MARKET INTEGRATION IN ASEAN:
SUSTAINABLE GROWTH AND
CROSS CULTURAL ISSUES

Ho Chi Minh City, Vietnam
18th-20th March 2016

Department on Management
Faculty of Business and Economics, University of Surabaya,
Surabesia

University of Social Sciences and Humanities, Vietnam National
University Ho Chi Minh City (USSH, VNU-HCM), Vietnam
Proceeding

The 13th UBAYA International Annual Symposium on Management

MARKET INTEGRATION IN ASEAN:
SUSTAINABLE GROWTH AND CROSS CULTURAL ISSUES

Editors:
Dudi Anandya, PhD.
Edithia Ajeng P, SE.
Phan Thi Hong Xuan, Prof. PhD.
Nguyen Ngoc Tho, PhD.
Do Hoang Phuong An, M.A.

Reviewers:
Candra S. Chayadi, Ph.D. (School of Business, Eastern Illinois University)
Dudi Anandya, Dr (University of Surabaya)
Joniarto Parung, Ph.D, Prof. (Universitas Surabaya)
Ning Gao, Ph.D. (Manchester Business School)
Wahyu Soedarmono, Ph.D. (Research Analyst, the World Bank, Jakarta)
Yuanto Kusnadi, Ph.D. (City of Hong Kong University)
Tran Nam Tien, Dr. Prof. (USSH, VNU-HCM)
Huynh Ngoc Thu, Dr. (USSH, VNU-HCM)
Tran Anh Tien, Dr. (USSH, VNU-HCM)

Published by:
❖ Department of Management, Faculty of Business & Economics, University of Surabaya
Jl. Raya Kalirungkut
Surabaya, Indonesia 60293
Phone: +62-31-2981139; Fax: +62-31-2981239

❖ University of Social Sciences and Humanities, Vietnam National University Ho Chi Minh City, Vietnam
10-12 Dinh Tien Hoang, Ben Nghe Ward, District 1, HCMC
Phone: (84 - 8) 38293828; Fax: (84 - 8) 38221903


Copyright © 2015 Department of Management, Faculty of Business & Economics, University of Surabaya - University of Social Sciences and Humanities, Vietnam National University Ho Chi Minh City (USSH, VNU-HCM).
FOREWORD

It is with deep satisfaction that I write this Foreword to the Proceedings of THE 13TH INTERNATIONAL ANNUAL SYMPOSIUM ON MANAGEMENT (INSYMA) held at University of Social Sciences and Humanities, Vietnam National University - Ho Chi Minh City, Vietnam, March 18-20, 2016. The 13th Insyma aims to provide a forum for discussion among leadings academics, researchers, students, and practitioners from all over the world, experts in economic and social sciences.

The theme for INSYMA 2016 is “MARKET INTEGRATION IN ASEC: SUSTAINABLE GROWTH AND CROSS CULTURAL ISSUES”. This theme represent emerging and highly challenging and opportunities area of research and practice.

There has been tremendous number of researchers investigating the impact of market integration and cultural impacts on economy on several communities. Mainly they found a positive impact on the economic growth as a result on significant increasing of trading for products and services in its country member. Nevertheless, market disstabilization is still main disadvantage of the regional integration. Regional community needed to developed the new model of market integration system that could minimize the disadvantages.

Hundreds of scientific papers are sent to the conference commitees in Indonesia and in Vietnam, and the results of a rigorous selection of 160 selected. This paper is derived from a variety of authors, both within and outside Indonesia and Vietnam, academics and practitioners. All the articles are then presented at the symposium and documented in this proceedings.

We thank all authors, participants, sponsors and co-hosts for their contributions and we hope that these proceedings can contribute to the development of science and business practices. Hopefully you can enjoy and gain valuable lessons from this article collection.

Ho Chi Minh, Vietnam, 18th-20th March 2016
CONTENTS

FOREWORD .......................................................................................................................... iii

CONTENTS .......................................................................................................................... v

FINANCE & ACCOUNTING

1. RISK TAKING AND PROFITABILITY: EVIDENCES FROM INDONESIA
   Abdul Mongid, Muazaroh ................................................................................................... 3

2. CAPITAL ADEQUACY RISK AND SYSTEMIC RISK: AN EFFORT TO
   ANTICIPATE BANKING CRISIS WITH SYSTEMIC IMPACT
   Alfiana .................................................................................................................................. 17

3. CD INDEX, A NEW METHODS FOR MEASURING BANKING CRISIS
   Amir Ambyah Zakaria, Musdholifah .................................................................................. 33

4. THE EFFECT OF GOOD CORPORATE GOVERNANCE TO STOCK
   RETURN IN INDONESIAN MOST TRUSTED COMPANY FOR 2006 –
   2013 PERIOD
   Andreas Kiky, Michael Chris Ardhiyia ............................................................................. 46

5. THE DETERMINANT OF INDONESIA’S ISLAMIC RURAL BANKING
   RISK TAKING
   Anggraeni ......................................................................................................................... 56

6. FREEDOM OF CONTRACT: RISK MANAGEMENT PRACTICES IN
   MANAGING FRANCHISE BUSINESS
   Aris Armuninggar ............................................................................................................ (Abstract only)

7. BUSINESS STUDENT’S FINANCIAL LITERACY IN SURABAYA: ARE
   THEY GOOD ENOUGH?
   Aulia Imiay ....................................................................................................................... (Abstract only)

8. THE IMPACT OF TRADE LIBERALISATION ON THE ECONOMIC
   PERFORMANCE OF ASEAN COUNTRIES
   Awan Setya Dewanta .......................................................................................................... 70

9. FINANCIAL PERFORMANCE IMPACTS OF CORPORATE
   ENTREPRENEURSHIP
   Bertha Silvia Sutejo ........................................................................................................... 85

10. FRAMING EFFECT TO INVESTOR REACTION BASED ON GENDER
    PERSPECTIVE: AN EXPERIMENTAL STUDY
    Caecilia Wahyu Estining Rahayu, Lukas Purwoto ........................................................... 97

11. THE INFLUENCE OF ENVIRONMENTAL MANAGEMENT ACCOUNTING TOWARD THE COMPANY PERFORMANCE AND STAKEHOLDERS
Candra Sinuraya .................................................................................................................. 111

12. GENDER COLLABORATION ROLE IN ANALYZING AND MANAGING RISKS AT BODY REPAIR “X” IN MALANG
Debby Andriani, Fidelis Arastyo Andono ........................................................................ 120

13. A SIMPLE STRESS TEST ON INDONESIAN ISLAMIC BANKING INDUSTRY
Dece Kurniadi, Sutan Emir Hidayat ................................................................................ 135

14. THE INFLUENCES OF INVESTMENT OPPORTUNITIES AND PROFITABILITY ITS POLICIES DIVIDEND AT LQ45 COMPANY
Dede Hertina ...................................................................................................................... 153

15. INVESTMENT OPPORTUNITY SET BASED INDUSTRIAL GROWTH IN INDONESIAN MANUFACTURE
Eka Handriani .................................................................................................................... 169

16. ILLIQUIDITY, MARKET CHARACTERISTIC AND STOCK RETURN (A STUDY AT INDONESIA STOCK EXCHANGE)
Erman Denny Arfinto, Putri Nur Rositawati .................................................................... 188

17. THE EFFECT OF CORPORATE GOVERNANCE MECHANISM ON FINANCIAL PERFORMANCE WITH AGENCY COST AS INTERVENING VARIABLE
Finda Selli Anditya, Sutrisno .......................................................................................... 201

18. BANKING INTEGRATION AMONG EMERGING AND DEVELOPED MARKET COUNTRIES: EVIDENCE FROM SOUTH EAST ASIA
Ghalih R Viratama, Harjum Muharam ............................................................................ 215

19. IMPACT OF INTERNAL AND EXTERNAL FACTORS ON STOCK RETURN IN INDONESIA STOCK EXCHANGE
Gusni .................................................................................................................................. 229

20. THE EXAMINING CAPITAL STRUCTURE DETERMINANTS: EMPIRICAL ANALYSIS OF REGIONAL DEVELOPMENT BANKS IN INDONESIA
Hamdi Agustin, Detri Karya, Suyadi ................................................................................ 252

21. ANALYSIS OF FACTORS AFFECTING THE PREDICTING BANKRUPTCY PRIVATE BANKS IN INDONESIA
Hasrizal Hasan, Hamdi Agustin, Eva Sundari, Yul Efnita ................................................ 266

