B-School’s Readiness Standards for Encountering Asean Economic Community

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This conceptual paper seeks to synthesize and discuss standards that b-schools should have to strengthen education quality. The standards are synthesized using the theoretical framework of symbolic-interactionism, where people act toward things that derived from social interaction and modified through interpretation. The findings encompass the comprehensive standards for managing b-school performance including: 3 perspectives, 18 variables, 50 priority indicators, and 87 supporting indicators. The standards can improve b-school competitiveness by learning process and guidance to direct entire lecturers and staffs for improvement processes by concentrating the implementation efforts to current critical indicators. The paper ends with recommendations on future research on confirming and testing the standards to Asean’s b-school and also to adapt such standard for use in widen environments within different culture of each Asean countries by developing relevant performance perspectives and general variables.

Keywords: Standard, Perspective, Variable, Indicator, Symbolic-Interactionism.

1. INTRODUCTION

Due to Southeast Asian countries have officially becomes an integrated regional market in 2015 and the labour market might be more crowded,1 higher education institution as source of well-educated and skilled workers are encouraged to provide quality graduates. The graduates should be able to compete internationally equipped with: social and professional skill,2,3 communication and language skill,3,4 and intercultural skills,5,6 or multicultural worldview,7 which became the embodiment of institutional readiness to face the single Asean market. Furthermore those skills are needed to become an effective employees and effective leaders in their field in the future.5,9

However, based on real situation in Indonesia, the institution of higher education is facing lots of obstacles in graduating student with those above characteristics or skills, due to standards incongruity,10,11 various frameworks; blurred vision, strategies, and compact fundamental foundation in managing institution performance;12,13 and the failures of self evaluation and fuzziness of benchmarking processes,14-19 likewise these issues has been on solemn agenda for last twenty years.20

Furthermore, in line with it, although quality assurance has long been considered as one of main pillars for higher education development in four AEC countries, i.e., Indonesia, Malaysia, Philippines, and Thailand, the level of quality development among countries in this region is still quite diverse.21 Hereinafter the necessity of having appropriate standards becomes crucial for higher education institution in general, especially for b-school in Indonesia. This needs relating to proposition that often arise with regard to answer the in comprehension perspectives,22,23 the obscurity variables or factors aspects,24-26 and inappropriate indicators.27,28

In addition, the existing performance standards despite of their relative benefits also have limitations. Several identified limitations are: (1) Override the existing system;29 (2) Neglect the contextuality externally or internally; (3) Not equipped with guidance for benchmarking processes;17 (4) No formulation for improvement recommendations for each poor performance. Moreover, it takes a systemic perspective on managing improvement and critically review dominant approaches to quality in higher education, and suggested to shift the quality activities focus from accountability and control to improvement.30 However, the prove to support the utility of systems approaches in higher education is limited and research into its use is needed. Eventually, this conceptual paper seeks to synthesize and discuss standards that b-school should have to strengthen education quality by reviewing literatures and other form of publications. Thus the research question posed as follows: what are the perspectives, variables, and indicators for managing b-school performance.

2. LITERATURE REVIEW ON B-SCHOOL'S PERFORMANCE STANDARDS

A performance standard is distinguished between three different concepts or constructs, including: certain variables measured, the set of all variables measured with data collection systems; and the overall management system24-26 and requires implemented as
a systems perspective, i.e., input, process and output\textsuperscript{22} and also aligned from operations to strategic part in the organization.\textsuperscript{23}

The success performance standards should consist of a set well-defined and measurable criteria and could be considered as a basic thinking for determining appropriate variables.\textsuperscript{31, 32} There are five principles that should be well-thought for it, including: (1) comprehensive (2) easy to understand, (3) equipped by comparing procedures for actual performance and standards, (4) focus on improvement processes rather than monitoring performance, (5) providing information on a timely basis.\textsuperscript{28}

