



Conference Book



Schedules



The 2nd International Conference on Human Capital and Knowledge Management 2015

Dear ICHCKM 2015 Participants,
Welcome to the 2nd ICHCKM Conference,
Welcome to Bandung, Indonesia!

Human Capital (HC) and Knowledge management (KM) are the keys to business sustainability that helps economic growth. Business researches have long recognized HC and KM as the sources of business competitiveness and sustainability. In this knowledge era, knowledge is vastly distributed, companies can no longer rely on their own research and are pushed to utilize outside sources to sustain growth. This understanding inspires the theme of ICHCKM 2015, *Human Capital, Knowledge Management and Learning Organization for Business Sustainability*. Creating a business environment and culture where business can share knowledge, collaborate, operate and spread toward ASEAN Economic Community (AEC) is a vision we would like to share.

This international conference is particularly as a joint cooperation between School of Business and Management-Institut Teknologi Bandung-Indonesia and Razak School of Engineering and Advanced Technology-Universiti Teknologi Malaysia and supported by Faculty of Economics, Business and Communication, Naresuan University-Thailand as a university partner. The conference has been scheduled to be held on in the 11—13 February 2015 in Bandung-West Java, Indonesia. The scopes in this conference are very wide, involving Human Capital Management, Knowledge Management and Learning Organization whereas these areas are very important and crucial in order to create business competitiveness for many organizations in all over the world. The existence of HCM, KM and LO is a main motor to convert all of organization capital to the high-performance people and organization competitiveness to counter the speed and robust of change in many aspects of organizations.

The scopes in this conference are very wide, involving Human Capital Management, Knowledge Management and Learning Organization whereas these areas are very important and crucial in order to create business competitiveness for many organizations in all over the world. The existence of HCM, KM and LO are the main drivers to convert all of organization capital to the high-performance people and organization competitiveness to counter the speed and robust of change in many aspects of organizations.

The main spirit of this international conference is to build the networking and relationship; sharing the knowledge and experiences among ASEAN universities, business organizations, research





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institutes/research centers and the governments as well (ABG). Therefore, we convince that this conference will produce many benefits to the attendants and presenters.

In this occasion, I would like to thank all contributors to the conference including all authors, reviewers, speakers and program facilitators, participants, and sponsors. I have been honoured to work with a dedicated Organizing Committee; School of Business and Management, and Institut Teknologi Bandung. Thank you.

Hary Febriansyah, Ph.D

Conference Chair



Conference Schedule

Day 1
Wednesday, 11 February 2015

TIME	EVENT
08.00 – 08.30	Registration
08.30 – 10.30	<p>Opening & Greeting Prof. Sudarso Kaderi Wlryono <i>Dean of School of Business and Management ITB</i> Prof. Kadarsah Suryadi <i>Rector of Institut Teknologi Bandung</i></p> <p>Panel Session 1 Prof. Jann Hidajat Tjakraatmadja <i>President of Knowledge Management Society Indonesia</i> Datuk Dr. Hamzah Kassim <i>Co-Founder & Group Managing Director of The IA Group</i> Moderator: Prof. Togar M. Simatupang</p>
10.30 – 11.00	Coffee Break
11.00 – 12.30	<p>Panel Session 2 Dr. Yuni Ros Bangun <i>Head of People and Knowledge Management Interest Group, School of Business and Management ITB</i> Haryo Suryosumarto, SH., M.Psi <i>Managing Director of PT Headhunter Indonesia</i> Moderator: John Welly, M.Sc.</p>
12.30 – 13.30	Lunch
13.30 – 15.00	Parallel Session & Doctoral Colloquium
15.00 – 15.30	Coffee Break
15.30 – 17.00	Parallel Session & Doctoral Colloquium

Conference Schedule

Day 2
Thursday, 12 February 2015

TIME	EVENT
08.00 – 08.30	Registration
08.30 – 10.30	<p>Opening & Greeting Prof. Kadarsyah Suryadi <i>Rector of Institut Teknologi Bandung</i></p> <p>Keynote Speech Dr. Yuddy Chrisnandi <i>Minister of the Empowerment of State Apparatus and Bureaucratic Reform</i> Moderator: Prof. Jann Hidajat Tjakraatmadja</p>
10.30 – 11.00	Coffee Break
11.00 – 12.30	<p>Panel Session 3 I Gusti Agung Wesaka Puja <i>Director General for ASEAN Cooperation, Ministry of Foreign Affairs</i> Prof. Awaluddin bin Mohamed Shahraroun <i>Dean of Razak School of Engineering and Advanced Technology, Universiti Teknologi Malaysia</i> Moderator: Dato' Prof. Emeritus Zainal bin Mohamed</p>
12.30 – 13.30	Lunch
13.30 – 15.00	Parallel Session & Professional Workshop
15.00 – 15.30	Coffee Break
15.30 – 17.00	Parallel Session & Professional Workshop
18.30 – 21.00	Conference Dinner & Award Ceremony