22. THE EFFECT OF ENTERPRISE RISK MANAGEMENT DISCLOSURE AND ACCOUNTABILITY OF FINANCIAL REPORT TOWARD FIRM VALUE (A CASE OF INSURANCE FIRMS LISTED IN

23. ANALYSIS OF FACTORS AFFECTING THE CAPITAL STRUCTURE IN INDONESIA STOCK EXCHANGE
   Indira Kumiasari, Werner R. Murhadi, Mudji Utami ........................................... 290

24. STUDY OF FINANCIAL LITERACY ON MAGISTER MANAGEMENT XTENDENTS: DEMOGRAPHIC REVIEW (not abstract)
   Rr. Iramani .............................................................................................................. 299

25. ASYMMETRY INFORMATION AND CREDIT RISK EFFECT ON LOAN PRICING IN ASIA PACIFIC
   Ivana Alim, Deddy Marciano, Liliana Inggrit Wijaya .................................................. 312

26. ANALYSIS OF THE DAY OF WEEK EFFECT, WEEK FOUR EFFECT, ROGLASKY EFFECT, AND JANUARY EFFECT ON STOCK RETURN IN INDONESIA STOCK EXCHANGE
   Kartini, Meilya Dian Santika .................................................................................. 326

27. PERFORMANCE AND RISK ANALYSIS BETWEEN JAKARTA ISLAMIC INDEX AND LQ45
   Luhuk Kholisoh, Sulistyani Rahmah Indah, Untara ..................................................... (Abstract only)

28. THE EFFECT OF INTERNATIONALIZATION TO RISK IN INDUSTRIAL MANUFACTURING COMPANY THAT LISTED ON THE INDONESIA STOCK EXCHANGE 2010-2014 PERIOD
   Mechiko, Deddy Marciano, Arif Herlambang .............................................................. 344

29. BIAS REPRESENTATIVENESS WITH TREND AND SEQUENCES APPROACH: THE OVERVALUE/UNDERVERVALUE, MOMENTUM AND REVERSAL RETURN TEST
   Putu Anom Mahadwartha, Bertha Silvia Sutejo ........................................................... 359

30. RISK MANAGEMENT IN INDONESIA TO CREATE HEALTHY COMPANY IN ASEAN ECONOMIC COMUNITY
   Rosemarie Sutjiati ........................................................................................................ 383

31. FINANCIAL LITERACY STUDY OF MAGISTER MANAGEMENT STUDENTS: DEMOGRAPHIC REVIEW
   Rr. Iramani ............................................................................................................... (Abstract only)

32. CORPORATE GOVERNANCE AND FIRM PERFORMANCE: THE MODERATING ROLE OF INVESTMENT
   Siti Puryandani, Hartati Hadady .............................................................................. 394

33. FINANCIAL PERFORMANCE ANALYSIS OF PRE AND POST MERGER ON INDONESIAN COMMERCIAL BANK WHICH REGISTERED ON INDONESIA STOCK EXCHANGE
   Sri Mulyati, Bangkit Hermyan Siswara ................................................................... 410
34. ANALYSIS OF READINESS FOR ISA (INTERNATIONAL STANDARDS AUDITING) BASED IN AUDIT PLANNING (CASE STUDY AT LOCAL PUBLIC ACCOUNTANT "X" IN SURABAYA)
Stefii Sunur, Wiyono Pontoharyo, Senny Harindahyani ........................................... 430

35. MEASUREMENT OF ISLAMIC BANK HEALTH USING SHARIA COMPLIANCE AND PERFORMANCE
Sutrisno, R. Agus Basuki ........................................................................................................ 450

36. INTELLECTUAL CAPITAL DISCLOSURE AND FIRM VALUE: AN ANALYSIS WITH NON-RECURSIVE MODEL
Toni Heryana ......................................................................................................................... 461

37. THE NEW CORPORATE GOVERNANCE MEASUREMENT AND ITS IMPACT ON FIRM VALUE
Ulil Hartono, Mudholifah .......................................................... (Abstract only)

38. REAL EXCHANGE RATE MISALIGNMENT AND CURRENCY CRISIS: CASE OF INDONESIA
Unggul Heriqbaldi .......................................................... (Abstract only)

39. THE INFLUENCE OF ENTERPRENEURSHIP ON FINANCIAL PERFORMANCE MEDIATED BY NON-FINANCIAL PERFORMANCE
Uswatun Hasanah, Saniman, Faidal ................................................................. 487

40. THE ROLE OF CORPORATE GOVERNANCE IN FAMILY CONTROL FIRMS: EVIDENCE FROM INDONESIA
Yie Ke Feliana, Suwenda Liantina ................................................................. 499

41. E-PAYMENT SYSTEMS IN SUPPORT ONLINE TRANSACTIONS (USER CASE STUDIES OF E-PAYMENT SERVICES IN MAKASSAR)
Zikra Supri, Andi Rahmatullah Mangga, Mediaty ............................................................... 510

HUMAN RESOURCES

42. THE EFFECT OF COMMITMENT CAREER TO THE SUCCESSFUL CAREER WITH EMOTIONAL PERCEPTION AS VARIABLE MODERATOR AT PT. PJB PUSAT SURABAYA
Aninda Tri Cahyaningrum, M.E Lanny Kusuma Widjaja .......................................................... 525

43. THE INFLUENCE OF THE ISLAMIC BUSINESS ETHICS AND SPIRITUAL INTELLIGENCE OF ISLAMIC LEADERSHIP AND PERFORMANCE MANAGER SHARIA BANK IN SURABAYA
A Roehim Sidik ...................................................................................................................... 546

44. EVALUATION OF EFFECTIVENESS ON DESIGN THINKING METHOD FOR THE DERGRADUATE STUDENTS (CASE STUDY ON LEADERSHIP COURSE IN PARAHYANGAN CATHOLIC

UNIVERSITY)
Anisaa Novieningtyas, Triyana Iskandarsyah,
Rizka Nugraha Pratikna, Ivan Prasetya Tanimukti ................................................................. 562

45. OPTION-BASED MODEL AND PROJECT-BASED CAREER MODEL
AFFECT EMPLOYEE’S INTENTION TO STAY IN
PROFESSIONAL SERVICES ORGANIZATION: KNOWLEDGE
AND SKILLS AS MODERATOR
Bagus Suripto, Gugup Kismono ................................................................. 575

46. THE IMPACT OF KKN (INDONESIAN QUALIFICATION NETWORK)
IMPLEMENTATION TO HIGHER EDUCATION GRADUATES’
QUALITY: A STUDY OF UNDERGRADUATE ALUMNI AT
TANGERANG, BANTEN
Dewi Wahyu Handayani, Anthony Halim ................................................................. 598

47. ORGANISATIONAL CHANGE IN PUBLIC SERVICE:
DECONSTRUCTING SECTORIAL EGO IN PUBLIC COLLABORATION
Dian Ekoawati ........................................................................................................... 617

48. WORKLOAD ANALYSIS FOR GOOD HUMAN RESOURCE PLANNING
AT FACULTY Y IN UNIVERSITY X
Endang Emawati, Elsy Tandelilin .................................................................................. 635

49. THE APPLICATION OF INTERNAL CONTROL FOR THE WOMEN
COOPERATIVE PERFORMANCE IN EAST JAVA
Eni Wuryani, Dewi Prastini ................................................................. 649

50. THE INFLUENCE OF THE QUALITY OF WOMEN’S COOPERATIVE
PERFORMANCE TO GOOD CORPORATE GOVERNANCE (STUDY ON
WOMEN’S COOPERATIVES IN EAST JAVA)
Erlina Diamastuti, Ni Nyoman Alit Triani ................................................................. 661

51. SUSTAINABLE GROWTH AND ETHICS A STUDY OF BUSINESS
MANAGEMENT STUDENTS IN SURABAYA
Ema Andajani ........................................................................................................... 674

52. REPUTATION ORGANIZATION DEVELOPMENT MODEL TO CREATE
COMPETITIVE ADVANTAGE – A CASE STUDY IN TRANSMEDIA
Indrianaawati Usman ...................................................................................................... 682

53. PERFORMANCE MANAGEMENT APPROACH AS THE BEST
CHOICE IN THE IMPLEMENTATION OF INDONESIAN NATIONAL
QUALIFICATIONS FRAMEWORK
Joseph L. Eko Nugroho ................................................................................................. 693