Moreover, several researches identify key features to manage performance as being: aligned to existing systems and strategies, a great commitment from top management, supporting improvement culture, involvement from entire stakeholder,\textsuperscript{13} and continuous processes.\textsuperscript{34-36} This is also in line that managing performance should: supports the strategic objectives, has the right balance, sub-optimization maintenance, minimizing performance measurement, easily accessible, and consist of performance measures that have understood the comprehensible specifications.\textsuperscript{37} Main model of performance standards can be referred to one of five typologies: (a) strictly hierarchical or strictly vertical, (b) measurement are considered independently (balanced scorecard), (c) frustum, from low-level measures into more aggregated indicators, (d) distinguishing internal and external performances, and (5) relate to the value chain.\textsuperscript{38}

There are several reasons why b-schools manage their performance regarding the process in its activities, including inspection of current position, explanation of situation, assuring the priorities, and to promote the improvement,\textsuperscript{39} as shown in Table I.

According to Table I, the first reason why b-school manage performance is for inspecting current position. This can be done by: setting the current position, monitoring the progress that has been achieved, controlling the management and how much money that institution has been used, and for checking factors in running the activities. The second reason is to explain of situation that occurred in b-school, by communicating the performance, doing the performance benchmark, and communicating what action has been done in such situation. The third reason is assuring the priorities, including: to get to know what is customer interest, focusing the activities, the set the priority in investing the money, and to stimulating the benefit. The last reason is to promote the improvement, by motivating lecturers and all staffs, providing a basis for giving a reward, and for setting the next higher target than before.

Most of Indonesian b-schools have their own internal framework in managing their performance standards by implementing internal evaluation. There are two objectives of this process, including: providing good quality education and preparing for external evaluation, while the targets of this process are performing its own educational quality assurance, support sustainable quality enhancement, present a clear and comprehensive profile, based on self-review and strength, weakness, opportunity and threat (SWOT) analysis concerning its own performance, thus enabling continuous self-improvement.\textsuperscript{30} Accordingly, the development of present performance standards describes the various kinds of quality assurance system and usually integrated with national or international agency. While the external assessments based on self-evaluation and accreditation standards from agencies such as AACSB, EQUIS, ABEST21, and for Indonesia context there is an accreditation from The National Accreditation Agency for Higher Education.\textsuperscript{40}

### 3. RESEARCH METHODS

The standards in this study are synthesized using the theoretical framework of symbolic-interactionism. The symbolic interaction as a theoretical perspectives relies on the symbolic meaning or interpreting objects that people develop and rely upon in the process of social interaction,\textsuperscript{41} and how repeated interactions among individuals could create and maintain society.\textsuperscript{42} This is done since people act toward things that derived from social interaction and modified through interpretation, and minimal biased methods were used for acquiring literature as well for the paper.

In this study symbolic interaction analyzes people and institution regarding standards, behaviors, and events through human interpretation to one another’s behavior.

Following this framework, since this theory focus on how organization and people use and interpret things as symbols to communicate with each other, the study focus on standards with several specific and unique symbols that is used by b-school for delivering and transforming its activities and agendas to achieve their objectives efficiently and effectively. Moreover, the framework of symbolic-interactionism also describe how institution and people create and maintain the reality that we believe to be true, this study also tries to explore how such standards in b-school be created and maintained and also consolidated through out entire stakeholder and become common knowledges and culture in its institution.\textsuperscript{43}

This study utilizes structured and unstructured list of questions to observe and interview the b-school managements, i.e.: dean, vice dean of academic, or quality administrator from public and private Indonesian b-schools related to symbols in performance standard, such as vision statement, mission, strategy, academic activities, library, technology, facilities, and so on. These
actions within variety circumstances lead to identify critical factors and performance indicators. While unit analysis for this study, according to Sekaran is organization, including: business school, faculty of business and management, or faculty of business and economics.44

Moreover for ensuring the quality of research, this study prevails multiple source of evidence, including: primary documents, selected and approved secondary documents, interview session to informants, survey with questionnaire, and direct observation. The result of these processes are in the form of interview notes, closed ended answered sheets of questionnaire, b-school documentation implementation on performance standards, and observation notes through direct observation.

4. FINDINGS AND DISCUSSION FOR B-SCHOOL’S PERFORMANCE STANDARDS

The findings for this research encompasses the comprehensive figure that attached almost entire standards for managing b-school quality including perspectives, variables, priority indicators, and supporting indicators, which can be summarized as the onion diagram as seen in the Figure 1.

