid

Testing the attribute validity by using Cochran Q Test method is done by distributing questionnaires to 100 respondents with the following process:

1st Testing

Table 2. *The "Important" Proportion of 1st Testing*

Attributes	Respondent Choice	
	Not Important	Important
CONTEXT	29	71
CONTENT	39	61
COMMUNITY	58	42
CUSTOMIZATION	59	41
COMMUNICATION	33	67
CONNECTION	64	36
COMMERCE	32	68

Source: Data Processing Results (2017)

With $\alpha = 0,05$, $df = 7-1 = 6$, obtained Q table (0,05; 6) = 12,59 and Q formula = 54,058. 1st Testing decision is Reject H_0 because Q formula > Q table. So, there has been no similarity of respondents' opinions about attributes. Thus, it is necessary to have 2nd test by removing the attribute which has least important proportion of respondent choice, that is 'Connection' attribute.

2nd Testing

Table 3. *The "Important" Proportion of 2nd Testing*

Attributes	Respondent Choice	
	Not Important	Important
CONTEXT	29	71
CONTENT	39	61
COMMUNITY	58	42
CUSTOMIZATION	59	41
COMMUNICATION	33	67
COMMERCE	32	68

Source: Data Processing Results (2017)

With $\alpha = 0.05$, $df = 6-1 = 5$, obtained Q table (0.05; 5) = 11.07 and Q formula = 36.425. 2nd Testing decision is Reject H_0 because Q formula > Q table. So, there has been no similarity of respondents' opinions about attributes. Thus, it is necessary to have 3rd test by removing the attribute which has least important proportion of respondent choice, that is 'Customization' attribute.

3rd Testing

Table 4. *The "Important" Proportion of 3rd Testing*

Attributes	Respondent Choice	
	Not Important	Important
CONTEXT	29	71
CONTENT	39	61
COMMUNITY	58	42
COMMUNICATION	33	67
COMMERCE	32	68

Source: Data Processing Results (2017)

With $\alpha = 0.05$, $df = 5-1 = 4$, obtained Q table (0,05; 4) = 9,49 and Q test = 22,155. 3rd Testing decision is Rejects H_0 because Q test > Q table. So, there has been no similarity of respondents' opinions about attributes. Thus, it is necessary to have 4th test by removing the attribute which has least important proportion

of respondent choice, that is the 'Community' attribute.

Table 5. *The "Important" Proportion of 4th Testing*

Attributes	Respondent Choice	
	Not Important	Important
CONTEXT	29	71
CONTENT	39	61
COMMUNICATION	33	67
COMMERCE	32	68

Source: Data Processing Results (2017)

With $\alpha = 0.05$, $df = 4-1 = 3$, obtained Q table (0,05; 3) = 7,81 and Q test = 2,482. 4th Testing decision is Accept Ho for Q test < Q table. This means there is evidence to suggest that these four attributes are likely to answer the same "Important" of the respondent choice for each attribute. In other words, the four attributes can be considered valid so it can be used in developing a UNIPIN application user interface.

Here are the results of the conjoint analysis.

Table 6. *Aggregate Conjoint Analysis*

Attributes	Level	Utility Estimate	Importance Values
CONTEXT	Aesthetics	-.447	22.275
	Functional	-.692	
	Integrated	1.138	
CONTENT	Product-dominant	.178	18.215
	Information-dominant	.037	
	Service-dominant	-.215	
COMMUNICATION	One-to-many, Non-Responding User	-2.705	40.553
	One-to-many, Responding User	.717	
	One-to-one, Non-Responding User	1.165	
	One-to-one, Responding User	.823	
	Low	-.602	
COMMERCE	Medium	.237	18.957
	High	.365	

Source: Data Processing Results (2017)

Based on the results of aggregate analysis of the applications attributes in the table above, then obtained the following statement.

a. Context

For context attributes, look and feel of a user interface can be categorized into several criteria, including aesthetic, functional, and integrated. Aesthetics is an application that is oriented to the value of art that combines text, graphics and images with a high visual value. Functional attribute is a functionally oriented app focusing on offers like products, services or feature information contained therein. And integrated attribute is an application that combines aesthetics and functionality into the application, the application focuses on the main offering while focusing on combining text, graphics and images simultaneously.

b. Content

For content attributes emphasize the digital information contained in the application, including audio, video, images and text. Content attributes can be classified into three types, namely Product Dominant, Information Dominant, and Service Dominant. An application that prioritizes Product Dominant is an application whose main purpose is to provide information about the product. Systems that prioritize Information Dominant is an application that has dominant information such as magazine and newspaper applications. While applications that prioritize Service-Dominant is an application that provides the dominant service for users.

c. Communication

For communication attribute refers to the dialogue between the organization (company) and the user. Four classifications of communication include One-to-many, Non-Responding User; One-to-many, Responding User; One-to-one, Non-Responding User; And One-to-one, Responding User. One-to-many, Non-Responding Users are in-app communication where the company sends a message to many consumers, but consumers cannot or do not need to respond. One-to-many, Responding User is an interaction

whereby the company sends messages through applications to many consumers and each consumer can provide a response. One-to-one, Non-Responding Users are communications made by the company to each consumer directly, but consumers cannot respond. One-to-one, Responding User is a two-way communication between company parties and their customers personally.