54. ORGANIZATIONAL HEALTH AS A CORPORATE CULTURE AND
FOUNDATION OF ORGANIZATIONAL DEVELOPMENT
L. Verina H. Sercapramana .............................................................................................. 704
MARKET INTEGRATION IN ASEAN: SUSTAINABLE GROWTH AND CROSS CULTURAL ISSUES

55. ANALYSIS OF JOB COMPETENCIES ADVERTISED IN NEWSPAPERS AND THE CURRICULUM OF MANAGEMENT DEPARTMENT OF A SCHOOL OF BUSINESS
Laila Saleh Marta ............................................................................................................ (Abstract only)

56. EMPLOYER BRANDING AND THE MEANING OF WORKING THEIR EFFECTS ON WORK PLACE PREFERENCE - A COMPARATIVE STUDY ON WORK PERCEPTION BETWEEN LOCAL WORKERS AND EXPATRIATES WORKING WITHIN LOCAL AND MULTINATIONAL FIRMS IN BANDUNG AND EXTENDED AREAS
Maman Kusman, Dwinto Martri Aji Buana, Nugroho Hardiyanto ................................. (Abstract only)

57. COMPARISON OF CULTURAL VALUES IN THREE INDONESIAN SUB-CULTURES
Mirwan Surya Perdhana, Devia Arda ............................................................................. 717

58. INFLUENCE OF WORK FAMILY CONFLICT, JOB SATISFACTION, AND TURNOVER INTENTION – THE CASE OF CV. STAR INTERNATIONAL
Mochamad Rizki Sadikin, Debby Ulfah ......................................................................... 726

59. THE EFFECT OF INVOLVEMENT OF WORK AND DEMANDS OF WORK ON WORK-FAMILY CONFLICT WITH THE SOCIAL SUPPORT AS A MODERATING VARIABLE EMPLOYEES
Ninin Prastiwi, Dwiaroko Nugrohoseno ......................................................................... 734

60. THE ROLE OF MANAGEMENT SUPPORT ON CORPROATE ENTREPRENEURSHIP AND EMPLOYEE WORK OUTCOME
Nuri Herachwati, Yohana Dewi Anggur ..................................................................... (Abstract only)

61. ASEAN ECONOMIC COMMUNITY IMPACT TO SOCIO-CULTURE TO INDONESIA BORDER AREA RIAU STATE
Nurman, Detri Karya, Zulifi Rusby, Evizal Abdul Kadir .................................................. 756

62. CONTRIBUTION LANGUAGE (ENGLISH) AND CULTURE TO MARKET INTEGRATION IN ASEAN
Seno H Putra, Desy Mardianti ...................................................................................... 768

63. THE INFLUENCE OF MOTIVATION AND WORK ENVIRONMENT TO LECTURER PERFORMANCE IN BATAM CITY
Sri Langgeng Ratnasari ................................................................................................. 773

64. THE IMPACT OF WORK FAMILY CONFLICT TOWARDS THE EMPLOYEE PERFORMANCE OF DEPARTMENT OF FORESTRY AND ESTATE CORPS IN BATANG REGENCY, CENTRAL JAVA, WITH THE JOB SATISFACTION AS THE INTERVENING VARIABLE
Suhartini, Tria Meidiantika ............................................................................................. 785

65. ANALYSIS OF FACTORS AFFECTING THE INFORMATION TECHNOLOGY USER PERFORMANCE IN MAKASSAR GOVERNMENT’S PUBLIC BANKS
Suhartono, Dewi Arvini Wisudawaty, Grace T. Pontoh ........................................ 795

66. CONCEPTUAL REVIEW ON THE NEEDS FOR COMPREHENSIVE INTEGRATED CASE STUDIES OF ORGANIZATION DEVELOPMENT, WHICH SUPPORT TALENT DEVELOPMENT AND LEADERSHIP PROGRAM
T. Soemarmann ................................................................. 812

67. JOB AUTONOMY, SELF-EFFICACY, JOB PERFORMANCE AND RESISTANCE TO CHANGE (EMPirical STUDY ON EMPLOYEE PT. UNITED WARU BISCUIT MANUFACTORY SIDOARJO)
Tri Siwi Agustina, Nidya Ayu Arina ........................................ 833

68. ASEAN ECONOMIC COMMUNITY CHALLENGING AND OPPORTUNITY FOR INDONESIAN GRADUATE
Zulkifli Rusby, Nurman, Hasrinal Hasan, Evizal Abdul Kadir ......................... 848

MARKETING

69. THE EFFECT OF BRAND EQUITY ON PURCHASE INTENTION AND ITS IMPACT ON PURCHASE DECISION (CASE STUDY: MITSUBISHI MIRAGE BRAND)
Aam Bastaman, Ilmi Dimas Rahma Pradana ........................................ 863

70. ANTECEDENTS AND CONSEQUENCE OF CUSTOMER SATISFACTION IN GLOBAL FAST FOOD RESTAURANT
Anas Hidayat, Aulia Arifatu Diniyya, Muhammad Saifullah, Asmai Ishak (Abstract only)

71. DOES MESSAGE FRAMING MATTER? THE ROLE OF MESSAGE FRAMING AND INVOLVEMENT IN INFLUENCING ATTITUDES AND RESERVATION PRICE TOWARD ORGANIC PRODUCTS
Andhy Setyawan ............................................................... 886

72. THE IMPACT OF INSTITUTIONAL IMAGE AND STUDENT SATISFACTION ON ATTITUDINAL AND BEHAVIORAL LOYALTY – THE CASE OF UNIVERSITAS TERBUKA
Andy Mulyana, Devi Ayuni .................................................... 895

73. THE CONSUMER INTEREST OF KEDAI MANGKOK MANIS BANDUNG: A STORE ATMOSPHERE PERSPECTIVE
Ayuningtyas Y. Hapsari .......................................................... 905

74. THE IMPACT OF FAIRNESS ON SERVICE RECOVERY TO BRI BANK CUSTOMERS SATISFACTION AND LOYALTY
ON PEMALANG BRANCH OF CENTRAL JAVA
Chandra Arief Maurit, Budi Astuti.................................................................917

75. ACHIEVING STUDENTS LOYALTY THROUGH QUALITY OF SERVICES, STUDENTS SATISFACTION, AND REPUTATION
Devi Ayuni, Andy Mulyana...........................................................................930

76. EFFECT OF LOW-PRICE AND HIGH-PRICE PRODUCTS DEPTH AND PROMOTION OPTIONS ON MESSAGE FRAMING AND NOMINAL PERCENTAGE DISCOUNT
Dian Ambarwati, Dudi Anandya, Indarini..................................................943

77. CAUSE RELATED MARKETING: THE IMPORTANCE OF BRAND ENGAGEMENT TO WIN THE COMPETITION IN ASEAN ECONOMIC COMMUNITY
Dorien Kartikawangi, Avianto Nugroho.......................................................950

78. EFFECT OF PRODUCT INNOVATION, CORPORATE IMAGE AND QUALITY OF SERVICE TO CONSUMER SATISFACTION AND LOYALTY CATERING CUSTOMERS IN SURABAYA
Eny Rochmatulaii .............................................................................................968

79. MAYOR’S PERSONAL BRAND ACCELERATES THE EMERGENCE OF CITIZEN’S BRAND ATTITUDE
Eriana Astuty, Sri Astuti Pratminingsih.......................................................984

80. THE EFFECT OF LOYALTY FORMING FACTORS AMONG VISITOR AT BANDUNG CULINARY TOURISM
Etik Ipda Riyani, Devi Ayuni, Andy Mulyana..............................................994

81. IMPLEMENTATION OF E-COMMERCE ON THE USE OF GOJEK SERVICE IN MAKASSAR
Fajriani Azis, Nurlaila Hasmi, Mediati .........................................................1011

82. ANALYSIS INTENTION TO USERS OF ONLINE SHOPPING ON E-COMMERCE: REVIEW OF THEORY OF PLANNED BEHAVIOR
Grace T. Pontoh, Ibrahim, Satriani .............................................................1029

83. GENDER DIFFERENCES ON THE RELATION OF SATISFACTION-LOYALTY
Gregorius Stanley Pratomo, Christina Rahardja Honantha,
Liliana Inggrid Wijaya ..................................................................................1047