Perspectives in this research for b-school performance standards define as how faculty member seeing all the relevant data in a meaningful relationship or as the capacity to observe true relations for importance things.22, 23 Here, the perspectives seen as process relation from beginning to end, and be grouped as three perspectives, i.e.: resources capabilities perspective, internal processes perspective, and organizational results perspective. Further, variables define as things that might be changed or vary from one situation to another.24-26, 45 From the three perspectives, there are 18 variables that will be discussed on the following paragraphs. While, indicators in this research define as a pointing or directing instrument or tools to indicate and measure the b-school conditions and variations.27, 28 There are two groups of indicators, namely: priority indicators-that should be put as a special attention in enhancing b-school performance, and supporting indicators-as to complete or serve as countenance for escalating b-school performance. These two kind of indicators are resulted from the score of importance and implementation appraisement from the school’s management as well as comparing the other schools standards and literature surveys and continued by intense discussion with the experts and also be validated by the business and management school quality administrators.

The research found 3 perspectives, 18 variables, 50 priority indicators, and 87 indicators as supporting indicators. Hence, this study found 3 perspectives, 18 variables, 50 priority indicators, and 87 indicators as supporting indicators. Hence, these following three figures will discuss briefly entire perspectives with each variables and indicators. The perspective itself based on the operation management framework, i.e., input-process-output, and “the most frequently used method is to depict education as a productive system, in which inputs are transferred into outcomes.”46 Furthermore, each of variables also consist of two kinds indicator, namely priority and supporting. In the figures, the number of each indicator be written in parentheses as follow (X; Y). (X; Y) means certain variable has X numbers of priority indicators and Y numbers of supporting indicators.

Starting the discussion section, the first perspective for b-school standards is resources capabilities that consist of six variables, namely: lecturer and staff, student, library (books and journals), stakeholder, technology, and management practice.

The first variable in this perspective is lecturer and staff has two priority indicators, i.e., Ph.D. ratio to total lecturers and business practitioners ratio to the number of faculty and four supporting indicators, i.e., percentage of professors who teach in related subject, professor ratio to the lecturers, training within the taught subject followed by lecturer, and obligation for faculty or staff to attend training as the school support. Student variable consist of two priority indicators, namely selection with high standards for gaining qualified students and GMAT score for admission and graduation, and four supporting indicators, namely: TOEFL scores for admission process, TOEFL standard for graduation prerequisite, increasing number of scholarships compare to previous year, and increase number of students who received scholarships compare to previous year.

The third variable is library (books and journals), with 2 priority indicators, i.e., e-journal services and library integration with other libraries institutions, while there are four supporting indicators, namely: ratio of books number comparing to the number of students, ratio of journals number comparing to the number of students, ratio of articles number comparing to the number of students, and ratio of business magazine number comparing with the number of students. The fourth variables is stakeholder with one priority indicator: external funding sources and one supporting indicators: funding obtained from donors over 10% of total revenue.

The last two variables in the resources capabilities perspective are technology and management practices. For technology variables there are three priority indicators, i.e., original software, number of laboratory to enhance student skills, and campus management information system, and four supporting indicators, namely: learning activities supported by updated technology tools, special budget allocation each year for upgrading technology, number of software can accommodate needs of learning process, and number of software that can accommodate the administrative processes needs.

Table II summarizes the number of variables, priority indicators, and supporting indicators for b-school performance standards.

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The management practice variable has five priority indicators, i.e., routine procedure for the evaluation of employee performance in a year, routine procedure for the evaluation of faculty performance in a year, changing the curriculum procedures based on the up to date environment, academic counseling procedures, and supervision for the final project supervisor evaluation procedures, and with eleven supporting indicators, namely: existence of staff awards procedure, existence of faculty awards procedure, existence of staff disciplinary procedures, existence of faculty disciplinary procedures, variety of data collection procedures in the administrative process, updating teaching materials procedures, clear content for all courses, preparing the new curriculum procedures, schedule of lectures determination (plotting) procedures, termination of the study (drop out) warning procedures, and procedure in imposing sanctions on violations of student behavior problems. The indicators in management practice variable is concerning about the routine procedure for the evaluation of employee or faculty performance in a year, the procedure should be done once or more per semester if one business and management school would like to be classified as "excellent."