d. Commerce

Commerce attributes are the most important in a more dominant application to product sales, but they are not uncommon in apps dominated by information or services. The commerce features of an interface application support consumers to perform financial transactions. Features that support e-commerce include registrations, shopping carts, security with authentic and encryption technology, credit card approval, affiliate ordering, configuration technology, order tracking, shipping options, and more. Commerce elements can be divided into three classifications based on features displayed or available in the application system. Three classifications include low, medium, and high. In the low classification, an application has few functional features or even none at all. Usually owned by organizations or companies that are not commercially oriented or have a small business. Applications with medium classification have some e-commerce features but are only used as a support feature. Usually this application has a commercial purpose but not complete as an application from a retail company. Highly classified apps have almost all e-commerce features because their main orientation is great sales. Companies that are product-dominant usually have highly commercial applications.

CONCLUSIONS

From the results of the research described in previous chapter, the following conclusions can be drawn:

1. From the results of Cochran Q Test analysis there are 4 attributes that become consideration of respondents in choosing user interface UNIPIN application that is,

Context, Content, Communication, and Commerce. From the results of the aggregate conjoint analysis shows the importance of each of these attributes for respondents, namely:

- The importance values of context is 22.275%
- The importance values of content is 18.215%
- The importance values of communication is 40.553%
- The importance values of commerce is 18.957%

The attributes importance values indicate that communication is the most important, meaning that respondents expect a feature of communication in the application. According to the respondent, the context is the second most important attribute, meaning the application context also influences the respondents in choosing the user interface application UNIPIN. Content and commerce attributes have almost similar weightings, but respondents prefer commerce as the third most important attribute, meaning respondents want a feature of commerce and then comes with content features.

2. From the results of conjoint analysis obtained the conclusion that respondents want an
 - Application that applies the integrated context (utility value 1.138) that combines functional features and aesthetic value that has an interesting visual form.
 - Application must prioritize product dominant content (utility value 0.178) either about product data or information of latest product in company
 - Applications that provide communication features that enable one-way interaction between the company and the consumer or called one-to-one, non-responding user (utility value 1,165) such as notification feature.

- Applications that have complete (high value) or high sales features primarily with shopping carts (utility 0.365).
- Applications that do not allow users to customize their own within the application.
- Respondents do not want any connection from outside or from within company to application.
- And respondents do not need an in-application community.

RECOMMENDATION

1. The company should be able to develop applications in accordance with what is needed by consumers because the main purpose of UNIPIN application development is to increase the market share of mobile games as well as increase the sales of mobile games vouchers.
2. Companies should pay attention to attributes that have the highest level of importance, so it can be applied to develop the application.
3. If in the enterprise application development is not possible to apply all the attributes that exist, then the company can apply the attribute that has the greatest importance level weight as applied to the following user interface application UNIPIN.

A. Homepage

The following user interface homepage UNIPIN application.



Figure 1. User Interface Homepage UNIPIN Application

Source: Author (2017)

This page applies the three attributes of the 7C Framework, among others:

- i. Context with an integrated level that can be seen from the visual display that combines icon images with text.
- ii. Content with a product-dominant level that can be viewed on the features of online games, mobile games, news and events, and other products.
- iii. Communication with a one-to-one, non-responding user level applied in the form of notification feature in the upper right corner of the page.

B. Navigation Drawer

Here user interface navigation drawer UNIPIN application.

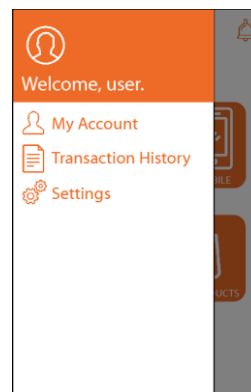


Figure 2. User Interface Navigation Drawer UNIPIN Application

Source: Author (2017)

This page applies the three attributes of the 7C Framework, among others:

- i. Context with an integrated level that can be seen from the visual display that combines icon images with text.
- ii. Content with the level of product-dominant that can be seen on my account features, transaction history, and settings.

Commerce with a high level that is applied in the form of my account features and transaction history.

C. Product List Page

Here the user interface product list page UNIPIN application.

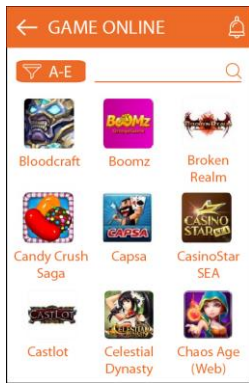


Figure 3. User Interface Product List Page Application UNIPIN

Source: Author (2017)

This page applies the three attributes of the 7C Framework, among others:

- Context with an integrated level that can be seen from the visual display that combines icon images with text.
- Content with a product-dominant level that can be seen in filter, search, and games features.
- Communication with a one-to-one, non-responding user level applied in the form of notification feature in the upper right corner of the page.

D. Product Details Page

Here the user interface product details page UNIPIN application.