84. MARKETING ANALYSIS, EXPERIENTIAL AND MARKETING CUSTOMER RELATION TO REALIZE CUSTOMER VALUE, AND IMPLICATIONS FOR CUSTOMER LOYALTY (SURVEY ON CUSTOMER STAR HOTELS 3, 4, AND 5 IN BANDUNG AREA)
Henny Utarsih .................................................................................................1075
85. ANALYSIS OF FACTORS QUALITY OF SERVICE E-COMMERCE AND ITS EFFECT ON CUSTOMER LOYALTY (SURVEY ON E-COMMERCE CUSTOMER IN WEST JAVA)
Heppy Agustiana Vidyastuti ................................................................. 1101

86. THE IMPACTS OF TRI HITA KARANA AWARD ON HOTEL ROOM RATES PERFORMANCE: AN EXAMINATION OF ITS APPLICATIONS ON HOTELS IN BALI BASED ON SEASONS AND RESORT AREAS
I Ketut Surata, I Nyoman Sudiksa, Ida Bagus Made Wiyasha ................................................................. 1129

87. THE IMPLEMENTATION OF THE STAKEHOLDER PERSPECTIVE TO SUPPORT SUSTAINABILITY ACTIVITIES AND THE ENABLING FACTORS
Iin Mayasari, Devi Wulandari, Iyus Wiadi, Anita Maharani ................................................................. 1151

88. THE EFFECT OF COUNTRY OF ORIGIN IMAGE ON BRAND EQUITY THROUGH THE MEDIATION OF BRAND ASSOCIATIONS, BRAND LOYALTY AND BRAND AWARENESS ON LG AIR CONDITIONER (AC) IN SURABAYA
Ivana Haryanto, Silvia Margaretha, Dudi Anandya ................................................................. 1177

89. ARE GENDER AND ETHNICITY MATTER IN IMPULSIVE BUYING BEHAVIOUR? A STUDY ON YOUNG ADULT CONSUMERS IN AUSTRALIA AND INDONESIA
Made Pranadatha Gunawan, Mahesu N Krisjanti ................................................................. (Abstract only)

90. PASSPORT SERVICE QUALITY DEVELOPMENT BASED E-GOVERNMENT (E-PASSPORT) ON SATISFACTION USERS
Mediati, Purnama Sari, Kartini, Muslimin ................................................................. 1191

91. THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY AND SERVICE QUALITY TO PURCHASE INTENTION IN ISLAMIC BANKING
Muchsin Muthoher, Merlin Rahmawati ................................................................. 1206

92. EFFECT OF COUNTRY OF BRAND TO QUALITY PERCEPTION AND BRAND TRUST
Muhammad Hasbi Zaidi, Nurman, Azmansyah ................................................................. 1218

93. THE INFLUENCE OF CREATIVITY, PRODUCT INNOVATION, CUSTOMERS RELATIONSHIP MANAGEMENT TO THE PRICE DETERMINATION WHICH GRABS THE SUCCESS (THE RESEARCH ON SMALL MEDIUM BUSINESS UNITS (UKM) OF BATIK IN CENTRAL JAVA AND D.I. YOGYAKARTA PROVINCES)
R. Adjeng Mariana Febrianti ................................................................. 1233

94. ATTITUDE TOWARDS CIGARETTE ADVERTISEMENT
Resi Permanasari ................................................................. 1255
95. CRITICAL ANALYSIS ON MARKETING ACTIVITIES OF MUSEUMS IN BALI
Rizal Hari Magnadi ...................................................(Abstract only)

96. THE IMPACT OF THE QUALITY OF INTRINSIC AND EXTRINSIC ATTRIBUTES IN CREATING LOYALTY AND PURCHASE INTENTION
Sofiana Dewi, Albari ................................................. 1262

97. DOES SOCIAL ADVERTISING IN TWITTER AND FACEBOOK WORK DIFFERENTLY?
THE ROLE OF PROFIT ORIENTATION OF THE ORGANIZATION
Sony Kusumasondja ................................................... 1278

98. ANALYSIS OF INTERNET BANKING BASED ON RISKS, BENEFITS, AND SIMPLICITIES ON THE CUSTOMERS TRUST
Sri Nirmala Sari, Juniati Ismail, Grace T. Pontoh ....... 1287

99. DETERMINANTS OF BRAND PRODUCTS SWITCHING ON SMARTPHONE (CASE STUDY ON WIDYATAMA UNIVERSITY)
Sri Wiludjeng SP, Rudi Gunawan ................................ 1300

100. INFLUENCE ON AWARENESS, PERCEIVED QUALITY, UNIQUENESS, SOCIAL IMAGE, AND HOME COUNTRY ORIGIN TO PRICE PREMIUM AND LOYALTY ON HÄAGEN DAZS PREMIUM PACKAGED ICE CREAM
Sutrisno Hamdany, Indarini, Dudi Anandya ................. 1309

101. THE INFLUENCE OF SERVICE QUALITY AND TRUST ON LOYALTY CONSUMER OF CICENDO EYE HOSPITAL PERIOD 2014
Taufik Rachim, Adam Apriyadi Putra ......................... 1324

102. STUDENT INTEREST TO PRESERVE DRAGON AND LION TRADITIONAL DANCE (AN INTERNAL FACTOR AND IMAGE OF BANDUNG SANTO CLUB PERSPECTIVE)
Tezza Adrianyah Anwar, Galuh Boga Kuswara ............ 1332

103. THE EFFECT SERVICE QUALITY AND CORPORATE IMAGE ON LOYALTY WITH CUSTOMER TRUST AS A MODERATOR:
A STUDY IN A PRIVATE UNIVERSITY
Yasintha Soelasih, Efendi ........................................... 1341

104. EFFECT ATTRIBUTES SERVICES TO SATISFACTION USER SERVICES AND ITS IMPACT ON WORD OF MOUTH
(STUDIES IN WIDYATAMA UNIVERSITY BANDUNG - INDONESIA)
Yenny Maya Dora ..................................................... 1349

105. THE INFLUENCE OF CUSTOMER RELATIONSHIP MANAGEMENT DAN SERVICE QUALITY ON CUSTOMER LOYALTY (CASE STUDY

AT PT.BERJAYA ABADI TOUR AND TRAVEL)
Zulganef, Sri Astuti Pratminingsih, Santy Hepty Hexiawaty .................................................. 1373

OPERATION

106. IMPROVING SERVICE QUALITY OF SECRETARIAL AND OFFICE MANAGEMENT STUDY PROGRAM, FACULTY OF VOCATIONAL, UNIVERSITAS AIRLANGGA BY INTEGRATING MATRIX IMPORTANCE PERFORMANCE ANALYSIS AND FISHBONE DIAGRAM
Febriana Wurjaningrum, Ida Setya Dwi Jayanti ........................................................................ 1385

107. PERBAIKAN KUALITAS LAYANAN “CALL CENTER” MENGGUNAKAN METODE “DMAIC” DAN “SERVICE BLUEPRINT”
Fino Wahyudi Abdul, Nining P ................................................................................................. 1401

108. RESTAURANT ATTRACTIVENESS AND PSYCHOLOGICAL EFFECT OF UPLOADING FOOD PICTURE ON INSTAGRAM TO WILLINGNESS TO DINE OUT
Hanz Christiano, Siti Rahayu, Prita Ayu Kusumawardhana ................................................... 1416

109. RISK AND MITIGATION ANALYSIS OF SUPPLY CHAIN WITH HOUSE OF RISK APPROACH FOR A BUSINESS IN FREE TRADE ERA
Indrianawati Usman, Rudati Ariani ......................................................................................... 1430

110. THE FOOTWEAR SMES VALUE ORCHESTRATION IN MOJOKERTO
Juliani Dyah Trisnawati ........................................................................................................... 1442

111. IMPROVING QUALITY OF SERVICES USING IMPLEMENTATION OF QFD TO WIN MARKET COMPETITION
Ratna Widiastuti ....................................................................................................................... 1449

112. SUPPLIER SELECTION USING ANALYTICAL HIERARCHY PROCESS IN PT PELITA MEKAR SEMESTA
Sharon Audrey Madeline Vriso, Stefanus Budy Widjaja, A. Budhiman S. .............................. 1456

113. THE EFFECTS OF DINING ATMOSPHERICS ON BEHAVIORAL INTENTIONS THROUGH SERVICE QUALITY AND FOOD QUALITY IN GOJUMONG RESTAURANT SURABAYA
Shelli Rustam Moidady, Fitri Novika Widjaja, Dudi Anandya ................................................ 1462