Parallel Session Schedule

DAY 1 - ICHCKM
Parallel Session , Wednesday 11 February 2015
AULA TIMUR ITB

No.	TIME		DURATION	AULA TIMUR ITB		
	START	END		ROOM A	ROOM B	ROOM E
				Session Chair: Assoc. Prof. Dr. Roslizar Mat Ali	Session Chair: Dr. Rasheed Mohamed Kutty	Session Chair: Dr. Nor Rathana Mohd Ali
1	13:30	13:50	0:20	[090] Analyzing Mainstreams in Current Performance Management Studies and its relationship with HR and Other Practices - Tresnadi Hikmat	[065] Challenges in Implementing Engineering Technology Education in Malaysia - Habibah Norehan Haron / Rosmah Ali / Kamillah Radin Salim	[064] The Effect of Organizational Learning and Job Satisfaction on Organizational Commitment Its Implication Toward Lecturers Performance - Ratna Komala Putri / Yayan Firmansyah
2	13:50	14:10	0:20	[023] The Effect of The Spiritual Intelligence and The Spiritualized Leadership to Increase Organization Performance through Worker's Job Satisfaction - Florentina Kurniasari Tehubjuluw	[037] The Psychological Influence towards the Diffusion of a Web-based Health Information Service (WBHIS) - Siti Noraini Bt. Mohd Tobi	[002] Relationships of Learning in Occupational Safety and Health Training and Occupational Related Injuries - Nurshamsida Md Shamsudin
3	14:10	14:30	0:20	[063] Role Of Talent And Employability Towards Organizational Success - Farahana Misni	[013] Efforts to Enhance Knowledge Management and Learning Organization of Micro, Small, and Medium Enterprises (SMEs) of Batik Trusmi Cirebon in Realization of Environmentally Friendly of Batik Product - Tita Borshalina	[061] Sustainability of Cash Waqf Development in Indonesia: A Quintuple Helix Perspective - Dodik Siswanto
4	14:30	14:50	0:20	[032] The Optimization of Human Resource's Performance in Islamic Microfinance Institutions Through Job Analysis and Competency Model - Verni Yulisty Ismail	[008] The Influence of Knowledge Management on Organizational Learning and Its Effect Towards Organizational Effectivity at Hotel Cemerlang Bandung - Indra Taruna Anggapardja	[086] Do Teambuilding Activities Beef up Organizational Development at Workplace? - Ahmad Yahya Mohammed Musa
5	14:50	15:10	0:20	[003] The Impact of Recruitment on Employees' Job Performance. A Case Study of a Malaysian Small Medium Enterprise / SME - Jamsari bin Atan	[085] Human Security Concept: A New Paradigm in Human Development - Rasheed Mohamed Kutty	[078] Understanding Sustainability Learning in Organizations: The Role of Human Resource Development and a Proposed Research Framework - Murni Zarina Mohamed Razali / Rossilah Jamil
9	15:10	15:30	0:20	Coffee Break		
10	15:30	15:50	0:20	[066] Modeling Research Competency of Faculty Member: A Preliminary Data - Mery Citra Sondari	[069] Content Management System (CMS) as Informative Platform for Young Entrepreneurs for Ministry of Youth and Sport: A Conceptual Framework - Hasnah Hashim	[081] An Integrated Theoretical Framework of the Antecedents of Knowledge Sharing Behavior among Lecturers - Fibria Indriati
11	15:50	16:10	0:20	[004] The Impact of Retention Strategy On Employees' Job Performance. A Case Study Of A Malaysian Small Medium Enterprise / SME - Jamsari bin Atan	[079] Management of Information and Infrastructure of Indigenous Community at Royal Belum State Park Using Geographical Information System: A Conceptual Design - Othman Zainon / Nurain Zamrah Ab-Mahmood	[033] An Influence of Knowledge Management to the Intellectual Capital and the Effect to the Competitive Advantage - Dian Indiyati
12	16:10	16:30	0:20	[014] Relationship among Soft Skills, Hard Skills, Innovativeness and Productivity of Knowledge Workers in Indonesia - Achmad Fajar Hendarman	[024] Business Process Learning System With Real-time Simulation Approach - Cut Viani / Arief Samuel Gunawan	[027] Knowledge Expansion in Engineering Education: Engineering Technology as an Alternative - Kamsiah Mohd Ismail
13	16:30	16:50	0:20	[019] Accuracy of Herzberg and Quarstein's Theory to Predict Employee Satisfaction - Erina Ayunda Syahrani / Muhammad Falah Haidi	[049] A Pilot Study on the Sustainability of the Engineers' Technical Knowledge Repository (KR) Establishment: A Malaysian Case - Siti Arpah Binti Noordin / Raja Faralita Binti Raja Mohamad	[093] Data Mining and Sharing to Create Usable Knowledge, Implementation in Small Business at Indonesia - Haikal Achmad / Adita Pritasari