Figure 4. User Interface Product Details Page Application UNIPIN

Source: Author (2017)

This page applies four attributes of the 7C Framework, including:

- Context with an integrated level that can be seen from the visual display that combines icon images with text.
- Content with a product-dominant level that can be seen in game screenshots, game descriptions, nominal vouchers, voucher prices, buy features, and wish list.
- Communication with a one-to-one, non-responding user level applied in the form of notification feature in the upper right corner of the page.
- Commerce with high level applied in the form of buy and wish list features.

E. Shopping Cart Page

Here's the user interface shopping cart page UNIPIN application.



Figure 5. User Interface Shopping Cart Page Application UNIPIN

Source: Author (2017)

This page applies the three attributes of the 7C Framework, among others:

- Context with an integrated level that can be seen from the visual display that combines icon images with text.
- Communication with a one-to-one, non-responding user level applied in the form of notification feature in the upper right corner of the page.
- Commerce with a high level that is applied in the form of checkout features, shop more, and security transactions with credit cards.

PT. Twenty-Four Hours Online is expected to continue the information on the results of this research to be taken into consideration in creating a mobile application user interface that aims to increase market share in the mobile games segment and increase the sales of voucher games.

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GENDER STEREOTYPE ROLE IN THE BUSINESS SUCCESS OF WOMEN ENTREPRENEURS IN INDONESIA

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Abstract

Having good business relationships with stakeholders and have innovative behaviours that are competitive, full of challenges, as well as risks to achieve success in the business. In relationships and behaviours, human beings are inseparable from their views on the attributes or characteristics of women and that have to be performed by women and men who are subconsciously embedded and absorbed in each individual's subconscious, which is commonly referred to as gender stereotypes. This is not apart from its influences on business relationships and innovative behaviours of women entrepreneurs in their business to achieve business success. It is interesting to examine whether gender stereotypes are moderate business relationships and innovative behaviours towards the success of women entrepreneur business in Indonesia. Sources of data obtained by distributing questionnaires and interviewing 109 women entrepreneurs. This research is a quantitative research using the Hierarchical Regression Analysis research method. The findings of this study show that women are more likely to have a relationship with women entrepreneurs. Gender stereotype as a moderating variable does not affect business relationships with a moderate relationship between innovative behaviour towards business success in women entrepreneurs in Indonesia, and the result shows gender stereotype decrease the influence of innovative behaviours of women entrepreneurs to the success of their business.

Keywords: Gender Stereotype, Business Relationship, Innovative Behaviour, Business Success, Women Entrepreneur

INTRODUCTION

Entrepreneur has broader economic impact from the perspective of developing new jobs, new business sectors and also wealth creation. Women's participation has been realize to be significant in the economics that can enhance national economic growth, job creation and poverty alleviation. These participation can

lead to less inequality in the two largest population's subgroups: men and women.

Based on a survey conducted by the World Bank in 2009 on companies operating in Indonesia, it showed that 42.8 percent of formal Micro, Small and Medium Enterprises (SMEs) were owned by women. At the same time, 46.7 percent is women employment, from which it can be concluded that women's SMEs have a significant contribution to economic growth and job creation in Indonesia, which is about the same size as that contributed by SMEs that owned by men.

Business that owned by women are different from men, also how managing the business are also different. The types of business that managed by women

ARTICLE INFO

Article history:

Received: 5 March 2019

Accepted: 16 June 2019

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concentrated in specific business sectors and tend to have less performance than business that managed by men. The important issue are preferences and constraints that placed on women ability and culture as an unfairly target.

The obstacles faced by women entrepreneurs in running a business are generally personal characteristics caused by workload due to the dual role of a woman, which in addition to managing the business they have, women entrepreneurs also have to take care of their families and households. In addition, women entrepreneurs also face structural characteristic barriers, such as limited access to capital and access to marketing where female entrepreneurs have lower access to marketing information compared to male entrepreneurs. One factors that has been identified that barriers to the development of women entrepreneurs is the result of gender stereotypes between women and men in a patriarchal environment (Widowati, 2012; Ardhanari, 2007). With the existence of barriers to the business undertaken by women entrepreneurs can influence business success from businesses owned by women entrepreneurs.

In running a business, an entrepreneur is expected to have innovative behaviour in order to be able to obtain a business success (Azizah & Marifah, 2017). Person's ability to create resources, this is important because nothing can become a resource until humans are able to find benefits from something that is found in nature to give economic value to it. In addition to having innovative behaviour, entrepreneurs must also be able to establish good relationships with stakeholders in carrying out their business. Because a well-established business relationship can bring success to entrepreneurs. Business without a good performance becomes impossible to be successful, so as entrepreneurs should be able to establish a good business relationship with stakeholders.

Entrepreneurs who are able to establish good relationships with customers and employees in the long term, will help entrepreneurs through both difficult and

challenging times. In establishing relationships and behaviour that directs humans to interact and act irrespective of the views of the perpetrators. In establishing relationships and behaviour, humans cannot be separated from their views on the attributes or characteristics that should be owned by women and men or the roles that should be carried out by women and men who unconsciously are embedded and absorbed in the subconscious of each individual on this earth, which is commonly referred to as a gender stereotype.

The effects given both positive and negative, cannot be separated from its influence on business relationships and innovative behaviour of women entrepreneurs in running their businesses to achieve business success. So it is interesting to examine how the influence of gender moderation is stereotyped on the ability to build and foster good business relationships and innovative behaviour that can bring business success to women entrepreneurs in Indonesia.