114. THE EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES ON PERFORMANCE OF SMEs IN YOGYAKARTA
Siti Nursyamsiah, Ninoury Ardaiva ....................................................................................... 1474

115. MOTIVATION OF STUDENTS IN HOSPITALITY AND TOURISM MANAGEMENT PROGRAMS
Siti Rahayu ............................................................................................................................... 1491
116. THE IMPLEMENTATION OF SEVEN QUALITY MANAGEMENT TOOLS: EXPERIENCES FROM THREE ENTERPRISES IN EAST JAVA, INDONESIA
Stefanus Budy Widjaja, Anthonius Budhiman Setyawan ................................................................. 1503

117. IMPLEMENTATION OF QUALITY CONTROL BY USING PDCA AND STATISTICS TOOLS IN BREAD STORES OLIVIA BAKERY AT MOJOKERTO
Steven Angriawan, Stefanus Budy Widjaja, Prita Ayu Kusumawardhany ........................................... 1516

118. THE DEVELOPMENT OF EDUCATIONAL TOURISM IN THE AREA OF MOUNT PENANGGUNGAN THROUGH COMMUNITY EMPOWERMENT
Veny Megawati, Edna Sri Redjeki, Gunawan, Yoan Nursari Simanjuntak, Nanang Krisdinanto .................. 1531

119. GREEN COMPANIES SCORECARD
Zainur Hidayah ................................................................................................................................. 1543

STRATEGIC & ECONOMICS

120. E-ASEAN JOB AS STRATEGY TOWARDS FREE LABOUR MARKET IN ASEAN ECONOMIC COMMUNITY (CASE STUDY INDONESIA)
Alfina Rahmatia, Resky Izzati Afiah, Nida’ Al-Ulfa Untoro ................................................................. 1557

121. AN ANALYSIS OF WORLD OIL PRICE MOVEMENTS AND THE G7 CAPITAL MARKETS
Dian Surya Sampurna .......................................................................................................................... (Abstract only)

122. BUILDING ASEAN EXCHANGE RATE UNIT (AERU) FOR MONETARY INTEGRATION IN ASEAN-5 COUNTRIES
Dimas Bagus Wiranatakusuma, Masyhudi Muqorobin, Imamudin Yuliadi, Alif Supriyatno ................... 1569

123. THE ANALYSIS OF FACTORS INFLUENCING DEMAND FOR IMPORTED COFFEE MALAYSIA FROM INDONESIA 1993-2013
Eko Atmadji, Afik Beny Adam ............................................................................................................. 1601

124. THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON COMPANY REPUTATION AND MARKET RISK
Fitri Ismiyanti ....................................................................................................................................... 1612

125. INTERNATIONAL BUSINESS RELATION OF EMERGING INDONESIA WITH ASIAN NEIGHBOURS
Heri Sudarsono ..................................................................................................................................... (Abstract only)
<table>
<thead>
<tr>
<th>126.</th>
<th>ASEAN ECONOMIC COMMUNITY (AEC) AND ECONOMIC STABILITY: A REVIEW FROM INDONESIA'S SIDE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hersugondo, Robiyanto, Gatut Sari Chotijah</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>127.</th>
<th>BUSINESS STRATEGY ANALYSIS AND IMPLEMENTATION TO WIN COMPETITION (CASE STUDY AT SSM)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Idris Gautama So, Fransisca Chatarina, Natalia</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>128.</th>
<th>ANALYSIS OF THE STRATEGY TO DEVELOP THE OLD TOWN ARRANGEMENT (SUNDA ETHNIC) USING THE CONCEPT OF THE NEW CITY IN BANDUNG WEST JAVA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Keni Kaniyawati</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>129.</th>
<th>DRIVERS OF COUNTRY'S EXPORT PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Masmira Kumiawat</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>130.</th>
<th>IMPROVING COMPETITIVENESS OF MICRO AND SMALL BUSINESS PRODUCT FACING GLOBAL MARKET (CASE ON MICRO AND SMALL BUSINESS FOOD AGROINDUSTRY IN GIANyar REGENCY)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ni Wayan Sukartini, Ni Ketut Lasmini, Ni Made Sudarmini</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>131.</th>
<th>TIERED SME TRAINING IN SURABAYA: STRATEGY FOR STRENGTHENING SME COMPETITIVENESS TO FACE MARKET INTEGRATION IN ASEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Noviayti Kresna Darmasetiawa</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>132.</th>
<th>ACCELERATING ECONOMIC DEVELOPMENT IN SURABAYA CITY TOWARDS ASEAN SINGLE MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nurul Istifahad</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>133.</th>
<th>CORPORATE SOCIAL RESPONSIBILITY AND CULTURE: THE STUDY IN HOSPITALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nyoman Indah Kusuma Dewi, I Gusti Agung Bagus Mataram, I Wayan Siwantara</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>134.</th>
<th>THE ROLE OF THE STATE MANAGEMENT IN THE LABOR EXPORT IN SOUTHEAST ASIAN NATIONS TOWARDS THE ASEAN VISION 2025 (THE CASE- STUDY OF LABOR EXPORT IN VIETNAM AND THE ASEAN COUNTRIES)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phan Thi Hong Xuan</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>135.</th>
<th>CHARACTERISTICS AND IDENTIFICATION OF OBSTACLES FACED SMES, BASED SWOT ANALYSIS IN MALANG (CENTER FOR STUDIES IN INDUSTRIAL CERAMICS DINOYO)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ririt Iriani Sri Setiawati, Tri Mujoko</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>136.</th>
<th>ANALYSIS THEORY OF SPECIALTY AS A STEP IN ACCELERATING ECONOMIC GROWTH ASEAN COUNTRIES INCOME AT THE ASEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ECONOMIC COMMUNITY (AEC) (CASE STUDY IN INDONESIA)
Sumandi, Farhan Fabilallah, Heni Rahmawati, Mia Rosmiati ........................................... 1730

137. REGIONAL TOURISM DEVELOPMENT STRATEGY
(STUDIES ON DEVELOPMENT OF LOCAL GOVERNMENT TOURISM MADIUN COUNTY)
Tatik Mulyati, Saraswati Budi Utami, Choirum Rindah Istiqaroh ........................................... 1752

138. BUSINESS DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES
(SMEs) IN THE CREATIVE INDUSTRY IN SUPPORTING REGIONAL ECONOMIC IMPROVEMENT THROUGH GROSS DOMESTIC REGIONAL PRODUCT (GDRP) REGION IN BANDUNG
Wien Dyahrini ................................................................. 1776

139. TAX COMPLIANCE AND COMPLIANCE CONTINUUM: REVIEW OF CONCEPTS AND SOME SUGGESTIONS FOR THE MODEL OF COMPLIANCE MANAGEMENT IN SOUTHEAST ASIAN NATIONS IN THE CONTEXT OF ASEAN COMMUNITY
Vo Tien Dung .................................................................. 1790

VIETNAM'S ECONOMIC, SOCIAL AND CULTURAL ISSUES IN THE ERA OF INTEGRATION

140. POST-MODERN MANAGEMENT AND MANAGEMENT CULTURE IN EAST ASIA
Nguyen Ngoc Tho ............................................................. 1801

141. ORGANIZATIONAL DEVELOPMENT
Nhor Sanha ...................................................................... 1817

142. SOME ISSUES RELATED TO THE CONSTRUCTION OF REGIONAL IDENTITIES IN THE DEVELOPMENT OF ASEAN COMMUNITY FROM CROSS-CULTURAL PERSPECTIVES
Tran Thi Thu Luong ............................................................ 1838

143. CROSS-CULTURAL MANAGEMENT AND EXCHANGES IN THE VIETNAMESE HIGHER EDUCATION IN THE INTEGRATION ERA
Nguyen Duy Mong Ha .......................................................... 1851

144. EXPANDING THE ROLE OF UNOFFICIAL CULTURAL INSTITUTIONS IN THE CULTURAL ACTIVITIES
Ngo Van Le ........................................................................ 1858

145. RAISING THE AWARENESS OF SOUTHEAST ASIAN IDENTITY IN REALIZING THE ASEAN COMMUNITY
Phan Thi Hong Xuan, Le The Hien ...................................... 1864

ISBN (Indonesia): 978-602-73852-0-7  xvii
146. CONSTRUCTING THE ASEAN POLITICAL-SERCURITY COMMUNITY THEORETICAL AND PRACTICAL PERSPECTIVE
Tran Nam Tien............................................................................................................. 1881