Parallel Session Schedule

DAY 2 - ICHCKM
Parallel Session, Thursday 12 Feb 2015
AULA TIMUR ITB

			AULA TIMUR ITB				Session Chair: Dr. Rossilah Jamil	
No.	TIME		Session Chair: Assoc. Prof. Dr. Nik Hasnaa Nik Mahmood		Session Chair: Dr. Wan Normeza Wan Zakaria		Session Chair: Donald C Lantu, Ph.D	
	START	END	ROOM A		ROOM B		ROOM D	
							ROOM E	
1	13:30	13:50	[087] Human Capital Formation and Development among Jaha Community at Royal Belum State Park, Perak, Malaysia – Othman Zainon		[074] The Network Mapping Analysis of National Cyber Security Policy Within the Frame of Information Security - Rachma Fitriati	[075] Mapping the Knowledge to Improve Capabilities and Performance of Employees Case Study at Jupiter Department PT. Kalitim Prima Coal – Deny Agriadi	[068] Conceptualizing the Impact of Green Knowledge on Attendees' Behaviour Towards Sustainable Events - Nor Lela Ahmad	[056] Business Process Oriented Knowledge Management System Design Case Study Development Center of Metrological Human Resources, Ministry of Trade Republic of Indonesia) - Wikaksono Febriantoro
2	13:50	14:10	[022] Assessment of Human Capital Management (HCM) Implementation and Its Effect on Innovation - Wesley Natanael				[076] Community Vitality: An Exploratory Study of the Indigenous Community in Malaysia - Nor Dhalia Mustafa / Othman Zainon	[001] A Business Model Canvas for Social Enterprises - Virginie Vial
3	14:10	14:30	[101] The Success of Small and Medium Enterprise (SMEs) Development Based on Human Resource Management Practices in Indonesia - Umi Zuraida		[046] Factor that Determined Continuance Intention to Use Electronic Human Resource Management: An Empirical Investigation - Yusliza Mohd-Yusoff		[092] The Existence of Corporate Culture in Pertamina (Persero) Refinery Unit IV Cilacap - Iqro Dewantoro / Aurik Gustomo	[083] Lean Service Implementation in Malaysian Hospital - Mohd Helmi Bin Md Yusof
4	14:30	14:50	[077] Preliminary Study on Indigenous Community Vitality at Royal Belum State Park towards Sustainable Human Capital Development - Nor Dhalia Mustafa		[088] Factors Influencing Knowledge Management in Islamic Banking Industry in Malaysia - Nur Syuhada Ab Ghani		[005] Implementation of Family Friendly Policies in Malaysia - Siti Nur Amirah Bt Shaari	[030] Manufacturing Strategy and Competitive Strategy and Its Effect on the Performance of Small Batik Industries - Aam Amaningsih Jumhur
5	14:50	15:10	[080] Public Knowledge of Climate Change: An Overview - Zalina Mohd Daud		[048] Conceptualizing 'Ba' in Knowledge Creation Among Medical Researchers in the Malaysian Higher Education Institution: A Pilot Study - Siti Arpah Binti Noordin / Connie Edang		[091] The Role and Nature of Communicative Interactions between Caregivers and Care Receivers in Healthcare Management - Normawati Mohd Shariff	[072] A Study on How to Attract Fresh Graduates Students for Joining Consumer Goods Company in Finance Function: A Case in Study PT. Universal - Edilhard Bravo
6	15:10	15:30			Coffee Break		Coffee Break	
7	15:30	15:50	[045] Knowledge, Attitudes and Behavior of University Students towards Environmental Issues in Indonesia - Ma'ruf		[006] The Role of Social Network for the Development of Rural Malay Family-Based Herbal Entrepreneurship in Malaysia - Kamal Chandra Paul		[034] The Ethical Viewpoint in Network Neutrality - Chuen Rue Ng / Nurhanis Mohd Sharif / Rafi Krishnan	[098] Integrating Knowledge Management into Project Management to Increase Organizational Performance at Central Team PT. ABC - Merrick Jonathan
8	15:50	16:10	[055] The Relationship Between Social Capital and Self-Efficacy: Individual Perspective in The Context of Higher Education Institution - Mohamed Noorman Masrek		[007] Understanding the online social networking behavior and influence toward academic performance: an exploration of the literature - Maslin Masrom, Jimpele Anbau		[035] Cyberterrorism in Malaysia from Ethical Studies Point of Views - Mohd Yusof Hamzah / Nurul Huda Zulkifli	[009] Transformational Leadership, Entrepreneurial Orientation, And Organizational Effectiveness Universiti Teknologi Malaysia - Wan Normeza Wan
9	16:10	16:30	[054] Building International Relationship Trust among SMEs: The Moderating Effect of Communication - Md Daud Ismail		[070] The Influence of Social Support and Relationship Quality to Social Commerce Intention in Facebook - Puji Rahayu		[029] Transition of Malaysia towards Knowledge Society by 2020: Ethical Consideration on the Use of Electronic Gadget in Malaysia Schools - Amizah Bt. Mohd Taffy Gan / Naini Devi Subramainam	[099] Reward Management Strategy (Pay Structure Design) to Improve Employee Engagement: Case Study PT Victoria Nusantara Indonesia, Tbk. - Rizki Walady
10	16:30	16:50	[028] Investigation of User's Emotional Aspect in Information Search Process - Siti Zainab Ibrahim		[057] Exploring the Relationship between Task Characteristics and SEC in the Context of Malaysian Administrative and Diplomatic Officers - Nur Izzati binti yusof		[062] The Use of Social Media (SM) in Business Strategy: A Discussion on Malaysia Trends, Theoretical Viewpoints and Cyber Law Acts Impacted - Farrah Diana Saiful Bahry / Siti Noraini Bt. Mohd Tobl	



The 2nd International Conference
on Human Capital and Knowledge Management 2015



Speakers



SBMITB
School of Business & Management
Institut Teknologi Malaysia



UTM
UNIVERSITI TEKNOLOGI MALAYSIA



Born in Bandung, May 29, 1968, He is a Minister of Administrative Reform and Bureaucratic Reform Cabinet of the Republic of Indonesia at Work (2014-2019). As a politician, he has served as member of DPR in the period 2004-2009 from the Golkar Party and 2009-2014 of Hanura Party

DR. YUDDY CHRISNANDI
Minister of for the Empowerment of State
Apparatur and Bureaucratic Reform
Republic of Indonesia



Prof. Jann is one of founder of School of Business and Management (SBM)-ITB since 2003, and directly lead as the Director of MBA program (2003-2005). Because of his performance, he has been recognized by ITB to be a Vice Dean of Academic Affairs until 2009. In SBM-ITB, he conducts and being an expert of Knowledge Management and Information Technology, People Management, Learning Organization and Organizational Behavior in Organizations. However, besides acting as an academicians, he shows his pro-active in a professional and academics community, trusted to be President of Knowledge Management Society Indonesia (KMSI) since 2007 until now. Therefore, he has well known as a Professor in Knowledge Management and Learning Organization in many Indonesian organizations and Director of Knowledge for Business Competitiveness (CK4BC).

PROF. DR. IR. JANN HIDAJAT T., MSIE.
President of Knowledge Management Society
Indonesia





The 2nd International Conference on Human Capital and Knowledge Management
"Human Capital, Knowledge Management and Learning Organization for Business Sustainability"

CERTIFICATE

This is to certify that

Lina Gozali

has presented as Colloquium in ICHCKM 2015

Bandung, February 11th - 12th 2015
Conference Chair

Hary Setrisatyo, Ph.D



The 2nd International Conference on Human Capital and Knowledge Management
(IC-HCKM 2015)