LITERATURE REVIEW

Having a relationship with various types of business people will provide access to the resources needed so that it can help small companies to overcome various kinds of obstacles faced, as well as resources that can be accessed by small companies through relationships between organizations that have significant potential in increasing innovation and sales (del Mar Fuentes-Fuentes, Bojica, Ruiz-Arroyo, & Welter, 2015). Business relationships are like other relationships where they need a lot of effort to maintain and they must be mutually beneficial for all stakeholders. Characteristics of business relationships can be explained such as trust, commitment, cooperation, communication, and relationship-specific investment. (Zaefarian, Thiesbrummel, Henneberg & Naudé, 2017).

According to Moorman et al. in Zaefarian et al. (2017) trust is a desire to depend on an exchange partner where someone has confidence in them. From the definition of trust it can be concluded that the importance

of trust and confidence in the exchange partner, which refers to the credibility of the exchange partner. Have confidence that trading partners are experts and can be relied upon in making transactions effectively "(Zaefarian et al., 2017; Siguaw, Simpson, & Baker, 1998) and refer to the intentions and motives of partners in considering benefits acceptable to his colleague (Zaefarian et al., 2017; Ganesan, 1994). Fang et al. in Zaefarian et al. (2017) explains that the influence of trust can be explored at different organizational levels, studying the effect of trust at the inter and intra-organizational levels. According to Zaheer et al. in Zaefarian et al., (2017) revealed that there are two levels of trust, namely interorganizational trust and interpersonal trust. At both of these levels, trust enhances specific relationships for investment and communication, so that it can improve agility and performance. Then it can be concluded that trust can increase information sharing while its absence can increase conflict and even result in ending the relationship. (Zaefarian et al., 2017).

Commitment

Commitment or commitment has an important role in the sustainability of a business relationship. This is because of the level of interdependence between sellers and buyers who can guarantee the success of long-term business relationships and also to maintain them. This good business relationship refers to the implicit or explicit promise of a relationship that takes place. Whereas the lack of commitment can encourage the use of power and long-term contracts.

Several aspects of commitment have been examined in the study of organizational relations. Affective commitment is the most frequently cited aspect of commitment in the literature in question. Zaefarian et al. (2017) describes Affective commitment as the desire to continue relationships because of the positive influence on partners. On the other side of behaviour commitment refers to clear manifestations of the continuation of relationships and related investments

(Zaefarian et al., 2017; Sharma, Young, & Wilkinson, 2006). According to Anderson and Weitz in Zaefarian et al., (2017) commitment must refer to the willingness of both parties to make temporary sacrifices in view of stable and profitable long-term relationships.

Morgan and Hunt in Zaefarian et al. (2017) revealed that cooperation or cooperation arises from the existence of trust and commitment that drives the success of a relationship. From this perspective the actors involved in a relationship will work together when they are committed to one another, which together commit to make the relationship work. Collaboration is an effort made by parties who work together to achieve a common goal. This concept implies that the actors involved in a relationship combine their efforts to build successful relationships.

According to Anderson and Narus in Zaefarian et al. (2017) Communication is the sharing of information in which the sharing of information can be in the form of formal and informal information that is meaningful and timely between companies. Previous communication was an antecedent of trust, while trust was an accumulation that facilitated communication (Zaefarian et al., 2017). The theory of trust commitment also supports this statement by Morgan and Hunt in Zaefarian et al., (2017). In communication, it is expected that there is a bilateral relationship between the two actors involved in a relationship to proactively provide valuable information to partners that can influence partner operations (Zaefarian et al., 2017; Heide and Miner, 1992). According to Morgan and Hunt in Zaefarian et al. (2017) such activity is expected to help align expectations and also to avoid conflict and resolve disputes between the two parties.

Relationship-Specific Investment (RSI)

According to Ganesan (1994), Relationship-specific investment (RSI) refers to investment in special relationships, which cannot be easily restored or transferred to other relationships. This is often related to the adaptation that must be made to partners when conducting business relationships so that it is not easy for

both parties to recover and transfer relations to other parties easily and quickly (Zaefarian et al., 2017).

Therefore, it can be described as an adaptation that allows entrepreneurs to secure business with their business partners. According to Palmatier et al., (2007) RSI is formed only in the long run, so they can have a different impact on buyers and sellers. With RSI, sellers send strategic signals to buyers that they are committed and care about business relationships that are fostered.

Innovative Behavior

Innovative behaviour is a process that has many stages that must be passed, which is a process of an individual recognizing a problem faced so that it is able to produce a thought idea and solution, whether a solution that is new or existing and adopted, works to advance and build support for thought ideas produced, and be able to produce prototypes or models that can be used and useful for the organization or parts therein (Thurlings, Evers, & Vermeulen, 2015; Carmeli, Meitar & Weisberg, 2006).

According to Agustina (2014) Innovative behaviour an individual's eagle attitude that aimed to produce, introduce and apply new things, which is beneficial in various levels of the organization. The following are 5 (five) components that shape the realization of Innovative behaviour, namely: opportunity exploration, generativity, formative investigation, championing, and application (Agustina, 2014; Kresnandito & Fajrianthi, 2012; Kleysen & Street, 2001; West & Farr, 1989).