147. UNIVERSITIES AND ENTERPRISES: SUSTAINABLE COOPERATION IN TRAINING AND RECRUITING QUALITY HUMAN RESOURCES IN THE ERA OF INTEGRATION AND DEVELOPMENT
Nguyen Nhu Binh....................................................................................................... 1895

148. PERCEPTION OF VIETNAMESE FEMALE SEX WORKERS ON QUALITY OF CARE IN CERVICAL CANCER SCREENING
Le Thi Ngoc Phuc......................................................................................................... 1911

149. NEAKTA BELIEF IN THE SOUTHERN KHMER CULTURE: TRANSFORMATION FROM STONE TO HUMAN FIGURES
Phan Anh Tu ................................................................................................................ 1924

150. THE VIETNAMESE RELIGIOUS BELIEF OF FOUR DAI CAN LADIES (TỨ VI ĐẠI CAN NƯONG NƯONG) IN SOUTHWESTERN VIETNAM – A CASE STUDY OF DIEU HOA COMMUNAL HOUSE (MY THO, TIEN GIANG)
Nguyen Thi Le Hang, Tran Thi Kim Anh ..................................................................... 1935

151. A STUDY OF THIEN HAU THANH MAU IN THE FISHERMEN COMMUNITY IN SONG DOC (CA MAU PROVINCE)
Duong Hoang Loc ........................................................................................................ 1947

152. THE ROLE OF EDE (RADE) WOMEN IN MARRIAGE AND FAMILY LIFE THROUGH CUSTOMARY LAWS
Ngo Thi Minh Hang ...................................................................................................... 1959

153. TEACHING TEOCHEW AND THE STATE OF VIETNAMESE-CHINESE (TEOCHEW DIALECT) LINGUISTIC ADAPTATION (A CASE STUDY IN VINH HAI VILLAGE, VINH CHAU TOWN, SOC TRANG PROVINCE)
Truong Anh Tien .......................................................................................................... 1974

154. INCORPORATING TOURISM ACTIVITIES INTO THE VALUES OF KHMER PEOPLE’S COMMUNITY CULTURE IN TRA VINH
Son Ngoc Khanh, Pham Thi To Thy .......................................................................... 1981

155. ASEAN COMMUNITY’S IMPACTS ON MARKETS IN SOUTHEAST VIETNAM
Le Quang Can .............................................................................................................. 1996

156. CHALLENGES, OPPORTUNITIES, ADVANTAGES, AND DISADVANTAGES OF VIETNAM’S TOURISM IN INTEGRATION WITH ASEAN AND ITS SOLUTIONS
Nguyen Nguyen Phong .............................................................................................. 2011
157. ROLES OF INDONESIA AND VIETNAM IN SOUTHEAST ASIA'S SECURITY
Le Thi Lien ................................................................................................................. 2012

158. COMPARING VIETNAM'S AND INDONESIA'S CURRENT DEVELOPMENT INDICES
Nguyen Quang Giai ................................................................................................. 2032

159. ASEAN COMMUNITY: ADVANTAGES AND DIFFICULTIES IN EDUCATIONAL MANAGEMENT
Nguyen Thi Huyen Thao ............................................................................................ 2042

160. THE ROLE OF AGRICULTURAL FESTIVALS IN THE DEVELOPMENT OF TOURISM IN LAOS
Phan Thi Hong Xuan, Quach Dua Tai ........................................................................ 2052

161. HO CHI MINH CITY'S TOURIST DESTINATION PRODUCTS IN ASEAN INTEGRATION TRENDS THROUGH SWOT MATRIX
Nguyen Cong Hoan .................................................................................................... 2067

162. COLLABORATIVE DEVELOPMENT OF CULTURAL TOURISM IN CENTRAL VIETNAM WITH SOUTHERN LAOS AND NORTHEASTERN CAMBODIA
Dang Hoang Lan ........................................................................................................ 2079
MARKET INTEGRATION IN ASEAN: SUSTAINABLE GROWTH AND CROSS CULTURE ISSUES

AUTHORS

VNU-HCM PRESS

- Quarter 6, Linh Trung Ward, Thu Duc District, Ho Chi Minh City
- Block C, 10-12 Dinh Tien Hoang Street, Ben Nghe Ward, District 1, Ho Chi Minh City
- Phone: (84-8) 862726361-862726390
- Email: vnuhp@vnuhcm.edu.vn
- Website: www.nxbdhqgtpcm.edu.vn

Production Supervisor:

NGUYEN HOANG DUNG

Editor-in-chief:

NGUYEN HOANG DUNG

Editor:

VU THI HANH TRANG

Revised by

AN NHIEN

Cover Design:

University of Surabaya - Indonesia

Published in 2016

© University of Surabaya, Surabaya, Indonesia and University of Social Sciences and Humanities - VNU-HCM,

All rights reserved. No part of this publication may be reproduced, copied, or transmitted in any forms or by any means, without the prior permission of the Authors, the Universities or the Publisher.

Print run 300 copies
Size 14.5 x 20.5 cm
Registered No. DKKHXB No. 643-2016/CXBIPH/03-30/DHQGTPHCN
Printed by Hung Phu Printing and Packaging Co. Ltd.
Add. 162 A/1, Quarter 1A, AnPhu Ward, Thuan An District, Binh Duong Province, Vietnam
Copyright deposited in 1st Quarter of 2016

TIERED SME TRAINING IN SURABAYA:
STRATEGY FOR STRENGTHENING SME COMPETITIVENESS TO FACE
MARKET INTEGRATION IN ASEAN

Noviaty Kresna Darmasetiawan
Management Department, Faculty of Business and Economics, Universitas Surabaya
noviatykds@gmail.com

Abstract

Economic globalization is a process by which a country's economy will be more integrated with
the world economy. The next challenge is how the public is able to prepare and make the most of
market opportunities. Delays in preparing and developing a competitive edge in the global
market, will create a golden opportunity was taken over by other countries that are more capable,
which in turn will have a negative impact on economic development and welfare of the
community. Aware about it, Surabaya City Government since 2009 has prepared a strategy to
strengthen the competitiveness of micro, small, and medium enterprises (SMEs). SMEs grow in
the community, however, has shown a higher durability and a buffer lives of millions of people.
SMEs are an important part of the economy of a country or region, including Indonesia.
Strengthening the competitiveness of SMEs strategy in the context of market integration in Asia
conducted by the Surabaya City Government is through Tiered SME Training. Tiered SME
training aims to train groups of poor people in the city of Surabaya in skills for entrepreneurship.
At the next level of skills for entrepreneurship was developed into SMEs through training by
SKPD Surabaya City Government. Each level of training conducted, will be given to strengthen
the competitiveness of SMEs in the context of market integration in Asia. One of the reinforcement
given in the tiered training is how the SMEs can make adjustments across cultures, able to deal
with cross-cultural issues, and ultimately can achieve sustainable growth.

The research objective was to determine how the tiered training of SMEs in Surabaya can serve
as a strategy to strengthen the competitiveness of SMEs in the context of market integration in
Asia, particularly in terms of providing the ability to customize cross-culturally, the ability to deal
with cross-cultural issues, and can achieve sustainable growth. The subjects in this study is the
Surabaya City Government, namely Bappako who design strategies and tiered management
training programs, SKPD (BAPPEMAS and KB, the Department of Labor, Office of Food
Security, Department of Cooperatives and SMEs, Department of Trade & Industry, as well as the
Department of Health) that play a role in providing this training to generate self-employment,
business groups and SMEs, as well as provide strengthening the competitiveness of SMEs, and
the trainees who successfully established SMEs

This type of data is primary and secondary. Primary data were obtained through in-depth
interviews and focus group discussions, while the secondary data obtained through the analysis of
the documents.

The research found that SMEs tiered training held by the Surabaya City Government plays an
important role as a strategy for strengthening the competitiveness of SMEs in the context of
market integration in Asia, providing the ability for sustainable growth and addressing cross-cultural issues

Keywords: tiered SME training, strategy to strengthen competitiveness, market integration in Asia, sustainable growth, cross cultural issues.

JEL Classification: I38

Introduction

The era of globalization and free trade is at door. Economic globalization is a process of increasing the integration of a country's economy with the world economy. The challenge is how we will be able to prepare and make the most of those market opportunities. If we are too late to prepare and develop a competitive advantage in the global market, then the golden opportunity will soon be taken over by other countries that are more capable. Indonesia will eventually become a commodity market of other countries, which in turn will have a negative impact on the economic development and welfare of Indonesian people (Anwar, 1997).