**Critical Success Factors of Successful E-Business Incubators
Framework in Indonesian Public Universities**

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Abstract

In many rich countries, many business incubators take part to help starts-up company to develop their own business; especially the baby born business cannot compete with the giant industries that have been the old business player. Universities play an important role in motivating young graduates to become technology entrepreneur. The increasing number of graduate entrepreneurs will reduce the unemployment rate and increase the number of field work. Business incubator is an organization that systemize the process of creating successful new enterprise by providing them with a comprehensive and integrated range of services (Manan and Yunus, 2001). Unemployment in Indonesia is still the main issue for the government program to increase welfare in the future. In year 2014 the data from Statistic Center of Indonesia state that Indonesia has 4% unemployment from Indonesia's work generation. In Indonesia, incubators have been developed since 1992 initiated by the government, Cooperative Department and also universities. This effort continued in 1997 when there was a program called the Development of Entrepreneurship Culture in Universities, and of its activity was New Entrepreneur Incubator. Some previous incubation process models and successful factors for Incubation Model are from (i) Campbell, Kendrick, and Samuelson framework; (ii) Smilor's Framework; (iii) Campbell model; (iv) Sameer Verma model of incubator success factors; and (v) Hackett and Dilts (2004) have identified five distinct outcomes for incubating businesses. The objectives of the research are to get the success factor for E-business incubator and to have the framework or model for good e-business incubator for Indonesian Public Universities.

Keywords: *E-business incubator; Public University Incubator; Successful Factor Framework*

1. Introduction

In many rich countries, many business incubators take part to help starts-up company to develop their own business, especially the baby born business cannot compete with the giant industries that have been the old business player. It is widely accepted that the first incubator was created by Joseph Mancuso in Batavia, New York, in 1957 on a former Massey-Ferguson facility (Leblebici and Shah, 2004). Such as in 1959, United States Government wanted to develop small and medium enterprises, create new jobs, pull economy out of depression by subsidizing academics and individuals to integrate existing resources to supply what SMEs needed at the beginning (Wen, 2012).

From the 1970s onward, business incubators have spread out all over the world (Albert and Gaynor, 2003). Estimates indicate that today their number worldwide rises to 3000: one-third is located in North America; 30% in Western Europe and the rest is dispersed over the Far East (20%), South America (7%), Eastern Europe (5%) and Africa, the Middle East and other regions (5%) (European Commission, 2002).

The first Chinese Incubator was started in 1987 in Wuhan, Hubei Province by Minister of Science and Technology (Yan, 2003). As China embarked on the gradualist path to a market economy, business incubators became a key tool in Chinese Government's economic development strategy in the mid and late 1990s. At that time, a primary strategy of the Chinese government for fostering the sustainable high growth of its economy was to promote a range of high-tech industries (Xu, 2001).

In January of 1995, Taiwan's Small and Medium Enterprise Agency (SMEA) of Ministry of Economic Affairs was assigned to launch SME Incubation Policy as one of the moves under the macro policy of "Asia Pacific Operation Center". Half a year later, SMEA assigned Institute of Management of Technology of National Chiao Tung University to complete the "Planning Report for Small and Medium Enterprise Incubator Center".

In German, boom of technology and incubator centers that started in the 1980s and the spread to Austria (Todtling and Todtling 1990, Sternberg et al 1996, Galley 1997) and United Kingdom (Monck

et al., 1988; Massey et al.; 1992, Westhead and Storey 1994). And in Swiss, there was only a discussion about the necessity of an explicit technology policy in the beginning of the 1990s, but with almost no results (Thierstein and Wilhelm, 2001).

Even failure of new ventures in their early stages of development is a common occurrence (Watson et al., 1998; Zacharakis et al., 1999), the continuing growth since 1980, in the number of business incubator operating in North America. However, suggests that many government, local communities and private investors believe that it is desirable to try to help “weak-but-promising” firms to avoid failure by incubating them until they have developed self-sustaining business structure.

Universities play an important role in motivating young graduates to become technology entrepreneur. The increasing number of graduate entrepreneurs will reduce the unemployment rate and even will increase the number of field work. Many developing countries have experimented with a variety of programs and schemes supporting small and medium enterprises, often with assistance from multilateral and bilateral organizations.

Business incubation programs or initiatives have arisen especially over the last decade, with varying degrees of success (Manan and Yunus, 2001). Business incubator is an organization that systemize the process of creating successful new enterprise by providing them with a comprehensive and integrated range of services. Both in developed and developing countries, governments have been playing a key role in defining policies, programs and instruments which support the development of micro, small and medium enterprises.

Nowadays, Indonesian government put high attention in developing technology entrepreneurs (TE) among young graduates from all universities in Indonesia. Therefore every university in Indonesia was encouraged to have their own business incubator that could provide entrepreneurial activities and to facilitate the development of invention and innovation among potential student to become real TE. In Indonesia, the change can be seen from two contradictive sides, as an opportunity and as a threat. Looking at the ability Indonesia possesses, one possible positive change can be seen in middle sized and small industries.

In Indonesia, incubators has been developed since 1992 initiated by the government, Cooperative Department and also universities. This effort continued in 1997 when there was a program called the Development of Entrepreneurship Culture in Universities and of its activity was New Entrepreneur Incubator. Up till now in year 2012 there are 23 Incubators which still in operation. Most of business incubator in Indonesia was established by Universities (72%), which the rest was established by private sector (21%) and Government institution (7%) (Bank Indonesia, 2006).

2. Literature Review

In this section, the researcher explores the existing theories and models that are relevant to the research subject, as well as those theories and models that form the body of knowledge of the research. The theories and models which will be explored and used throughout the study are discussed in the following sub section. In its most literal sense, a business incubator is a building that houses tenant companies that are in their initial phases. However, a business incubator is more than just a building. Their goal is to assist in the development of new entrepreneurial organizations while they are in their initial phase. By doing this, business incubators are able to help these new companies survive and grow during a period in which they are most at risk for failure. The overall goal of any business incubator is to produce companies that are “successful.” More specifically, the goal is for these companies to be able to “graduate” or leave the incubator in a financially stable state and be able to operate on their own upon graduation from the business incubator (NBIA4, 1997). E-business (electronic business) derived from such terms as “e-mail” and “e-commerce,” is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners (Margareth Rouse, April 2005)

Business incubation can have several definitions and approaches, for example “Business incubation catalyzes the process of starting and growing companies, providing entrepreneurs with the expertise, networks and tools they need to make their ventures successful. Incubation programs diversify economies, commercialize technologies, create jobs and build wealth. The environment programme with certain important characteristics: it offers a full array of business assistance services tailored to the client companies; it has an incubator manager on site who co-ordinate staff and outside professionals and organizations to deliver those service; it graduates companies out of the programme (though not always out of the incubator facility) once they meet the programme goals”.