Opportunity Exploration

Opportunity Exploration is the ability to find opportunities for innovation through extensive learning and exploration. In the opportunity exploration there are four behaviours that shape it, namely paying attention to the source of opportunity, finding opportunities to innovate, recognizing opportunities, and gathering information about opportunities.

Generativity

Generativity is the leader in the emergence of concepts aimed at development which are more focused on producing beneficial changes to services, products, members and organizations. In generativity there are three behaviors that form it, namely to produce ideas and solutions for opportunities, produce representations and opportunity categories, and produce associations and combinations of ideas and information.

Formative Investigation

Formative Investigation pay attention to improving ideas, solutions, opinions and try to investigate them. In formative investigation there are three behaviours that form it, namely formulating ideas and solutions, experimenting with ideas and solutions, and evaluating ideas and solutions.

Championing

Championing involves behaviour in the innovation process, which is important for realizing the potential of ideas, solutions, and opinions as well as business practices to realize creative ideas. In championing there are four behaviors that shape, namely mobilizes resources, persuade and influence, motivate and negotiate, and challenge and take risks.

Application

Application develop, test and commercialize innovative ideas and make innovations as part of mandatory activities in business. In the application there are three behaviours that support it, namely applying, modifying and implementing.

Business Success

To obtain business success, many efforts must be made in all fields that influence the occurrence of business success. Generally, SMEs operate around traditional lines, and many factors influence and cause the success of SMEs regardless of the location of SMEs and market conditions. (Jasra, Khan, Hunjra,

Rehman, & Azam, 2011). Being able to know how to survive in a competitive market is the most important thing an entrepreneur or business must have, so that business people can get success in their business. In addition, marketing strategies (marketing strategy), financial resources (financial resources), technology resources (technological resources), information access (information access), government support (government support), and business plans (business plans) are factors that must be owned in running a business to realize business success. (Pletnev & Barkhatov, 2016; Jasra et al., 2011).

Gender Stereotype

Gender stereotypes are a general view or prejudice about attributes, or characteristics that women and men should have or the roles that should be performed by women and men. Gender stereotypes can be seen as positive and also negative. Using gender stereotypes in clarifying a particular person or group is a universal process, because it allows us to quickly sort them into two groups, namely women and men using prominent visual and physical characteristics (Perez-Quintana, Hormiga, Martori & Madariaga, 2017; Gupta & Bhawe, 2007).

Basically, gender stereotype is a belief in which that belief can cause the holder to make assumptions about group members subjectively, women and / or men, and also the practice of applying stereotypical beliefs to others. Gender stereotype will be dangerous when limiting the ability of women or men to develop their personal abilities, pursue their professional careers and make choices about their lives and life plans.

In the literature on entrepreneurship, the theory of the role of congruence proposes that women and men are expected to behave in ways that are in accordance with their gender roles. The role of entrepreneurs has been shown to be stereotypically described as masculine (Malmström, Johansson & Wincent, 2017). This is because there is a view that perceives a mismatch between women's gender roles and the role of entrepreneurs which implies that women are considered less profitable than men as potential entrepreneurs. Thus, congruity's role theory rationalizes why men can have a significant advantage over women, due to natural compatibility between men and masculine behavior due to male harmony, masculinity, and entrepreneurship.

Congruity role theory has confidence that gender is related to communal attributes and agentic. Characteristics of communal is a characteristic of women, which describes concern for the welfare of others; for example, loving, helpful, kind, sympathetic, interpersonal sensitive, nurturing, and gentle. On the contrary, agentic characteristics are more identical characteristics for men, especially describing a firm, controlling and confident tendency; for example, aggressive, ambitious, dominant, strong, independent, independent, confident, and tends to act as a leader. (Malmström et al., 2017; Bakan, 1966; Eagly, 1987).

From the results of research conducted by Perez-Quintana, et al. (2017) found 8 attributes for femininity, eleven attributes for masculine, six attributes for androgyny and six attributes for undifferentiated ones from 31 attributes by the Bem Sex-Role Inventory (Perez-Quintana, et al., 2017; Bem, 1981).

Table 1. *Bem Sex-Role Inventory*

Masculine items	Feminine items	Androgynous items	Undifferentiated Items
Self-confident	<i>Kind, attentive</i>	<i>Innovative</i>	<i>Assertive</i>
Prone to taking risk	<i>Gullible</i>	<i>Creative</i>	<i>No systematic</i>
Prone to position	<i>Flexible</i>	<i>Analytical</i>	<i>Self-sufficient</i>
Individualistic	<i>Loyal</i>	<i>Unpredictable</i>	<i>Obedient</i>
Determined, steady, temperamental	<i>Sensitive to the needs of the others</i>	<i>Active, energetic, capable of sustained effort Leadership</i>	<i>Vehement in opinions</i>
Leadership capacity	<i>Submissive</i>	<i>Optimistic</i>	<i>Yielding</i>
Independent	<i>Humble</i>		
Make decisions easily	<i>Shy, discreet</i>		
Ambitious			
Dominant, aggressive			
Competitive			