The ASEAN Economic Community (AEC) program, which is rumored to be held by the end of 2015 has become a social phenomenon not only in the ASEAN region, but also globally. AEC also includes integration not only in economy, but also in other sectors such as political-security and socio-cultural, where the Indonesian people should introspect themselves in preparation to compete in a free economy world.

The main concept of the AEC is to create ASEAN as a single market where there is free flow of goods, services, factors of production, capital and investment as well as the elimination of tariffs for trade among ASEAN countries which were then expected to reduce poverty and economic disparities among its member states, through a number of mutually beneficial cooperation. With the hope of all the 10 ASEAN countries have been able to stand independently and compete globally. This objective, in other words, also opens the challenge for each ASEAN country in preparation to face the AEC.

The countries that participated in the ASEAN consists of 10 countries including Indonesia, Malaysia, the Philippines, Brunei Darussalam, Singapore, Thailand, Vietnam, Laos, Cambodia, and Myanmar. These countries joined to form the AEC for the realization of a more real integrated economy (Anya, 2013). Ready or not, nowadays, every society must take the mindset that not only thinks to take an interest on behalf of his country, but placing it on a global basis, which is on behalf of the regional interest (Flores & Abad, 1997).

Indonesia strives to continuously move forward and grow, especially the major cities in it, including the city of Surabaya as the second largest city in Indonesia after Jakarta. "Surabaya is a capital city which is fully-equipped to develop creative and
technology industries, where young people can become the backbone of the regional economy, even nationally," said a representative of the group EMTEK, Yoko Wicaksono, in a written statement received here on Friday, 18 September 2015 (www.bisnis.tempo.co). According to him, Indonesia should move toward a new economy based on knowledge, intellectual asset and human creativity, especially ahead of the ASEAN economic Community (AEC) is.

In addition, by having one of the buisiest ports, and becoming a business center in East Indonesia make Surabaya as one of the major cities are taken into account in Southeast Asia. Many industries which were built in Surabaya to make it rich in cultural diversity. Its economic potential is unquestionable with their wide range of facilities and a strategic geographical location.

Seeing the people of Surabaya with high potential in the face of global competition, then one of the first steps in preparing for competent human resources is through education. Dr. Ir. Tri Rismaharini, M.T., as the Mayor of Surabaya, in a speech in the Indonesian Independence Day on August 17, 2015 said, "We will face the real battle that is now going on in the economy. If we lose, then we will experience colonialism again and just be a spectator or even the servant at AEC later. What is the meaning of independence that has been fought with blood and lives if we can not become the master and mistress of their own house. Roll up your sleeves, because Surabaya must be prepared to face the AEC." Because of that, the city of Surabaya, carries a great mission to thoroughly prepare for the AEC and the main concentration is to create quality human resources.

Increasing and improving the quality of human resources is a critical success factor of development and progress of a nation. Lack of working assets, low human resources, and the lack of mastery of science, foreign language and technology are some of the problems that are faced. Efforts to improve the quality of human resources can be reached with the efforts of synergy between government, business, and academia to establish competency standards of professionalism in each sector. Some of the reasons why the development of human resources through training are essential. First, the need for qualified personnel needs to be improved. Demanded specifications for a job are always adjusted in line with the times. Second, training is urgently needed because of changes that occur inside and outside the workplace because of the content of the work will always be changing and evolving in accordance with technological developments. It's just relying on an experience highly risky, because the experience is not synonymous with competence. Therefore, the need for training is becoming increasingly urgent because competition is very sharp. Thus, the government needs to prepare the community who are able to anticipate changes in order to remain able to function optimally (Noviaty, et al., 2013).

Micro, small and medium enterprises (MSMEs) are businessmen engaged in various business sectors, which touches the public interest. Based on BPS data (2003), the population of small and medium enterprises (SMEs) amounts to 42.5 million units, or
99.9 percent of all businesses in the country. SMEs provide a significant contribution to employment, amounting to 99.6 percent. Meanwhile, the contribution of MSMEs to the Gross Domestic Product (GDP) amounted to 56.7 percent.

Surabaya City Government is very keen to develop MSMEs seriously through this training, because the role of MSMEs on the national economy is very strategic. MSMEs play an important role in employment, contribute to the national income (GDP) and MSMEs are also resistant to shocks, the savior of the crisis faced by Indonesia in 1998, reducing unemployment and helping the Indonesian economy in the face of the global crisis that originated from the financial crisis in the US.

In the process of economic recovery of Indonesia, the MSME sector has a strategic role and importance that can be viewed from various aspects. First, a large number of industry and found in every sector of the economy. Based on data from the Central Statistics Agency (BPS) in 2002, the number of SMEs recorded at 41.36 million units or 99.9% of total business units. Second, its great potential is employment. Each investment unit in MSME sector can create more jobs than the same investment in large enterprises. MSME sector absorbs 76.55 million workers, or 99.5% of the total labor force works. Thirdly, the contribution of SMEs to GDP is quite significant, amounting to 55.3% of total GDP.

The important role of MSMEs is naturally balanced with the Surabaya City Government's attention to increasing the competencies of the SMEs in Human Resource. The Low education level of the SMEs' Human Resource also becomes a limit that needs to solve by the Surabaya City Government. Various limitations faced by SMEs are, one of which, is a limitation of the market share, knowledge of export, product development, licensing, capital, and so need to be observed.

Since 2009, Surabaya city government has done a tiered training for community empowerment in Surabaya. Community empowerment is one of the important factors to overcome the existing problems. There are several reasons why the development of human resources through training is essential. First, it's the need for qualified personnel. Job specifications are always adjusted in line with the times. Second, training is also needed because of changes that occur inside and outside the workplace because of the content of the work will be always changing and evolving in accordance with technological developments. Basing itself on the experience is a high risk, because the experience is not synonymous with competence. Therefore, the need for training is becoming increasingly urgent because competition is very keen. Thus, the government needs to prepare the community who are able to anticipate changes in order to remain able to function optimally.

MSMEs (Micro, Small and Medium Enterprises)

Businesses that are included in the Micro, Small and Medium Enterprises has been regulated in a legal umbrella. Based on Undang-Undang No. 20 Year 2008 on Micro,
Small and Medium Enterprises (MSMEs) there are several criteria used to define the terms and criteria of Micro, Small and Medium Enterprises. According to Rahmana (2008), several institutions or agencies even provide its own definition in the Small and Medium Enterprises (SMEs), including the Ministry of Cooperatives and Small and Medium Enterprises (Menegkop and SMEs), the Central Statistics Agency (BPS), the Ministry of Finance Decree No. 316 / KMK.016 / 1994 dated June 27, 1994. the definition of SMEs given vary between one another.

Meanwhile, according to the Ministry of State Minister of Cooperatives and Small and Medium Enterprises (Menegkop and SMEs), that the definition of small enterprises (SEs), including Micro (UMI), is a business entity that has a net worth of Rp 200.000.000, excluding land and buildings, and has annual sales of Rp 1.000.000.000. Meanwhile, Medium Enterprises (FME) is a business entity owned Indonesian citizens who have a net worth of more than Rp 200.000.000 s.d. Rp 10.000.000.000, not including land and buildings.

The Central Statistics Agency (BPS) provides a definition of SMEs based on the quantity of labor. Small businesses are business entities which have a workforce 5 s.d 19 people, while medium businesses are entitias business has a workforce of 20 s.d. 99 people. Based on the Decree of the Minister of Finance No. 316 / KMK.016 / 1994 dated June 27, 1994, the small business is defined as an individual or business entity who have engaged in activities / businesses that have sales / turnover per year maximum of Rp 600.000.000 or assets / assets tall - of Rp 600.000.000 (excluding land and buildings occupied) consists of: (1) badang effort (Fa, CV, PT, and cooperatives) and (2) the individual (craftsmen / industrial households, farmers, ranchers, fishermen, forest dwellers, miners, merchants of goods and services)

Criteria for Micro, Small and Medium Enterprises (MSMEs) in accordance with UU No. 20 of 2008 are classified based on the amount of assets and turnover is owned by a business.