Incubators are generally characterized by some relevant features, which generally include:

1. A managed work space providing shared facilities, advisory, training and financial services, and a nurturing environment for tenant companies;
2. A small management team with core competencies;

3. Selection of start-up companies entering the incubator, 20 to 25 companies in the average, to be graduated generally after 3 years.

Four major types of incubator exits, and the objectives of each type tend to vary as follows:

1. *Public-sponsored*: these incubators are organized through city economic development, department, urban renewal authorities, or regional planning and development commission. Job creation is the main objectives of the publicly sponsored incubators.
2. *Nonprofit sponsored*: these incubators are organized and managed through industrial development associations of private industry, chamber of commerce, or community based organizations with broad community support or a successful record in real estate development. Area development is the major objective of nonprofit-sponsored incubators.
3. *University-related*: many of these incubators facilities are spin-off academic research projects. Most are considered science and technology incubators. The major goal of university-related incubators is to translate the findings of basic research and development into new products of technologies.
4. *Privately sponsored*: these incubators are organized and managed by private corporations. The major goal is to make a profit and, in some cases, to make a contribution to the community.

3. Research Methodology for Proposed Study

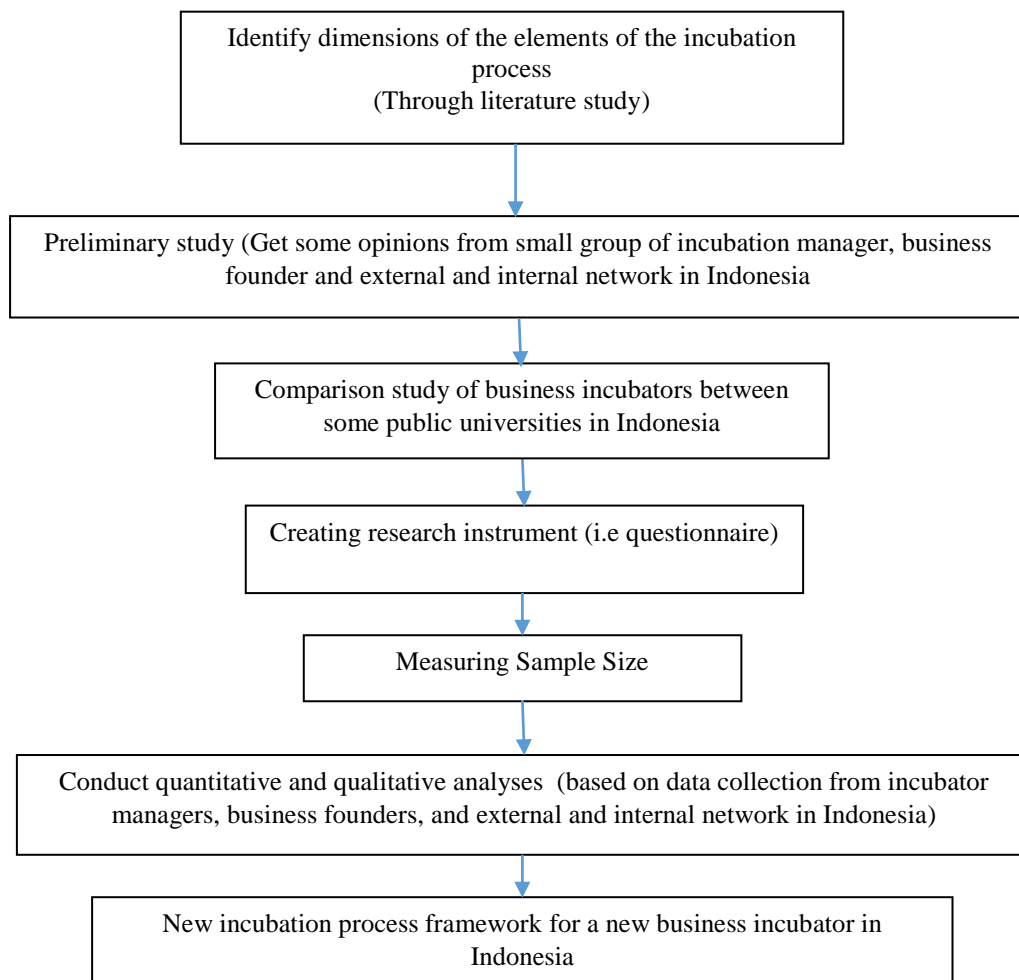


Figure 1. Methodology of the study

4. Background of the Problem

Unemployment in Indonesia is still the main issue for the government program to increase welfare in the future. In year 2014 Statistic Center of Indonesia states that Indonesia has 4% unemployment

from Indonesia' work generation, and Indonesia still has 11.5% people in poverty of economic condition. In supporting Government program to reduce the number of poor people, entrepreneurship project in many universities hope can be one of the solutions to reduce poverty.

According to Bank Indonesia, factors that make the development of incubators in Indonesia decreased among others are:

1. Limitation of operational facilities that causes the low rate of in wall tenants absorption ability.
2. The lack of seed capital support that makes incubator not professionally handled and there are significant numbers of in wall tenants that cannot obtain seed capital even though their business is feasible.
3. Commitment and government support is relatively lacking and inconsistent in developing incubators.