RESEARCH METHODOLOGY

The research method used in this study is the questionnaires method, where research is conducted on large and small populations, but the data studied is data from samples taken from the population t (Sugiyono, 2013). The approach in this study is a quantitative approach which is used to measure statistically how much influence business relationships and innovative behavior influence with gender stereotypes as a moderating variable towards the business success of women entrepreneurs in DKI Jakarta. Time Horizon that is used is one shot, this is because research is carried out only in a certain period of time or once, and namely as long as the respondent is a female entrepreneur who owns SMEs in DKI Jakarta. And the analysis unit used is an individual and here the status of the respondent is a female entrepreneur. The sampling technique in this study uses proportional simple random sampling where the technique of taking member samples from the population is done randomly regardless of the strata that exist in the population (Sugiono, 2013). In this study a sample was divided into five parts from the DKI Jakarta province / region, such as West Jakarta, North Jakarta, Central Jakarta, South Jakarta

and East Jakarta. The sample target in this research is female entrepreneurs who have SMEs in DKI Jakarta whose population is not known with certainty, so that in this study the calculation of convenience sampling technique was used.

RESULTS AND DISCUSSIONS

Respondents in this study as a whole are female entrepreneurs who running SMEs, especially in DKI Jakarta which are spread in 5(five) region: West Jakarta, North Jakarta, Central Jakarta, South Jakarta and East Jakarta. With the number of respondents as many as 109 female entrepreneurs. From the questionnaire data contained in the attachment can be seen the description of the respondent's responses to each item statement.



Figure 1. Histogram Business Relationship

From the results of 109 respondents' responses to the business relationship, it can be seen that affective commitment has the greatest value of 4.42 points. And interpersonal trust has the smallest value is 3.73 points. So, it can be explained that in establishing business relationships women entrepreneurs rely on affective commitment in establishing business relationships where affective commitment is a desire to continue relationships with partners because of good relationships. Furthermore, in establishing business relations women entrepreneurs in DKI Jakarta tend to be careful in giving their trust in business interactions with their business partners.

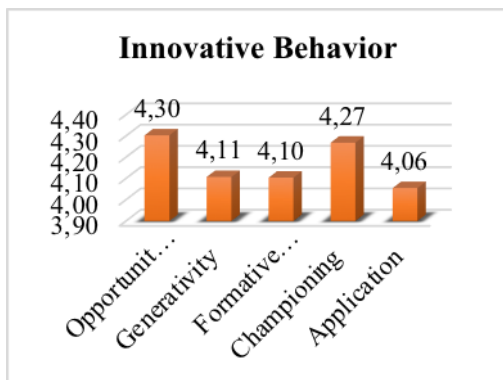


Figure 2. Histogram Innovative Behavior

From the results of 109 respondents' responses to innovative behavior, it can be seen that exploration opportunities have the greatest value, which is worth 4.30 points. And application has the smallest value is 4.06 points. So, it can be explained that women entrepreneurs in Indonesia tend to have innovative behavior that is able to pay attention to, search for, recognize and gather information about the opportunities that exist, which are able to bring women entrepreneurs towards innovation in business. However, women entrepreneurs tend to have difficulties in implementing, modifying and routinizing them in developing, testing and commercializing innovative ideas and making innovations as part of mandatory activities in conducting business. So that it can be concluded that women entrepreneurs in DKI

Jakarta still have to develop their ability to apply innovative ideas into real things, not only be able to pay attention, find, recognize and gather information about opportunities so that business women entrepreneurs in Indonesia can achieve success.

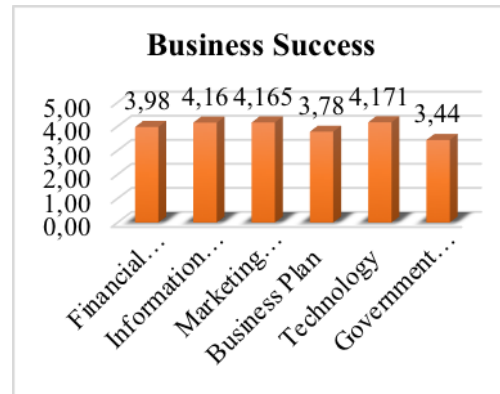


Figure 3. Histogram Business Success

From the results of the responses of 109 respondents it can be seen that technology has the greatest value, which is worth 4.17 points. And government support has the smallest value is 3.44 points. So, it can be explained that technology plays a very important role in achieving the business success of women entrepreneurs in DKI Jakarta. Because technology helps women entrepreneurs in DKI Jakarta in obtaining more customers and technology also increases the business productivity level of women entrepreneurs in DKI Jakarta.

Furthermore, it can be seen that women entrepreneurs in DKI Jakarta consider that the Indonesian government is still not contributing in supporting the business success of women entrepreneurs who have SMEs in DKI Jakarta. Not that, the Indonesian government does not pay attention to entrepreneurs, especially women entrepreneurs who have SMEs in DKI Jakarta. It could be that the programs created by the Indonesian government are still not socialized right on target. It is hoped that the government will pay more attention and support to women entrepreneurs who have SMEs so that SMEs owned by women in Indonesia can develop and gain business success. Because this is one of the keys to

improving Indonesia's economy and to reduce unemployment in Indonesia.

