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## Editorial

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**Biographical notes:** Benny Tjahjono is a Professor of Supply Chain Management at the Centre for Business in Society, Coventry University. His overarching research area includes production engineering, service engineering, operations management and sustainable supply chain management. He is currently the Cranfield's Principal Investigator of the Horizon 2020 MSCA Innovative Training Network aiming to formulate the service-oriented business model for the European Circular Economy. He is an Associate Editor of the *Journal of Simulation* and is a member of several journal editorial boards.

Dessy Irawati-Rutten has researched and taught international business management, entrepreneurship, investigating the fields of strategy, organisation, and learning. Her extended research interests cover international business strategy, multinational enterprises (MNEs), small and medium-sized enterprises (SMEs), innovation and technology management, globalisation and development studies, cluster-based policy and networks, industrial dynamics and knowledge transfer. She is also a scientific writer and communicator for science diplomacy duties as well as an academic adviser. She is an international board advisor for I-4 after being the chairwoman in 2013–2015. I-4 is the International Association of Indonesian Scientists involving more than 500–800 scientists across the globe.

Nyoman Pujawan is a Professor of Supply Chain Engineering at the Department of Industrial Engineering, Institut Teknologi Sepuluh Nopember (ITS), Surabaya, Indonesia. He is the Certified Supply Chain Professional (CSCP) holder from the APICS (USA). He was a Lecturer in Operations Management in Manchester Business School, UK. He has published over 30 articles in various international journals including the *European Journal of Operational Research*, *International Journal of Production Research*, *International Journal of Production Economics*, *Production Planning and Control*, *Asian Journal of Shipping and Logistics*, *Business Process Management Journal*, among others. He is a board of executive member of Asia Pacific Industrial Engineering and Management Systems Society (APIEMS).

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The significant roles that the countries in the South East Asian Nations (ASEAN) region have played in the past two decades have demonstrated a remarkable transition from being an individual player at a regional level to a network of the global value chain for a favourable investment destination of many multinational companies. Enabled by the advantages from a geographical proximity, the ASEAN Economic Community (AEC) officially commenced at the end of 2015 to foster collaboration and cooperation activities amongst the member countries in many areas. The key characteristic of the AEC is a single market and production-base, conceived to prepare the entire region to integrate into the global economy.

Although initially intended to establish a strong foundation for a fair economic development where each member can thrive, the AEC has indeed turned ASEAN into a highly competitive economic region; and ASEAN members are now at a crossroads. Whilst some member countries have been able to tap into the institutional stability, democracy and economic stability, others are still catching up with their counterparts. In order to succeed, each ASEAN nation must, therefore, develop new and knowledge-based trajectories to ensure the sustainable economic development.

This special issue is conceived to stimulate further debate and discussion on the potentials and opportunities in embracing the AEC, and ultimately to disseminate the scientific and the knowledge-based research. Contributions from international researchers carrying out research about, or related to, Indonesia have been collated to highlight various endeavours particularly in developing Indonesia's capacity in terms of social, economic and technology, regionally and internationally.

The first paper in this special issue by Sopha and Hestiani exposes the issue of competitiveness of Indonesian small and medium enterprises (SMEs). They empirically examined the impacts of supply chain management (SCM) practices on financial performance. Through a structured interview, they collected data from 39 SMEs in Yogyakarta. Their study demonstrated the significant positive relationship between the SCM practices and the financial performance. They further argue that customer relationship management, supplier relationship, and information system, are the three most frequently found practices which contributed significantly to the firm performance.

Susanty, Suliantoro, Siburian and Syamil focused on the supply chain governance structure. They surveyed over 120 traders and intermediaries of broiler chickens at seven traditional markets in Semarang and obtained the antecedents that influence the structure

choice in the supply chain governance. They found that that the transaction cost economy and the collaborative advantage had a significant positive effect on the level of integration. They also suggested that the transaction cost economics significantly depended on uncertain conditions between the traders and the intermediaries.

Maulana and Aryanti investigated the challenges in adopting and implementing e-money for transportation in Indonesia. Using the marketing ethnographic approach, they observed customers' behaviour to obtain insights on the so called *relative advantage and compatibility*. They found that the main inhibitors to the adoption were the high level of observability and operational complexity of e-money, the lack of education to the customers and the lack of customer's cooperation in the process of learning new things. Subsequently, they suggested that provision of incentives was critical to the success of the adoption.

The paper by Rahadyan and Lubis investigates the role of the exchange rate on the inflation rate in Indonesia. They found that the inflation rate was affected by the nominal exchange rate and further argued that the volatility of the exchange rate and the depreciation threshold may accelerate the speed of the exchange rate's transmission to inflation. These findings suggest that Indonesia poses a significant risk of failing to reach the aims of the AEC if it fails to coordinate its exchange rate policy with that of the rest of the AEC countries.

Mardiana, Tjakraatmadja and Aprianingsih examined an information system used in a mandatory environment and developed a conceptual success model of it. They conducted an empirical study at a government agency whose employees use an information system for managing migrant workers' data. They found that *perceived usefulness* was a good predictor for *intention to use* and had a substantial effect towards *intention to use*. The implications are that the agency must promote the *usefulness* of the information system so that it will increase user's *intention to use* the system.

Adhiutama, Mulyono, Firmialy and Prasetyanti discuss the role and strategy of R&D expenditure and intensity in Indonesia. Over 200 companies from various sectors in Indonesia were surveyed to better understand their R&D strategies and expenditures. They found that most of the companies allocated their R&D expenditure primarily for internal purposes as they continued to increase the efficiency of their companies. They further argued that the growth opportunities had different impacts on R&D intensity, although these impacts remain limited.

As Indonesia is a maritime country, the special issue would not have been complete without the discussion on the marine sector. The paper by Iswadi, Owen, Garniati and Sugardjito discusses the opportunities and challenges of marine renewable energy in the development of coastal community areas in Indonesia. Using three in-depth case studies, they drew coastal community profiles and subsequently captured their needs. They found that marine renewable energy could become part of sustainable solutions to promote coastal community development particularly through the increased of socio-economic impacts at the community level in the form of new job creation.

We hope that the discussion and the experiences from these papers will be a useful contribution to the body of knowledge and could be used as a scientific discourse to inform or even forecast the likely outcomes for Indonesia and other ASEAN countries.