In Indonesia, Cooperative Department and Small Enterprises (1998/1999) and the Ministry of Cooperative and Small and Medium Enterprises (SMEs) of Indonesia (Menteri Negara Koperasi dan Usaha Kecil dan Menengah Republik Indonesia, 2002) stated that the basic concept of incubator is an institution that provides 7's:

1. Space.
2. Shared office facilities.
3. Service which is a management counseling: marketing, finance, production, technology and others.
4. Support in terms of business research and development as well as access of technology usage.
5. Skill development which is training, business plan formulation, management training and others.
6. Seed capital and the effort to gain capital access to financial institution.
7. Synergy which is creating an adequate business network, local and international.

Some business models have been created that would be reference for this research are as follows:

Business Incubator model in Figure1 developed by Campbell et al. (1985) suggests four areas where incubators-incubation creates value: the diagnosis of business needs, the selection and monitored application of business services, the provision of financing, and the provision of access to the incubator network. Implicitly, with this framework, Campbell et al. have normatively defined the incubation process. This is useful because it suggests in detail, and for the first time, how different components of, and activities within, the incubator are applied to facilitate the transformation of a business proposal into a viable business. Weaknesses in the framework center on the failure to account for failed ventures (the framework assumes that all incubator tenants succeed) and the ascription of the framework to private incubators only.

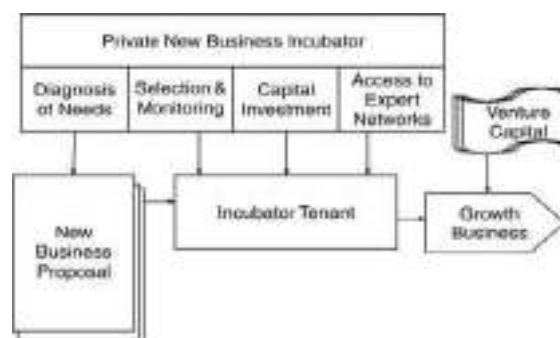


Figure 1. Campbell, Kendrick, and Samuelson framework

(Campbell et al, 1985)

In Figure 2 Smilor extends the Campbell et al. framework by elaborating various components (incubator affiliation, support systems, and impacts of tenant companies) of the incubator-incubation concept. Unlike Campbell et al., however, the Smilor framework takes an external perspective and fails to account for the incubation processes occurring internally. Utilizing data gathered from a national survey as well as from interviews, analysis of case studies, and observation, Smilor casts the incubator

as a mechanism for reshaping the way that industry, government and academia interrelate (Smilor and Gill, 1986). He categorizes the benefits that incubators extend to their incubatees along four dimensions: (1) development of credibility, (2) shortening of the [entrepreneurial] learning curve, (3) quicker solution of problems, and (4) access to an entrepreneurial network (Smilor, 1987). Smilor also conceptualizes the incubator as a system that confers “structure and credibility” on incubatees while controlling a set of assistive resources: “secretarial support, administrative support, facilities support, and business assistance” (Smilor, 1987). Smilor’s effort is perhaps the most comprehensive effort at identifying and explaining the various components of the incubation system.

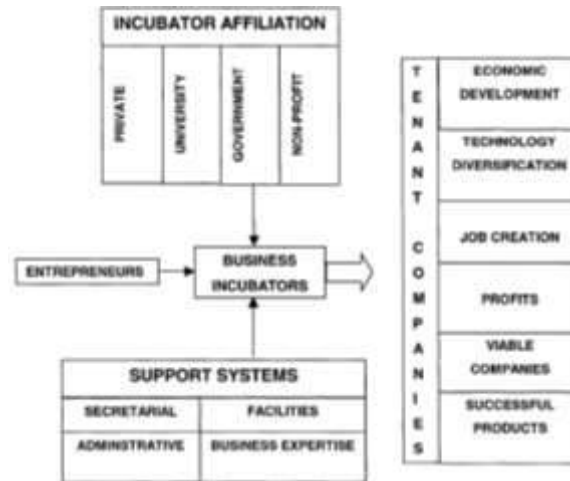


Figure 2. Smilor’s Framework (Smilor, 1987)

In Figure 3 briefly, the model indicates that incubatees are selected from a pool of incubation candidates, monitored and assisted, and infused with resources while they undergo early stage development. Outcomes refer to the survival or failure of the incubatee at the time it exits the incubator. Controls include regional differences in economic dynamism, level of incubator development and size of incubator. The model is a temporal with arrows in the model indicating the relationships amongst the constructs. The arrows that lie between constructs represent the fact that we do not know whether these constructs overlap; because no one has conducted research using these constructs the possibility for interaction must be depicted. Arrows going backward from outcomes to the constructs of interest indicate feedback loops that occur over time and through experience, suggesting organizational learning effects.

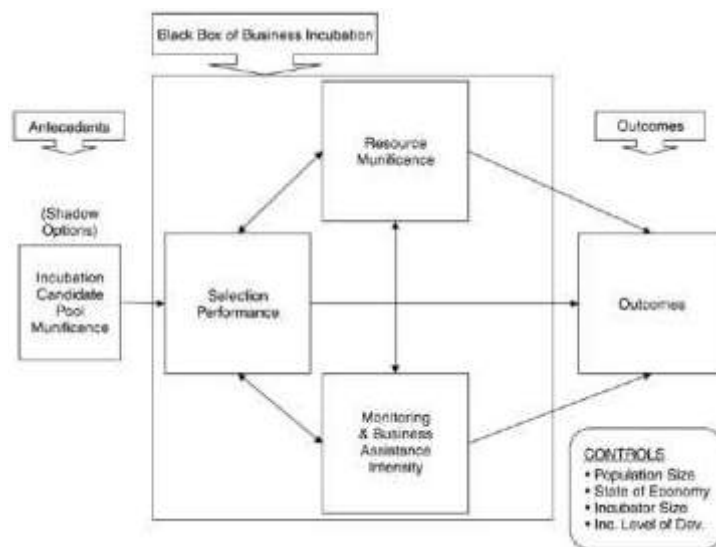


Figure 3. Incubation Process Model by Campbell et al.’s (1989)

In Figure 4 Verman (2004) developed a-priori model of incubator success factors. The model represents the theoretical framework for incubator success factors. The variable of primary interest, the

dependent variable, is the degree of success of incubators. The framework explain the variance in this dependent variable through a number of independent success factors categorized as 1) shared services, 2) facilities and location 3) funding and support 4) incubator governance 5) tenant entry and exit criteria and 6) mentoring and networking.