<table>
<thead>
<tr>
<th>No</th>
<th>Types of Business</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Asset</td>
</tr>
<tr>
<td>1</td>
<td>Micro Business</td>
<td>Max. 50 Million</td>
</tr>
<tr>
<td>2</td>
<td>Small Business</td>
<td>&gt; 50 Million – 500 Million</td>
</tr>
<tr>
<td>3</td>
<td>Medium Business</td>
<td>&gt;500 Million- 10 Billion</td>
</tr>
</tbody>
</table>

Source: Ministry of Cooperatives and Small and Medium Enterprises, 2012
Obstacles of MSMEs to Face Market Integration in Asean

Some of the obstacles experienced by MSMEs in many developing countries, including Indonesia, among others is the lack of raw materials must be imported from other countries for the production process. Besides that, marketing of goods, capital, availability of energy, infrastructure and information are also problems that often arise then, including non-physical problems such as high inflation, skill, labor regulations and so forth.

In addition, there are several types of constraints or concerns often expressed by MSMEs, namely: (1) The quality of human resources of MSMEs are still low and the lack of knowledge and competence of entrepreneurship resulted in low productivity of businesses and labor. It’s also noticeable at their inability in terms of business management, especially in the disciplines of accounting / bookkeeping; (2) Many MSMEs do not have clear legal entities. Some MSMEs also lack knowledge about the legality and licensing, including requirements that must be met and the procedures adopted in the submission process; (3) Lack of product innovation. MSMEs are judged to be insufficient to master the technology, management, information and markets. Meanwhile, to meet these needs, MSMEs require relatively large costs, especially if managed independently; (4) MSMEs are still facing obstacles in terms of access to capital and financing. As a result, MSMEs are having difficulty in increasing its capacity or develop products that can compete. Most MSMEs have not been sufficiently touched by formal financial services institutions (banks). So it is not only a few of MSMEs that are forced to use the services of traditional microfinance institutions-although the burden and risk quite burdensome, in order to maintain the viability of its business; (5) Lack of assistants in the field led to many MSMEs are untouched by consulting services and assistance. Thus, it is required for the presence of business development agencies to facilitate SMEs and provide services according to their needs (Nuhung, 2012).

Especially for MSMEs in Indonesia, the main constraint is owned related to raw materials, capital, marketing, energy, and information (Tambunan, 2009).

In addition, some of the things that often cause obstacles for SMEs to face in the Asean market integration is the ability to customize cross-culturally, the ability to deal with cross-cultural issues, and can achieve sustainable growth.

Tiered SME Training in Surabaya: Strategy for Strengthening SME Competitiveness

Surabaya City Government made tiered MSMEs Training in Surabaya, with the aim of empowering Surabaya community through the establishment of SMEs in Kampung Usaha Unggulan, where in every level of the training have been given reinforcement, so that SMEs have a competitive edge, especially to face free competition.
Preparation of the ideal scheme for community empowerment is essential as the scheme given previously did not show success. Renewal of community empowerment scheme was carried out through empowerment schemes are implemented across SKPD. In the early stages of training aimed at training productive activities such as training the manufacture of handicrafts, sewing, baking and various businesses with SKPD whos responsible are Bapemmas and KB, the Department of Labor and Food Security Office. In the next phase, the trainees that had received training are directed to building up the community with a new micro enterprises guided by the Department of Cooperatives and SMEs and the Department of Health. The communities are then directed to the realization of the kampung usaha unggulan with SKPD person in charge is the Department of Trade and Industry, Cooperatives and SMEs and the Department of Health (Noviaty, 2015).

The following figure is an empowerment scheme in the city of Surabaya through The Tiered SME Training.

**Figure 1. Schematic for Tiered SME Empowerment in Surabaya Methods**

The approach used in this study is a qualitative exploratory, Because The research objective was to determine how the tiered training of SMEs in Surabaya can serve as a Strategy to Strengthen the competitiveness of SMEs in the context of market integration in Asia, par- ticul arly in terms of providing the ability to customize cross-culturally, the ability to deal with cross-cultural issues, and can achieve sustainable growth how tiered SME Training in Surabaya become a strategy for strengthening SME competitiveness to face market integration in Asean.
Data collection methods used are: (1) The study of literature in the form of data assessment (review policy) or information from the literature data, especially related to the implementation of the training activities of SMEs Spaced In the city of Surabaya; (2) Depth Interview with 6 SKPD which are the Department of Labor, Bapemas KB, Food Security Office, Department of Health, Department of Cooperatives and SMEs, as well as the Department of Trade and Industry.

Sources of data in this study are primary data and secondary data. Primary data, the data obtained from the first source, ie from SKPD Bapemas and planning, the Department of Labor, Office of Food Security, Department of Cooperatives and SMEs, Public Health Service, Department of Trade and Industry, and trainees. This data can be obtained through interviews. Secondary data, data taken from a research and primary research data support. Secondary data were taken from the data contained in SKPD that Bapemas KB, the General Guidelines for the Economic Empowerment of Poor Families in 2012. In addition, secondary data taken from Surabaya city government web site (www.surabaya.go.id) and related SKPD website.

Discussion

Scheme for SME Empowerment in the city of Surabaya, which aims to Determine how the tiered training of SMEs in Surabaya can serve as a Strategy to Strengthen the competitiveness of SMEs in the context of market integration in Asia, particularly in terms of providing the ability to customize cross-culturally, the ability to deal with cross-cultural issues, and can Achieve sustainable growth continued to formulate goals, directions and policies SME training Tiered developed indicators and each SKPD, which is responsible for implementation. Details of indicators and public policies related to SME training Tiered outlined in table 2.

<table>
<thead>
<tr>
<th>Goals</th>
<th>Objectives</th>
<th>Strategies</th>
<th>Policy Directions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turning commitment on employment creation based on independence and creativity of individual citizens housed in institutional-based community;</td>
<td>Increase employment opportunities and labor protection</td>
<td>expansion of employment opportunities supported by the increase of competence, creativity, independence, and entrepreneurship and optimization of labor protection</td>
<td>Increase employment opportunities and encourage labor mobility in order to reduce unemployment</td>
</tr>
<tr>
<td>Ensure the functions of</td>
<td>Improvement of living</td>
<td>Reduction of the</td>
<td>Increasing efforts of labor protection as well as the harmonization of relations industrial</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Goals, Objectives, Strategy and Policy Direction Tiered related to SMEs Training

<table>
<thead>
<tr>
<th>Management policy in the context of regional finance improvement of living standard and welfare of the citizens, especially associated with reduction unemployment and poverty alleviation</th>
<th>Standard and welfare</th>
<th>Burden of household expenditure, increased capacity and incomes of poor families</th>
<th>Reduction through the provision of basic needs and the development of sustainable community development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the independence of productive businesses in the fields of agriculture and marine</td>
<td>Strengthening democratic economy based on agriculture and marine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing the accessibility of productive resources for businesses</td>
<td>Strengthening democratic economy by improving the competence and competitiveness of cooperative enterprises and SMEs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optimizing the utilization of economic resources in order to accelerate the economic development of the city-based community, in particular through the implementation of investment strategies and support the institutional resources of the municipality;</td>
<td>Improving the competitiveness of community-based local economy</td>
<td>Boost the tourism industry</td>
<td>Increase the potential and opportunities of tourism</td>
</tr>
</tbody>
</table>

Source: RPJMD Daerah Kota Surabaya Th. 2010-2015 (http://www.surabaya.go.id/dinamis/?id=3721)

Goals, Objectives, Strategies and Policy Directions related training SMEs. Spaced above, is helping to prepare a scheme to increase the competence of the SME trainees, especially to face many obstacles for SMEs to face market integration in Asean is the ability to customize cross-culturally, the ability to deal with cross-cultural issues, and can Achieve sustainable growth.

Conclusion

Based on the discussion that has been done, it is known that through the tiered training of SMEs in Surabaya, Surabaya City Government has a strategic goal to strengthen SMEs in
the city of Surabaya to face in the Asean market integration is the ability to customize cross-culturally, the ability to deal with cross-cultural issues, and can achieve sustainable growth.

Tiered SME training was conducted by divided into three levels where each level has a depth of interest level of competence and competitiveness of SMEs which the higher the education level, the more in strengthening the competence given.

Advice that can be given for further research is to measure the success of SME training tiered in Surabaya is mainly related to its ability to face market integration in Asean is the ability to customize cross-culturally, the ability to deal with cross-cultural issues, and can achieve sustainable growth.

References

9. RPJMD Daerah Kota Surabaya Th. 2010-2015 (http://www.surabaya.go.id/dinamis/?id=3721)
11. www.surabaya.go.id