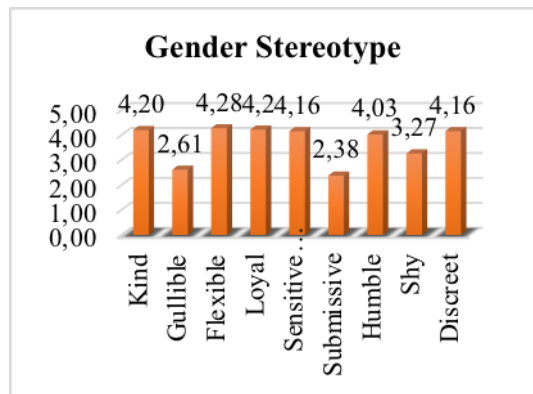


Figure 4. Histogram Gender Stereotype

From the results of the responses of 109 respondents, it can be seen that flexible has the greatest value, which is worth 4.28 points. And submissive has the smallest value is 2.38 points. So, it can be explained that the women entrepreneurs in running their businesses are very flexible. Where this flexibility has a positive and negative influence in running a business, if it is too flexible a woman entrepreneur in running a business can be stated that women entrepreneurs tend to have a difficult position themselves, tend to have a feeling of not feeling good, and have the impression of being less strict in doing business. The positive side of flexibility in running a business will build friendlier relationships with stakeholders. But it's best to do business in business relationships not to be equated with ordinary friendships, this is one of the weaknesses of female entrepreneurs in running a business.

Furthermore, in conducting business, women entrepreneurs can be said to disagree with gender stereotypes which state that women entrepreneurs tend to follow the wishes and sayings of others in conducting business. So it can be concluded that women entrepreneurs generally have a flexible attitude in business, but that does not mean they want to listen to the wishes and sayings of other parties in business, women entrepreneurs have firmness in running their business but remain flexible so that business

relationships remain bind up with good. It can be said that this is a good blend of business.

Influence Business Relationship of Business Success

Analysis of the effect of business relationships on business success and influence in this study was carried out by using hierarchical regression analysis. Tests are conducted to measure the effect of a business relationship on a business success that can be seen in Figure 5 below:

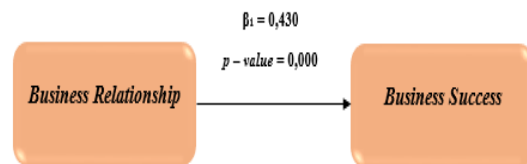


Figure 5. The influence of Business Relationship on Business Success

The results shown in Figure 5, explained that if women entrepreneurs are able to establish and have good business relationships with business stakeholders (stakeholders) it will have a good influence on the business success of women entrepreneurs. The results of this study are in line with the results of research conducted by del Mar Fuentes-Fuentes et al. (2015) which shows that having relationships with various types of business people will provide access to the resources needed so that small companies can overcome various kinds of obstacles faced. In addition, it is also will allow small companies to obtain the necessary resources through relationships between organizations that have significant potential in improving innovation and sales, which are important things in achieving business success. Furthermore, from the research conducted by Xesha, Iwu, and Slabbert (2014) it also shows that having, developing and maintaining good relationships with stakeholders is an important factor in achieving business success. So, this conceptual is inspired by the philosophy that the success of SMEs depends on new and established relationships to achieve success in business.

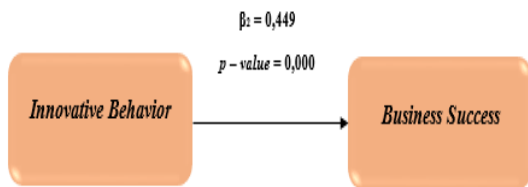


Figure 6. The influence of Innovative Behavior on Business Success

Based on the results of the research shown in Figure 6, it can be explained that the more women entrepreneurs in DKI Jakarta have innovative behavior in running their business, the more successful the business success of women entrepreneurs in DKI Jakarta will be. The more women entrepreneurs develop innovative attitudes in running and developing their business, the more successful the business will be. This is in line with the research conducted by Tohidi and Jabbari, (2012) shows that business success will be obtained if someone has innovative behavior. Likewise, the results of research conducted by Agustina (2014) show that innovative behavior contributes greatly to the business success of women entrepreneurs. And also from research conducted by Rahman, Setyanti, and Saleh (2015) showing that innovative behavior has a significant and positive effect on business success, where with the presence of high innovative behaviors it will also have a high influence on business success. This is because innovative behavior is all the attitudes of individuals who are directed to produce, introduce, and apply new things, which are useful in various levels of the organization to achieve business success (Agustina, 2014; Kleysen & Street, 2001).

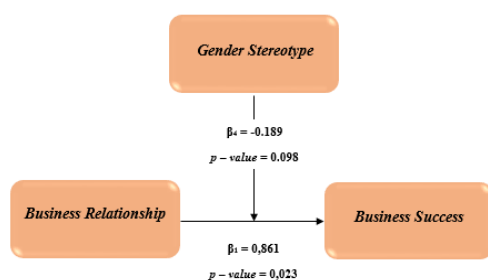


Figure 7. Business Relationship Influence Business Success with Gender Stereotype as moderated variable.