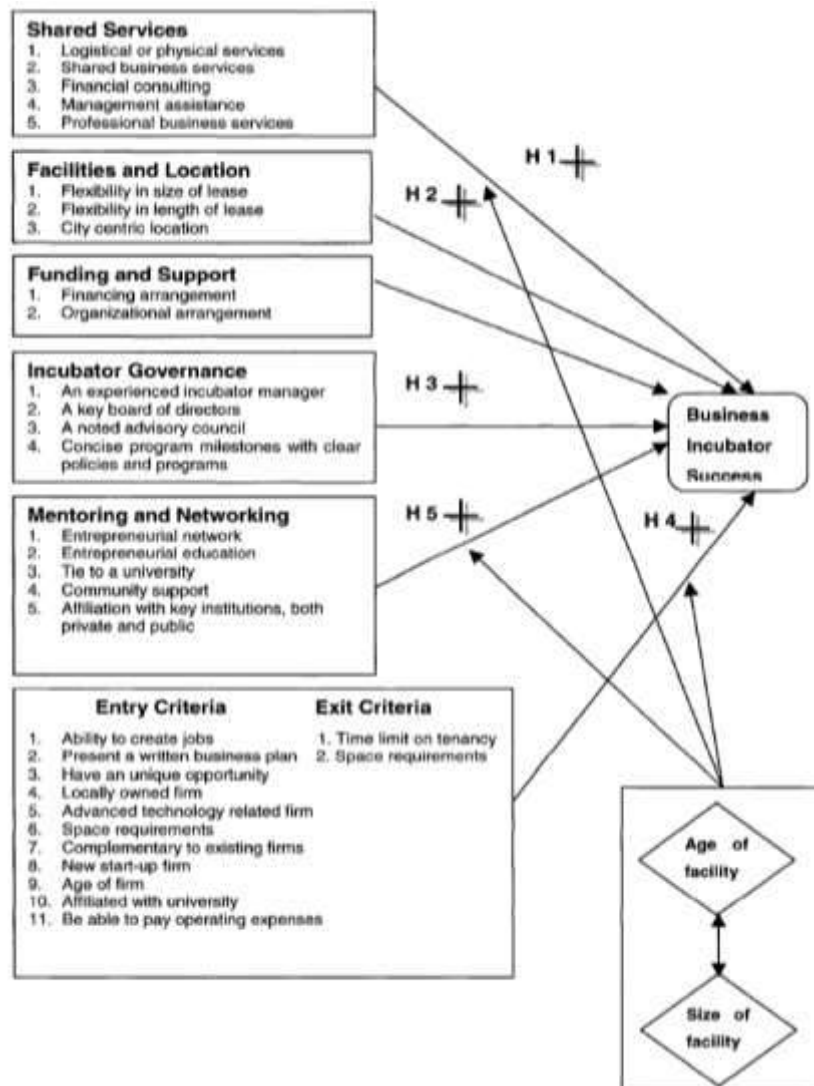


Figure 4. A Priori Model of Incubator Success Factors (Verman, 2004)

Figure 5 indicates that the business incubator appears in the center. Its key functions are identified therein. Figure 5 proposes that business incubators must demonstrate a positive impact upon incubating enterprises, on their practices in terms of developing their customers base, increasing productivity and turnover. In parallel, the incubator must meet its own “hard” targets, purely objective in nature, as agreed with key stakeholders. However, it is apparent from this research and other literature that business incubators create other outputs, designated “outcomes” (WEFO, 2003) in addition to profit and costs improvements, which we shall classify as “soft measures” (see Figure 5). Soft measures are benefits such as increased business knowledge and skills, more business awareness and increased client networking. These are subjective measures which are more difficult to ascertain and measure but nonetheless exist. This is highly significant as Hackett and Dilts (2004) have identified five distinct outcomes for incubating businesses, including viewing operating but stagnant businesses as failures, “Zombie Businesses” rather than successes (i.e. still trading); and early closure of non-viable businesses as success not failure (no great losses incurred). When applying purely “hard” business measures in these cases the picture looks quite different: in an assessment of the influence of business incubation practices on these enterprises no real benefit would be ascertained. However, in reality even

these categories of client or incubatees benefit from the exposure to the business incubator using the “soft” metric. These soft measures are particularly relevant in development of personal skills and business knowledge which might be applied in the future entrepreneurial activities Hackett and Dilts, 2004a). Thus it could be argued that business incubators provide clear advantages for progressive enterprises and a source of reference, knowledge and enabling skills in a “safe” environment, providing an incentive for immediate or future development of new enterprises. Business incubators must be available for future cohorts of currently nascent entrepreneurs, as well as those who have experience of ventures that may not have progressed and who bring that increased knowledge and awareness to a new venture (Hackett and Dilts, 2004a). By recognizing that the success of both the incubator and the incubatee in terms of “soft outcomes” and “distance travelled”, after three years of operation the GTi incubator is an established part of the business support landscape and widely respected for its support of new businesses (Howard, 2005), a more complete picture of success emerges.