According to findings above, resources capabilities perspective as an input in education systems is every items or activities that b-school should be provided for assuring processes will run well. B-school should concerns for providing better human resources (lecturers and staffs), students, technology, infrastructure and facilities (technology, library, etc.), so that the quality of output will be increase.

The second perspective is internal processes. Here for higher education, a process related to how institution could produce output (e.g., graduates) in better ways effectively and efficiently. Some things to note for this internal process perspective are teaching and learning with three priority indicators, i.e.: reputable

The first variable in the internal processes perspective is teaching and learning with three priority indicators, i.e.: reputable

The chart on the right shows the variables of internal processes perspectives.
This perspective consists of eight variables, namely: financial, temporary, income, career development, the development of graduates, stability of the individual, social, attitude, achievement, spirit, systems approach, i.e.,: input-process-output which implemented to promote the fullness of society lives. One thing to promote manners, intellectual, and skill of future leaders. These parts should not be separated, so that institution information and response time to any international institutional information.

The next two variables regarding partnership to industry and other universities. There are two priority indicators and for industrial partnership variable: number of cooperation and value contribution to total revenue; and two supporting indicators: number of agreement and number of cooperation in the form of in-house training programs with various companies in a year. While there are three priority indicators for institution partnership: number of academic agreement being made with international school within a year, lecturer exchange with other reputable overseas universities, and number of research collaboration with other school in a year, and three supporting indicators, namely: lecturer exchange with other reputable national school per year, number of agreement in average is made with national school in a year, and number of supervision to other school with lower grade accreditation.

The next variables regarding the student satisfaction and industrial acceptability. These two variables related to how the graduates being accepted by the users. Student satisfaction and loyalty variable has three priority indicators: number of student who moved to other school, student recommendation to other prospective students, the higher level of students satisfaction survey, and seven supporting indicators, namely: number of students complain to the academic administration, students satisfaction with the performance of lecturers, students satisfaction with the current facilities owned by institutions, students satisfaction with the management of the institution, number of complaints from students can be followed up with the principle of win-win solution, number of student who move to other department/study program, and number of students willingness to help in promoting the institution. For industrial acceptability, there are four priority indicators: employers satisfaction to the quality of graduates, period of time in which graduates get his/her first job, average number of graduates who work directly within 3 months, and average number of graduates who became entrepreneurs, and three supporting indicators, namely: employers satisfaction to the institution as a whole, number of graduates who became head of the company, and number of graduates who work within their field.

As a closing section, let me emphasize that education is a way to improve manners, intellectual, and skill of future leaders. These parts should not be separated, so that institution would promote the fullness of society lives. One thing to promote the success of education system is by using productive systems approach, i.e.; input-process-output which implemented consistently. This approach emphasizes educational institution that serves as a production center. If all the necessary inputs (such as lecturers, the availability of books, educational facilities and infrastructure, etc.) in the production activities are available
and all processes are run according to the guidelines, then the educational institution will produce the desired output.

5. CONCLUSION AND FURTHER RESEARCH RECOMMENDATIONS

The research found b-school performance standards could deliberate to manage its performance by considering 3 perspectives, 18 variables, 50 priority indicators, and 87 supporting indicators. Those standards can improve b-school competitiveness by learning process and guidance to direct entire lecturers and staffs in the same directions of improvement processes by concentrating the implementation efforts to current critical indicators in every b-school. As an additional, the resulting standards could be use as identifying diagnostic to establish b-school’s competitiveness by giving a full attention to entire perspectives, variables, and indicators; as well as a tool for determining the priority for improvement by considering the qualitative and quantitative indicators; as well as a tool for determining the priority for improvement by considering the qualitative and quantitative factors. The paper recommendations to future research on confirming and testing the standards to Asean’s b-school and also to adapt such standard for use in widen environments within different culture of each Asean countries by developing relevant performance perspectives and general variables.

References and Notes
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