Based on the results of the research shown in Figure 7, showing that gender stereotypes as moderating variables do not affect the relationship between business relationships and business success.

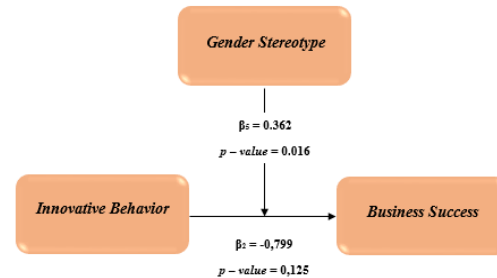


Figure 8. Innovative Behavior Influence Business Success with Gender Stereotype as Moderated Variable

Based on the results of the research shown in Figure 8, the findings of the research in the field that gender stereotypes will weaken the innovative behavior of the business success of women entrepreneurs in DKI Jakarta. Based on the answers from respondents about their views on gender stereotypes aimed at women, there is a tendency that with the views or prejudices about the attributes or characteristics that should be possessed by women will weaken the innovative behavior's influence on business success because of the perception that women are more at risk compared to men in doing business, women do not have the same level of knowledge and ability or are stronger than men, women are seen as less active than men, and the view of creating a company is not a socially acceptable choice for women (del Mar Fuentes-Fuentes et al., 2015) and the attributes that are attached to women who tend to be easily fooled, obedient and shy.

These views unwittingly cause female entrepreneurs to be intimidated and not confident, causing a lack of innovative behavior to explore opportunities, generativity, formative investigations, fight for, and application of innovative ideas by female entrepreneurs. However, if women entrepreneurs are able to realize the existence of these gender stereotypes and try to make changes that are capable of possessing

androgynous attributes (innovative, creative, analytical, unpredictable, active, energetic, capable of survival, leadership, and optimistic). Thus, women entrepreneurs will be able to compete and become more successful in the patriarchal business world in Indonesia.

CONCLUSIONS

In achieving business success, women entrepreneurs are expected to be able to establish good business relationships with stakeholders and continue to develop this innovative behavior because developing innovative behavior is believed to be able to foster entrepreneurial motivation for entrepreneurs to achieve success in their business. If in trying not to have a strong foundation of entrepreneurial motivation, and not having innovative behavior, it is unlikely that a business will experience growth (Azizah & Marifah, 2017; Yunal & Indriyani, 2013). In addition, women entrepreneurs must be aware of the impact of views on the characteristics and attributes that have been instilled in women. Which, unconsciously and indirectly, limits what should be done by a woman entrepreneur in running her business in order to achieve success in the business she is running. The more women entrepreneurs who have SMEs, the more they will contribute to the economy in Indonesia where this will reduce unemployment and will increase the economy in Indonesia. The business success of women entrepreneurs who have SMEs is inseparable from the ability to design marketing strategies, have financial resources in running their businesses, technology resources, access to information, business plans, and government support are factors that must be possessed in running a business to realize success in business.

Women entrepreneurs are advised not to limit themselves in pursuing business success and must be able to not be indoctrinated by the views and attributes that are pinned to women and must be aware of the adverse effects of gender stereotypes in business activities and in daily life if they want success in business. Having innovative behavior and

business relationships in running a business will bring business success to female entrepreneurs. And it must be desirable to discard gender stereotypes in order to achieve business success by establishing good business relationships with anyone regardless of gender and getting used to having innovative behavior without limiting themselves.

For future research, it is better to carry out research in several regions in Indonesia. This is because each region in Indonesia has a different culture so that it is possible to give different results and is expected to involve male entrepreneurs as respondents in research, in order to compare business success between female entrepreneurs and men, based on the influence of business relationships and innovative behavior with the existence of a derivation of gender stereotypes. And it is also expected to be able to add other independent variables besides business relationships and innovative behaviors that are able to influence business success with gender stereotypes as moderating variables or control variables.

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CONTENTS

Foreword	i
Bachtiar H. Simamora	
Exploring the Role of Project Governance and Stakeholder Management in Public Sector Infrastructure Projects	1
<i>Ishak Ismail, Asadullah Khan, Muhammad Waris, Hasnah Haron and Bachtiar H. Simamora</i>	
Knowledge Retention Strategy Evaluation & Knowledge Management System Design at Plastic Injection Company in Indonesia	11
<i>Leo Adi Anggoro and Bachtiar H. Simamora</i>	
Predicting Purchase Intention toward Halal Packaged Food from Non-Muslim Manufacturers: A Comparative Study of Muslim in Thailand and Indonesia	21
<i>Athapol Ruangkanjanases and Tassaya Sermsaksopon</i>	
Comparative Analysis of The Kurdish Problem in Turkey and The Issue of Chinese in Malaysia within The Context of Nation-State and Ethnic Differences	31
<i>Musa Yavuz Alptekin</i>	
Preferences of UNIPIN Mobile Application using Conjoint Analysis (Case Study: PT. Dua Puluh Empat Jam Online)	37
<i>Marliana and Natalia</i>	
Gender Stereotype Role in The Business Success of Women Entrepreneurs in Indonesia	59
<i>Hendry Hartono, Wella Luhur, Sasmoko, Nugroho Juli Setiadi and Abdul Aziz Abdulah</i>	