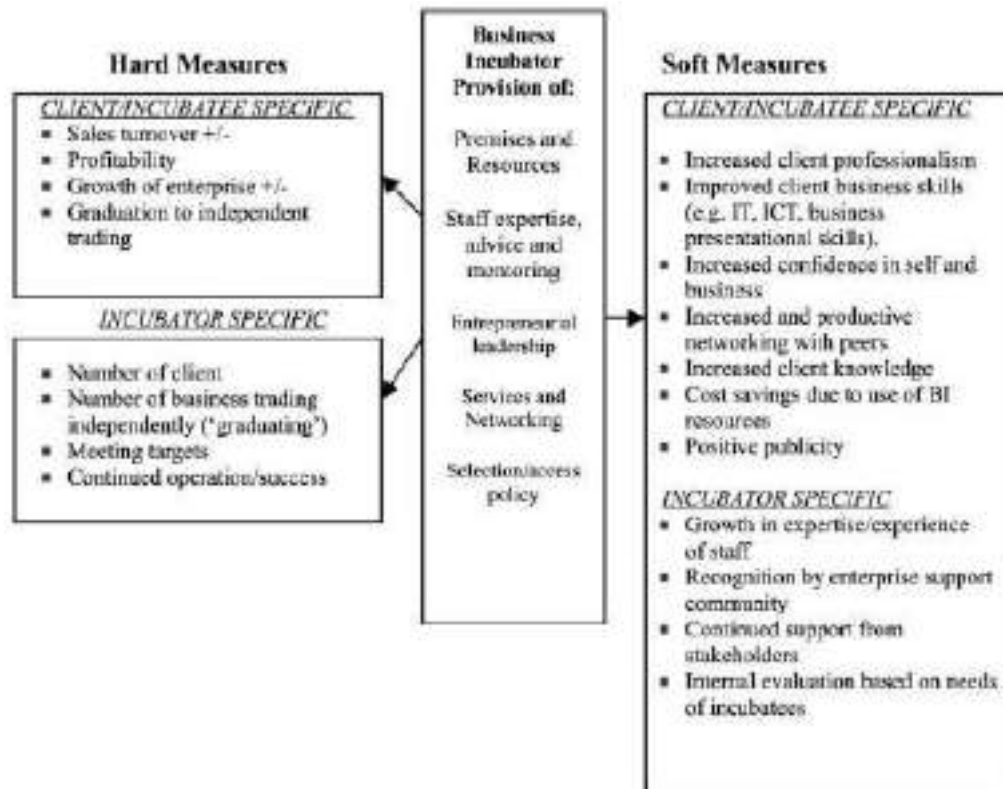


Figure 5. A Conceptual Framework for Identifying the Performance Measures of Business Practice within Business Incubators (Hackett and Dilts, 2004)

5. Problem Statement

Most problems that entrepreneurs encounter in early stages of business development are a lack of legitimacy, tangible resources, and accumulated knowledge, which are critical factors to recognize and seize business opportunities (Stinchcombe, 1965). For entrepreneurs who have just started their own business, many difficulties need to be overcome, such as planning the business, securing an office, recruiting talent, marketing and financing (Kazanjan 1988, Kazanjan and Drazin 1989). Many of start-ups got failed in early stage, so needed to identify the success factors of building business incubator and the best framework for Public University in Indonesia.

6. Research Objectives

The objectives of this research are:

1. To determine the critical success factors in creating the successful e-business incubation for Indonesian public universities.

2. To investigate the incubation process in Indonesia.
3. To propose and develop a new appropriate e-business incubation process framework for public universities in Indonesia.

7. Research Methodology

The research of the study will be through the investigation of the subsequent research issues by:

1. Investigating the incubation process in Indonesia by conducting qualitative research.
2. Benchmarking the incubation process model in some public universities in Indonesia with some incubation process model.
3. Finding the best practice for Indonesia business incubation process by conducting quantitative research.
4. Developing a new appropriate e-business incubation process model for some public universities in Indonesia

All the research steps will be conduct by the authors as follows:

1. *Data and Information Collection*

Data collection is conducted through a literature review and some references that related to development of business incubator and SME's. In the other hand, the study will also review some regulations that related to business incubator and SME's in the form of laws or government regulation. The literature review also determine the factors that already validated from previous research.

2. *Focus Group Discussion (FGD)*

Focus Group Discussion (FGD) will be held by inviting parties that have some competencies in giving some feedback of business incubation process. Respondent will be determined by structured sampling method, start from the founder, incubation manager, external and internal networks.

3. *Questionnaire Pre Testing*

Pre testing of the scale item is required prior to implementing the pilot of field test (Malhotra and Groover 1998). Questionnaire pre testing will be held among founder, incubator manager, external and internal networks related to business incubator activity with 8 public university in Indonesia. Preliminary data analysis includes a visual inspection of the data, common methods variance testing, identification of outliers, and an assessment of the central tendencies of the data (Hair et al, 1998; Lewis Beck 1995, Rosenzweig, 2003).

4. *Field Study*

The period of the field study is approximately 12 months. Following generally accepted protocols in the use of mailed survey instruments (Dillman 1978; Fowler Jr. 1993) and online data collection (Simsek and Veiga 2001; Staton 1998; Staton and Rogelberg 2001). Author will contact the sample population by mail and email with a request for a meeting at their incubator facility and for their participation in the survey.

5. *Data Analysis*

Data analysis will use the Structural Equation Modelling. Structural equation models (SEMs), also called simultaneous equation models, are multivariate (i.e., multiequation) regression models. Unlike the more traditional multivariate linear model, however, the response variable in one regression equation in an SEM may appear as a predictor in another equation; indeed, variables in an SEM may influence one-another reciprocally, either directly or through other variables as intermediaries. These structural equations are meant to represent causal relationships among the variables in the model. Besides SEM, the analysis will use the qualitative analysis too.

8. Significance

The result of the research will enrich the literature on business incubator topics, on issues concerning business incubation process. It will also be beneficial to the university, government and private sector in order to create a good e-business incubation process which aiming a good performance.

The significances of the study about E Business Incubator's critical factors are: Many universities get benefit to develop their own Business Incubator process, the universities can announce their capabilities to develop students for the entrepreneurship education. Many students can develop

themselves in Business Practice Knowledge The government get benefit from the tax, minimize the number of unemployment, reduce the criminal action from the unemployment person, develop good economic environment.

In the previous study can be concluded some figure of business incubator process model or framework. This is can be the first study for next research. For the next research will be study about comparison of some business incubators from Indonesian Public University.

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